

iMGP Funds

iMGP European Subordinated Bonds

Share class : I EUR
ISIN : LU1457568043

For qualified investors only

Managed by
Ersel Asset Management SGR

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.

Risk/Return profile

LOWER RISK
(Typically lower rewards)

HIGHER RISK
(Typically higher rewards)

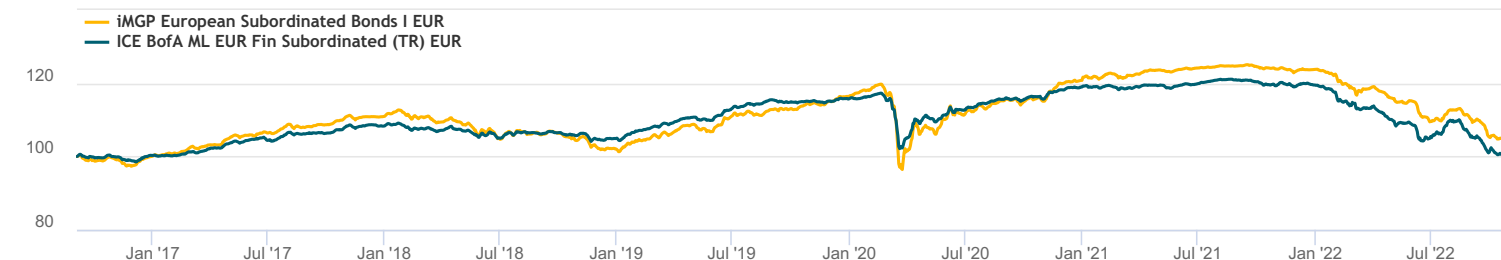


Fund facts

Fund manager	Ersel Asset Management SGR
Dividend policy	Accumulating
Last NAV	EUR 1,065.26
Fund size	EUR 100.9 mn
Fund type	Bonds
Investment zone	Europe
Recommended invest. horizon	At least 4 years
Share class currency	EUR
Inception date	2016.09.02
Index	ICE BofA ML EUR Fin Subordinated (TR) EUR
Legal structure	Luxembourg SICAV - UCITS
Registration	NL, LU, IT (QI), FR, ES, DE, CH, AT
Classification SFDR	Article 8

Performance & risk measures

Data as of 2022.10.31



ICE BofA ML Eur Fin Subordinated (TR)

Monthly returns	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	-13.9%	-1.4%	-2.8%	0.2%	-2.4%	-0.8%	-5.0%	2.8%	-1.7%	-4.8%	1.2%	-	-
2021	2.5%	0.4%	0.1%	0.9%	0.7%	0.0%	0.5%	0.3%	0.1%	-0.1%	-0.5%	-0.6%	0.5%
2020	3.7%	1.5%	-1.2%	-12.9%	6.7%	1.4%	1.2%	1.4%	2.0%	-0.3%	0.2%	4.2%	0.8%
2019	14.1%	2.2%	1.4%	0.5%	2.2%	-1.7%	3.6%	1.2%	0.7%	0.2%	1.1%	0.7%	1.2%
2018	-7.9%	1.1%	-1.1%	-1.3%	0.1%	-2.9%	-1.2%	2.0%	-1.0%	0.3%	-1.6%	-2.4%	-0.1%
2017	10.9%	0.8%	1.5%	0.9%	1.5%	1.1%	0.6%	1.7%	-0.1%	0.5%	1.9%	0.1%	0.0%

Cumulative performance	Fund	Index
1M	1.2%	1.1%
3M	-5.3%	-6.7%
6M	-8.2%	-7.1%
1Y	-14.0%	-14.3%
3Y	-6.8%	-11.2%
5Y	-3.8%	-5.4%
Since inception	6.5%	2.3%

Calendar year performance	Fund	Index
YTD	-13.9%	-14.4%
2021	2.5%	0.5%
2020	3.7%	2.8%
2019	14.1%	10.3%
2018	-7.9%	-3.1%
2017	10.9%	8.0%

Annualized risk measures	Fund	Index
Volatility	9.7%	6.8%
Sharpe ratio	-0.2	-0.5
Information ratio	0.3	-
Duration	2.8	-
Yield to maturity	6.7%	-

Annualized performance	Fund	Index
3Y	-2.3%	-3.8%
5Y	-0.8%	-1.1%
Since inception	1.0%	0.4%

Source: iM Global Partner Asset Management. Past performance does not guarantee or predict future performance. Annualized risk measures based on 3-year weekly returns if more than 3-year history or 1-year if less than 3-year history.

iMGP European Subordinated Bonds

Share class : I EUR

For qualified investors only

Manager Comment

Highlights

- Market was dominated by high rates volatility and slowing growth data in a context of resilient inflation numbers.
- High beta segments profited from a spread compression driven by a moderation of tightening expectations, while high grade spreads were almost flat,
- Subordinated rebounded sharply, especially Banking AT1 after being hit hard in September and since the start of the year
- The strategy slightly overperformed its benchmark thanks to COCO's rebound despite the negative contribution of hedging positions.

Cumulative performance	Fund	Index
1M	1.2%	1.1%
YTD	-13.9%	-14.4%

Market Review

October was dominated by high volatility on sovereign rates driven by weaker macro numbers and central banks actions and statements in a context of still resilient inflation. BOE interventions on one side and Australian and Canadian Central Banks change of pace, pushed markets towards a more dovish reading also of the ECB. In this context rates showed large swings during the month before closing unchanged in Euro area but higher in US. Risky assets, on the other side, enjoyed a significant rebound with high beta credit experiencing a relevant spread compression, pricing a moderation in the pace of tightening, and gaining between 2 and 3 points in EUR and USD high yield respectively. A strong positive performance was also recorded on subordinated bonds where CoCo, severely affected in September and since the start of the year, recovered more 6% in Euro and 2% in USD markets. In terms of valuation, spreads for this asset class continue to hover around historical highs as investors are still worried of a new wave of non-performing loans and missing calls remains due to a higher cost of replacement.

Fund Review

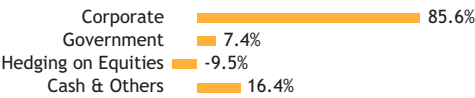
The strategy slightly outperformed its reference index mostly due to its larger exposure to COCOs and HY rated subs, whose contributions were partially offset by the negative charge of hedging positions. In terms of contributions, indeed, worst performers have been equity derivatives, which subtracted more than 80 bps from the monthly performance, and a Tier2 from Banco Comercial Portugues, down more than 10%. On the positive side, the whole COCO segment contributed by almost 160 bps to the portfolio's performance in October. Best performer banking AT1 were Rabobank, Intesa and Unicredit, all up more than 7%. During the month the strategy closed some positions in favour of cash generation within the legacy space (Aegon and CNP) and the tier 2 space, where one BPER Tier 2 was sold entirely to keep only the newest issue and BCP was reduced for risk management purpose. Finally, hedging was increased to -10% after an equity rally not justified by the still worsening macro picture. As a result, cash and equivalents at the end of October amount to around 13% and the strategy remains still in the lower bound of its relative risk positioning, as slightly higher long exposure is compensated by a higher hedging position with duration at around two thirds of its reference index.

Outlook

The growth outlook remains roughly unchanged from the previous month as high inflation will keep central banks in tightening mode adding to the energy crisis in impacting companies' margins. Both rates and spread could experience further widening until central banks and prices pressure fades, but valuations look quite attractive on most credit segments especially for Euro denominated bonds. As such the strategy is expected to keep its hedging on risky assets while at the same time looking forward to adding new long positions on undervalued instruments.

Portfolio Breakdown

Asset allocation



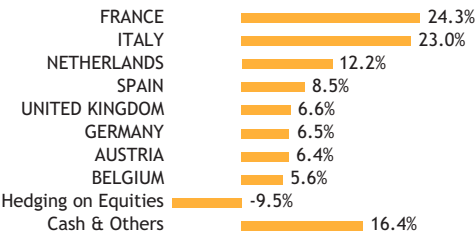
By Maturity

Less than 1 year	7.4%
Between 3 and 5 years	2.0%
Between 5 and 7 years	4.6%
Between 7 and 10 years	15.7%
More than 10 years	63.3%

By Rating

AA	7.4%
A	0.8%
BBB	29.4%
BB	49.6%
B	5.9%

By Country



By Sector

Financials	74.7%
Government	7.4%
Energy	4.5%
Industrials	2.4%
Communications	1.7%
Utilities	1.5%
Consumer Discretionary	0.9%
Hedging on Equities	-9.5%
Cash & Others	16.4%

Top 10

BTF 30/11/22	7.4%
CCAMA VAR PERP	3.1%
USIM VAR PERP(5.75%)	3.0%
DB VAR 05/31 EMTN	2.9%
UCGIM VAR 02/29 EMTN	2.5%
AVLN VAR 7/44(3.875%)	2.5%
BPEIM VAR 01/33 EMTN	2.4%
BNP 1.625% 07/31 EMTN	2.3%
ACAFP 2% 03/29 EMTN	2.1%
LAMON VAR PERP(5.05%)	2.0%
	30.2%

By Currency



By Seniority

COCO	32.3%
T2	27.7%
SUB	15.6%
T1	8.6%
SEN	7.4%
UT2	1.4%

Source: iM Global Partner Asset Management

iMGP European Subordinated Bonds

Share class : I EUR

For qualified investors only

Dealing information

Liquidity	Daily
Cut-off time	TD 12:00 Luxembourg
Minimum initial investment	1,000,000
Settlement	TD+3
ISIN	LU1457568043
CH Security Nr	33361694
Bloomberg	OYESBIE LX

Fees

Subscription fee	Max 0.00%
Redemption fee	Max 1.00%
Management fee	Max 0.55%
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		

Important information

This marketing document has been issued by the investment fund, iMGP (hereinafter referred to as “iMGP” or the “Fund”). It is not intended for distribution to or use by individuals or legal entities that are citizens of or reside in a state, country, or jurisdiction in which applicable laws and regulations prohibit its distribution, publication, issue, or use. Users are solely responsible for verifying that they are legally authorised to consult the information herein. **Only the most recent version of the prospectus, the key investor information document, by-laws, and the annual and half-yearly reports of the Fund (hereinafter referred to as the Fund’s “legal documentation”)** should be considered as a basis for investment decisions. These documents are available on the website, www.imgp.com/iMGP, or from the iMGP offices at 5, Allée Scheffer, L-2520 Luxembourg. For Switzerland, the prospectus, the key investor information document, the annual and semi-annual reports, as well as the statutes can be obtained without charges from CACEIS (Switzerland) SA- 35 Route de Signy - CH-1260 Nyon, representative for Switzerland and CACEIS Bank, Paris, succursale de Nyon / Suisse, paying agent for Switzerland. For other countries, the list of representatives is available on www.imgp.com. The information or data contained in the present document does not in any way constitute an offer or a recommendation or advice to buy or sell shares in the Fund’s units. Furthermore, any reference to a specific security in this document should not be construed as a recommendation or investment advice. They are intended solely to inform the investor as to past performance, and do not reflect the opinion of iMGP or any related companies as to future returns. The information, opinions and assessments contained in the present document shall apply at the time of publication and may be revoked or changed without prior notice. iMGP has not taken any measures to adapt to each individual investor who remains responsible for his own independent decisions. Moreover, investors are advised to consult their legal, financial or tax advisors before taking any investment decisions. Tax treatment depends entirely on the financial situation of each investor and may be subject to change. It is recommended that investors obtain the appropriate expert advice before taking any investment decisions. This marketing document is in no way intended to replace the legal documentation of the Fund and/or any information that investors obtain from their financial advisors. The value of the units referred to may fluctuate and investors may not recoup all or part of their original investment. Investors should consult the Fund prospectus for further details on the risks involved. **Past performance is not indicative of future results.** It is calculated in the unit currency and, where investments are made in a different currency, may also be affected by fluctuations in exchange rates. The performance data given does not include commissions or any fees linked to the subscription to and/or repurchase of shares. **Returns are calculated net of fees in the reference currencies of specific sub - funds.** They reflect the current fees, include management commissions and possibly also performance commissions deducted from the sub-funds. All returns are calculated from NAV to NAV with dividends reinvested. Unless otherwise stated, the performance of sub-funds is shown on a total return basis, including dividends or any other relevant distributions. All returns shown are gross of any tax deductions that could be applicable to an investor. It is possible that companies linked to the Fund and their executives, directors or personnel hold or have held stakes or positions in the securities listed in this document, or that they have traded or acted as market maker for these securities. Moreover, these entities or individuals may also have past or present ties with the executives of the companies issuing the abovementioned shares; furnish or have furnished financial or other services; or are or have been a director of the companies in question. Please note that any reference to an index is made for information purposes only. The performance of the Sub-Fund may differ from the performance of the index. None of the index provider data may be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. SRRI indicator is deemed to reflect the level of risk of the fund. It can vary from 1 to 7 depending on the weekly upward and downward fluctuations of the fund over the past 5 years. Level 1 on the scale does not mean that investing in the fund is risk free. The indicator is based on historic data and can therefore not guarantee the level of future risk of the fund. The indicator is also not intended to be an investment objective for the fund and therefore can vary over time. For further information, please refer to the most recent version of the key information for investors (“KIID”).