

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

The month of December extended the trend seen in October and November. Political and geopolitical risks continued to be critical on global credit markets. Concerns surrounding the global economic outlook, trade wars, weaker oil prices, Brexit and the Italian budget combined to create a more risk-off environment for all risk assets. Euro area has slowed from about 3% at the start of the year to just below 2% at the end of the 1 year. However, even if the European economy faces a range of risks in 2019, there are still some significant positives in Europe. Household incomes are growing strongly, given solid employment gains and a notable acceleration in wage growth plus the sharp fall in the oil price is positive for company margins which should benefit from the downturn from Q1. Hence the European economic slowdown is less worrisome than it

appears: the decline has been driven by export shocks and other one-off events that are less likely to be repeated in the current year. Furthermore, even if the European high yield market experienced a credit spreads widening to over 500 bps, low corporate default rates and strong credit fundamentals along with a low interest context represent a good entry point in the HY asset calls for 2019.

Investment Tactics

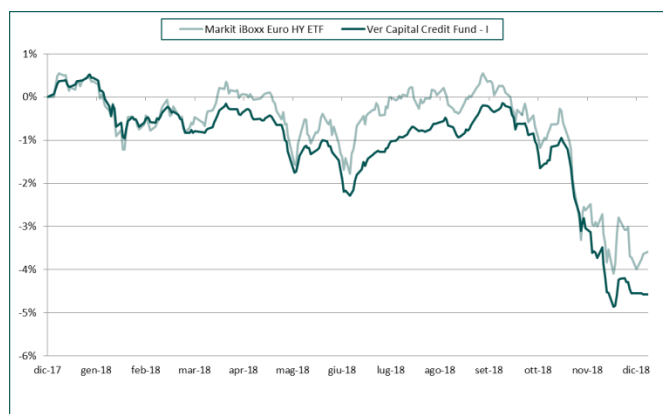
In December the European HY index recorded -0.38%. As a result, the increased volatility has caused price dispersion in the HY space as well as opportunities that can be caught with a high conviction and selective approach in the current month. Moreover, we now pay a renovated attention to the primary market: in fact, the new issuances in addition to the a significant yield pick-up, provide us with an interesting signal for our secondary trading strategy.

NAV Performance

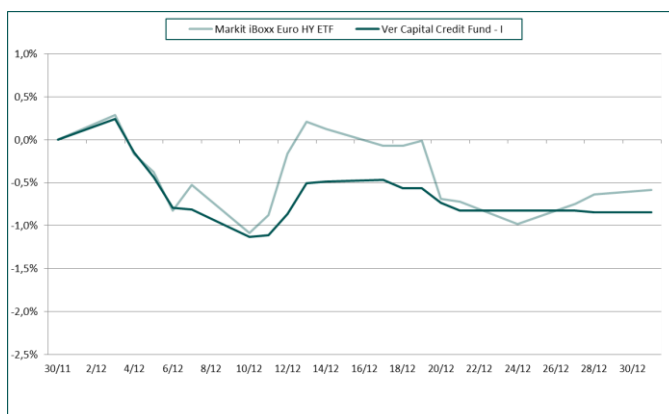
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 16 th , 2011)
-0.85%	-4.49%	-4.49%	5.60%	30.64%

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 26 bps under-performance over the month and a 99 bps 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.

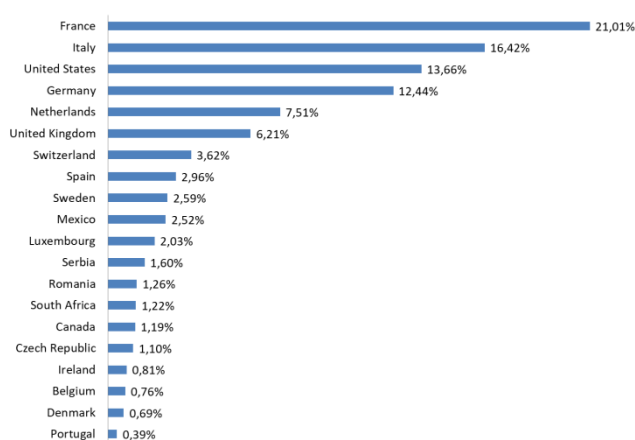
Portfolio Performance

Geographical distribution	79% EU
Currency denomination	100% EUR
Average rating	B+
Average coupon (not including cash)	4,93%
Yield to worst (not including cash)	5,32%
Yield To Maturity (not including cash)	5,58%
Modified Duration	3,00
Number of sectors	36
Number of issuer	103
Number of issuances	113
Top 10 holdings	15,94%

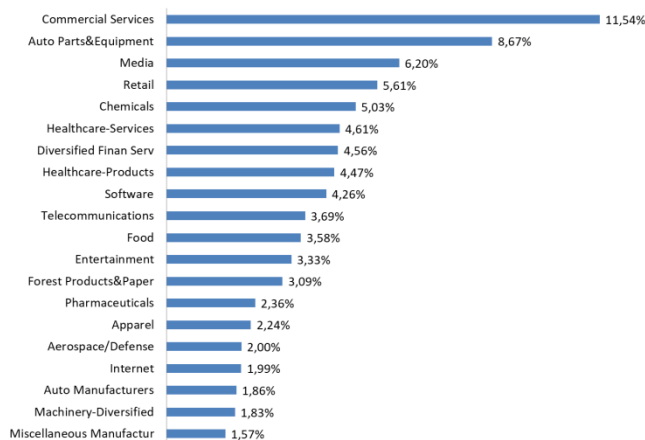
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
FNAC DARTY SA	FNACFP 3 ¼ 09/30/23	1,66%	1,66%
CIRSA FINANCE INTERLHMCFI 6 ¼ 12/20/23		1,65%	3,31%
INTERXION HOLDING NINXN 4 ¾ 06/15/25		1,64%	4,95%
UNITED GROUP BV	ADRBID 4 ¾ 07/01/22	1,60%	6,55%
MARCOLIN SPA	MCLIM Float 02/15/23	1,59%	8,15%
REFINITIV US HOLDING FINRSK 4 ½ 05/15/26		1,59%	9,74%
L'ISOLANTE K-FLEX SF KFLXIM 4 ¼ 10/07/23		1,57%	11,31%
WEPA HYGIENEPDWEPAHY 3 ¾ 05/15/24		1,56%	12,87%
NIDDA HEALTHCARE I SAZGR 3 ½ 09/30/24		1,55%	14,42%
SCHMOLZ+BICKEN LX STLNSW 5 ¾ 07/15/22		1,52%	15,94%

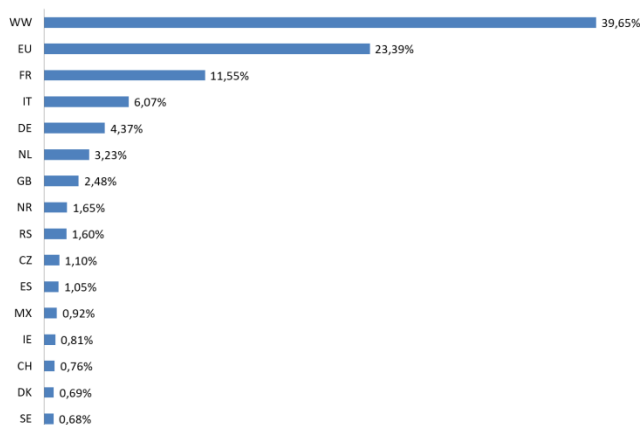
Geographical allocation (Company headquarter)



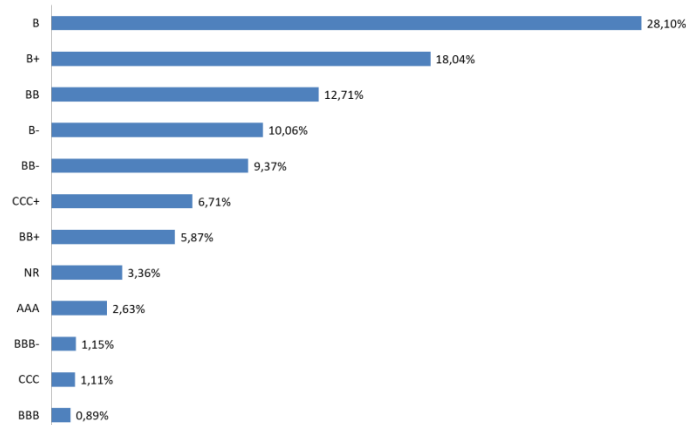
Top 20 sector allocation



Geographical allocation (Country of risk)



Allocation by rating



Info

Country
Depository Bank
SICAV
NAV
Investment Manager

Luxembourg
State Street Bank Luxembourg SA
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