

## Ver Capital Credit Fund

Ver Capital Credit Fund's (VCCF) objective is to maximize absolute return through capital growth and income. VCCF invests predominantly in non-financial high yield bonds issued by European companies and/or Euro denominated. Key drivers of VCCF return are: bottom-up issue selection, sector and geographical diversification and portfolio rotation with yield, duration and volatility targets. VCCF is structured as a sub-fund, UCITS IV Compliant, with daily NAV, of the Luxembourg Sicav Nextam Partners.

Available on [All Funds platforms](#) (both Institutional and Retail) and on Aviva and [Skandia Unit-linked platforms](#)

Inception date Dec. 20<sup>th</sup>, 2012

### Market

Global economic growth at 3.7% is at its highest level in a decade, with this trend expected to continue into 2018. During the month markets experienced some rates volatility triggered by a number of factors, including fears of BoJ anticipated tapering, the ECB minutes from the December meeting suggesting a change in ECB wording and positive US data which could trigger higher rates than expected. As a consequence sovereigns sold off and Euro was pushed to its highest level since late 2014 while corporates held their ground, with only small movements and closing the month broadly unchanged. In January meeting there was no change in the ECB's statement, with ECB seeing QE running until end of September or beyond if needed (until inflation path has sustainably adjusted) and seeing rates at present level well past the end of net purchases. Primary market started again, with new issues characterized by oversubscriptions as a consequence of the continuous search for yield. The forecast is for a continuation in 2018 of the imbalance from the demand side, supported by the fundamentals of the EU HY asset class that remain positive. The yield tightening experienced over the past few years is likely to decompress in the current environment, however the

ongoing search for yield is likely to keep spreads from rising significantly.

### Investment Tactics

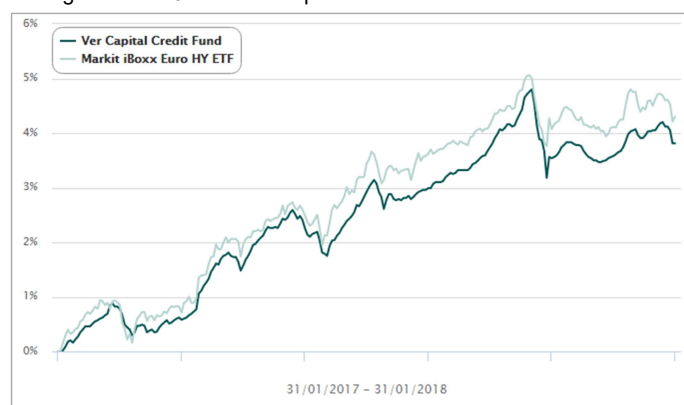
January was definitely a mixed month. The first three weeks of the month reported a positive performance with lower rated securities, longer maturities, and high-beta segments being the best performers. During the last week of January the opposite was true, with rates volatility imported from the US coupled with a rise in volatility in the equity market. € HY bonds ended the month in better shape if compared to IG, Sovereigns and Equity (with the latter being the worst performer), with the Fund reporting a slightly positive performance. The volatility seen on the market was driven by tactical and positioning factors rather than fundamentals, which could explain the higher resilience of credit if compared to other asset classes. We only made few adjustments to our portfolio as we believe it's well positioned with an adequate low duration. Few assets with low residual value have been sold in order to increase our cash position.

### NAV Performance

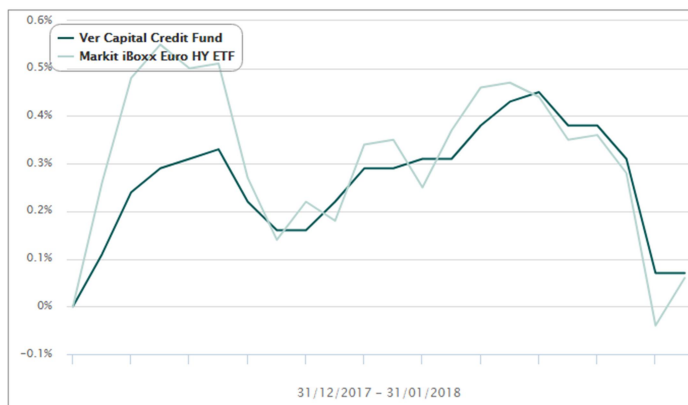
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 20 <sup>th</sup> , 2012)
0.16%	0.16%	3.39%	10.44%	23.32%

### Performance Comparison

The iShares Markit Iboxx ("iShares" Isin IE00B66F4759), an ETF tracking the Markit iBoxx Euro high yield Index, has been selected in order to compare VCCF's performance with the overall Euro high yield market. Comparing the dividend adjusted performance of the iShares and the VCCF, the latter experienced a 10 bp over-performance over the month and a 56bp under-performance over the last twelve months. The portfolio shows a low degree of risk both in terms of volatility and VaR, in fact, the latter, calculated over a one-month horizon and 99% confidence level, has been on average below 1.5% since inception.



**Performance:** VCCF Capital performance LTM, vs. iShares Markit iBoxx.



**Performance Comparison:** VCCF last month vs. iShares Markit iBoxx.

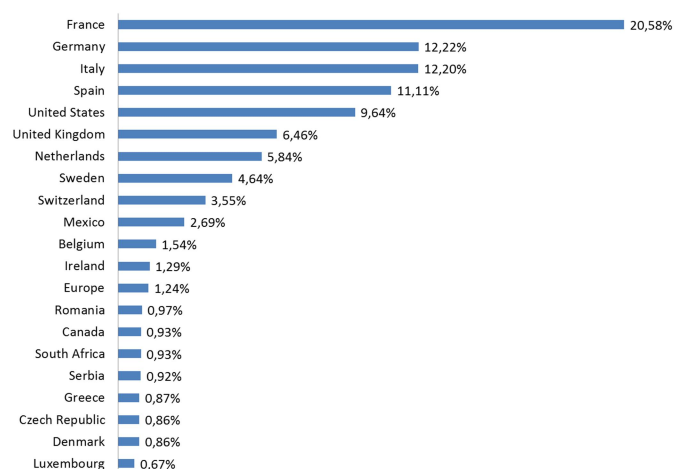
## Portfolio Performance

Geographical distribution	85,81% EU
Currency denomination	100% EUR
Average rating	B+
Average coupon	5,44%
Yield to worst	3,02%
Yield To Maturity	4,71%
Modified Duration	2,38
Number of sectors	40
Number of issuer	147
Number of issuances	162
Top 10 holdings	10,04%

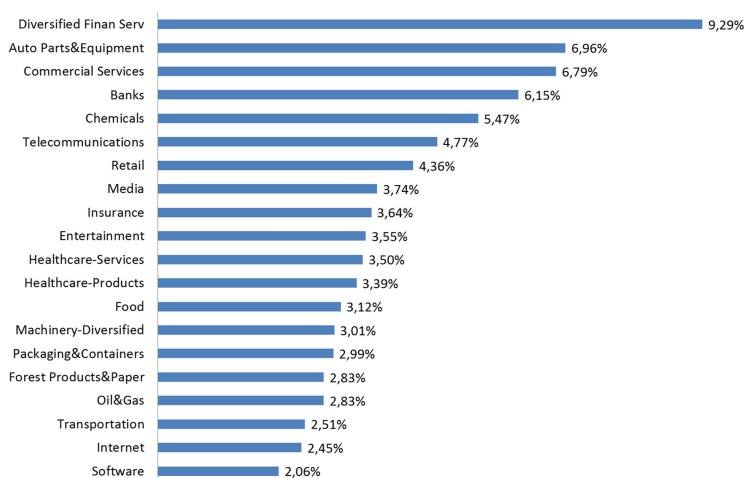
## Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
TELEFONICA EUROPE BV	TELEFO 5 ⅜ PERP	1,18%	1,18%
EVOCA SPA	NWGLOV 7 10/15/23	1,05%	2,23%
LOXAM SAS	LOXAM 6 04/15/25	0,99%	3,23%
NOMAD FOODS BONDCO PLC	IGBOND 3 ¼ 05/15/24	0,99%	4,22%
VOLKSWAGEN INTL FIN NV	VW 5 ⅜ PERP	0,99%	5,20%
THOMAS COOK GROUP PLC	TCGLN 6 ¾ 06/15/22	0,98%	6,18%
DIGI COMMUNICATIONS NV	CBLCY 5 10/15/23	0,97%	7,16%
ENCE ENERGIA Y CELULOSA	ENCSM 5 ⅜ 11/01/22	0,97%	8,13%
LINCOLN FINANCE LTD	LINCFI 6 ⅜ 04/15/21	0,96%	9,09%
SASU NEWCO SAB 20 SAS	LOUBID 4 ¼ 09/30/24	0,95%	10,04%

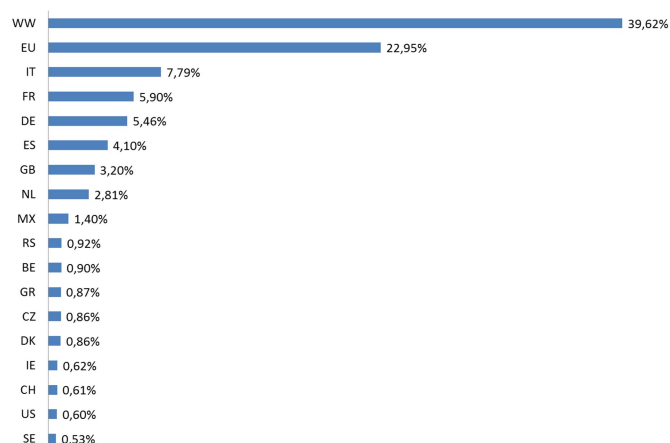
## Geographical allocation (Company headquarter)



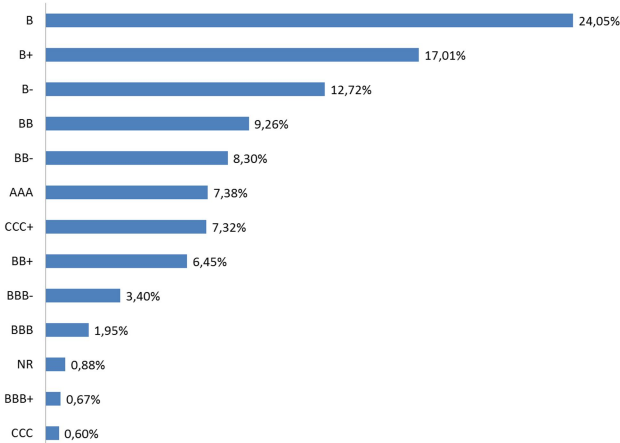
## Top 20 sector allocation



## Geographical allocation (Country of risk)



## Allocation by rating



## Info

Country  
 Depositary Bank  
 SICAV  
 NAV  
 Investment Manager

Luxembourg  
 State Street Bank Luxembourg SA  
 Nextam Partners SICAV  
 Daily  
 Ver Capital SGRpA

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