

GENERAL INFORMATION
INVESTMENT STRATEGY

Start of operations	2022 07 01
Net asset value	12 272 333,25 EUR
Unit value of investment direction	99,99 EUR
Management fee	0,80 %

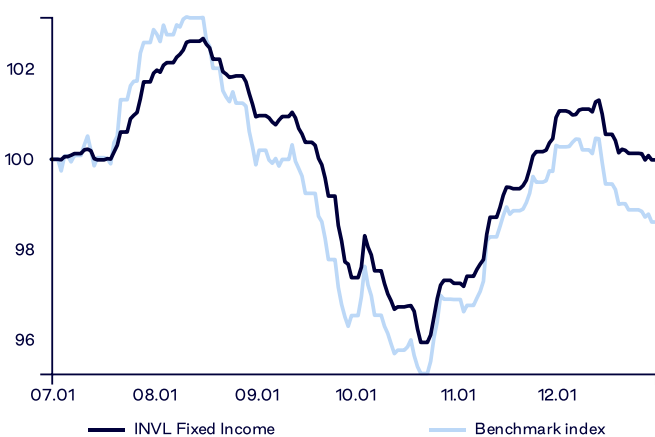
A strategy for investing in fixed-income instruments that aims to achieve returns on fixed-income investment products over the medium term. This is achieved through the active portfolio management using a variety of investment objects such as collective investment undertakings, deposits, money market instruments, debt securities, derivatives or alternative investments. Proportion of alternative investment assets may represent up to 30% of the assets. Derivatives can be used to hedge against currency exchange rate change risk.

COMMENT

Q4 2022 started on a positive note, with a growing number of price indicators suggesting that inflationary pressures have finally peaked. October's US inflation data (published on 10 November) showed the first serious slowdown in the rate of increase in the consumer price index. A similar trend was also evident in Europe, where the situation was also dampened by the retreat of energy prices from their highs during a relatively warm winter. Although both the Fed and the ECB took a softer approach to interest rate hikes, both raising base rates by 0.50% in December (compared to 0.75% in previous months), the comments from central bankers on the outlook for the future were somewhat gloomier than the financial markets had expected. Both ECB President Christine Lagarde and Fed President Jerome Powell seem determined to avoid cutting interest rates in 2023, even in the event of a potential economic downturn. Although the actions of the central banks have led to a record rise in yields (US 10-year bond yields rose from 1.5% to 3.9% over the year, while German yields rose from 0% to 2.6%), and a consequent fall in bond prices, a large part of the negative developments have already materialised or have been factored into the prices of financial instruments. As a result, the reduced sensitivity of bonds to further interest rate rises and the significant rise in interest rates provide a favourable environment for a recovery in bond prices, which we consider as an acquisition opportunity.

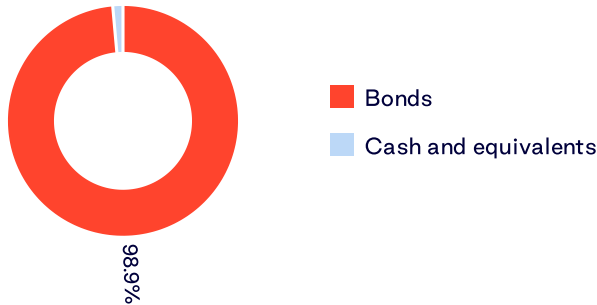
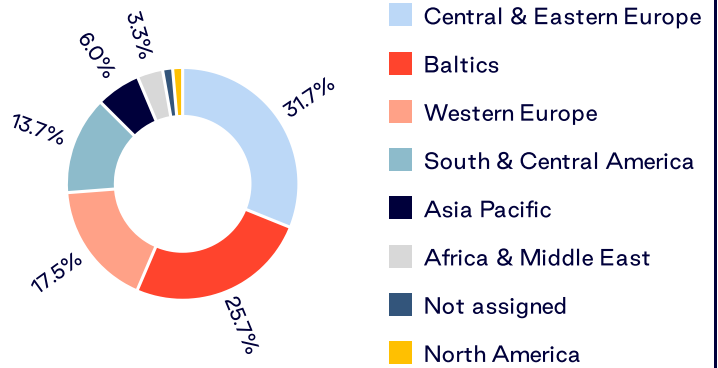
Equity markets in the main regions of the world remained significantly unchanged during the quarter, with the exception of Western Europe, which generated a return of close to 10% during the quarter. There was no region among the major equity indices that had a positive return in 2022, apart from a few individual country markets such as Brazil. From a historical perspective, over the last 75 years, the S&P 500 index of US equities has averaged a return of close to 15% (in dollars, excluding dividends) for 1 calendar year after a negative year, while negative returns have only been recorded three times for two years in a row. It is true that past performance cannot guarantee future results.

The yield on the bond component is currently 5.6% to maturity, compared to 4.9% for the benchmark. Also, we maintain the shorter financial duration of the strand at 4 years compared to 4.5 years for the benchmark. This attractive expected risk-return ratio is achieved through active investments in individual debt instruments and actively managed funds.

GRAPH SINCE THE ESTABLISHMENT OF THE INVESTMENT DIRECTION
RETURN ON INVESTMENT IN DIFFERENT PERIODS


	Investment direction	Benchmark index*
2022 Y. IV QUARTER	2,68 %	2,15 %
Since creation	-0,01 %	-1,39 %

Please note that past results of the Investment Direction do not guarantee the same results and profitability in the future. Past performance is not a reliable indicator of future performance.

DISTRIBUTION BY WEALTH TYPE

GEOGRAPHICAL DISTRIBUTION**


* From July 1, 2022, the composite comparative index is applied:

- 24,25% Bloomberg Barclays Series-E Euro Govt 3-5 Year Bond Index (BERPG2 Index)
- 24,25% Bloomberg Barclays EuroAgg Corporate 3-5 Year TR Index Value (LEC3TREU Index)
- 19,40% J.P. Morgan Euro Emerging Markets Bond Index (EMBI) Global Diversified Europe (JPEFEUR Index)
- 19,40% Bloomberg Pan-European High Yield (Euro) (IO2501EU Index)
- 9,70% J.P. Morgan Emerging Markets Bond Index (EMBI) Global Hedged Euro Index (JPEIGHEU Index)
- 3,00% European Central Bank ESTR OIS Index (OISESTR Index)

** The geographical distribution is indicated considering the countries of the economic logic of the investments, as well as the investment components of collective investment funds (CIF) and exchange-traded funds (ETF), guided by their reports. If these reports do not specify the investment components of the CIF or ETF, the country of registration of the CIF or ETF is used.

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