

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 Eurovita Unit-linked platforms

Inception date Dec. 20th, 2012

Market

On 14th June, the ECB confirmed the end of Quantitative Easing. More specifically, monthly purchases will decrease from € 30 billion to € 15 billion from October 2018, to end entirely in December 2018. Draghi also confirmed that the ECB will reinvest the proceeds of the repaid bonds even after the end of the QE, keeping the stock stable, and that rates will remain at current levels at least until the summer of 2019. Subsequently Draghi has reassured on the exit from QE, specifying that the ECB will accompany the recovery of inflation with patience, remaining ready to resume purchases if needed. However, a number of elements boosted global market sensitiveness and volatility during the last months, such as trade war and political tensions to name a few. Because of the strong correlation with the equity market, the Euro HY performed negatively in the first half of 2018. By the end of the month, the HY European primary market added €1.9B of bond supply (€ 42 bn since the beginning of the year), with newly issued B and BB rated bonds yield averaging respectively 6.24% and 3.8% on a rolling three-month basis. We think that Euro HY has now a better relative value versus other

global credit products and is better suited to an environment of rising systemic risk due to its superior yield and shorter duration. Moreover, some analysts believe that the volatility expected in the second half of the year has been anticipated. Therefore, albeit some further volatility is still possible in the third quarter of 2018, we could expect in the Euro HY market more stable spreads and positive return from now until the end of the year.

Investment Tactics

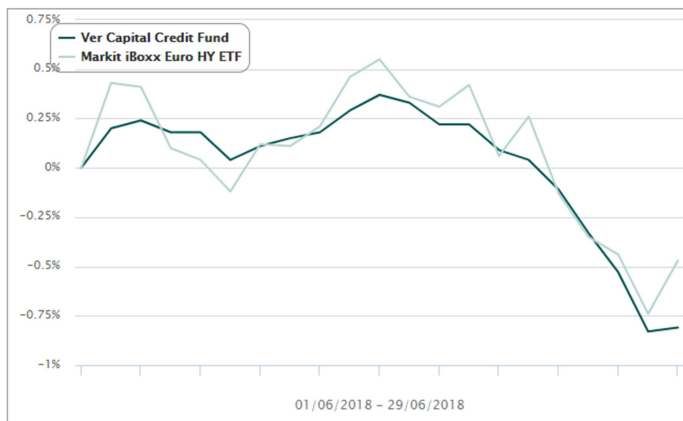
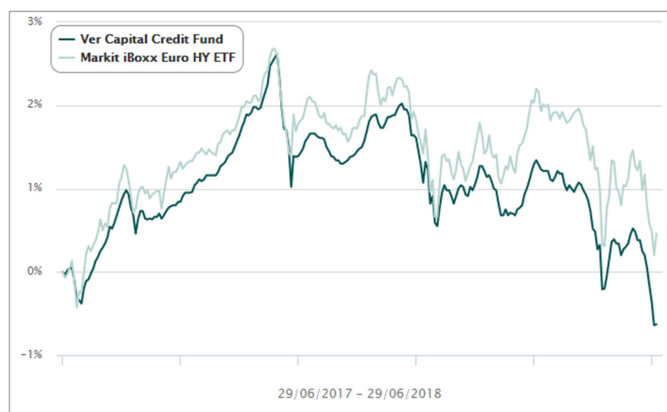
The Fund experienced a negative performance at the end of June in line with broader credit markets. During the month we further reduced the number of issuances in our portfolio to 126 issues from 117 issuers, streamlining the portfolio in order to reap the benefits of a more careful selection. We also reduced the exposure to some sectors like diversified financial services and chemicals, while we keep a more positive view on automotive and media. For the next month we will continue to focus on sector allocation and single name selection in order to generate alpha. On a positive note, the performance during the first ten days of July was equal to 67 bps.

NAV Performance

1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 20 th , 2012)
-0.60%	-2.14%	-0.85%	7.79%	20.5%

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 28 bp under-performance over the month and a 135 bp 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.

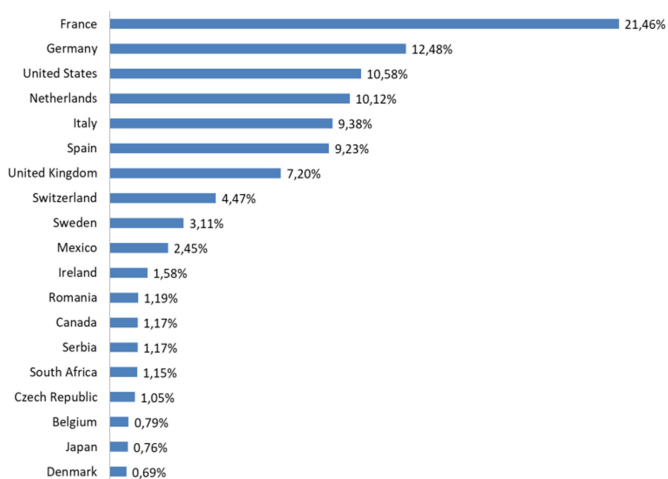
Portfolio Performance

Geographical distribution	83.9% EU
Currency denomination	100% EUR
Average rating	B+
Average coupon (not including cash)	5,26%
Yield to worst (not including cash)	4,43%
Yield To Maturity (not including cash)	4,97%
Modified Duration	2,58
Number of sectors	39
Number of issuer	117
Number of issuances	126
Top 10 holdings	12,32%

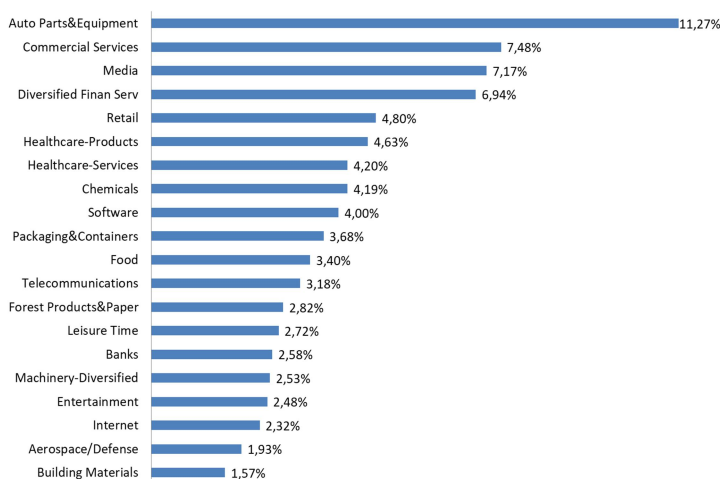
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
MARCOLIN SPA	MCLIM Float 02/15/23	1,49%	1,49%
EVOCA SPA	NWGLOV 7 10/15/23	1,28%	2,77%
AURIS LUXEMBOURG II	AUDIOL 8 01/15/23	1,21%	3,98%
LOXAM SAS	LOXAM 6 04/15/25	1,20%	5,18%
INEOS GROUP HOLDINGS SA	INEGRP 5 ¾ 08/01/24	1,20%	6,38%
NOMAD FOODS BONDCO PLC	IGBOND 3 ¼ 05/15/24	1,20%	7,58%
THOMAS COOK GROUP PLC	TCGLN 6 ¼ 06/15/22	1,19%	8,77%
DIGI COMMUNICATIONS NV	CBLCYS 5 10/15/23	1,19%	9,96%
VOLKSWAGEN INTL FIN NV	VW 5 ½ PERP	1,18%	11,14%
VERALLIA PACKAGING SASU	VERALL 5 ½ 08/01/22	1,18%	12,32%

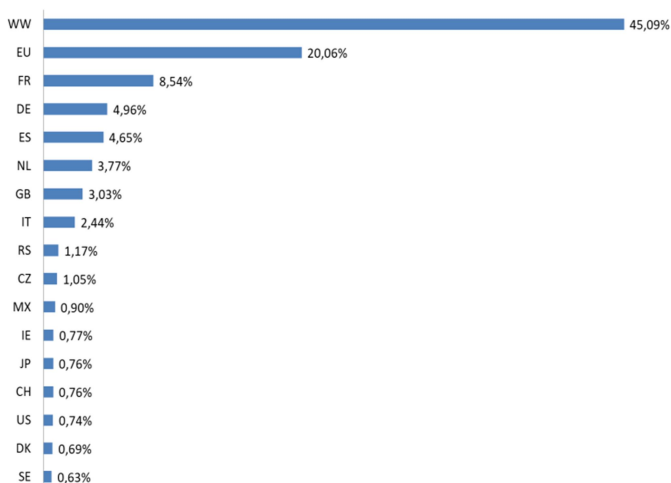
Geographical allocation (Company headquarter)



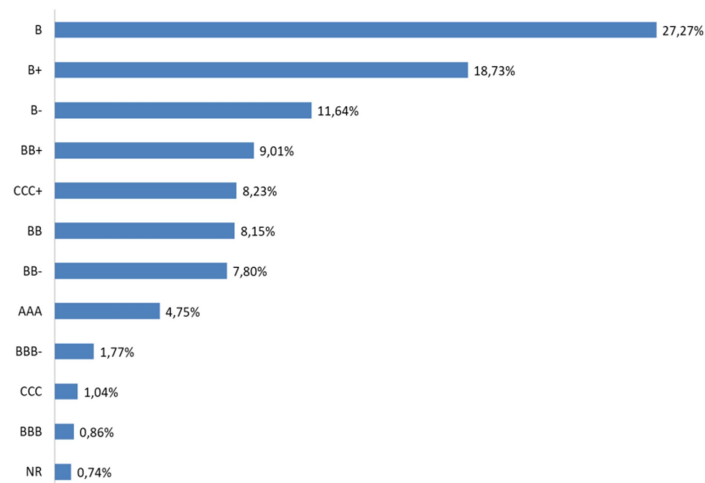
Top 20 sector allocation



Geographical allocation (Country of risk)



Allocation by rating



Info

Country
 Depository Bank
 SICAV
 NAV
 Investment Manager

Luxembourg
 State Street Bank Luxembourg SA
 Nextam Partners SICAV
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