

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 a UCITS IV Compliant with daily NAV.

Available on [All Funds platforms](#) (for Institutional investors)

Inception date Dec. 16th, 2011

Market

Markets started the new year with the same positive sentiment that characterized the last quarter of 2020. In January, as expected, both the FED and ECB announced that they will maintain their dovish monetary policies by using its full range of tools to support the economy. The deterioration of the fundamental outlook, given the new restrictions, is, again, raising concerns around BBB downgrade. One of the main arguments during 2020 was the huge wave of falling angles in the HY unbalancing the *technicals*. However, there were only €47bn of fallen angels in 2020 which represents 2.1% of euro investment grade notional. We expect some downgrade especially now that BBB rated bonds comprise a record 51% of investment grade market value. However, we are in an environment where fiscal and monetary support will soften downgrades and where primary deals are

well oversubscribed. However, in the last weeks, market sentiment easily oscillates between optimism on vaccines roll-out and fears of further restrictions and stretched valuations. This explains in part the discrepancy between cash and synthetic indexes. In fact, the cash index finished the month in positive territory, meanwhile the Xover widened more than 20 bps from 245 to 267 bps.

Investment Tactics

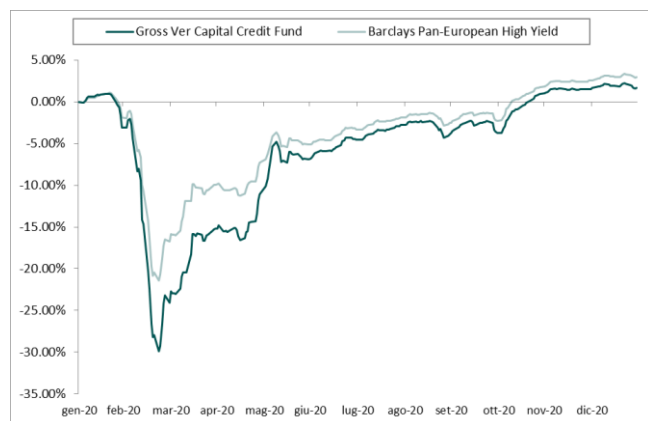
In January the fund returned -0.04%. During the first month we underweighted the defensive allocation increasing our exposure on some high conviction cyclical names in the construction and automotive segment. It is worth notice that we saw the gap with the Index closing down in first weeks of February.

NAV Performance

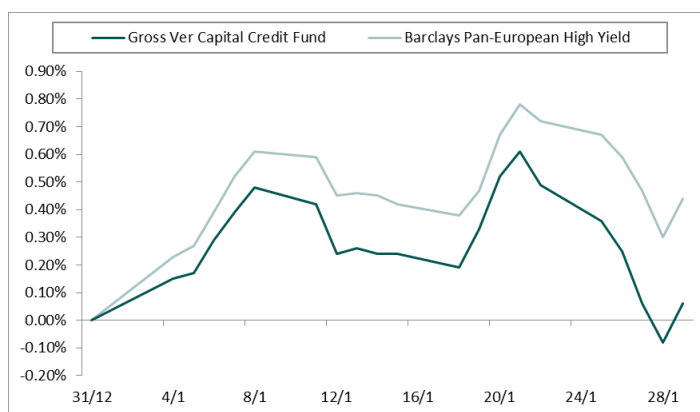
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 16 th , 2011)
-0.04%	-0.04%	-0.45%	+4.19%	+42.72%

Performance Comparison

Comparing to the Barclays Pan-European High Yield Index, the dividend adjusted VCCF performance (gross fees) experienced a -38 bps under-performance over the month and a -129 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. Barclays Pan-European HY Index.



Performance Comparison: VCCF last month vs. Barclays Pan-European HY Index

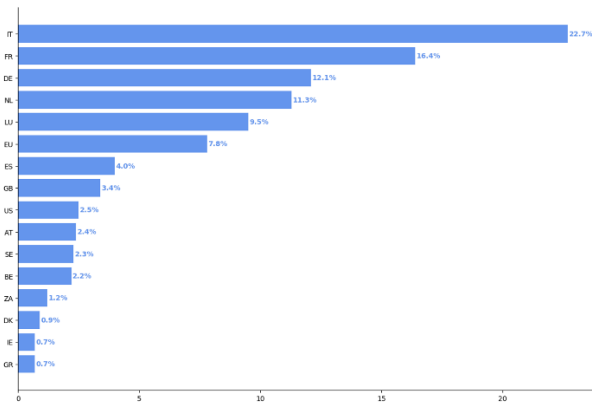
Portfolio Performance

Geographical distribution (EU)	93.93%
Currency denomination (EUR)	100.00%
Average rating	B+/B
Average coupon (not including cash)	4.4%
Yield to worst (not including cash)	4.1%
Yield To Maturity (not including cash)	4.5%
Modified Duration	3.04
Number of sectors	31
Number of issuers	72
Number of issuances	78
Top 10 holdings	23%

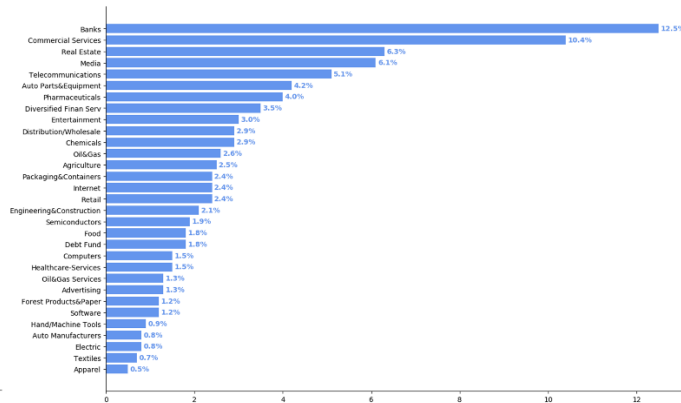
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
ENIIM 3 ¾ PERP	XS2242931603	2.55%	2.55%
AUTODI 6 ½ 07/16/25	XS2205088896	2.48%	5.04%
ZIGGO 3 ¾ 02/28/30	XS2116386132	2.38%	7.42%
ADRBID 3 ¾ 02/15/28	XS2111947748	2.36%	9.77%
BAMIIM 6 ½ PERP	XS2089968270	2.34%	12.11%
ESSGR 3 ¾ 02/13/23	DE000A254YS5	2.28%	14.39%
ATALIA 5 ½ 05/15/25	XS1820759147	2.27%	16.66%
VIVION 3 08/08/24	XS2031925840	2.24%	18.90%
IPGIM 3 ¾ 01/28/27	XS2102392276	2.15%	21.05%
UCGIM 3 ¾ PERP	XS2121441856	2.13%	23.18%

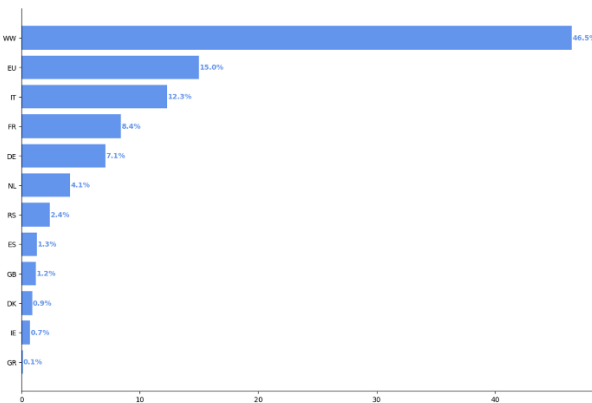
Geographical allocation (Company headquarter)



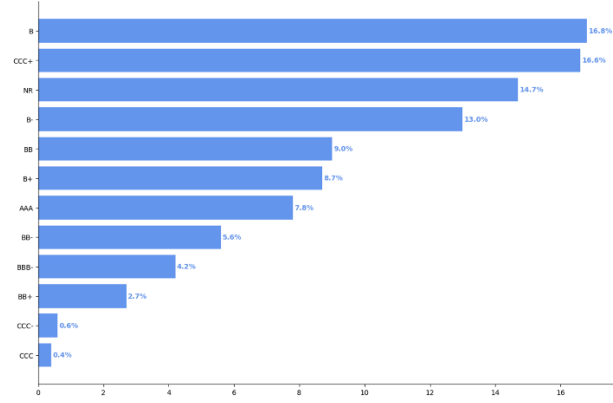
Sector allocation



Geographical allocation (Country of risk)



Allocation by rating



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