

## 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

After the high volatility at the beginning of the month, triggered by the historic decision of the Bank of Japan to return interest rates to positive territory for the first time since 2016, August provided few market catalysts, leading to the consolidation of expectations regarding central banks' next moves at more balanced levels. The initial reaction, driven by the unwinding of many Yen-financed carry trades, sparked a sell-off in all risky assets, from equities to Emerging Markets and European peripheral bonds. However, this trend quickly reversed after Japanese bankers announced they would place more emphasis on market stability when defining future monetary policy actions. Expectations of Fed support, with a 50bp cut priced in for September and over 120bp by the end of 2024, quickly returned to late July levels, i.e., 25bp for each of the next three meetings. In the U.S., confirmation of a continued slowdown in inflation in July, at 2.9% YoY, and a significant downward revision in new employment numbers between April 2023 and March 2024 (-818,000) solidified expectations, bringing yields, especially short-term ones, back to early August lows along with a general steepening of yield curves. Powell's opening remarks on the start of a new monetary policy cycle at the Jackson Hole symposium further reinforced market confidence, though these expectations seem overly optimistic and may be disappointed if a significant economic deterioration in the U.S. does

Inception date Nov. 06<sup>th</sup>, 2020

not materialize. In Europe, yields stabilized at their lowest levels since the beginning of the year, with the 2-year German bond hovering around 2.35%, about 25bp lower than at the end of July. After an initial drop, yields on longer maturities rose (the 10-year bond went from 2.35% to 2.5%), reducing the 2-10 year curve inversion by more than 15bp. The total ECB rate cuts expected by the end of the year remain just under 75bp, with a September cut widely anticipated. By the end of August, the confirmation of a decline in European inflation to 2.2% YoY from 2.6% in July strengthened market convictions, despite cautious comments from the more hawkish members of the council, such as Holzmann and Schnabel.

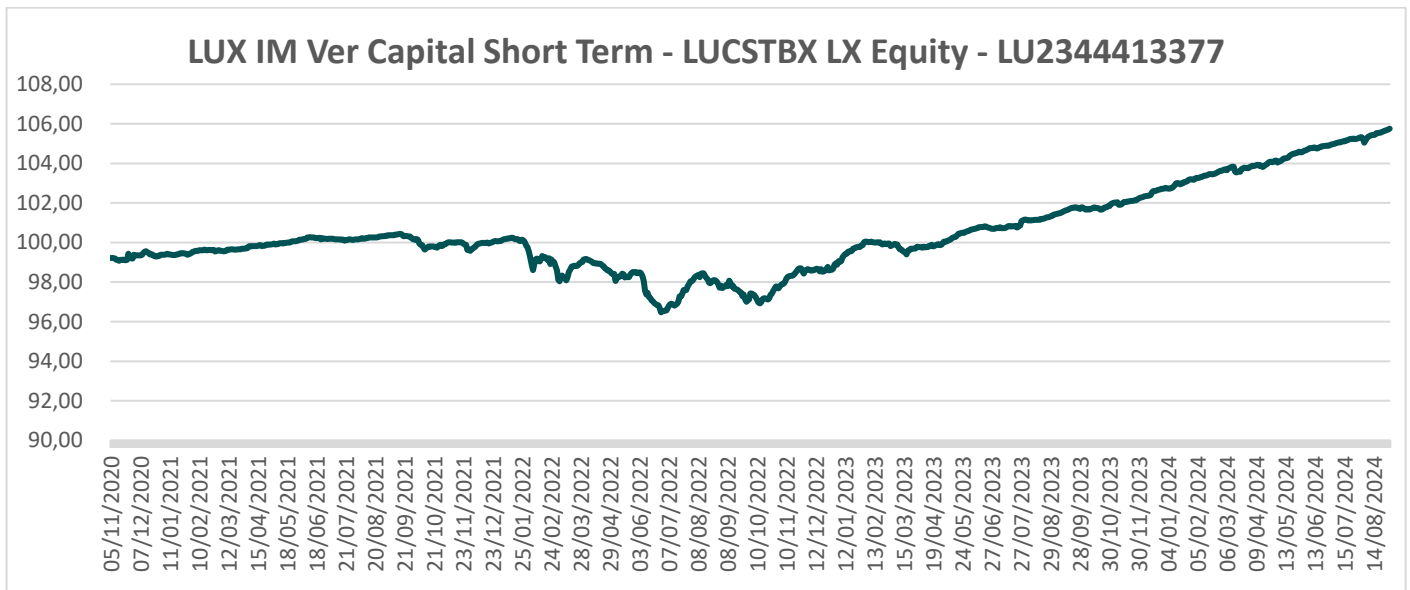
In August, the European HY market saw no significant primary volumes, with only €970m issued. The YTD return at the end of August was +5.31%, showing a clear outperformance compared to the corporate IG index (+2.46%).

### Investment Tactics

The fund in the month of August returned +0.42%. In the following weeks we will continue to reinvest the funds received from matured and called bonds into bonds mainly maturing in 36 months, as a consequence of updated guidance provided by BCE and FED.

### NAV Performance

1 Month	YTD	1 Year	3 Years	Volatility
+0.42%	+2.94%	+4.36%	+5.42%	0.83%



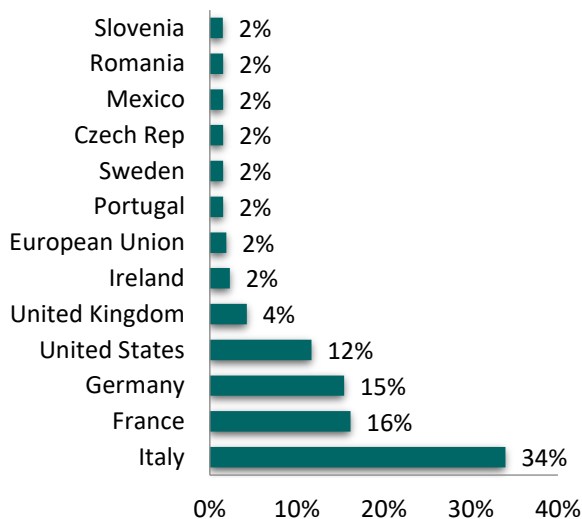
### Portfolio Performance

Geographical Distribution (EU)	76%
Currency denomination (EUR)	100%
Average rating	BB/BB-
Average coupon (not including cash)	3,9%
Yield to worst (not including cash)	5,4%
Yield To Maturity (not including cash)	5,5%
Modified Duration	1,00
Number of sectors	34
Number of issuers	85
Number of issuances	90
Top 10 holdings	24%

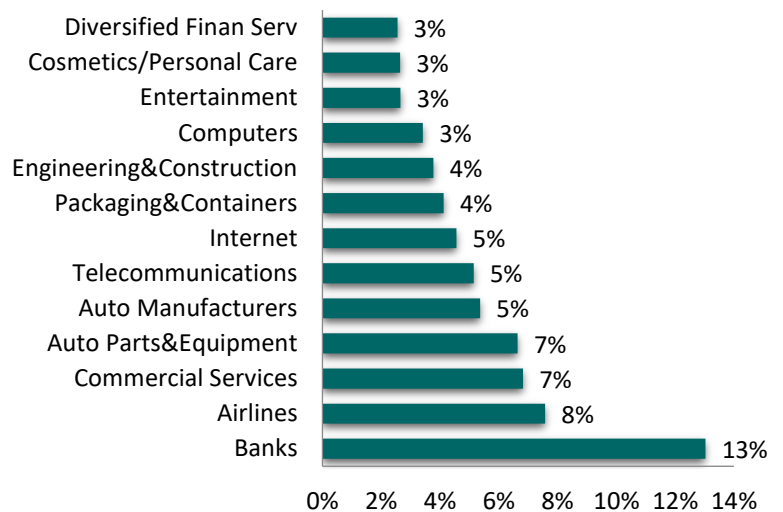
### Top 10 holdings

Top 10 securities	Ticker	wgt	Cumulated Wgt
1	WEBUILD SPA	3,78%	3,78%
2	ALMAVIVA THE ITALIAN INN	2,65%	6,43%
3	COTY INC	2,64%	9,07%
4	FORD MOTOR CREDIT CO LLC	2,31%	11,38%
5	EIRCOM FINANCE DAC	2,29%	13,67%
6	TUI CRUISES GMBH	2,21%	15,89%
7	SAIPEM FINANCE INTL BV	2,16%	18,05%
8	ICCREA BANCA SPA	2,01%	20,06%
9	SILGAN HOLDINGS INC	1,85%	21,91%
10	ATLANTIA SPA	1,80%	23,71%
<b>Totale</b>			<b>23,71%</b>

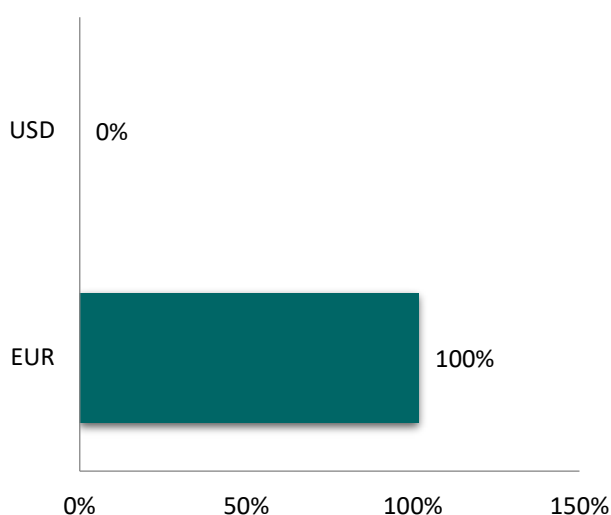
### Geographical allocation (Company headquarter)



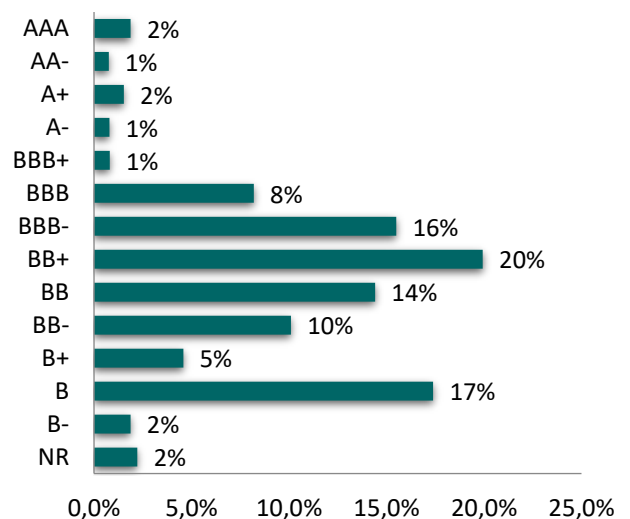
### Sector allocation



### Currency exposition



### Allocation by rating



### Info

NAV  
Investment Manager

Daily  
Ver Capital SGRpA

### Contacts

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