

## 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 a very positive month of May for the markets, the beginning of June was marked by conflicting events that increased volatility.

In Europe, markets are looking for a new equilibrium after destabilizing election results. France continues to generate political news that casts doubt on the future path of public spending restraint. Macron's decision to dissolve the Chambers further increased political uncertainty in France, driving up the OAT-Bund spread. The European Parliament elections negatively affected the bond market, causing spreads to widen, especially for French and peripheral country government bonds. Furthermore, China's response to EU tariffs is further penalizing European markets.

In early June, the ECB cut official rates by 25 basis points, as anticipated: the deposit rate is now at 3.75%. No precise guidance was given on the future course of rates: the Governing Council will decide meeting by meeting on the basis of on the basis of data developments.

In the US, the Fed kept the fed funds rate unchanged, but reduced its forecast for future cuts from three to one, generating a moderate hawkish effect. Despite a surprisingly low inflation figure, the Fed decided not to change its forecasts, adopting a cautious approach. Wall Street reacted positively, reaching new all-time highs and recording a reduction in bond yields.

Meanwhile, the Euro High Yield (HY) market has shown a very good performance in May. Interest rate uncertainties do not appear to

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significantly impact the Euro HY market dynamics, which continues to be a favorable option for cash parking. Despite the potential for lower rates from June onwards, issuers on the EUR HY market are not delaying their financing plans, as evidenced by the robust activity in the primary market over the past month. Higher interest rates have not deterred new Euro HY bond issuances at competitive levels, reflecting ongoing demand for credit and manageable financing costs for issuers. May was one of the strongest months on record, with €10.2 billion in new issuances, bringing the year-to-date total to €38.3 billion. The issuances included a mix of BB-rated (Air France KLM, Avis, Lottomatica, Nexans, Coty, Saipem, Eramet) and Single B-rated bonds from both new entrants (La Doria, Motel One, Befimmo, Bertrand Franchise) and repeat issuers (Multiversity, Engineering, Fedrigoni, Iliad, Bité). Consequently, the average coupon for the Euro HY market has increased slightly (4.85% vs 4.75% at the end of April) due to new issues carrying higher coupons.

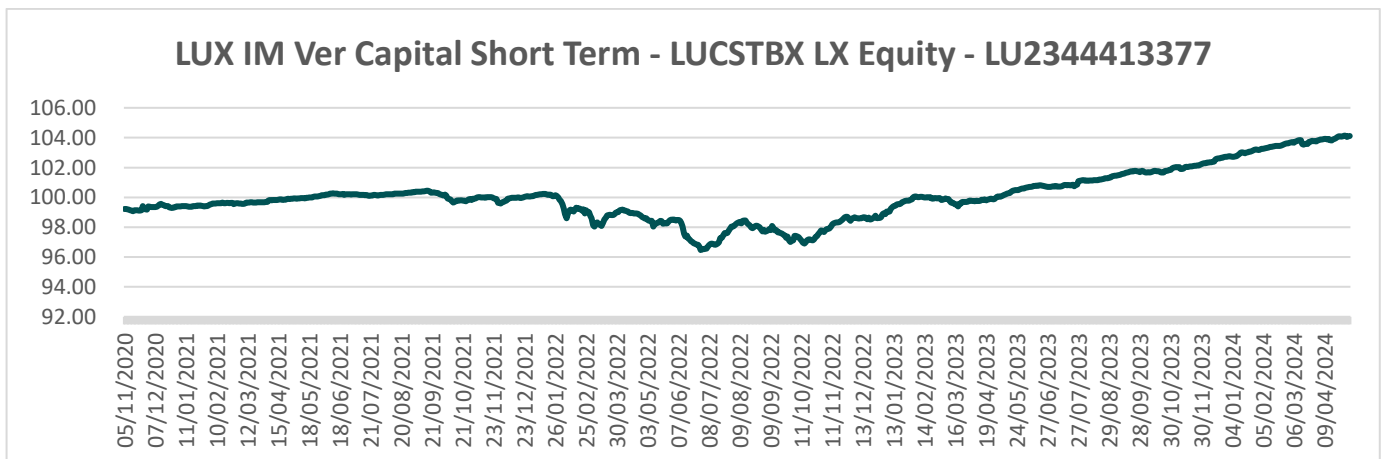
In May, the Euro HY market achieved a positive return of 102 basis points, while the iTraxx Xover index decreased by approximately 22 basis points. The total return for the European HY market since the beginning of the year stood at 2.50% by the end of May, demonstrating notable resilience and outperformance relative to the Investment Grade market.

### Investment Tactics

The fund in the month of May returned +0.44%. 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
+ 0.44%	+ 1.81%	+3.98%	+4.49%	0.62%



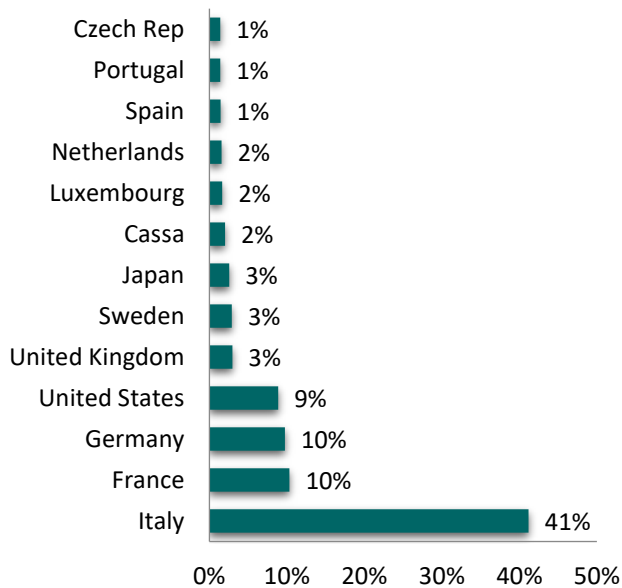
**Portfolio Performance**

Geographical Distribution (EU)	74%
Currency denomination (EUR)	102%
Average rating	BB/BB-
Average coupon (not including cash)	4.0%
Yield to worst (not including cash)	4.9%
Yield To Maturity (not including cash)	6.0%
Modified Duration	0.95
Number of sectors	35
Number of issuers	94
Number of issuances	100
Top 10 holdings	23%

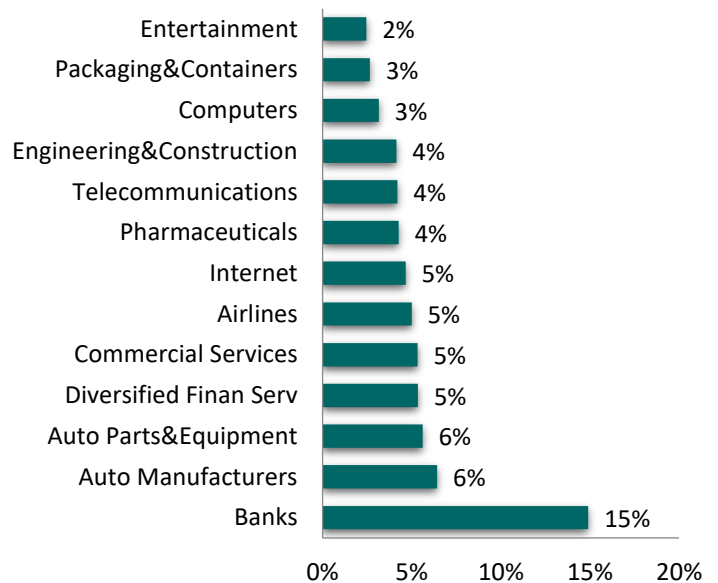
**Top 10 holdings**

Top 10 securities	Ticker	wgt	Cumulated Wgt
1	WEBUILD SPA	3.48%	3.48%
2	ROSSINI SARL	3.15%	6.63%
3	ALMAVIVA THE ITALIAN INN	2.43%	9.06%
4	BANCA IFIS SPA	2.16%	11.23%
5	FORD MOTOR CREDIT CO LLC	2.16%	13.39%
6	SOFTBANK GROUP CORP	2.00%	15.39%
7	SAIPEM FINANCE INTL BV	1.99%	17.38%
8	TUI CRUISES GMBH	1.87%	19.24%
9	ICCREA BANCA SPA	1.86%	21.10%
10	UNICREDIT SPA	1.80%	22.90%
<b>Totale</b>			<b>22.90%</b>

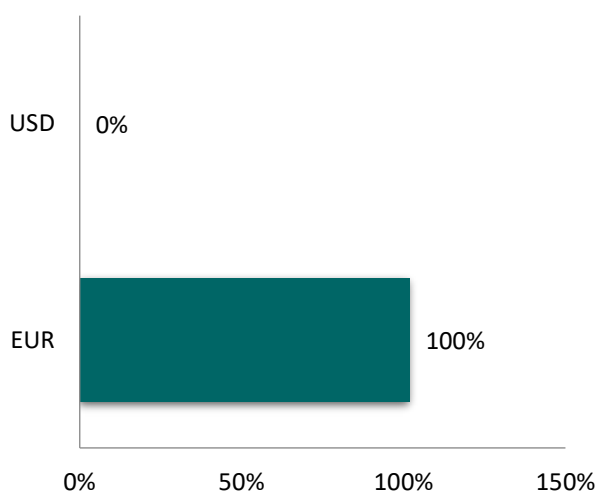
**Geographical allocation (Company headquarter)**



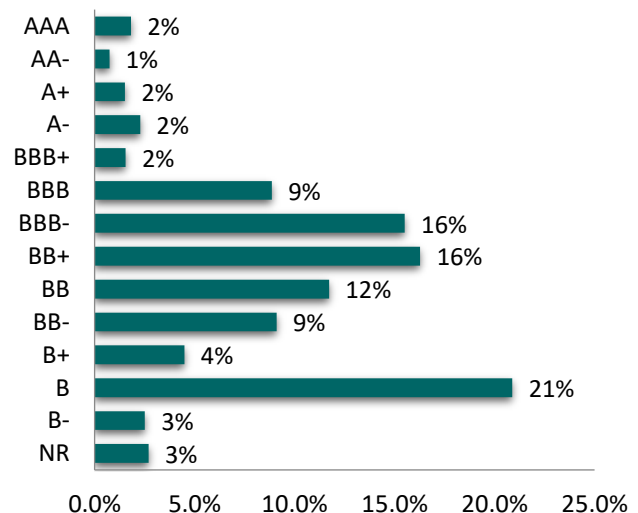
**Sector allocation**



**Currency exposition**



**Allocation by rating**



**Info**

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