

## Ver Capital Short Term

Ver Capital Short Term's (VCST) objective is capital preservation throughout a low-volatility market strategy. Ver Capital Short Term fund is UCITS IV compliant, with daily NAV. It mainly invests in EUR, USD and GBP bonds with a remaining maturity of less than 24 months. Non-Euro currencies are fully hedged. Key drivers of VCST return are: good credit quality and short maturity of the portfolio allow to reduce credit risk, in addition to an inherent hedging from rising interest rates. The portfolio manager strategically allocates resources between IG and HY based on credit cycle, market environment, monetary policy decisions and economic indicators.

## Market

April has proven to be a pivotal month for the markets, marked by significant volatility and heightened investor caution. US President Trump continues to challenge market stability with his aggressive tariff policies, culminating in a pronounced equity market sell-off in early April. The S&P 500 plummeted by 14% between the end of March and April 8, driven by escalating trade tensions with China and concerns about the impact of tariffs on economic growth.

Liquidity pressures and uncertainty surrounding the US dollar led to a simultaneous sell-off in Treasuries, prompting Trump to implement a 90-day pause on 'reciprocal' tariffs. While this move momentarily alleviated market stress, the trade conflict with China continues to weigh on sentiment. The economic fallout from tariffs and policy unpredictability is becoming increasingly evident. US consumer confidence has notably declined as stagflation concerns rise. Business surveys reveal weakening new orders and deteriorating CEO sentiment. Despite the mounting pressures, the Federal Reserve appears poised to maintain its current rate path, with three potential cuts anticipated in the second half of the year.

In Europe, the first quarter delivered unexpectedly strong economic data, yet subsequent indicators align with our view of slowing activity, exacerbated by trade war headwinds. The European Central Bank is likely to reduce its key rate by 50 basis points to 1.75% in June and July, aiming to support economic activity amid disinflationary pressures and increased German fiscal spending.

**High Yield Market:** The high yield credit market experienced turbulence in April, though not to a catastrophic extent. Spreads widened by 36 basis points, partially offset by a 35 basis point decline in interest rates, keeping the average yield at 6%. In the primary market, issuance activity remained subdued until mid-April but picked up as well-received refinancing deals emerged:

- Eircom (UK) Limited (Irish telecommunications, B2/B+): €550 million, 6 years, 5%
- Lottomatica (Gaming, Italy, Ba2/BB): €1.1 billion, 6 years, 4.875%
- TDC NET (Danish telecommunications, BB): €500 million, 7 years, 5%
- Wintershall Noordzee B.V. (Energy, Ba1/BB): €900 million, perpetual, callable in 5 years, 6.117%
- Infopro Digital (Media/Data, France, B2/B): €620 million, 6 years, 5.50%
- STADA Group (Pharmaceuticals, Germany, B3): €570 million, 5 years, 5.375%

Looking ahead, the months of May and June are expected to be marked by heightened volatility, with numerous new issuances, earnings releases, public holidays, and key US macroeconomic data. Investors will closely monitor the tangible impact of the newly announced tariffs and the broader market's reaction to escalating trade tensions.

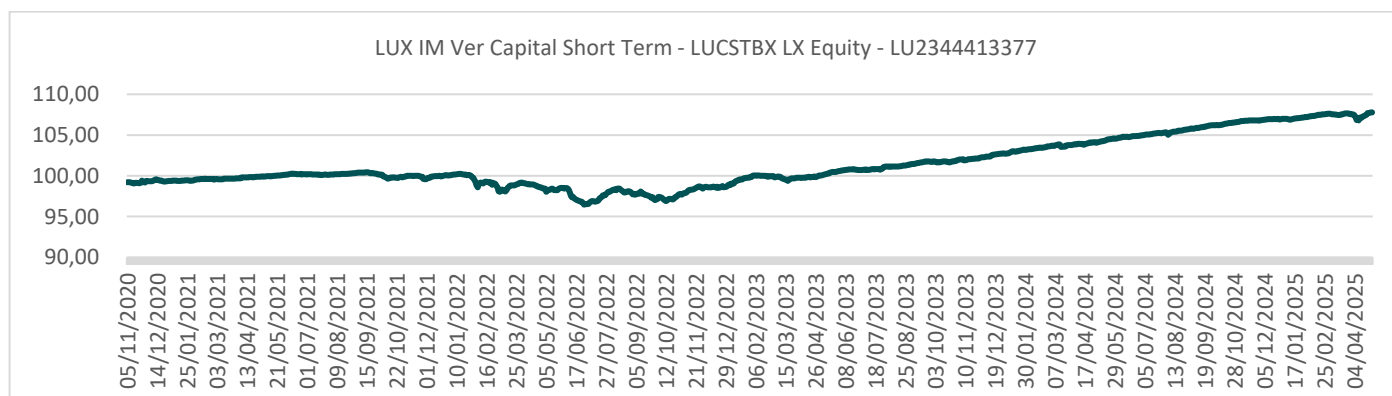
In summary, market conditions remain volatile especially on equity market, investor sentiment is fragile, and vigilance is warranted as uncertainty persists.

## Investment Tactics

In response to current market conditions, we have increased our cash position to further mitigate portfolio volatility until there is greater clarity regarding tariffs, trade negotiations, and the broader economic outlook. In the coming weeks, we will selectively invest in specific opportunities that arise, guided by our ongoing monitoring of fundamental indicators.

## NAV Performance

Share Class	ISIN	Mgmt Fee	1 Month	YTD	1 Year	3 Years	Volatility
<b>BX</b>	LU2344413377	0,60%	0,21%	0,76%	3,48%	9,30%	0,82%
<b>DX</b>	LU2344412726	0,90%	0,19%	0,67%	3,20%	8,50%	0,82%



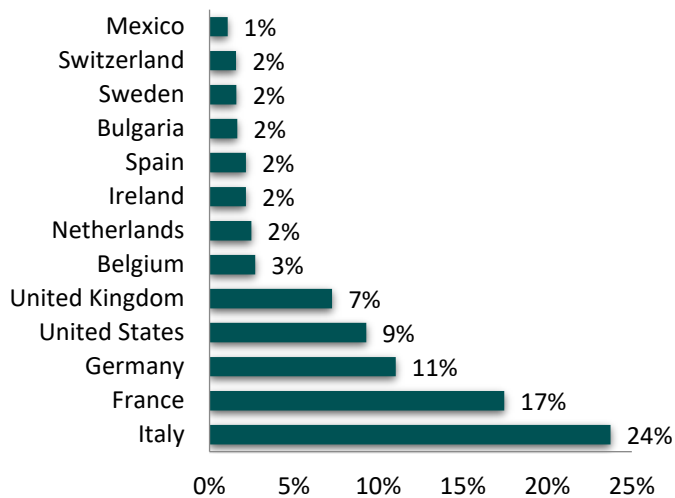
## Portfolio Performance

Currency denomination (EUR)	100%
Average rating	BBB-/BB+
Average coupon (not including cash)	3,4%
Yield to worst (not including cash)	4,0%
Yield To Maturity (not including cash)	3,9%
Modified Duration	1,05
Number of sectors	34
Number of issuers	92
Number of issuances	100
Top 10 holdings	23%

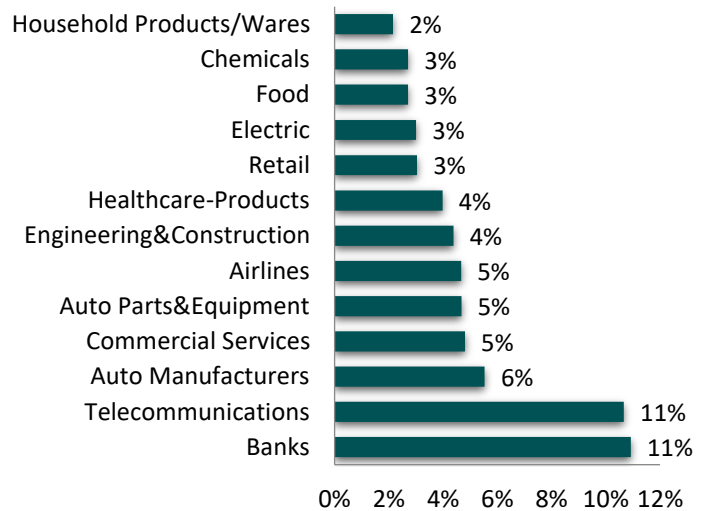
## Top 10 holdings

	Ticker	wgt	Cumulated Wgt
1	JAGUAR LAND ROVER AUTOMO	2,85%	2,85%
2	RENAULT SA	2,68%	5,53%
3	FIBERCO SPA	2,67%	8,20%
4	EIRCOM FINANCE DAC	2,16%	10,36%
5	WEBUILD SPA	2,16%	12,52%
6	ONTEX GROUP NV	2,15%	14,67%
7	ELIOR GROUP SA	2,15%	16,82%
8	AVANTOR FUNDING INC	2,12%	18,93%
9	MARCOLIN SPA	1,86%	20,79%
10	AIR FRANCE-KLM	1,77%	22,56%
Totale			22,56%

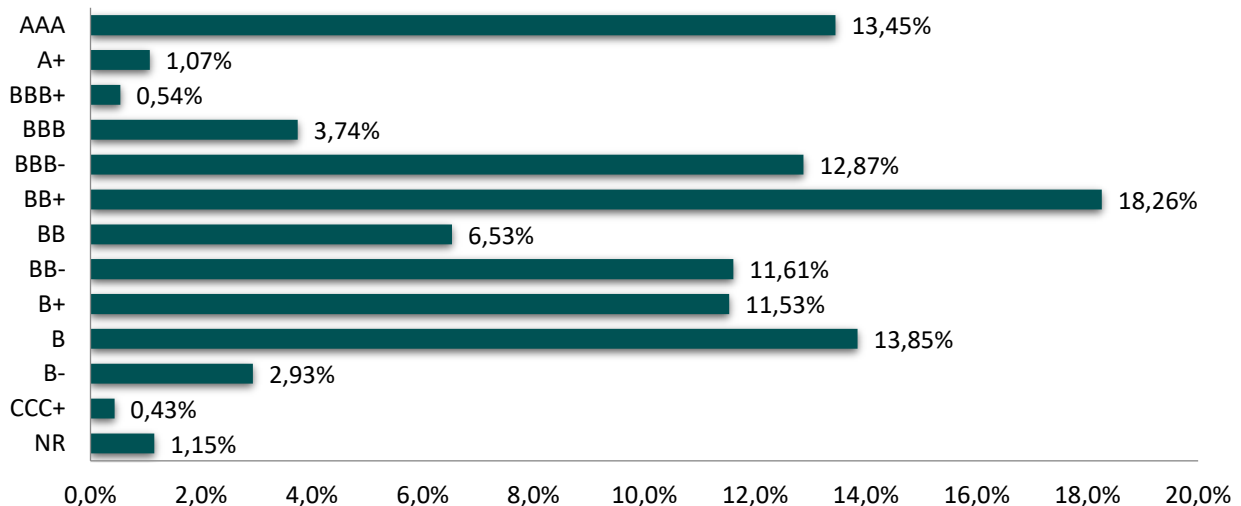
## Geographical allocation (Company headquarter)



## Sector allocation



## Allocation by rating



## Info

NAV  
Investment Manager

Daily  
Ver Capital SGRpA

## Contacts

Ver Capital SGRpA  
Mail  
Phone Number  
Web site  
Alberto Gesualdi  
Giacomo Bergamo

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