

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. 16th, 2011

Market

During the meeting of 25th of October, ECB president Mario Draghi highlighted the EU economic growth and appointed the "weaker momentum" of the Eurozone to the threats of a global trade war, troubles in the EM and uncertainties in the Italian political scenario. Hence, QE ends at the end of 2018 and rates remain at present levels until after next summer. Having said that, October was a risk-off month, in fact the European HY index performed negatively. October issuance was not strong as the one recorded in the previous month, in fact spreads experienced a further widening since the beginning of 2018. Yields for B and BB rated bonds average are 6.43% and 3.76%, slightly above the ones recorded at the end of September respectively 6.34% and 3.56%. The persistent low yield environment created an environment in which changes of the credit outlook generate big fall prices. However, Euro HY has historically showed contained volatility and duration relatively to other asset

classes, in particular, during periods of rising interest rates and similar to the current one described by the Banque the France governor as "Exiting unconventional monetary policies in an uncertain world".

Investment Tactics

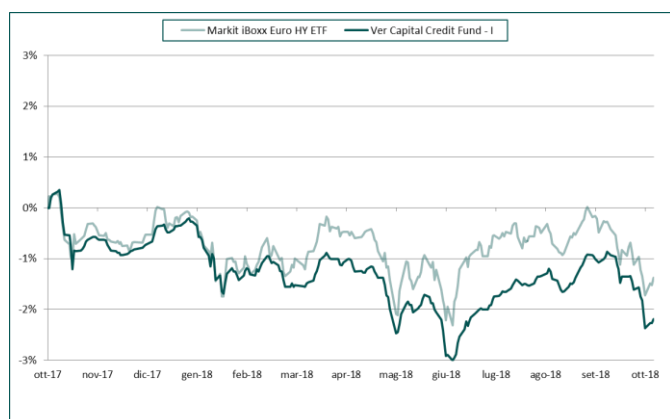
After having furtherly reduced the number of issuer in our portfolio to 105 from 112 of the previous month, we slightly increased our position on some high conviction names and we believe that we are well positioned in order to reap the benefits of a more careful selection. We foresee for the last quarter, more idiosyncratic than systemic risks related to the Euro HY asset class. Therefore 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. On the bright side during the first days of November the fund is performing positively recording a +0.35%.

NAV Performance

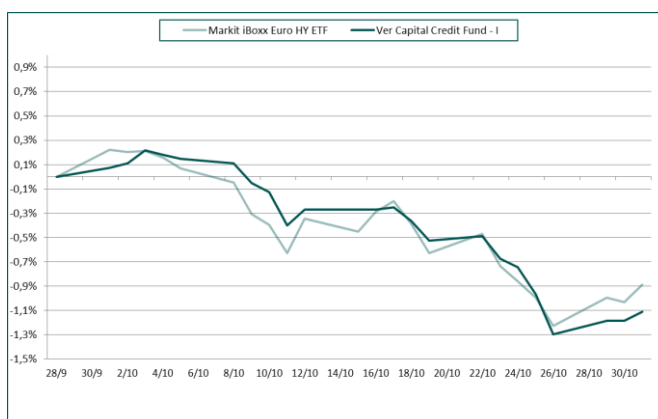
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 16 th , 2011)
-1.11%	-1.47%	-2.18%	9.15%	34.78%

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 22 bp under-performance over the month and a 82 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.

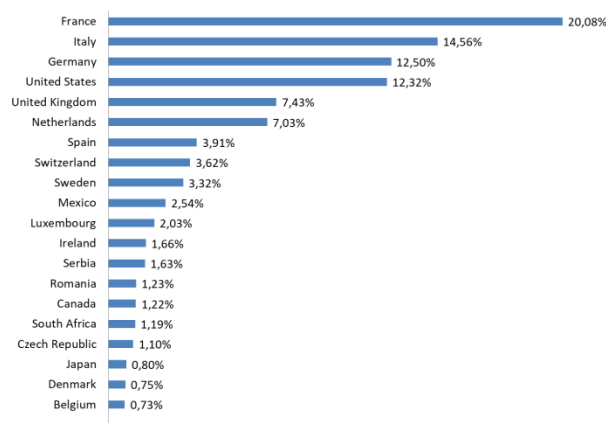
Portfolio Performance

Geographical distribution	79,93% EU
Currency denomination	100% EUR
Average rating	B+
Average coupon (not including cash)	5,02%
Yield to worst (not including cash)	3,49%
Yield To Maturity (not including cash)	4,87%
Modified Duration	2,53
Number of sectors	36
Number of issuer	105
Number of issuances	115
Top 10 holdings	15,72%

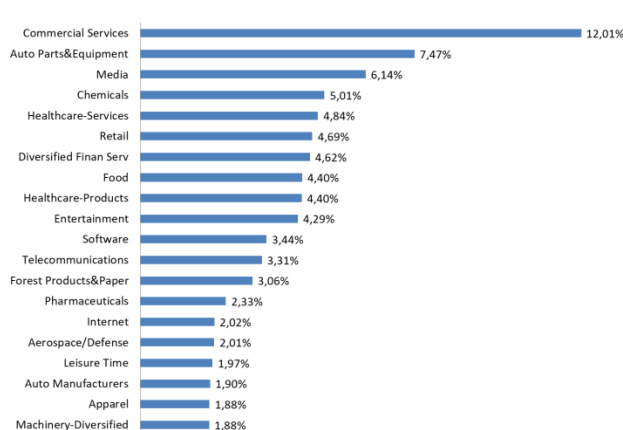
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
LHMC FINCO SARL	LHMCFI 6 ¼ 12/20/23	1,64%	1,64%
UNITED GROUP BV	ADRBID 4 ¾ 07/01/22	1,63%	3,27%
SCHMOLZ+BICKEN LX STLNSW	5 ½ 07/15/22	1,59%	4,86%
MARCOLIN SPA	MCLIM Float 02/15/23	1,58%	6,44%
REFINITIV US HOLDINC FINRSK	4 ½ 05/15/26	1,56%	8,00%
L'ISOLANTE K-FLEX SF KFLXIM	4 ¼ 10/07/23	1,56%	9,56%
WEPA HYGIENEPD WEPAHY	3 ¾ 05/15/24	1,55%	11,12%
PICARD GROUPE SAS PICSUR	Float 11/30/23	1,54%	12,66%
NIDDA HEALTHCARE FSTADAH	3 ½ 09/30/24	1,54%	14,20%
COTY INC	COTY 4 04/15/23	1,52%	15,72%

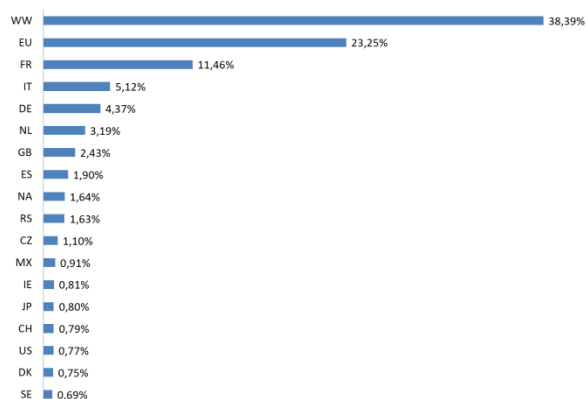
Geographical allocation (Company headquarter)



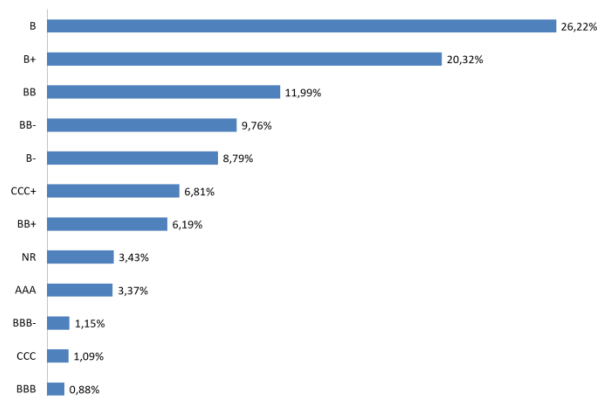
Top 20 sector allocation



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@vercapitalsgroup.it
+39 02 62723811
www.vercapital.com