



Algebris Financial Credit Fund (UCITS)

November 2017 Factsheet

Fund Terms

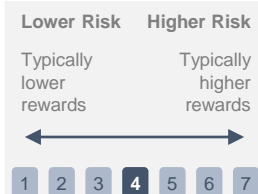
Size (€):	4.7bn
Fund Inception:	3 September, 2012
Domicile:	Ireland
Share Classes:	I (Accumulating) Id (Distributing)
Liquidity:	Daily
Management Fee:	0.50%
Incentive Fee:	10%
Bloomberg Ticker:	AFCIEUR ID / AFCIDEU ID
ISIN (I/Id EUR Share Classes):	IE00B81TMV64 / IE00B7SR3R97
Data as at 30.11.2017	

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.

Risk Profile



Note: The synthetic risk and reward indicator (SRRI) is based on historical data and may not be a reliable indication for the future. It is calculated using the volatility of the Fund's weekly performance over a five-year period. A score of 4 means the Fund's historic volatility is between 5% and 10%.

Contact us

For questions regarding the Algebris Financial Credit Fund
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Visit: www.algebris.com

Fund Information

No. of Bonds/ No. of Issuers	112/ 42
Effective Duration	3.4 yrs
Avg. Credit Rating	BB+
Current Yield (gross)	5.3%
Yield to Maturity (gross)	6.2%
Yield to Worst (gross)	3.9%
2016 Annual Distribution	6.1%

Avg. Credit Rating is calculated using the average of the top two credit ratings from S&P, Fitch and Moody's and includes all rated bonds and cash. Liquidity funds are excluded. Annual Distribution refers to the Id EUR share class. Source: Bloomberg LP, Algebris (UK) Limited

Performance Analytics

Return Since Inception	56.2%
Annualised Return	8.9%
Annualised Volatility	4.5%
Sharpe Ratio	1.9

Note: Figures are based on net returns for I EUR (Accumulating) class including 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. Source: Algebris (UK) Limited

Performance History (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
2015	1.56	1.50	0.66	0.25	0.10	-1.19	1.59	-0.40	-1.15	2.34	0.48	-0.29	5.50
2016	-1.57	-3.41	3.74	1.73	1.42	-2.00	3.60	1.49	-1.09	1.96	-1.29	2.55	7.04
2017	1.01	1.47	0.61	2.01	0.86	-0.21	1.85	-0.27	0.24	2.37	-0.20		10.12

Note: Figures are available on Bloomberg, daily. Source: HSBC Securities Services (Ireland) DAC, Algebris (UK) Limited

Commentary

- The Algebris Financial Credit Fund was down -0.20% in November, bringing the performance for the year to 10.12%. Top detractors to the fund's performance were HSBC, UBS and Credit Suisse, while Lloyds, Sabadell and BBVA were the fund's top contributors for the month
- November was a quiet month for financial hybrids although with a slightly negative total return. Returns may have been impacted indirectly by a pickup in volatility in the broader High Yield market both in Europe and the US with some large issuers selling off before partially recovering
- Economic data showed strong and broad-based global momentum in November. The global manufacturing PMI rose to a new high since 2011, consistent with 4% global GDP growth. With GDP estimates for Italy, Germany, France revised upwards, Europe is now expected to grow faster than the US next year. Inflation data was mixed in the major developed markets, though it shows a positive trend in the key developed markets, with both Japanese and Eurozone core CPI stabilizing
- The US market continues to be driven by the tax reform agenda and Congress has moved a bill through the process faster than most observers expected. The key feature for markets is a change in the corporate tax rate to 20% or potentially slightly higher. The financial sector, largely driven by high tax domestic earnings, will be one of the biggest beneficiaries. Political focus in Europe was on Brexit talks with enough progress made on the first stage of negotiations to move to the second stage. The first stage addresses the conditions of the UK's withdrawal from the EU while the second stage will determine the longer term relationship between the EU and UK, particularly the trade agreements
- November brought some mixed regulatory news for financial hybrids. Pressure remains high on the smaller peripheral banks to accelerate NPL disposal, as would be required under the new ECB addendum to the NPL guidance. December opened with a Basel agreement on Basel 4. The main parts of the agreement had been well trailed in the press, namely output floors at 72.5% and a long phasing period (full implementation by 2027). However, the lower standardized risk weights, on mortgages and operational risk, and national discretion on filters suggest that the end result should be more generous for banks than expected. Any resolution here will likely be taken positively as banks can move forward with more clarity on capital return
- Activity in primary markets picked up again in November, with four new AT1s issued in Europe by BBVA, BNP, Nordea and Sabadell and two US prefs. In total there was of €3.7bn of new supply across AT1 and preferred bonds. The BBVA bond carries a 6.125% coupon for a USD non-call 10 format, with backend close to 400bps. The bank printed \$1bn to partially refinance the 9% AT1 callable in 2018. The new Sabadell AT1 was pre-placed with investors before being publicly announced. It has 6.125% coupon and 6.05% reset spread.



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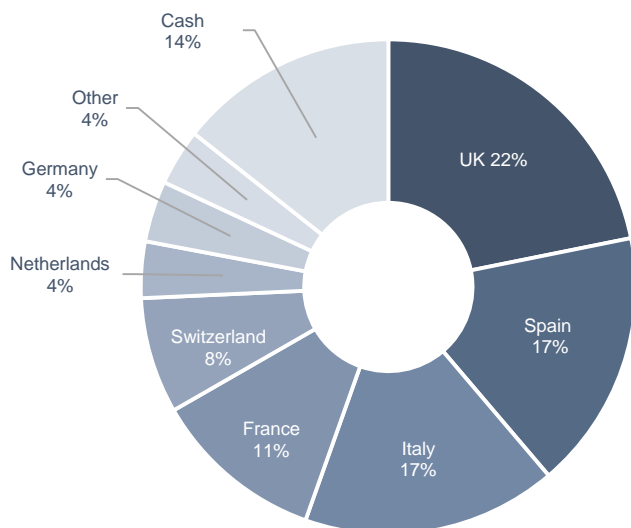
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Top 10 Bond Issuers by Exposure

Name	Total	Name	Total
Unicredit	8%	Crédit Agricole	4%
Intesa Sanpaolo	8%	Lloyds	4%
BBVA	7%	UBS	4%
Barclays	7%	HSBC	4%
Santander	6%	Société Générale	4%

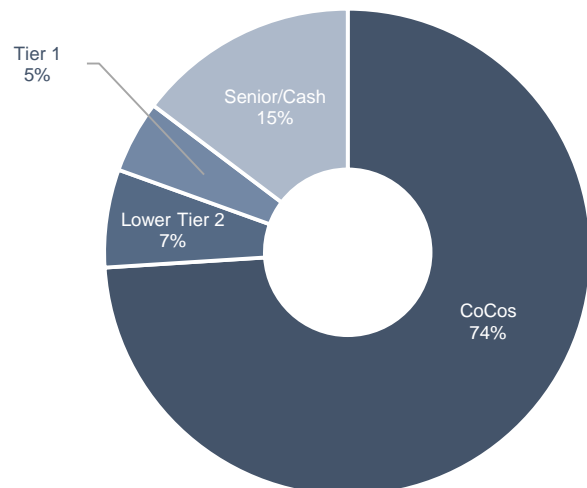
Note: Figures are rounded to the nearest percentage point.
Source: Algebris (UK) Limited

Country Exposure



Allocation may not add up to 100% due to rounding. Excludes bond futures used for hedging duration and index options.
Source: Algebris (UK) Limited

Capital Structure



Allocation may not add up to 100% due to rounding. Excludes bond futures used for hedging duration and index options.
Source: Algebris (UK) Limited

About Algebris

Algebris (UK) Limited is a global investment manager with a historical focus on the financial sector across the capital structure. Founded in 2006, Algebris has gradually expanded its expertise and entered the global credit and Italian securities space to capture a broader set of value opportunities. Algebris has a team of 25 investment professionals and manages EUR 10.7bn AUM (inclusive of committed capital), split between credit and equity investments (data as of 30 November 2017).

Algebris (UK) Limited is authorised and regulated by the Financial Conduct Authority. The US office is registered with the SEC and the Singapore office is registered with MAS.

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Fund Details

Share Class				Identifiers	
Class	CCY	Min Investment	Launch Date	ISIN	BBG ticker
I	EUR	€ 500,000	3/9/12	IE00B81TMV64	AFCIEUR ID
	GBP	GBP equivalent of €500,000	14/9/12	IE00B85LPZ38	AFCIGBP ID
	USD	USD equivalent of €500,000	10/2/15	IE00BK017B22	ALGIUS ID
	CHF	CHF equivalent of €500,000	3/10/12	IE00B8HNZW49	AFCICHF ID
	SGD	SGD equivalent of €500,000	N/A	IE00BYYJY973	N/A
R	EUR	€ 10,000	23/1/13	IE00B8J38129	AFCRREU ID
	GBP	GBP equivalent of €10,000	5/10/16	IE00BMMVVZ61	ALGFRGB ID
	USD	USD equivalent of €10,000	14/4/14	IE00BK017F69	AFCRUSD ID
	CHF	CHF equivalent of €10,000	30/6/14	IE00B8ZQ4Z18	ALGFCRC ID
	SGD	SGD equivalent of €10,000	13/1/17	IE00BYYJY759	N/A
ID	EUR	€ 500,000	18/9/12	IE00B7SR3R97	AFCIDEU ID
	GBP	GBP equivalent of €500,000	3/5/13	IE00B8DD4P49	AFCIDGB ID
	USD	USD equivalent of €500,000	3/7/14	IE00BK017C39	AFCRIDU ID
	CHF	CHF equivalent of €500,000	N/A	IE00B7W1NB16	ALGFIDC ID
	SGD	SGD equivalent of €500,000	N/A	IE00BYYJYC06	N/A
RD	EUR	€ 100,000	4/2/13	IE00B8XCT900	AFCRDEU ID
	GBP	GBP equivalent of €100,000	3/2/15	IE00BMMVW089	ALGFRDG ID
	USD	USD equivalent of €100,000	24/6/14	IE00BK017D46	AFCRDUS ID
	CHF	CHF equivalent of €100,000	20/2/17	IE00B7RCR403	ALGFRDC ID
	SGD	SGD equivalent of €100,000	23/3/17	IE00BYYJYD13	N/A

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The State of the origin of the Fund is Ireland. In Switzerland, the Representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying agent is Vontobel Ltd, Gotthardstrasse 43, CH-8022 Zürich. The Basic documents of the Fund such as the prospectus, the key investor information document (KIID), the articles of association as well as the semi-annual and annual reports may be obtained free of charge at the office of the Swiss Representative.

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