

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

The phase of monetary policy tightening now seems to be coming to an end in most advanced countries, but it will not be followed by a cycle of rate cuts anytime soon: inflation is indeed falling, but still far from the target. Global growth will still be modest in 2024.

However, towards the end of the month, the FOMC (Federal Open Market Committee) signaled that the Federal Reserve viewed rates as insufficiently restrictive, prompting a further jump in Treasury yields which led to higher implied interest rate volatility, lower stock prices, and, eventually, wider spreads. Markets are beginning to digest the reality of having to coexist with a high-interest-rate environment for an extended period, as indicated by the trajectory of the so-called "dots" for 2024, whose upward revision was the major news from the latest FOMC meeting.

In the Eurozone, the ECB's latest forecast is for consumer price inflation to run above 3% in 2024. This will be important for the ECB when it comes to deciding on another rate rise.

In September, European credit markets generated mixed returns with high yield eking out a positive return despite the recent trend of higher

Inception date Nov. 06th, 2020

rates and the pervasive "higher for longer" central bank narrative. The Euro High Yield market recorded a positive performance in September (+0.33%) while the iTraxx Xover reached a level of 427 basis points at the end of the month. The Euro HY market is now offering an average YTW of 7.6% with BBs yielding at 7.1% and Single Bs at 9.3%.

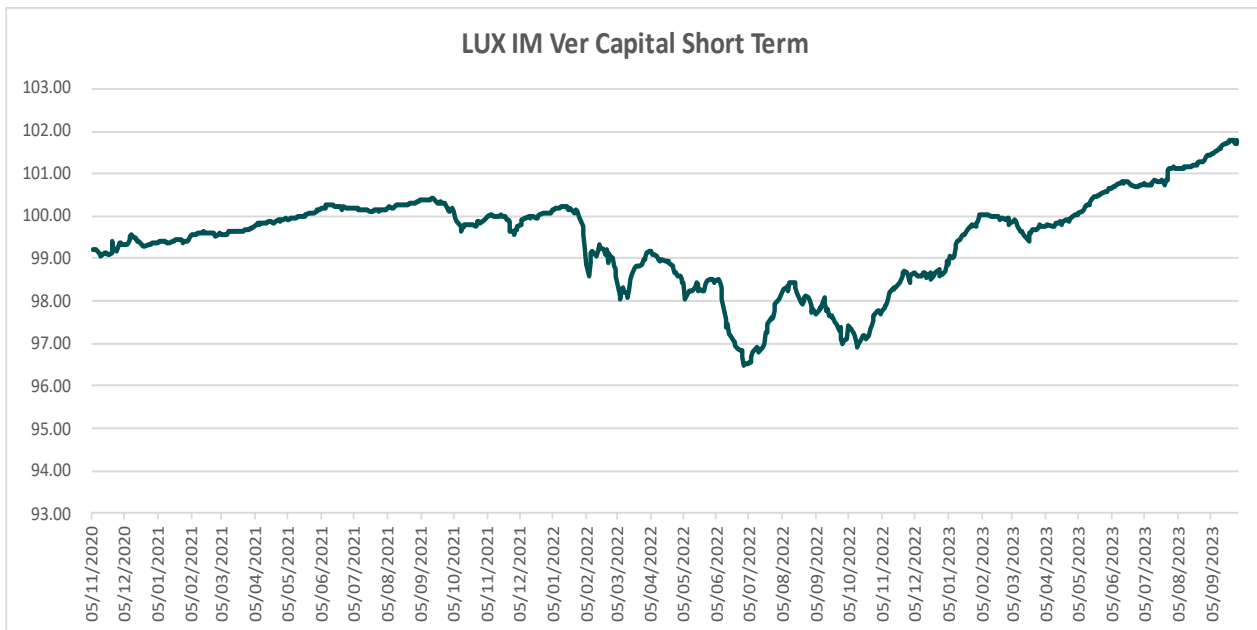
On a YTD basis, Single Bs largely outperform the market on sizeable spread compression, as bond refinancing is considered as possible for most resilient issuers. Technical remained supportive for spreads with a primary market still driven by record share of bond-to-bond refinancing (52%, €16,5bn) and a limited amount of fresh notes (€15,5bn).

Investment Tactics

The fund in the month of September returned +0,37%. In the following weeks we will continue to reinvest the funds received from matured and called bonds into bonds mainly maturing in 12-24 months, as a consequence of updated guidance provided by BCE and FED.

NAV Performance

1 Month	YTD	Since Inception (Nov. 06 th , 2020)
+ 0.37%	+ 3.20%	+ 2.57%



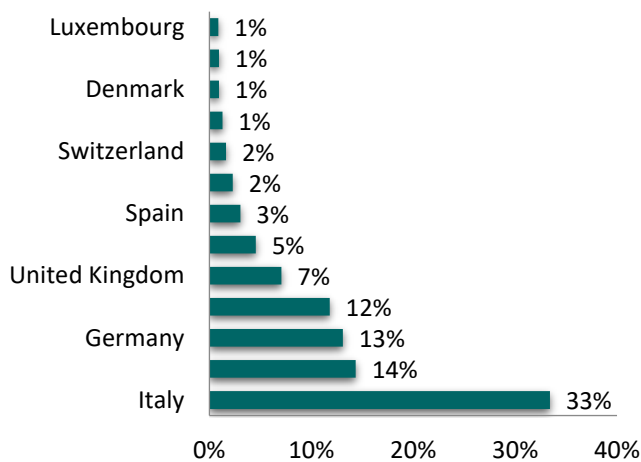
Portfolio Performance

Geographical Distribution (EU)	58%
Currency denomination (EUR)	99%
Average rating	BB+/BB
Average coupon (not including cash)	2.9%
Yield to worst (not including cash)	6.6%
Yield To Maturity (not including cash)	6.6%
Modified Duration	0.69
Number of sectors	31
Number of issuers	90
Number of issuances	102
Top 10 holdings	36%

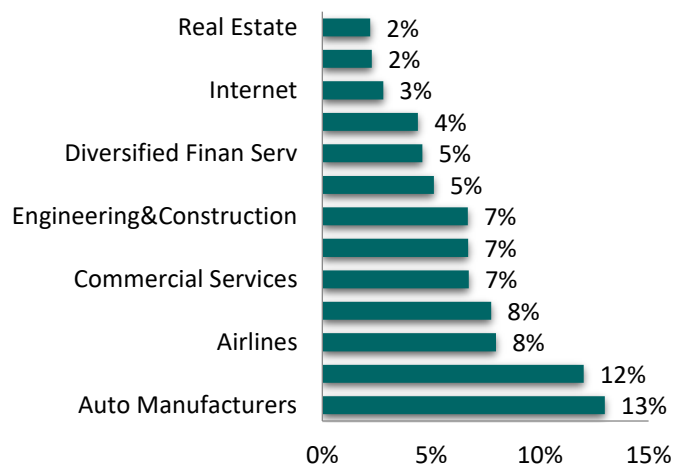
Top 10 holdings

Top 10 securities	Ticker	wgt	Cumulated Wgt
1	ILLIMITY BANK SPA	5.14%	5.14%
2	FORD MOTOR CREDIT CO LLC	4.92%	10.05%
3	DEUTSCHE LUFTHANSA AG	4.78%	14.84%
4	WEBUILD SPA	4.33%	19.17%
5	TELECOM ITALIA SPA	3.45%	22.62%
6	ZF EUROPE FINANCE BV	3.42%	26.03%
7	ROSSINI SARL	3.03%	29.06%
8	ESSELUNGA SPA	2.73%	31.79%
9	ALMAVIVA THE ITALIAN INN	2.27%	34.06%
10	NIBC BANK NV	2.02%	36.09%
Totale			36.09%

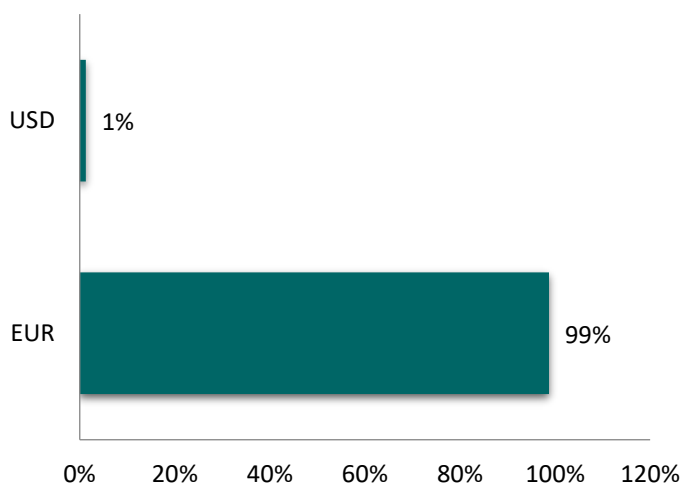
Geographical allocation (Company headquarter)



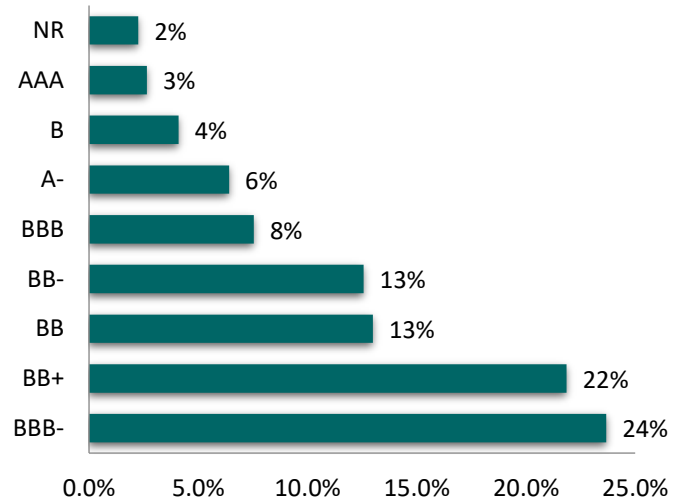
Sector allocation



Currency exposition



Allocation by rating



Info

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