

Eurizon Fund - Securitized Bond Fund Z, EUR Accumulation



Data as of 03/31/2024

This Sub-Fund is managed by Eurizon Capital S.A.

NAV (in EUR)	108.61	Fund Size (in EUR)	607 mil	Number of Holdings	186
Morningstar Rating TM	No Rating	Fund Manager	Fabio Iardino		
Morningstar Rating TM referred to 02/29/2024					
Class Unit Inception Date	08/03/2016				

Investment / Performance Objectives & policy

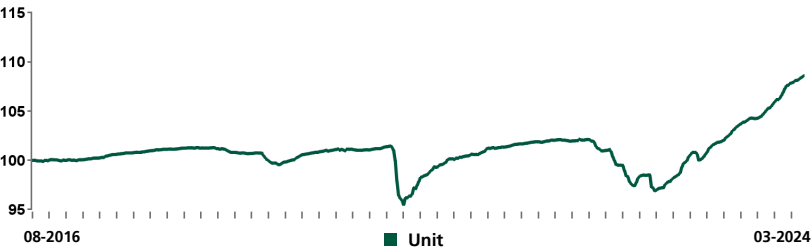
The fund mainly invests, either directly or through derivatives, in securitised debt instruments, such as asset-backed and mortgage-backed securities, denominated in euro. The fund may invest significantly in below investment grade bonds. These investments are from anywhere in the world. Specifically, the fund normally invests at least 51% of total net assets in securitised debt instruments such as asset-backed and mortgage-backed securities, securitised debt instruments backed by non-conforming loans and collateralised loan obligations. The fund may also invest in other debt instruments such as covered bonds and money market instruments. The fund does not invest in leveraged securitised debt instruments provided in the form of synthetic and cash transactions, such as constant proportion debt obligations or leveraged super seniors. The fund may invest in the following asset classes up to the percentages of total net assets indicated:
- below investment grade debt instruments: 49%, including 10% in instruments rated CCC+/Caa1 or lower or unrated instruments
- credit default swaps on asset-backed securities (for hedging only): 10%
- contingent convertible bonds (coco bonds): 10%
The fund's net exposure to non-euro currencies may be up to 40% of total net assets. The fund may use derivatives for reducing risks (hedging) and costs, and to gain additional investment exposure. For more information read the Prospectus or Key Information Document (KID).

VaR

-3,36%
This risk indicator measures the potential maximum loss on the Sub-Fund's portfolio on a monthly basis, calculated with a probability of 99%.

Performance and NAV Evolution*

NAV Evolution since launch



Cumulative and Annualized Performance

	Unit	
	Cumulative	Annualized
YTD	2.31%	-
1M	0.45%	-
3M	2.31%	-
1Y	8.37%	-
3Y	7.21%	2.35%
5Y	8.05%	1.56%
Since Launch	8.61%	1.08%

Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
Annualized Volatility Unit	0.75%	0.66%	1.51%	1.98%	1.77%
Sharpe Ratio	6.57	8.00	0.99	0.61	0.56

Annual Performance (Calendar Year)

	Unit
2023	7.82%
2022	-3.47%
2021	1.37%
2020	-0.55%
2019	1.44%

*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case). Reference period: YTD (year to date) from 01/01/2024 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

Risk and Reward Profile



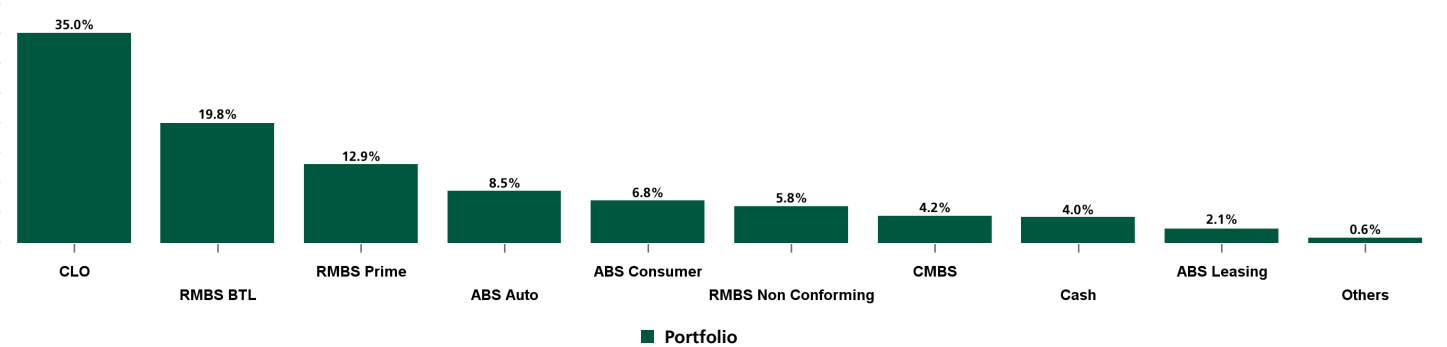
The risk indicator assumes you keep the product for 3 years.
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
We have classified this product as 2 out of 7, which is a lower risk class.
This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity to pay you.

For any further details on investment risks, please refer in particular to the Risks section of the Fund's Prospectus.

Data as of 03/31/2024

Portfolio Information

Collateral Distribution



Top 10 Holdings (excluding cash)

	Weight	Collateral
ISTEL_23-1-B	1.85%	ABS Auto
ASTIG 3 A1	1.76%	RMBS Prime
MIRAV 2020-1 B	1.62%	RMBS Prime
FSQ 2021-1GRX B	1.43%	RMBS Prime
SNDPE 2X CR	1.39%	CLO
BRIDGEPOINT I 2020 C	1.34%	CLO
MARFI 2023-12 A	1.33%	ABS Consumer
HFHL 2020-2 B	1.33%	RMBS Prime
SROCK 2022-1 B	1.30%	RMBS Non Conforming
INVSC 3X A	1.24%	CLO

Allocation by Rating

	Weight
AAA	11.00%
AA	42.27%
A	36.60%
BBB	3.23%
BB	1.83%
B	-
Below B	-

Source: Eurizon Capital elaborations on Bloomberg data

Maturity Evolution*

10-2023	2.90
11-2023	2.48
12-2023	2.08
01-2024	2.18
02-2024	2.13
03-2024	2.19

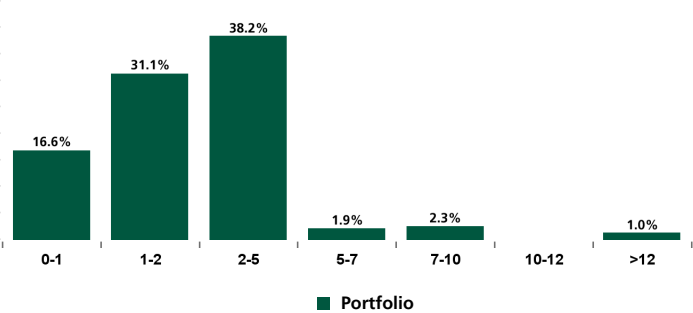
Portfolio Characteristics

	Portfolio
Average Rating	A+
Yield to Worst*	8.13%

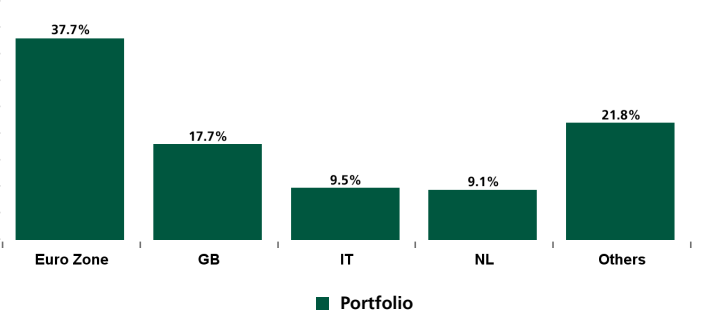
The portfolio Yield to Worst refers only to the component of fixed income and is calculated as a weighted average of returns of the single bond instruments, where the weighting takes place with respect to the value of the individual instrument. Returns hold account of the operating probabilities of the optional components possibly present in the bonds.

*For CLO instruments: calculated assuming call at end of reinvestment period.

Maturity Profile



Geographical Breakdown by Issuer



The sum of the weights represents the total bond exposure, including derivative instruments.

Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

Data as of 03/31/2024

Investment Manager Commentary

Market Development

The structured credit market continued to see healthy levels of activity in both the primary and secondary markets in March. Investor interest in the asset class remains strong, with some appetite for increased risk, as evidenced by the subscription levels of mezzanine tranches in the primary. Fundamental data on collateral performance remains strong, albeit deteriorating as expected. Spreads continue to offer a decent pick-up relative to the corporate market and the floater nature of the instrument seems to be an added attraction. The primary ABS/RMBS market saw good volumes, especially in the first three weeks of the month, with around EUR 7.6bn of syndicated deals. Of note were three prime RMBS, four auto ABS, two French and two German, and two Italian consumer ABS. The deals were well received and execution was very strong, with relatively low coverage of senior tranches and high coverage of mezzanine tranches. The deals were all priced well below initial guidance in terms of the discount margin. In the ABS/RMBS segment, secondary market activity was less intense, driven by primary market volumes, with spreads remaining broadly unchanged across the capital structure and all collateral types, with changes of no more than 2 basis points. The CLO market saw 18 transactions (13 new issues, 1 refi, 4 reset) for a total of around EUR 7.3 billion. The first quarter ended on a record high for the asset class, with the highest number of new issues in the CLO 2.0 era. Interest in transactions remains strong, with all recent managers successfully pricing AAA tranches below 150bp DM. It is also worth noting that a number of vehicles are liquidating portfolios as they do not find it advantageous to refinance at these levels, effectively reducing net issuance, a trend we expect to increase in the coming months. Spread indications are +125/185/240/380/610/925bp for AAA/AA/A/BB/BB tranches over 3m EURIBOR. Stability is evident across the capital structure, with a slight tightening in the sub-investment grade area. The impact of some idiosyncratic situations (notably Altice) has not affected market valuations in general, but selling has been seen in the most exposed names and those potentially at risk of breaching CCC levels or being over-collateralised.

Performance and Investment Choices

The Fund turned in a positive performance for the month. Credit spreads remained broadly stable, confirming the levels seen at the end of February. The performance for the month benefited from good carry generation through the indexation of coupons to money rates and an allocation that remains highly concentrated in investment grade mezzanine tranches. Management activity focused on the primary market, where the Fund participated in a number of new issues, particularly auto and consumer ABS. Investment opportunities at attractive spreads can still be seen in mezzanine tranches, given the short average maturity, the level of subordination/rating and the good fundamentals of the European consumer market.

Outlook and Investment Strategy

The first quarter of the year was extremely positive for the European securitisation market in terms of both primary volumes and performance. On the primary side, public deal volumes amounted to approximately EUR 33 billion (10.6 in CLOs) with a growth of almost 50% compared to Q1 2023. New issues were well absorbed by the market, with coverage ratios rising last month on senior tranches, while those on mezzanines remained very high (3x-8x) throughout the quarter. Credit spreads continued to tighten across all segments of the market, despite the good performance seen in the final months of 2023, while credit curves continued to flatten, as seen in recent months. Current levels, especially for some types of collateral, are not far from the lows recorded post-pandemic. Primary market activity is expected to remain strong in the coming months, while spreads are expected to be driven mainly by central bank monetary policy and volatility in interest rate and corporate credit markets. Given the levels reached by senior paper, we see less room for further tightening, with the exception of CLOs, while possible small corrections in the more junior tranches cannot be ruled out. In the long term, the view remains constructive due to the yield pickup of the asset class compared to government and corporate bonds, as well as the robust performance of European economies, which support transaction fundamentals.

Source: Eurizon Capital SGR S.p.A., the Investment Manager of the Sub-Fund.

This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.

Fund Overview

Legal Status	Fonds Commun de Placement (FCP)/UCITS
Home jurisdiction of the Fund	Luxembourg
ISIN Code	LU1393925158
Class Unit Inception Date	08/03/2016
Valuation	Daily
Bloomberg Code	EESEBOZ LX
Entry costs	-
Exit costs	-
Management fees and other administrative or operating costs	0.57% (of which management commission constitutes 0.40%)
Transaction costs	0.04%
Performance fees	The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund's hurdle rate. The actual amount will vary depending on how well your investment performs
Minimum amount	3,000,000 EUR
Taxes	The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor.
Management Company	Eurizon Capital S.A.
Investment Manager of the Sub-Fund	Eurizon Capital SGR S.p.A.
Category	OTHER BOND

In managing the fund, the SGR (Società di Gestione del Risparmio — asset management company) integrates sustainability risk analysis into its investment process, pursuant to Article 6 of Regulation (EU) 2019/2088; see the Sustainability Policy for more details.

Data as of 03/31/2024

Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website www.eurizoncapital.com. These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request. This document does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Unit is suitable to your personal situation and understand the related risks and tax impacts.

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IMPORTANT INFORMATION

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

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