Low Volatility European Income Fund
ESG Selection (USD)

★★★★★
Morningstar Rating™

LoVEI is an ESG responsible, active investment strategy aiming to produce an attractive and sustainable income stream protected from extreme market volatility, owing to a focus on recurring coupon income and a wholly bottoms-up approach to European corporate credit

- March was a volatile month for risk assets stemmed by the collapse of two large, global banks and concerns of contagion in the Banking sector. Markets stabilized towards month end as regulators stepped in and terminal rate expectations came down.
- LoVEI class CU-A reports a positive return of +0.3% in Mar (+3.6% YTD). IG index outperforms due to rates/duration component, closing the month at +1.0% (+1.6% YTD), while the HY index posts a –0.4% (+2.7% YTD) as spreads widened amidst the macro volatility.
- Strategy adjustments: stable corp rating to BB+. Added selectively in defensive sectors' bonds with low cash prices and higher quality primary. Duration stable around 2.0yrs. Important to avoid tail risk, expect credit dispersion to offer alpha opportunities going forward.
- Fundamentals: Maintained structurally defensive sector bias, so far effectively protecting portfolio from macro headwinds.

Key Portfolio Metrics

Yield to Maturity	**7.4%**
Average Coupon	**5.3%**
Avg. Current Price	**93.7%**
Duration	2.1 Yrs
Spread Duration	3.0 Yrs
Avg. Corporate Rating	BB+
Avg. Instrument Rating	BB
# of Assets/Issuers	134/89
SFDR	Article 8
2022 Dividend (Dist.Class)	4.3%

YTM for floating assets based on forward Euribor curve

+0.3%
MTD – MONTH TO DATE

+3.6%
YTD - YEAR TO DATE

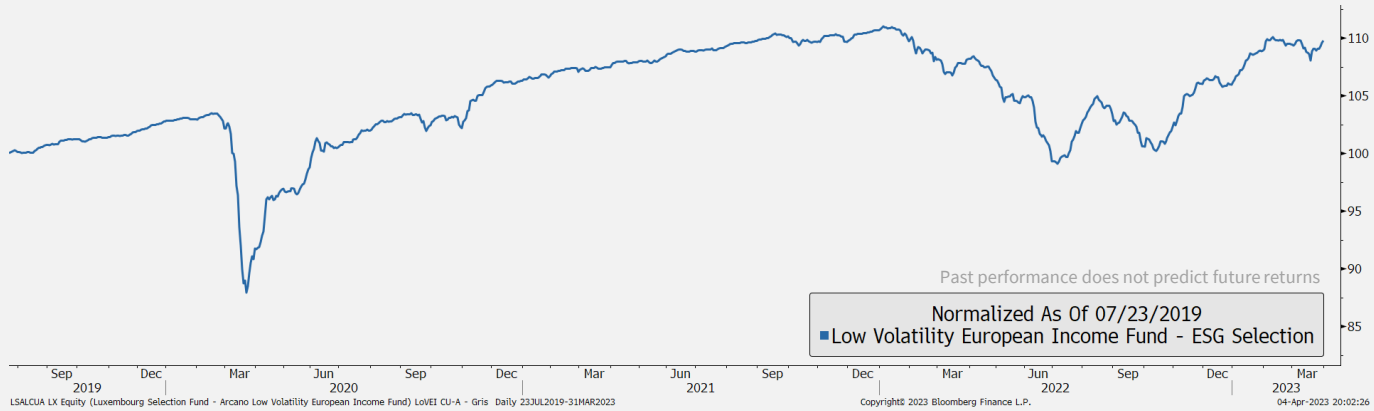
Key Risk Metrics

Volatility	**4.9%**
Sharpe Ratio	**0.7**
Equity Beta	**0.28**

CU-A Share Class, since inception

AuMs $388m

Net Asset Value Evolution

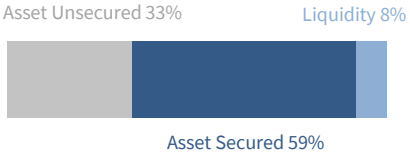


Net Performance Since Inception

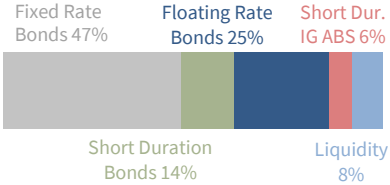
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	2.8	0.5	0.3										**3.6**
2022	-0.9	-1.5	0.1	-1.7	-1.4	-5.3	3.2	0.8	-2.7	1.7	3.6	0.0	**-4.3**
2021	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.3	-0.4	-0.1	1.0	**4.2**
2020	0.2	-0.8	-10.2	5.7	1.9	1.8	1.5	1.1	-0.7	-0.2	3.6	0.4	**3.4**
2019								0.6	0.5	0.2	0.5	0.8	**2.8**
Total since inception													**9.7**

Past performance does not predict future returns

Structural Overweight of Sr. Secured Assets



Over 60% of Assets have Duration < 1Y

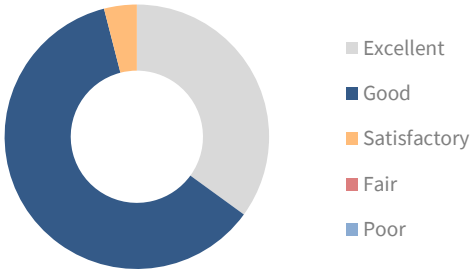


LUXFLAG Supporting Sustainable Finance
SFDR (3)
A+ UNPRI Score 2020
PRI Principles for Responsible Investment

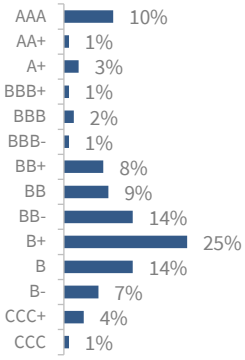
Stable top ten dominated by Healthcare, Telco and Packaging

1	Sisal Pay E+3.875% Secured FRN due 2026	2.4%
2	Techem 6% Secured Note due 2026	1.9%
3	Rossini E+3.875% Secured FRN due 2025	1.9%
4	Cedacri E+4.625% Secured FRN due 2028	1.8%
5	Trivium Packaging E+3.75% Secured FRN due 2026	1.8%
6	Cerved E+5.25% Secured FRN due 2029	1.7%
7	Autodistribution E+4% Secured FRN due 2027	1.7%
8	Primo Water 3.875% Unsecured Note due 2028	1.6%
9	Burger King France E+4.75% Secured FRN due 2026	1.4%
10	Inter Milan 6.75% Secured Note due 2027	1.4%

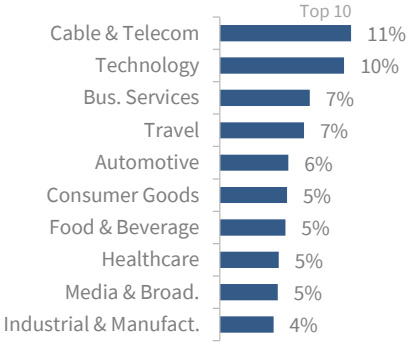
ESG Band Breakdown



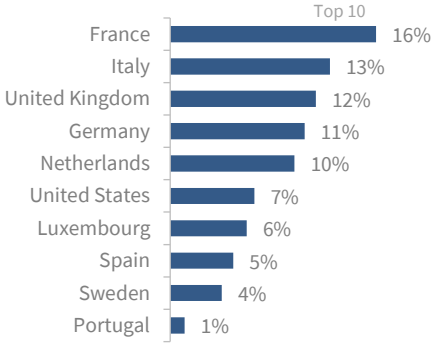
Average Rating BB



Structural overweight to low beta, defensive sectors



Stable country mix, Driven by bottom-up selection



Type/Min./Fee	Class	Acc./Dist.	Currency[2]	ISIN	Issue	NAV	Incep.	LTM	1M	YTD
Clean & Inst. / $1M / 0% Fee[1]	VU-AP	Accum.	USD	LU1720112330	N.a.	N.a.	N.a.	N.a.	N.a.	N.a.
Clean & Inst. / $1 / 0.7% Fee	CU-A	Accum.	USD	LU1720110631	Jul-19	109.74	9.7%	1.4%	0.3%	3.6%
Retail / $1 / 1.3% Fee	RU-A	Accum.	USD	LU1720111449	Jul-19	107.32	7.3%	0.8%	0.2%	3.4%

[1] Variable Fee: 18% on returns > 0%. [2] Hedged Classes

Fund Facts

Fund Type	**UCITS SICAV**
NAV/Liquidity Dates	**Daily (T-1)**
Settlement	**Daily (T+2)**
Fund Currency	**EUR**
Dep./Admin./Audit.	**UBS / NT / PwC**

Portfolio Managers

Alessandro Pellegrino	Co-PM
David Bacon	Co-PM
Manu Mendívil	CIO

Solvency II - Spread SCR

13.4%

Estimation obtained from a more extensive report prepared by Soluciones Holísticas para Internet S.A.

[3] SFDR | This fund promotes environmental and/or social characteristics within the meaning of art 8, Reg. (EU) 2019/2088 on sustainability-related disclosures in the financial sector.

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