

iMGP European Subordinated Bonds Fund

Share class : C EUR  
ISIN : LU1457568472

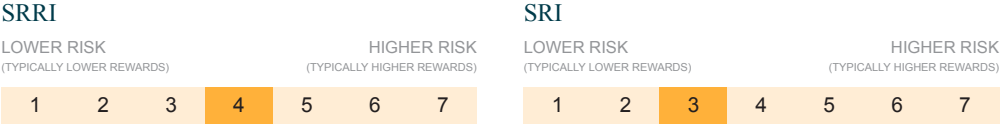
Managed by  
Ersel Asset Management SGR

For professional and/or retail investors

Investment objective

The Fund's objective is to generate investment growth mainly through any types of subordinated bonds, including convertible bonds and, for maximum 50%, contingent convertible bonds, issued by European entities or entities predominantly active in Europe. The Fund may, to a lesser extent, invest in other fixed income securities, including ABS (Asset Backed Securities). The Index ICE BofA ML EUR Financial Subordinated is used for comparison only, incl. for performance comparison. The Fund is actively managed and the manager's discretionary powers are not constrained by the Index. Although the manager may take into consideration the Index composition, the Fund may bear little resemblance to the Index. As part of the aforementioned investment policy, the manager may also invest in Credit Default Swaps, both as buyer and as seller of protection. **The Fund is actively managed, and the Fund's manager's discretionary powers are not constrained by the index.**

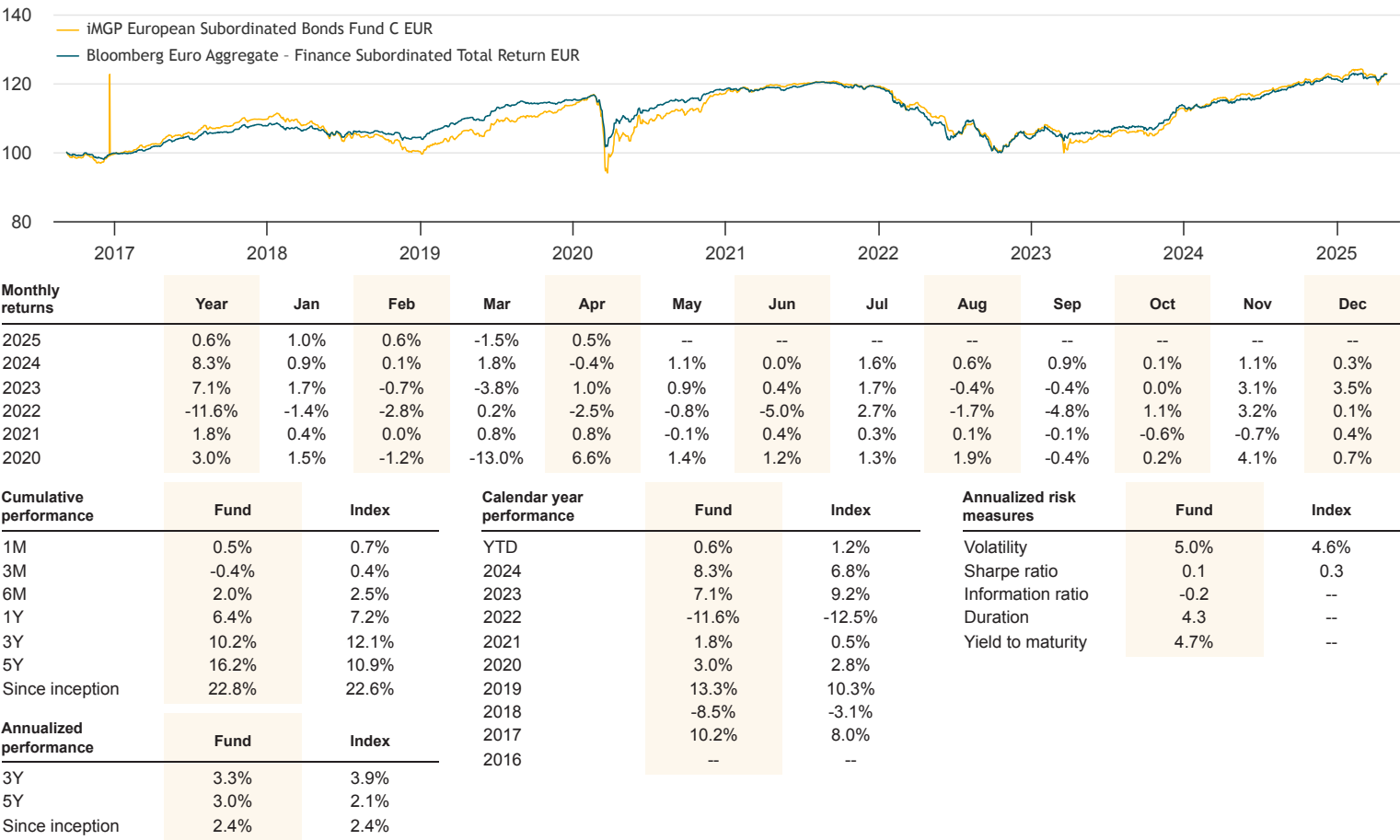
Risk/Return profile of the share class



Fund facts

Fund manager	Ersel Asset Management SGR
Dividend policy	Accumulating
Last NAV	EUR 184.18
Fund size	EUR 138.0 mn
Asset class	European Bonds
Investment zone	Europe
Recommended invest. horizon	At least 4 years
Share class currency	EUR
Inception date of the Share class	2016.09.08
Index	Bloomberg Euro Aggregate – Finance Subordinated Total Return EUR
Legal structure	Luxembourg SICAV - UCITS
Registration	LU, IT, FR, ES, DE, CH, BE, AT
Classification SFDR	Article 8

Performance & risk measures



Source: iM Global Partner Asset Management.  
Returns may increase or decrease as a result of currency fluctuations for investors whose natural currency differs from the Share class' currency. Annualized risk measures based on 3-year weekly returns if more than 3-year history or 1-year if less than 3-year history.

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Fund manager Comment

Highlights

-- Trump's tariffs dominated global markets in April, with severe turmoil, followed by a relief rally - Spreads widened by almost 100bps on higher beta bonds before tightening, ending the month slightly higher than before 'liberation day' - In the subordinated bonds space COCOs were hit the most, underperforming other segments despite the sharp rebound in the latter part of the month - The strategy posted overall positive returns but underperformed its reference index due to its exposure to COCOs

Cumulative performance	Fund	Index
1M	0.5%	0.7%
YTD	0.6%	1.2%

Market Review

Much higher than expected tariffs raised severe concerns on US and global growth prospects, igniting a rapid selloff in equity markets. At the same time U.S. rates moved higher with the Dollar sliding, in a sign of diminishing confidence in United States. All risky assets reacted accordingly, especially in the U.S., where high beta bonds spreads widened almost 100 bps. Signs of relief emerged soon after the announcement of a 90 days suspension of tariffs and exclusion of some specific goods. As a result, rates rallied and spreads retraced most of their selloff, closing the month at levels slightly higher than where they started. Performance was positive across all segments, with investment grade bonds outperforming both high yield and subordinated issuances. Among subs, COCOs underperformed all segments despite ending the month with a sharp rebound.

Fund Review

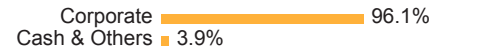
The strategy posted positive returns but underperformed the reference index due to its exposure to COCOs. Worst contributors were banks AT1 such as DB (-0.7%) and AIB (-0.7%). On the other side better contributors were higher quality longer duration instruments such as Credit Agricole 2034 T2 (+1.6%) and BBVA 2036 t2 (+1.5%), which benefited from the downward trend in Euro rates. On the tariff announcement, Hybrids and RT1 exposure was slightly reduced before moderately increasing AT1s on improving valuations after the selloff. Italian T2 segment allocation was also opportunistically increased on expectations they will join investment grade indexes after the recent upgrades on the country's rating. As a result, exposure to COCO was slightly increased around 32% while Tier 2 remained close to 50%, with Hybrids and cash equally at 10%. The overall duration was also unchanged and remains around 4 years, in line with reference index.

Outlook

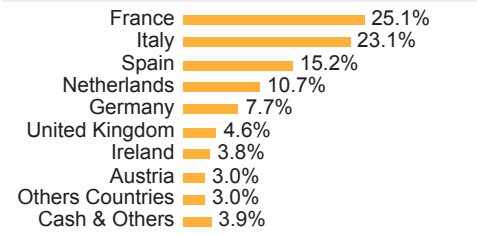
Credit valuations briefly regained attractive levels but closed the month again in expensive territory. Uncertainties on growth prospects and fiscal policies for both U.S. and Eurozone still weigh on both rates and spreads, suggesting an overall cautious approach on both credit and interest rate risks. The strategy will continue to keep a cautious approach looking for better entry point before further increasing its risk exposure.

Portfolio Breakdown

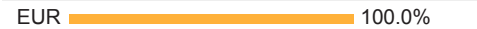
Asset allocation



By Country



By Currency



By Maturity

Between 3 and 5 years	1.8%
Between 5 and 7 years	5.9%
Between 7 and 10 years	31.3%
More than 10 years	61.0%

By Sector

Financials	87.9%
Utilities	4.5%
Communications	2.3%
Energy	1.4%
Cash & Others	3.9%

By Seniority

T2	47.1%
COCO	34.5%
SUB	18.4%

By Rating

A	1.6%
BBB	57.9%
BB	37.4%
B	3.0%

Top 10

AIB VAR 05/35 EMTN	2.3%
BBVASM VAR 02/36 GMTN	2.3%
HSBC VAR 03/35	2.3%
BNP VAR 07/35 EMTN	2.2%
BBVASM VAR 02/37 EMTN	2.1%
ISPIM VAR PERP	1.9%
ACAFP 2% 03/29 EMTN	1.7%
ABANCA VAR 09/33 EMTN	1.7%
SOCGEN 5.625% 06/33 EMTN	1.6%
ENELIM VAR PERP EMTN	1.6%
	19.7%

Source: iM Global Partner Asset Management



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## Dealing information

Liquidity	Daily
Cut-off time	TD 12:00 Luxembourg
Minimum initial investment	-
Settlement	TD+2
ISIN	LU1457568472
CH Security Nr	33361705
Bloomberg	OYESBCE LX

## Fees

Subscription fee	Max 3.00%
Redemption fee	Max 1.00%
Max management fee	1.20%
Effective management fee	1.20%
Performance fee	-

## Administrative information

Central Administration	CACEIS Bank, Luxembourg Branch	Auditor	PwC Luxembourg
Transfert Agent	CACEIS Bank, Luxembourg Branch	Management company	iM Global Partner Asset Management S.A.
Custodian Bank	CACEIS Bank, Luxembourg Branch		

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