

## 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. 16<sup>th</sup>, 2011

### Market

August is traditionally a holiday-impacted period in Europe. In fact, there was just € just €1.14 billion of supply in the high-yield bond space (down from €5.31 billion in the previous month). During the first week of August the Bank of England raised interest rates to the highest since 2009, even as Governor Mark Carney spoke about the chance of a hard Brexit as "uncomfortably high". August has been characterized by the "Lira crisis" where the Turkish currency surpassed the Argentine Peso as the worst performing currency this year. Sentiment has turned particularly sour after: geopolitical internal tensions, the central bank confounded expectations by not raising interest rates on July 24 and the subsequent U.S. sanctions. Turkish events along with the trade war mainly explains the negative performance of the major European indexes as EuroStoxx50, FTSE MIB and DAX. It has to be said that Volatility peaks remain possible

in the third quarter, however the most likely scenario appears to be a relatively contained volatility of the asset class. 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.

### Investment Tactics

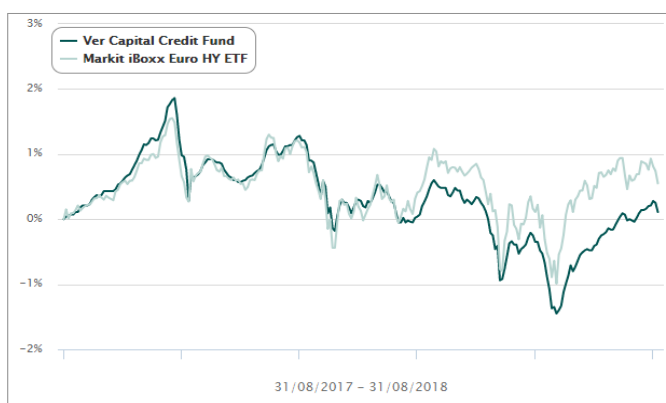
The fund recorded positive returns in August. After having reduced furtherly the number of issuer in our portfolio, we slightly increased our position on some high conviction names and we believe that we are now well positioned in order to reap the benefits of a more careful selection. We will continue to choose high conviction names and keep duration low for the next month in order to better handle volatility spikes arising from unpredictable events.

### NAV Performance

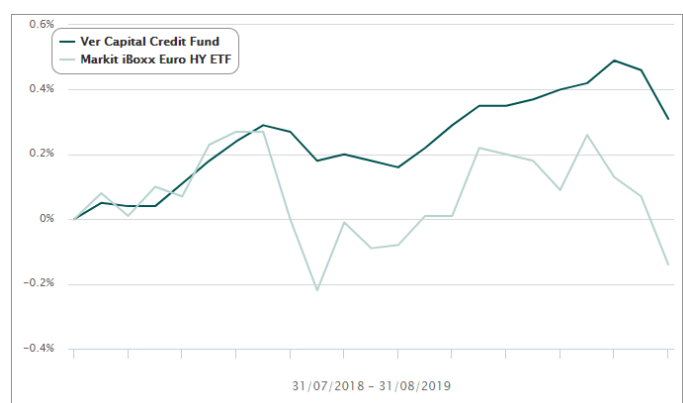
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 16 <sup>th</sup> , 2011)
0.31%	-0.67%	+0.09%	10.49%	35.86%

### 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 45 bp over-performance over the month and a 58 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.

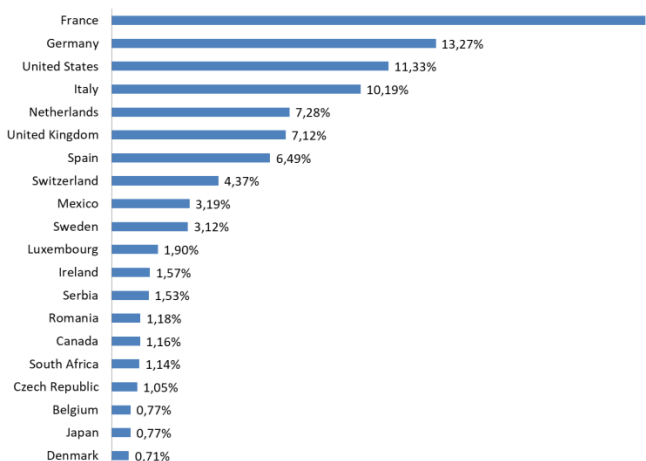
### Portfolio Performance

Geographical distribution	78,98% EU
Currency denomination	100% EUR
Average rating	B+
Average coupon (not including cash)	5,09%
Yield to worst (not including cash)	3,52%
Yield To Maturity (not including cash)	4,88%
Modified Duration	2,48
Number of sectors	37
Number of issuer	114
Number of issuances	122
Top 10 holdings	14,47%

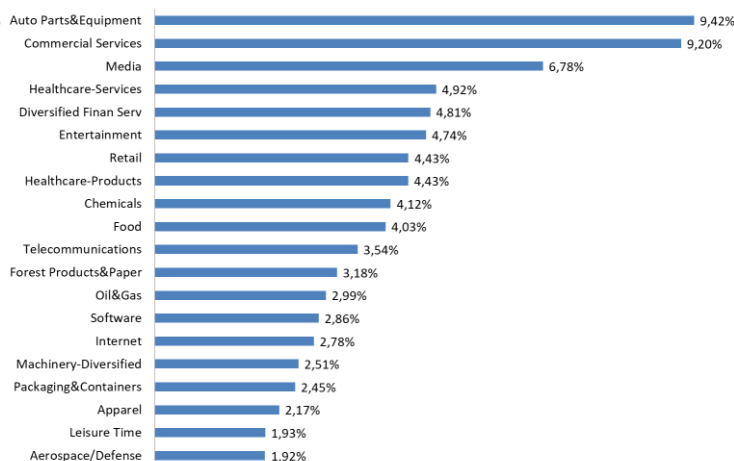
### Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
SCHMOLZ+BICKEN LX FIN SA	STLNSW 5 5/8 07/15/22	1,54%	1,54%
LHMC FINCO SARL	LHMCFI 6 1/4 12/20/23	1,53%	3,07%
UNITED GROUP BV	ADRBID 4 3/8 07/01/22	1,53%	4,60%
LA FINAC ATALIAN SA	ATALIA 5 1/8 05/15/25	1,48%	6,07%
MARCOLIN SPA	MCLIM Float 02/15/23	1,47%	7,54%
SAMSONITE FINCO SARL	SAMISA 3 1/2 05/15/26	1,47%	9,01%
WEPA HYGIENEPDUKTE GMB	WEPAHY 3 3/4 05/15/24	1,47%	10,48%
PICARD GROUPE SAS	PICSUR Float 11/30/23	1,46%	11,93%
EVOCA SPA	NWGLOV 7 10/15/23	1,28%	13,22%
EDREAMS ODIGEO SA	EDRSM 8 1/2 08/01/21	1,25%	14,47%

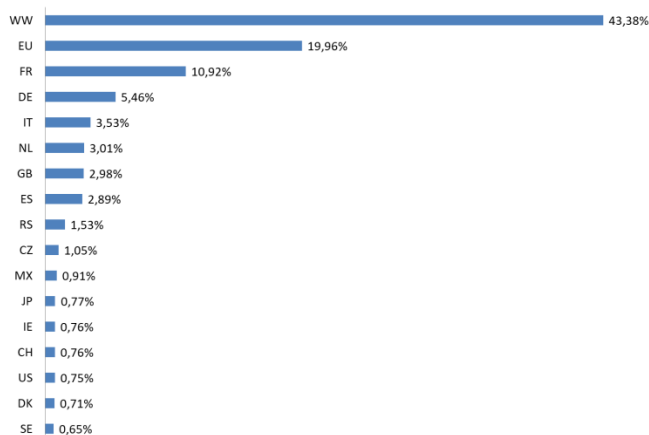
### Geographical allocation (Company headquarter)



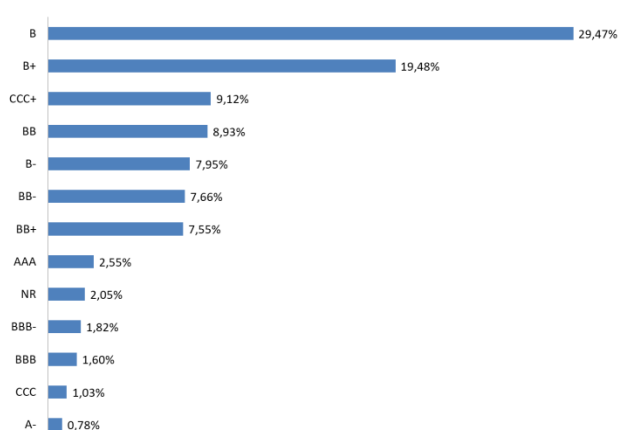
### Top 20 sector allocation



### 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  
 Daily  
 Ver Capital SGRpA

### Contacts

Ver Capital SGRpA  
 Mail  
 Phone Number  
 Web site

[info@vercapitalsgr.it](mailto:info@vercapitalsgr.it)  
 +39 02 62723811  
[www.vercapital.com](http://www.vercapital.com)