| | |
|---|---|
| **Name of the fund and sub-fund** | Ver Capital Credit Value – VER CAPITAL HIGH YIELD ITALIAN SELECTION |
| **Management company** | Edmond de Rothschild Asset Management (Luxembourg) |
| **Investment Manager** | SIENNA INVESTMENT MANAGERS ITALIA SGRpA |
| **Launch Date of the Sub-fund** | 18th December 2017 |

# Ver Capital High Yield Italian Selection

The aim of the sub-fund is to increase the value of the invested capital, through a diversified portfolio mainly invested in high yield bonds issued by companies with a permanent establishment in Italy. The sub-fund can be considered as a qualified investment for the establishment of a "Piano individuale di Risparmio a lungo termine" (PIR) under the Law 232/2016. VCCF is structured as a UCITS IV Compliant with daily NAV.

## Market

July sustained the risk-on momentum in global credit and equities, aided by easing trade tensions, supportive macro data, and resilient corporate fundamentals. In Europe, the High Yield market (BB–B) returned +1.15%, driven almost entirely by credit spread compression (–39 bps to 220 bps), which more than offset the modest drag from higher core rates. Performance was balanced across ratings, with BBs gaining 1.20% and single Bs up 1.0%. Positive flows exceeding €2 billion absorbed both a still-elevated €13 billion in new issuance and secondary market supply, further tightening spreads. Sector leadership came from retail (+2.3%) and energy (+1.9%), the latter benefiting from the rebound in oil prices, while basic industry and media lagged slightly.

Macro and policy developments added to the supportive backdrop. The US–EU trade agreement reduced commercial friction, while European macro data confirmed modest growth with inflation under control. Fiscal expansion plans, particularly Germany's 2026 infrastructure and defence initiatives, remain in the pipeline. The ECB kept rates unchanged, with markets pricing a final 25 bps cut later this year to 1.75% on deposits. In the US, the Fed stayed on hold, with futures implying cuts in September–October, pending the economic impact of the fiscal package and new tariff regime.

Globally, credit spreads in both USD and EUR IG/HY markets tightened further in July, with US HY and IG nearing historic tights. The yield curves in the US, Eurozone, UK, and Switzerland remained normalized, though the US 2s10s flattened after mid-month. Elevated all-in yields, combined with reduced summer issuance, kept market technicals firmly supportive.

Equities extended their rally. The S&P 500 rose another 2.6% in July, bringing gains since April's low to nearly 30%, led by large-cap tech. Valuations, however, are now stretched, with the Magnificent 7 trading at forward P/Es near 35 and speculative activity re-emerging in unprofitable tech. Emerging markets outperformed once again, led by China, while Europe lagged, reflecting a weaker earnings season and elevated valuations.

In FX, the USD rebounded sharply (+3% trade-weighted) on improved policy clarity and hawkish Fed rhetoric, though medium-term depreciation risks persist. EUR/USD fell 2.9%, while USD/JPY surged 4%.

In summary, July extended the positive momentum seen in Q2: spreads tightened, equities advanced, and risk appetite remained robust. Yet, stretched valuations, tight credit risk premia, and late-cycle signals suggest an asymmetric risk profile. With the tariff truce partially resolved but growth headwinds looming in H2, the balance between playing momentum and guarding against shocks remains critical for the months ahead.

## Investment Tactics

In the next month we will perform our monitoring activities and we do not expect to rotate portfolio composition.

# Ver Capital Credit Value - VER CAPITAL HIGH YIELD ITALIAN SELECTION, July 2025

## NAV Performance

### Cumulative Performance

| Share Class | ISIN | Mgmt. Fee | YTD | 1 month | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---|---|---|---|---|---|---|---|
| BX | LU2344422014 | 0,45% | 2.89% | 0.60% | 4.75% | 24.72% | 32.41% | 33.68% |
| DXL | LU2344420745 | 1,55% | 2.30% | 0.52% | 3.79% | 20.83% | 25.64% | 23.86% |

### Yearly Performance

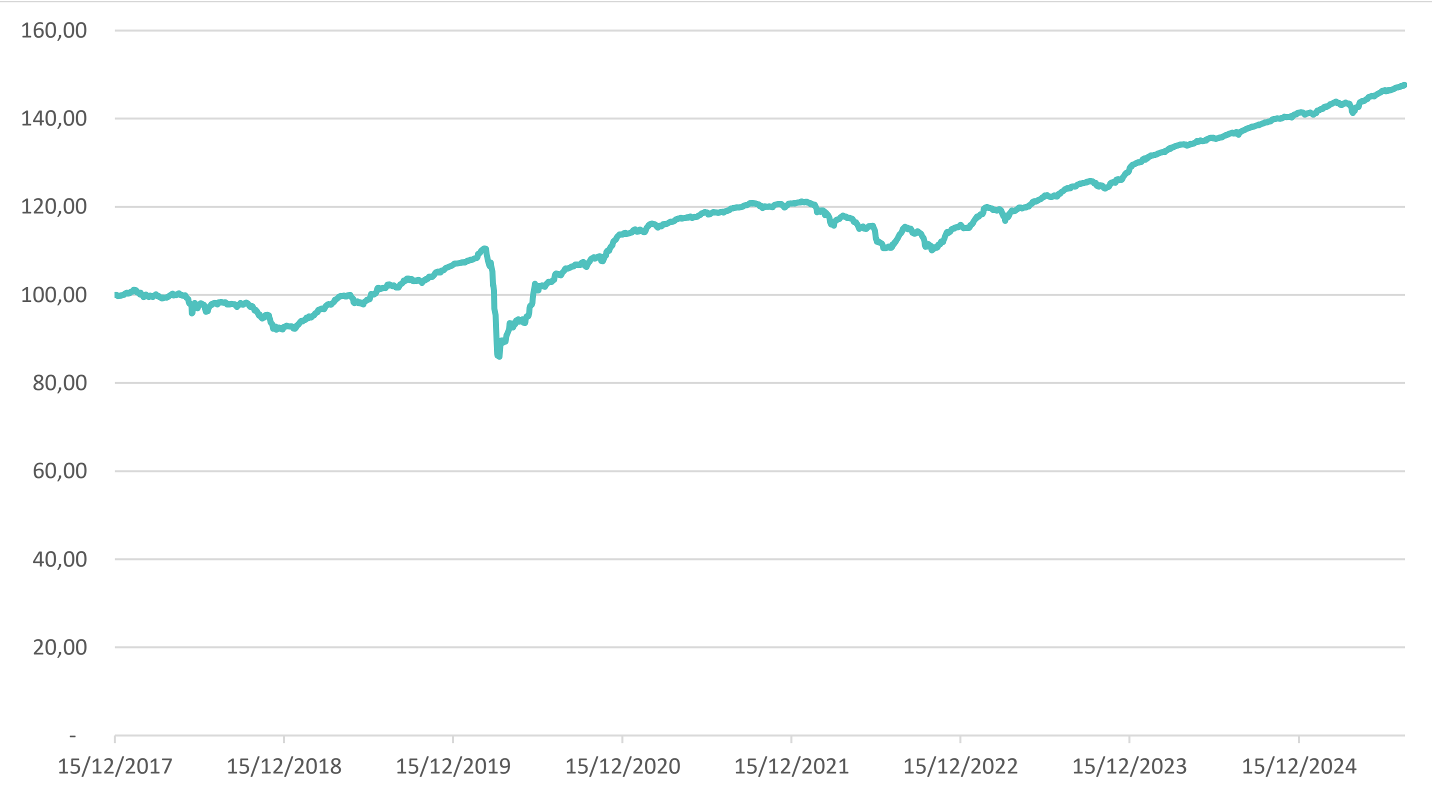
| Share Class | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| BX | 6.37% | 11.97% | -5.62% | 5.15% | 5.47% | 13.83% | -8.37% | |
| DXL | 5.30% | 10.73% | -6.65% | 4.08% | 4.41% | 12.73% | -9.27% | |

*The performance data include fees and expenses borne by the fund, but do not include any costs incurred at the time of subscriptions and redemptions of units or shares.*

| FUND DESCRIPTION | TICKER | Ref. Date | Volatility | Sharpe Ratio | Sortino Ratio |
|---|---|---|---|---|---|
| VER Capital **High Yield Italian Selection** classe BX | LUYISBE LX Equity | 31-Jul-25 | **1.71%** | **0.80** | **0.67** |
| VER Capital High Yield Italian Selection classe DXL | LUYISDX LX Equity | 31-Jul-25 | **1.72%** | **0.23** | **0.20** |

The Volatility is calculated over a 1-year time period according to the frequency of the official NAV calculation.
The Sharpe Ratio is calculated as the ratio between the fund annual excess return over the riskfree rate (Euribor 12M, if positive) and the corresponding volatility.
The Sortino Ratio is calculated as the ratio between the fund annual excess return over the riskfree rate (Euribor 12M, if positive) and the corresponding downside deviation.

## Gross Fund Share evolution in reference currency (base 100)




*Past performance is not indicative of future results.*

## Info

Investment Manager — Sienna IM Italia

## Sales Contacts

Sergio Trezzi — Sergio.trezzi@sienna-im.com;

## Portfolio Managers

Alberto Gesualdi — Alberto.gesualdi@sienna-im.com;
Giacomo Bergamo — Giacomo.bergamo@sienna-im.com;

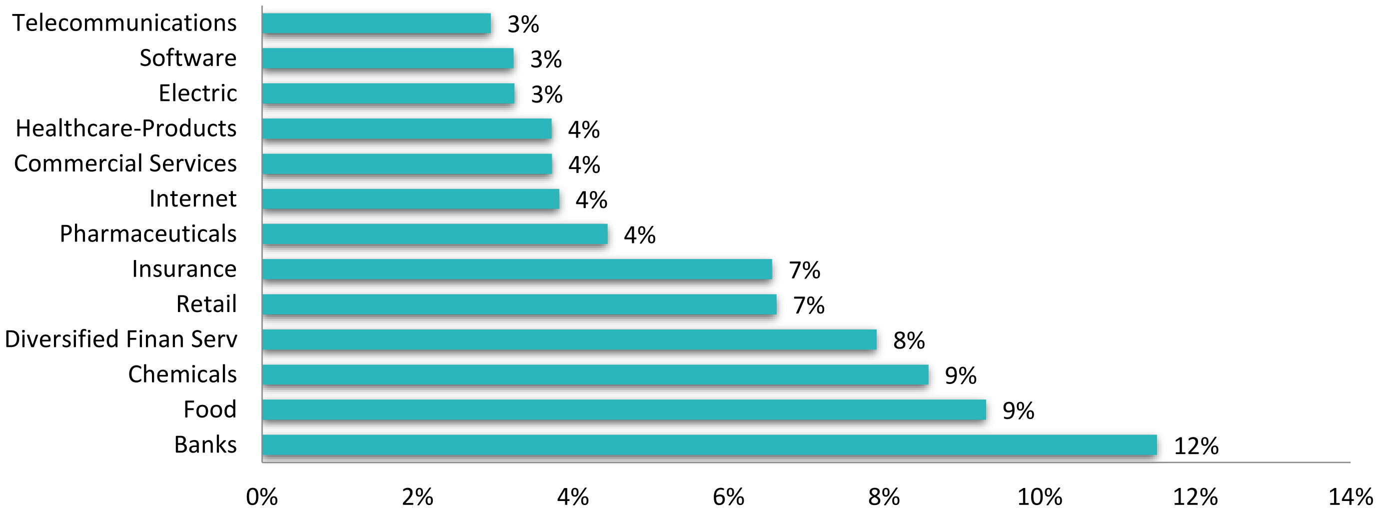
# Ver Capital Credit Value - VER CAPITAL HIGH YIELD ITALIAN SELECTION, July 2025

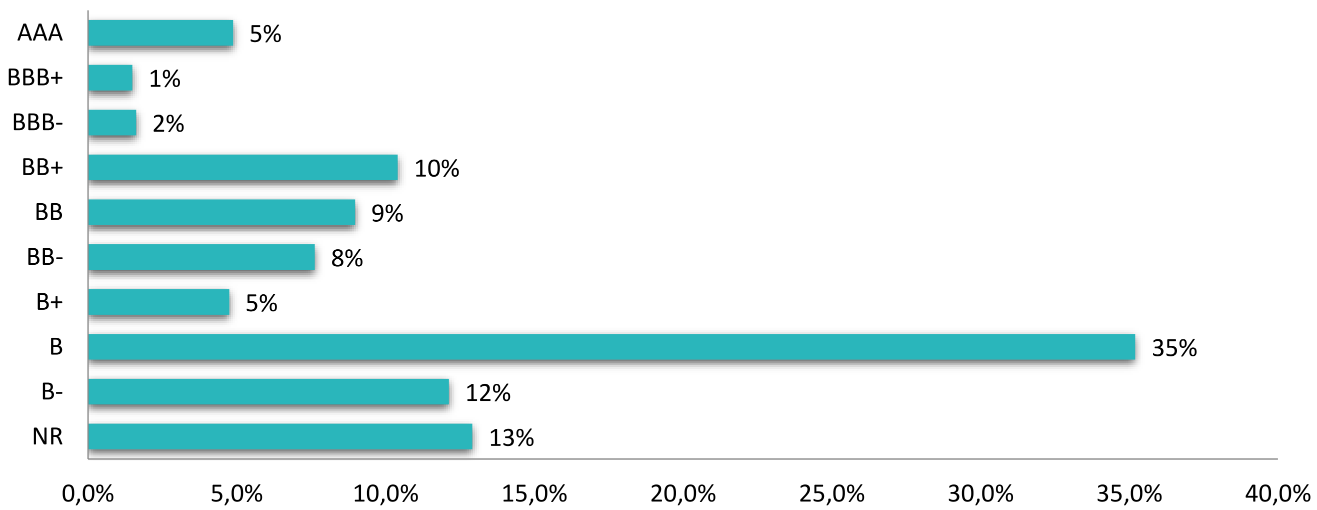
## Portfolio Performance

| | |
|---|---|
| Currency denomination (EUR) | 100% |
| Average rating | BBB-/BB+ |
| Average coupon (not including cash) | 5,3% |
| Yield to worst (not including cash) | 4,1% |
| Yield To Maturity (not including cash) | 5,4% |
| Modified Duration | 2,24 |
| Number of sectors | 23 |
| Number of issuers | 47 |
| Number of issuances | 48 |
| Top 10 holdings | 34% |

## Top 10 holdings

| | Ticker | wgt | Cumulated Wgt |
|---|---|---|---|
| 1 | LA DORIA SPA | 5% | 5% |
| 2 | NEOPHARMED GENTILI SPA | 4% | 9% |
| 3 | UNIPOL ASSICURAZIONI SPA | 4% | 13% |
| 4 | ITELYUM REGENERATION SPA | 4% | 16% |
| 5 | MARCOLIN SPA | 4% | 20% |
| 6 | WEBUILD SPA | 3% | 23% |
| 7 | BUBBLES BIDCO SPA | 3% | 26% |
| 8 | CARRARO FINANCE SA | 3% | 29% |
| 9 | AGRIFARMA SPA | 3% | 32% |
| 10 | FABBRICA ITA SINTETICI | 3% | 34% |
| | **Totale** | | **34%** |




*The allocation may vary over time*

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