Fund Fact Sheet | October 2023

# Rubrics Global Credit UCITS Fund (Class D USD)

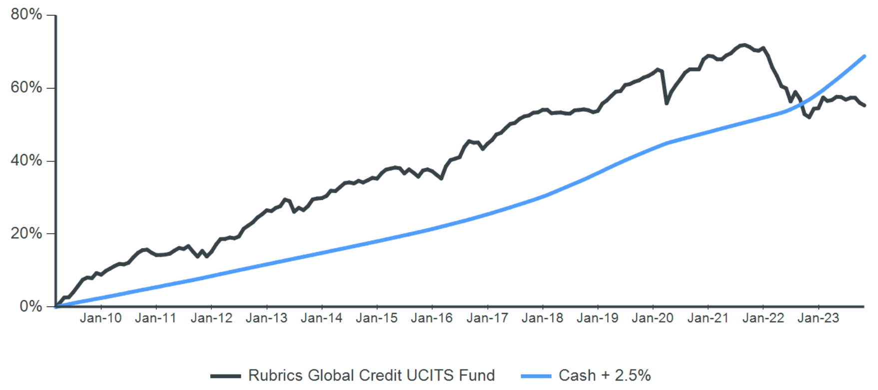
## Objective

The Rubrics Global Credit UCITS Fund (the "Fund") invests in a diversified, global portfolio of high-quality credits. The Fund pursues a total return, non-benchmarked strategy with a strong capital preservation emphasis. We maintain a low-duration portfolio bias, usually around three years. Our target return is equal to cash plus 2.5% over the medium term.

## Performance

Past performance is no guarantee of future returns. Source: Rubrics Asset Management and Bloomberg. All performance is calculated on a NAV-to-NAV basis and is as at the last business day of the month.

### Cumulative performance since (06 March 2009)




### Monthly performance since 2020

| | J | F | M | A | M | J | J | A | S | O | N | D | Year | Primary Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 0.61 | -0.29 | -5.33 | 1.98 | 1.20 | 1.00 | 1.13 | 0.55 | 0.01 | -0.01 | 1.65 | 0.58 | **2.91** | 3.15 |
| 2021 | -0.09 | -0.47 | 0.00 | 0.63 | 0.36 | 0.70 | 0.52 | 0.11 | -0.30 | -0.51 | -0.11 | 0.44 | **1.28** | 2.68 |
| 2022 | -1.26 | -1.87 | -1.42 | -1.73 | -0.36 | -2.26 | 1.65 | -1.21 | -2.64 | -0.55 | 1.53 | 0.11 | **-9.64** | 4.39 |
| 2023 | 1.90 | -0.61 | 0.18 | 0.55 | -0.05 | -0.45 | 0.33 | 0.00 | -0.88 | -0.46 | | | **0.49** | 6.43 |

### Net performance

| | 1 month | 3 months | 6 months | 1 year | 3 years* | 5 years* | 10 years* | Since launch* |
|---|---|---|---|---|---|---|---|---|
| Fund | -0.46% | -1.33% | -1.50% | 2.13% | -2.04% | 0.17% | 1.83% | 3.05% |
| Primary Index | 0.65% | 1.97% | 3.93% | 7.59% | 4.65% | 4.48% | 3.97% | 3.63% |

* Annualised returns are period returns re-scaled to a period of 1 year

### Rolling 12-month performance to most recent quarter end (30 September 2023)

| | Q3 2022 - Q3 2023 | Q3 2021 - Q3 2022 | Q3 2020 - Q3 2021 | Q3 2019 - Q3 2020 | Q3 2018 - Q3 2019 |
|---|---|---|---|---|---|
| Fund | 2.04% | -10.78% | 3.72% | 1.88% | 5.15% |
| Primary Index | 7.39% | 3.46% | 2.71% | 3.58% | 5.11% |

## Risk factors you should consider before investing

The value of investments and any income derived are subject to market and exchange rate movements and may fall as well as rise. Investors may not get back the full amount invested. Investing in investment funds is subject to market risks. Past performance results are no indication of future results. Past performance results over periods of less than twelve months are an especially unreliable indicator for future returns due to the short comparison period. Any subscription fees charged by intermediaries are not included in the performance figures. All figures and information are given without any warranty and errors are reserved. Details of the fees and expenses payable to the Fund's services providers and advisors are set out in the relevant supplements to the Fund prospectus.

** Minimum investments and fees may vary according to currency and share class

## Fund facts

| | |
|---|---|
| **Entity name** | Rubrics Global UCITS Funds PLC |
| **Inception date** | 06 March 2009 |
| **Index** | Cash + 2.5% |
| **Minimum investment (USD)** | 500 |
| **Subscription** | Daily |
| **Redemption** | Daily |
| **Other available currencies** | CHF, EUR, GBP |

## Key data †

| | |
|---|---|
| **Fund assets (USD)** | $328 million |
| **NAV (USD)** | 15.5271 |
| **Total return since inception** | 55.27% |
| **Annualised return since inception** | 3.05% |
| **Annualised standard deviation** | 1.97% |
| **Number of securities** | 179 |
| **Average coupon** | 3.89% |
| **Average duration (years)** | 3.36 |
| **Average yield to maturity** | 5.82% |
| **Average portfolio credit rating** | AA |
| **Portfolio ESG rating (MSCI)** | A |

## Fees**

| | |
|---|---|
| **Management fee** | 1.25% |
| **Performance fee** | None |

## Fund codes

| | |
|---|---|
| **ISIN** | IE00BCRY5T25 |
| **SEDOL** | BCRY5T2 |
| **Bloomberg** | RUBRGCD |

**** Minimum investments and fees may vary according to currency and share class**

**† The values stated are calculated based on the fund inception date as of 06/03/2009**

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## Fund commentary

October began on an optimistic note, with then-House of Representatives Speaker Kevin McCarthy agreeing a funding deal to prevent a government shutdown. However, war in the Middle East and strong economic data, which pushed back hopes of rate cuts, led to another negative month for financial markets – losses were experienced in both Treasury and equity markets. The fund posted a negative return for October.
US payrolls reflected the fastest pace of hiring since January this year, with 336k job gains. Later in the month, data showed the US economy grew by 4.9% in Q3, the fastest since 2021 and above the 4.5% expected level. This positive economic momentum was overpowered by expectations of continued monetary hawkishness and so risk markets failed to rally – the S&P500 down 2.1% in October – the first time the index has posted three consecutive months of negative returns since 2020. Credit spreads on both IG and HY also widened throughout the month – the biggest widening since March. Yield curves were again steeper as Fed speakers implied they were comfortable letting the bond market tighten financial conditions – taking some of the pressure off the Fed themselves to hike further. Within the government bond space, US Treasuries significantly underperformed while German Bunds experienced positive performance in the month. Spreads and duration both contributed negatively to credit performance with carry only partially offsetting the negative returns. Some higher beta strategies such as Global HY and EM performed negatively in October, though performance in AT1, leveraged loans and corporate hybrids were closer to flat on the month. Senior financial spreads widened marginally more than the broad index and, even though spreads on the AT1 market also widened, a higher carry meant performance in the space was close to flat for the month. The spread on the Bloomberg European CoCo index widened by 18bp to 533bp. In the financials space, focus was squarely on earnings. US banks kicked off proceedings, with JP Morgan notably posting a 35% profit increase. Outside of the US, Natwest & Standard Chartered both disappointed which the equity market duly punished, with share prices down over 15% in the aftermath. UBS called their SGD 5.875% bond in the month, which reflects positively ahead of an upcoming call date on their USD 7% AT1. Given blackout periods owing to earnings releases, financials supply was muted in October and no new AT1s were issued. In terms of issuance within the space, senior debt was the biggest asset class, followed by covered bonds. Issuance of subordinated debt was negligible.
US IG spreads were 8bps wider in October, in line with the EUR IG market. Total returns in US IG were more negative than EUR IG, however, due to the underlying rates performance. Longer duration also underperformed shorter strategies. Supply was as muted in the corporate space as it was financials. Overall EUR IG supply, at €70bn, was the lowest October since 2014. US IG issuance, at $82bn, was similarly low. Within the corporate hybrid space, Accor was the sole issuer in October, printing €500m at a yield of 7.3%. Proceeds were used to tender for their 4.375% hybrid which has a Jan 2024 call date. In the HY market, Ford's upgrade to IG by S&P led to the largest shrinkage in the size of the US High Yield market in 18 years. Alongside this the size of the fallen angel market shrank by almost 20%. While this could be indicative of late cycle credit dynamics, spreads remain contained for now. Fund exposure was mostly unchanged on the month with 60% of the Fund's positioning allocated to government bonds and the remainder allocated to corporate exposure with a relatively short duration of approximately 2.4 years.

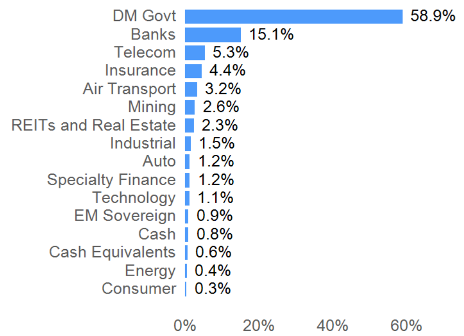
## Market commentary

October once again saw fixed income markets retreat as firm headline US economic data emboldened the view that rates would remain elevated for some time. US bond yields rose, global yield curves steepened, and risk assets sold off. Though a US government shutdown was avoided in an eleventh-hour agreement, conflict in the Middle East served as a reminder that markets are pushed from one risk event to another. Such are the woes of bond markets recently that a flight to quality bid, which would normally see US Treasuries rally in times of such conflict, failed to materialise. From a data perspective 3Q GDP growth came in at a blistering 4.9%, exceeding expectations. Early month payrolls number printed at 336k, with an upward revision of 119k to previous month's numbers while the Fed's preferred inflation measure rose to a four-month high. This data pressured Treasury yields which rose across the curve. The thirty-year hit 5% for the first time since 2007, ending the month at 5.1%. This led to a sharp 35bp steepening of the 2s30s curve to finish the month upward sloping for the first time since the summer of 2022. The yield on the 10-year note rose 35bps in the month, ending at 4.93%.Conversely in Europe, growth and inflation have continued to trend down. The Eurozone's rate of inflation fell more than expected to 2.9%, from 4.3% in September. 3Q GDP unexpectedly contracted, highlighting the precarious position in which the bloc finds itself. In the face of this weakening economic environment the ECB unsurprisingly held its deposit rate unchanged in the month. Considering these economic trends, the German Bund market rallied. Led by maturities between two and ten years, the yield curve steepened – with yields on shorter maturities falling and longer bond yields rising. The two-year Bund yield fell 19bps while the thirty-year rose 6bps in the month. Ten-year Bunds ended the month at 2.8%, falling from an intra-month 2.98% high, last experienced in 2011. Elsewhere the Bank of Japan announced a tweak to its Yield Curve Control framework by stating the 1% level for 10-year yields would now be a reference rather than its previously defined upper limit. Almost immediately after this announcement, the BoJ were unexpectedly forced to intervene in markets to stem the rising yields. Ten-year JGB yields ended the month 18bps higher at 0.94%. With the pressure placed on rates markets, risk assets continue to weaken. The S&P500 fell into correction – down 10% from its recent peak. With its third consecutive month in the red, the index has now endured its longest monthly losing streak since Q1 of 2020. German's DAX retreated 3.75%, also enduring three consecutive months of losses, while the UK's FTSE 100 reversed September's gain by losing 3.76% in October. Chinese equities were lower as both manufacturing and non-manufacturing PMI data were found to be in contraction territory. Embattled developer Country Garden defaulted on an offshore bond, something that has been long expected in the market. Credit spreads widened on the month – Global Investment Grade corporate bonds were 7bps wider while Global High Yield spreads ended October 40bps wider. Despite the Middle Eastern conflict, oil traded poorly, with WTI finishing the month at $81, down 10.8% on the month. The US Dollar strengthened modestly in October and this, combined with rising US rates and higher global risk premia, saw EM markets suffer. Going forward, a key focus will be on how and when the US economy will slow, in light of such a strong Q3 GDP print and the implications this will have on inflation.

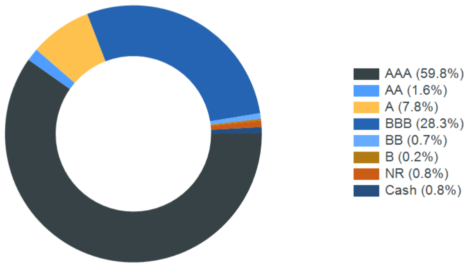
## Top five securities

| Issue | ISIN | Weight | Next Call Date |
|---|---|---|---|
| T 3.375 33 | US91282CHC82 | 10.7% | |
| T 3.625 28 | US91282CHE49 | 8.8% | |
| T 3.625 28 | US91282CGT27 | 8.7% | |
| T 3.5 28 | US91282CHA27 | 7.2% | |
| T 3.875 25 | US91282CGU99 | 6.0% | |

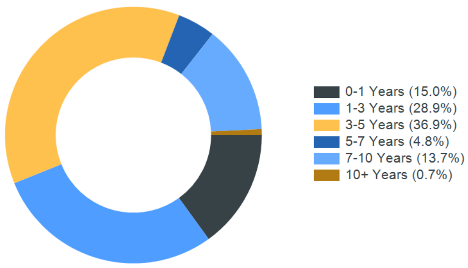
## Sector allocation*



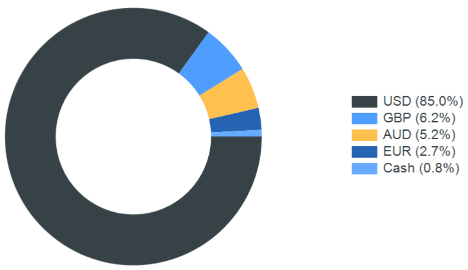

## Ratings allocation*




## Duration allocation*




## Currency allocation*




**Totals may not equal 100% due to rounding*

RUBRICS

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2017 THOMSON REUTERS LIPPER FUND AWARDS

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## Important information