



Algebris Financial Credit Fund

December 2014 Factsheet

Fund Terms	
Size (\$):	471m
Domicile:	Ireland
Institutional Share Classes:	I (Accumulating) Id (Distributing)
Liquidity:	Daily
Management Fee:	0.50%
Incentive Fee:	10%
Bloomberg Ticker:	AFCIEUR
ISIN (I EUR Share Class):	IE00B81TMV64

Fund Information	
No. of Bonds/ No. of Issuers	89/37
Effective Duration (OAD)	4 yrs
BLP Composition Rating (BLP Rating)	BB+
Gross Coupon Rate (Cpn)	6.4%
Gross Yield to Worst (YTW)	5.4%
Gross Yield to Maturity (YTM)	5.8%

Source: Bloomberg LP, Algebris Investments (UK) LLP

Performance Analytics	
Return Since Inception	25.6%
Annualised Return	10.3%
Annualised Volatility	3.1%
Sharpe Ratio	3.2

Note: Figures are based on net returns for I EUR (Accumulating) class assuming admin, management and incentive fees and excluding ADL (Anti-Dilution Levy – Currently 25bps). The actual price at which an investor subscribes or redeems shares in the fund will vary, depending on the swung price based on the ADL applied on the day in question. Further information is contained in the Prospectus.

Inception date: 3 September, 2012.

Data as at 31 December 2014

Source: Bloomberg LP, Algebris Investments (UK) LLP

Fund Objective

The Algebris Financial Credit Fund aims to achieve a high level of current income and modest capital appreciation by investing in senior and subordinated debt securities of the financial credit sector globally including hybrid capital instruments, preference shares and contingent convertible bonds (CoCos) with fixed and variable interest rates, which may be rated investment grade or below investment grade.

Currency exposure will be systematically hedged.

Investment in the Fund may be suitable for investors with a medium to long term investment horizon.

Performance Information (Net) % – I EUR (Accumulating)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012									1.65	2.27	1.68	1.84	7.65
2013	0.34	0.51	0.46	2.45	0.02	-2.17	1.15	-0.14	0.96	2.67	0.88	0.99	8.33
2014	1.25	2.07	0.61	1.46	1.20	0.70	-0.29	0.66	-1.87	1.40	0.65	-0.36	7.69

Please see note above. Figures are available on Bloomberg, daily.

Source: HSBC Securities Services (Ireland) Ltd, Algebris Investments (UK) LLP

Commentary

The Algebris Financial Credit Fund returned -0.36% in December and was up 7.69%, net of fees for the financial year 2014. The Bank of America Merrill Lynch Contingent Capital Index returned -1.17% for December and 5.55% for 2014. Top positive contributors to the fund's performance for the month included positions in UBS and Suntrust Bank. Detractors to performance were UniCredit and Credit Suisse.

Markets in December were gripped by the continued and dramatic move lower in oil and commodity prices. Russia's economic woes, aided by sanctions and exacerbated by the decline in energy prices, dominated headlines. European economic data remains soft, and with little to no inflation expectations are building for a Draghi-led quantitative easing move by the European Central Bank in late January. Alongside this, the Euro continues to fall against the Dollar and while there is confidence that the European Stability Mechanism will help the European Union withstand a possible Grexit (snap elections are expected in Greece on January 25th), the mood is nonetheless unsettling.

The combination of market volatility and calendar ensured that there was no new subordinate issuance in December. The fund slightly increased core positions during the mid-month sell-off, as several positions offered good value with yields at around 8%. We enter 2015 optimistic about the market, in spite of the developments in Greece. Sovereign risk has been very well contained in part due to the expectation that a broad-based quantitative easing programme would be announced in Europe. The continued decline in European yields highlights the attractive spreads and opportunities still available in the bank capital market.

Contact us

For questions regarding the
Algebris Financial Credit Fund

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Algebris Financial Credit Fund

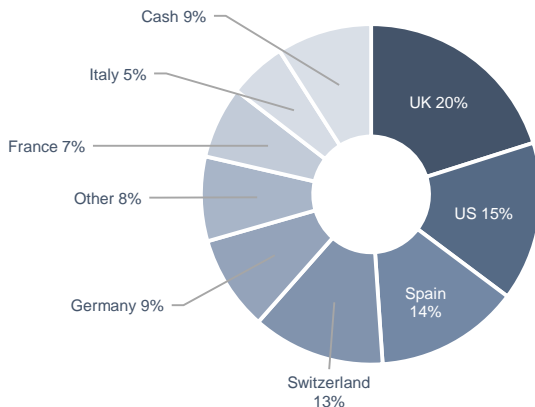
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Top 10 Bond Issuers by Exposure

Rank	Name	Total	Rank	Name	Total
1	Lloyds	9%	6	Crédit Agricole	5%
2	Credit Suisse	9%	7	Unicredit	4%
3	Banco Santander	7%	8	JP Morgan	3%
4	Barclays	6%	9	Commerzbank	3%
5	BBVA	6%	10	Deutsche Bank	3%

Source: Algebris Investments (UK) LLP

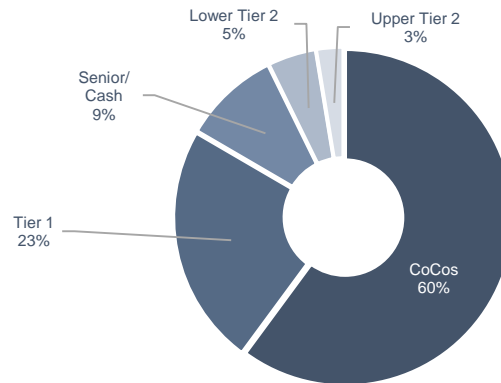
Country Exposure



Allocation may not add up to 100% due to rounding.

Source: Algebris Investments (UK) LLP

Capital Structure



Allocation may not add up to 100% due to rounding.

Source: Algebris Investments (UK) LLP

About Algebris

Algebris Investments (UK) LLP is an investment manager specialising in the global financial sector. Algebris invests across the capital structures of financial institutions, in both credit and equity, on behalf of long only and hedged strategies. Algebris has a team of 10 investment professionals and manages ~\$2bn, split between credit and equity investments (data as of 31 December 2014). With offices in London, Singapore, Boston and Milan*, it is registered with the SEC, MAS and the FCA. Affiliated to The Children's Investment Fund Management (UK) LLP.

*Milan office opening in Q1 2015

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