



Algebris IG Financial Credit Fund (UCITS)

B EUR (Accumulating)

January 2021

Terms	
Size (€):	544m
Fund Inception:	04.11.2019
Fund Domicile:	Ireland
Fund Base Currency:	EUR
Dealing Frequency:	Daily
ISIN:	IE00BK1KGS86
Management Fee:	0.4%
Incentive Fee:	0%

Fund Information	
No. of Bonds/ No. of Issuers	103/37
Effective Duration	4.6 yrs
Avg. Credit Rating	BBB+
Current Yield (Gross)	3.0%
Yield to Worst (Gross)	2.0%

Performance Analytics	
Return Since Inception	10.6%
Annualised Return	8.5%
Annualised Volatility	7.1%
Sharpe Ratio	1.2
2020 Annual Distribution	2.3%

Note: Avg. Credit Rating is calculated using internal methodology based on major agency ratings and includes all rated bonds, liquidity funds, collective investment schemes and cash.

Source: Bloomberg LP, Algebris Investments

Note: Figures are based on returns for the B EUR (Accumulating) share class, net of management fees and operating expenses and excluding ADL (Anti-Dilution Levy – currently 25bps). The actual price at which an investor subscribes or redeems shares depends on the ADL applied on the relevant dealing day. Further information is contained in the Prospectus. Past performance is not a guarantee of future results. Annual Distribution refers to the equivalent distributing share class (Bd EUR). Share class inception date: 4 November 2019. Source: HSBC Securities Services (Ireland) DAC, Morningstar

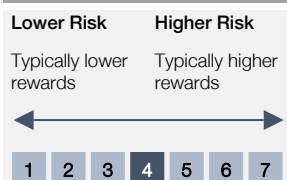
Fund Objective

The Algebris IG Financial Credit Fund aims to generate an attractive level of income and modest capital appreciation by investing predominantly in investment grade securities (rated BBB- or above by a major rating agency) issued by financial institutions globally. The securities in which the Fund invests will include senior and subordinated debt instruments, trust preferred securities, preference shares, convertible securities, Additional Tier 1 bonds and hybrid securities.

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 the 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%.

Performance History (Net) % - B EUR (Accumulating)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019											0.30	0.42	0.72
2020	1.29	-0.77	-7.00	6.22	1.62	1.65	1.54	1.11	-0.33	0.27	3.69	1.04	10.25
2021	-0.36												-0.36

Note: Returns are net of management fees and operating expenses but exclude ADL (Anti-Dilution Levy – currently 25bps). The actual price at which an investor subscribes or redeems shares depends on the ADL applied on the relevant dealing day. Further information is contained in the Prospectus. Prices are published daily on Bloomberg. Past performance is not a guarantee of future results.

Source: HSBC Securities Services (Ireland) DAC, Morningstar

Commentary

- Ongoing uncertainties across different markets led to a tepid start of the year for Financial sector's assets. In Europe, the lack of clarity from a timing perspective on the path to ending lockdowns and rolling out vaccinations has been a temporary set-back in the appetite for higher beta assets, which generically underperformed their global peers. As an illustration, in January EuroStoxx equity index was -1% compared with US S&P +1%, despite in both regions corporate credit indices widening by a similar amount in spread terms.
- With the confirmation of Georgia's Senate race flipping to the Democrats, the US Senate has become evenly split with the Democrats holding the tie-break vote via newly elected Vice President Harris. This has fuelled US rate curve steepening – 2s10s +15bps - in anticipation of what could be a very active fiscal spending plan in the coming quarters, which in turn has helped drive long-end sell-offs in other developed markets, i.e. 2s10s +10bps in Germany and +7bps in the UK. Despite these rate curve shifts, financial credit spreads remained very resilient throughout January, tightening by on average c5bps across the capital structure of leading European banks with the compression theme intact.
- To date, the fourth quarter results season has delivered few surprises vis-à-vis guidance provided by management during the middle of last year. US and European banks have yet to report significant deterioration in asset quality metrics - provisioning and coverage levels are still adequate – with profitability and capital trends continuing to build over an unequivocally solid starting point. Meanwhile, regulators have extended certain support measures, providing support to asset quality dynamics. That said, with the pandemic crisis taking longer to “settle” in Europe, it could still be a few more quarters before the market becomes more reassured around the (lack of adverse) longer-term impact of the current moratoria measures.
- As expected, issuance picked up in January as entities began to address their funding plans. At EUR40bn, supply was twice the average amount of the previous 6 months though was still 30% lower than January 2020. The bulk of this January's primary was concentrated in Senior Unsecured format (c60%), with just c15% in capital instruments as a few select entities filled out their remaining AT1 buckets.

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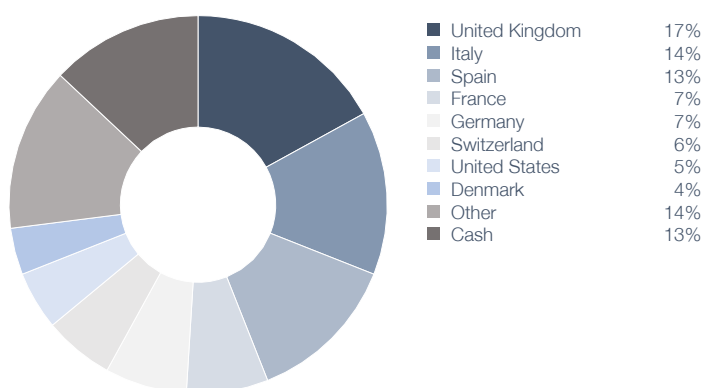
January 2021

Top 10 Bond Issuers by Exposure

Name	Total	Name	Total
Unicredit	7%	Danske Bank	4%
Intesa Sanpaolo	6%	Natwest	4%
Barclays	6%	Santander	4%
Credit Suisse	5%	BBVA	4%
Caixabank	4%	BNP Paribas	4%

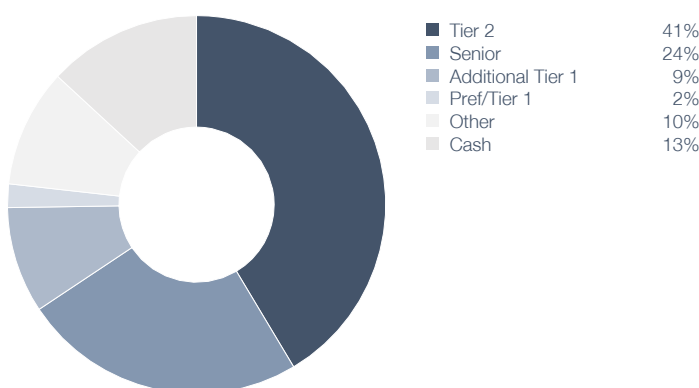
Note: Figures are rounded to the nearest percentage point. Excludes exposure to collective investment schemes and derivatives.
Source: Algebris Investments

Country Exposure



Allocation may not add up to 100% due to rounding. Excludes bond futures used for hedging duration and index options. "Other" includes exposure to a collective investment scheme invested in subordinated financial debt.
Source: Algebris Investments

Capital Structure



Allocation may not add up to 100% due to rounding. The "Additional Tier 1" category includes "Restricted Tier 1" (Insurance) capital. Excludes bond futures used for hedging duration and index options. "Other" includes exposure to a collective investment scheme invested in subordinated financial debt.
Source: Algebris Investments

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 28 investment professionals and manages EUR 14.2bn AUM (inclusive of committed capital), split between credit and equity investments (data as of 31.01.2021).

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Fund Details				
Share Classes			Identifiers	
Class	Currency	Minimum Initial Investment	ISIN	BBG ticker
I	EUR	€ 500 000	IE00BK1KH528	ALIFIEU ID
	GBP	GBP equivalent of €500,000	IE00BK1KH742	ALIFIGI ID
	USD	USD equivalent of €500,000	IE00BK1KHB84	ALIFCIU ID
	CHF	CHF equivalent of €500,000	IE00BK1KH965	ALIFICH ID
	SGD	SGD equivalent of €500,000	IE00BK1KHD09	ALIFISG ID
	HKD	HKD equivalent of €500,000	IE00BK1KHJ60	ALIFCAI ID
	JPY	JPY equivalent of €500,000	IE00BK1KHG30	ALIFCIJ ID
Id	EUR	€ 500 000	IE00BK1KH635	ALIFCIE ID
	GBP	GBP equivalent of €500,000	IE00BK1KH858	ALIFIGB ID
	USD	USD equivalent of €500,000	IE00BK1KHC91	ALIFIDU ID
	CHF	CHF equivalent of €500,000	IE00BK1KW246	ALIFCIC ID
	SGD	SGD equivalent of €500,000	IE00BK1KHF23	ALIFCIS ID
	HKD	HKD equivalent of €500,000	IE00BK1KHK75	ALIFCIH ID
	JPY	JPY equivalent of €500,000	IE00BK1KHH47	ALIFJJP ID
R	EUR	€ 10 000	IE00BK1KHL82	ALIFCRE ID
	GBP	GBP equivalent of €10,000	IE00BK1KHN07	ALIFCRG ID
	USD	USD equivalent of €10,000	IE00BK1KHS51	ALIFCRU ID
	CHF	CHF equivalent of €10,000	IE00BK1KHQ38	ALIFCRC ID
	SGD	SGD equivalent of €10,000	IE00BK1KHV80	ALIFRSG ID
	HKD	HKD equivalent of €10,000	IE00BK1KG884	ALIFCRH ID
	JPY	JPY equivalent of €10,000	IE00BK1KH005	ALIFCRJ ID
Rd	EUR	€ 10 000	IE00BK1KHM99	ALIFREU ID
	GBP	GBP equivalent of €10,000	IE00BK1KHP21	ALIFRGP ID
	USD	USD equivalent of €10,000	IE00BK1KHT68	ALIFRUS ID
	CHF	CHF equivalent of €10,000	IE00BK1KHR45	ALIFRCH ID
	SGD	SGD equivalent of €10,000	IE00BK1KHW97	ALIFCRS ID
	HKD	HKD equivalent of €10,000	IE00BK1KG991	ALIFRHK ID
	JPY	JPY equivalent of €10,000	IE00BK1KH112	ALIFRJP ID

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