

Credit Market Overview

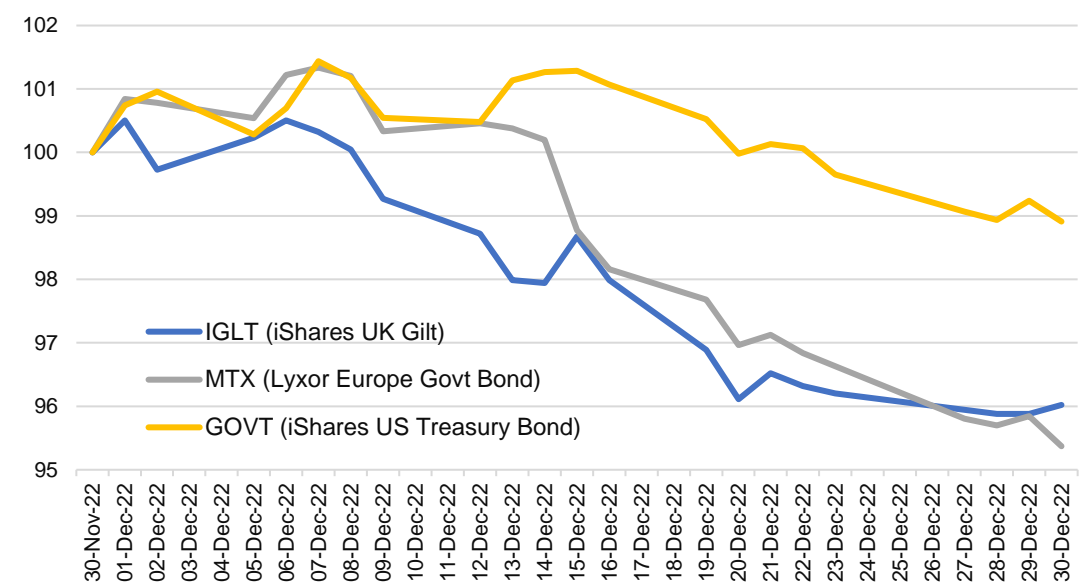


As at 30 December 2022

Measure	Level	1 Month	3 Month	6 Month	12 Month
Cash Spread/Yield Changes					
Global IG Corp YTW (%)	5.18	0.18	-0.20	0.84	3.32
Global IG Spread (bps)	147	-7	-33	-28	50
Global HY YTW (%)	9.42	0.19	-0.93	-0.06	4.56
Global HY Spread (bps)	545	-1	-107	-121	164
CDS Index Spread Changes					
CDX IG	82	6	-26	-19	32
CDX HY	484	31	-126	-95	191
CDX EM	239	12	-92	-100	51
iTraxx Main	91	-1	-44	-28	43
iTraxx Xover	474	15	-167	-106	228
Sub Fin CDS	99	-4	-49	-29	44
Cash Index Performance (%)					
Global IG Corp Index		-0.65	3.11	-1.32	-14.11
Global HY Index		0.04	6.38	4.93	-11.05
Global EM USD Index		0.85	6.59	2.27	-15.26
Higher Beta Sub Sector Performance (%)					
Banks AT1		-0.91	4.06	1.89	-7.96
Energy HY		-0.69	4.11	5.35	-5.56
EUR Corp Hybrids		-1.01	3.60	4.39	-15.14
Leveraged Loans		0.52	3.80	5.13	-0.63
IG Sub Sectors Performance (%)					
Banks Senior		-0.77	1.74	-0.71	-9.46
Energy IG		-0.69	4.11	-1.00	-14.95
Auto		-0.36	3.04	-0.14	-10.41
Utility		-0.22	3.80	-2.38	-18.55
Communications		-1.03	4.07	-3.04	-19.95
Airline		0.27	2.29	0.17	-8.64
Retail		-0.70	3.41	-2.50	-16.75
Currency (Hedged) Performance (%)					
Bloomberg USD Corp		-0.44	3.63	-1.61	-15.76
Bloomberg GBP Corp		-1.73	6.87	-5.94	-19.28
Bloomberg Euro Corp		-1.77	1.09	-2.00	-13.65
Maturity Bucket Performance (%)					
Short (1-3 Yr)		0.22	1.28	-0.05	-3.40
Intermediate (5-10 Yr)		-0.64	2.19	-2.70	-13.13
Long		-1.15	5.40	-3.72	-25.62
Global IG Corp Index Attribution (%)					
Carry		0.42	1.35	2.17	1.86
Duration		-1.50	-0.27	-5.31	-12.28
Spread		0.44	2.03	1.82	-3.69
Performance		-0.65	3.11	-1.32	-14.11

- Global bond markets sold off in December 2022, driven mainly by comments made by the BoJ and the ECB. The BoJ increased the trading band for 10y bonds and stated it is considering raising its inflation forecasts in January 2023, which could provide grounds for a pivot away from ultraloose monetary policy. Meanwhile, the ECB made an upwards revision to its inflation outlook and stated that it expects to raise interest rates further, adding an unexpected level of hawkishness to the meeting.

Govt Bond ETF December performance



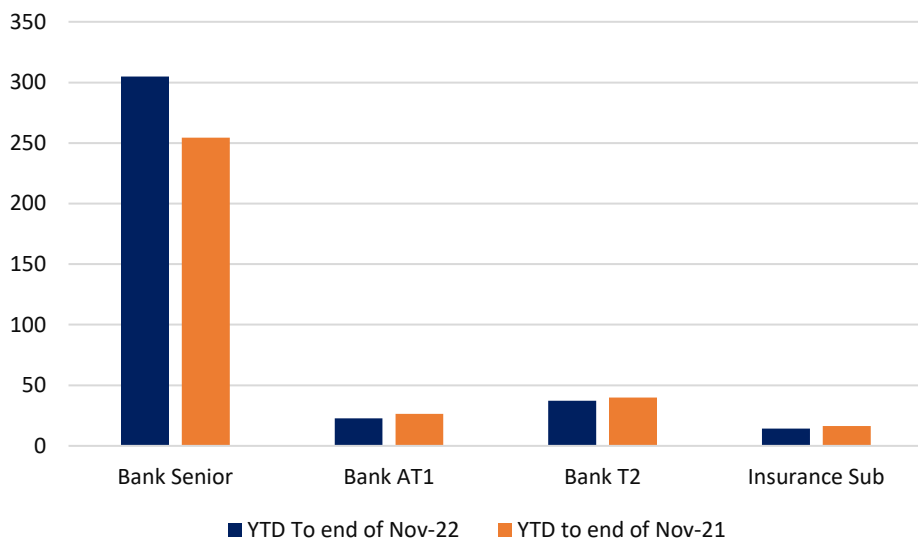
Source: Bloomberg as at 30/12/22

- US Treasury volatility remained high as yields rose; the 5-year hit 4.0%, 30 year neared 4.0% (3.96%) at the year end after the latter traded with a yield as low as 3.4% in the month. The 10-year yield closed lower than the other major maturity benchmarks at a yield of 3.88%.
- Credit markets closed the year in a quiet fashion as credit traders and DCM desks went on vacation, resulting in low trading volumes and negligible primary issuance.
- US Bond Fund flows broadly mirrored the performance differential between US Investment Trade and US High Yield Credit. In 2022, US IG experienced 42 weeks of outflows and only 10 weeks of inflows whereas US HY saw 20 weeks of inflows and 32 weeks of outflows (per Lipper). Within that, HY Bond ETFs made a big comeback flow wise as they went from being negative \$17bn outflow in September to date to end the year only minus \$5bn. The inflows into HY Bond ETFs coincided with the lower-than-expected inflation readings out of the US.
- EM and Asia rallied strongly in December led by China and Hong Kong. For example, AHYG (Asian HY) and CNYB (CNY Bonds) ETFs posted returns of 5.7% and 3.1% respectively.

Financials

- Financials dominated issuance across Global Credit last year. Within that senior issuance came in ahead of the prior year (to end of November) and other forms of subordinated financials issuance came in at similar volumes vs the same period in 2021. November 2022 was a large issuance month (€59.6bn) which saw large parts of 2023 issuance needs being front loaded. Source: Citi.

European Financials Issuance to end of Nov-2022



Source: Bloomberg as at 30/11/22

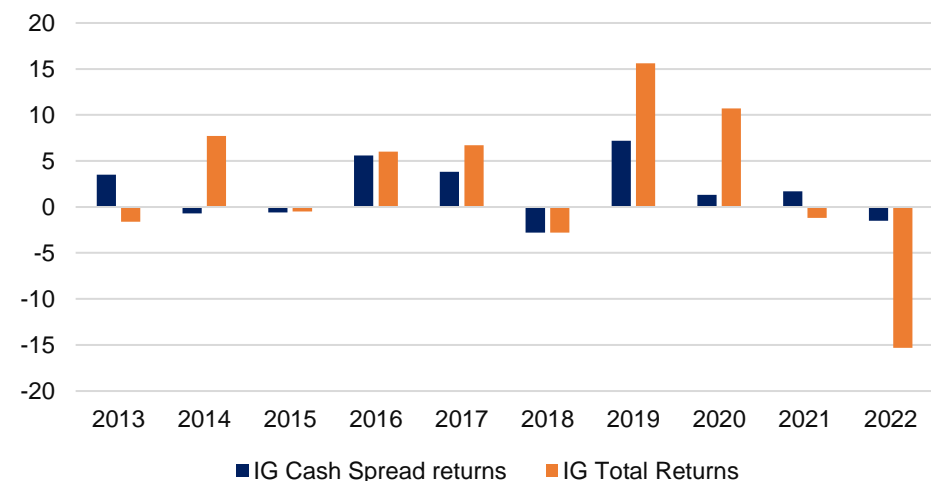
- The debate around bond calls was made more interesting by UBS' call of its UBS 5% (Jan 2023) callable AT1. This bond only had a reset of +243bps and if the bond had not been called the coupon would have reset to ~6.4% which represents a lower coupon than where UBS could price an AT1 today. The call notice lifted the whole sector in December, in particular low reset AT1 instruments.

Emerging Markets

- EM Credit finished down 15.2% in 2022, its worst performance since at least the 90s'. CEEMEA was the worst performing region (-19.6%), while Asia staged a late recovery (although still down 12.3% in the year) according to Seaport data.
- The rally in Chinese HY continued in December as demonstrated by the 5%+ total return in December for the Asian HY Bond ETF (AHYG). Positive financing measures for the Real Estate sector, a departure from the COVID-Zero policy and light positioning from the buy-side has resulted in little resistance to the strong rally in China HY.
- Inflation is trending lower in several EM nations. For example, Romania, Czech Republic and Hungary all posted lower than expected inflation reads in December. Within Latam, Brazil has held its Bank rate (Selic) since August, as inflation has come in lower than expected for several months. Furthermore, the 8% decline from the recent peaks in the Dollar DXY index is likely to be helpful for Emerging Markets, although this is tempered by the high likelihood of a recession in large DM nations.
- BCP research showed that almost a quarter of the nations in the EM bond asset class were pushed into distress in 2022 driven by a mix of high debt loads, impact from COVID-19 and the Russia invasion of Ukraine (mainly inflation). This contrasts with the long periods when EM nations in distress were limited to serial defaulters like Argentina and Venezuela.
- One of those distressed nations, Ghana reached a Staff-Level Agreement on a \$3bn, three years Extended Credit Facility with the IMF. Both its domestic and international debt is set to be restructured as a part of the process.

Investment Grade

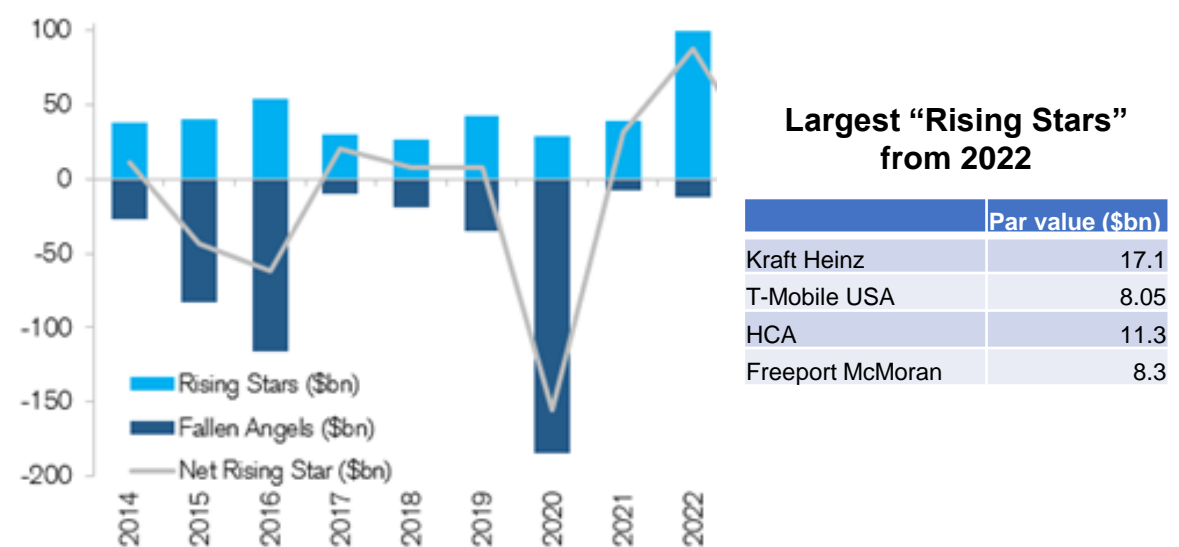
- US Investment Grade underperformed HY due to the greater impact of duration on the sector. This can be seen in the chart below showing material total return losses but relatively modest negative returns due to cash credit spreads.



Source: Credit Suisse as at 8 December

- US IG issuance for 2022 was down 15% from 2021, at \$1.17tn with financial issuance dominating. In December just under \$9bn was priced, while Dec 2021 saw near \$62bn. The IG index composition changed as a large Dollar amount of rising star bonds entered the index in 2022.

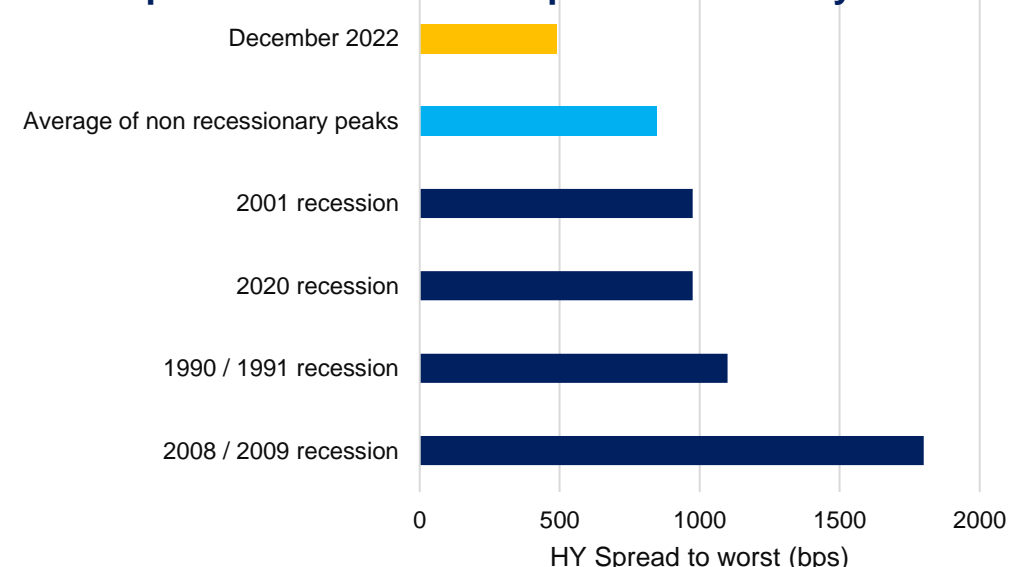
Nearly \$100bn of Rising Stars in 2022...



High Yield

- The sell-off in HY in 2022 had predominantly been due to rising rates and increased rate volatility. Defaults did not rear their head in any meaningful way, with LTM figures to November 2022 exhibiting a 1.4% default rate for US HY and 0.8% for EUR HY. This is likely why credit spreads in both US and EUR HY ended the year well supported despite the prospect of recessionary conditions. As per the chart below, spreads remain low vs peaks seen in both recessionary and non recessionary periods

Bond spreads remain low despite recessionary risks



Source: JPM Global Economic Research

- However, distress ratios (% bonds trading with at an option adjusted spread greater than 1000bps) were high; 13% in US HY and 15% in EUR HY.

Measure	Index Description
Global IG Corp YTW (%)	Bloomberg Barclays Global Agg Corporate YTW
Global IG Spread (bps)	Bloomberg Barclays Global Agg Corporate OAS
Global HY YTW (%)	Bloomberg Barclays Global High Yield Corporate YTW
Global HY Spread (bps)	Bloomberg Barclays Global High Yield Corporate OAS
CDX IG	MARKIT CDX.NA.IG.35 12/25
CDX HY	MARKIT CDX.NA.HY.35 12/25
CDX EM	MARKIT CDX.EM.34 12/25
iTraxx Main	MARKIT ITRX EUROPE 12/25
iTraxx Xover	MARKIT ITRX EUR XOVER 12/25*
Sub Fin CDS	MARKIT ITRX EUR SUB FIN 12/25
Global IG Corp Index	Bloomberg Barclays Global Agg Corporate Index
Global HY Index	Bloomberg Barclays Global High Yield Corporate Index
Global EM USD Index	Bloomberg Barclays EM USD Aggregate Index
Banks AT1	Bloomberg Barclays European Banks Coco Tier 1 TR Index
Energy HY	Bloomberg Barclays High Yield Energy TR Index
EUR Corp Hybrids	Bloomberg Barclays Corp Ex Financial Hybrid Capital Securities 8% Capped
Leveraged Loans	S&P/LSTA US Leveraged Loan 100 Index
Banks Sen	Bloomberg Barclays Banking Senior TR Index
Energy IG	Bloomberg Barclays IG Energy TR Index
Auto	Bloomberg Barclays IG Auto TR Index
Utility	Bloomberg Barclays IG Utility TR Index
Comms	Bloomberg Barclays IG Communications TR Index
Airline	Bloomberg Barclays IG Airline TR Index
Retail	Bloomberg Barclays IG Retail TR Index
iBoxx USD Corp	Bloomberg USD Corporate TR Index
iBoxx GBP Corp	Bloomberg Sterling Corporate TR Index
iBoxx Euro Corp	Bloomberg Euro Agg Corporate TR Index
Short (1-3 Yr)	Bloomberg Barclays US 1-3 Year Credit Index
Intermediate (5-10 Yr)	Bloomberg Barclays US 5-10 Year Credit Index
Long	Bloomberg Barclays Long US Corporate Bond Index

*Source: Bloomberg

— — —

Rubrics Global UCITS Funds Plc is a variable capital umbrella investment company with segregated liability between sub-funds; incorporated with limited liability in Ireland under the Companies Acts 2014 with registration number 426263; and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended). This document is for information only and does not constitute an offer or solicitation to deal, whether directly or indirectly, in any particular fund. Nothing in this document should be taken as an expressed or implied indication, representation, warranty or guarantee of performance whether in respect of income or capital growth. No warranty or representation is given as to the accuracy or completeness of this document and no liability is accepted for any errors or omissions that the document may contain. The Key Investor Information Documents (“KIIDs”) and prospectus (including supplements) for Rubrics Global UCITS Funds Plc are available at www.rubricsam.com. The management company of Rubrics Global UCITS Funds Plc is Carne Global Fund Managers (Ireland) Limited (the “Management Company”). The Management Company is a private limited company, incorporated in Ireland on 16 August, 2013 under registration number 377914. The investment manager of Rubrics Global UCITS Funds Plc is Rubrics Asset Management (Ireland) Limited (the “Investment Manager”). The Investment Manager is a private company registered in Ireland (reference number:613956) and regulated by the Central Bank of Ireland in the conduct of financial services (reference number:C173854). Details about the extent of its authorisation and regulation is available on request. Rubrics Asset Management (UK) Limited is an appointed representative of Laven Advisors LLP, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom (Reference number: 447282). Laven Advisors LLP is not authorised to promote products to retail clients, all communications originating from either Laven Advisors LLP or Rubrics Asset Management (UK) Limited is therefore intended for professionals and eligible counterparties only. Data Source: © 2021 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. www.morningstar.co.uk.

For South African investors: In the Republic of South Africa this fund is registered with the Financial Sector Conduct Authority and may be distributed to members of the public. In addition to the other information and warnings in this document, the Financial Sector Conduct Authority of South Africa requires us to tell South African recipients of this document that collective investment schemes are generally medium to long-term investments, collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending and that a schedule of fees and charges and maximum commissions is available on request from the manager. Because foreign securities are included in the investments within this collective investment scheme, we are also required to disclose to you that there may be additional risks that arise because of events in different jurisdictions: these may include, but are not limited to potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information.

Additional Information for Switzerland: The prospectus and the Key Investor Information Documents for Switzerland, the articles of association, the annual and semi-annual report in French, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, tel.: + 41 22 7051178, fax: + 41 22 7051179, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l’Île, CH-1204 Geneva. The last share prices can be found on www.fundinfo.com. For the shares of the Funds distributed to non-qualified investors in and from Switzerland and for the shares of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva. Carne Global Fund Managers (Ireland) Limited reserves the right to terminate the arrangements made for the marketing of this product in any EEA jurisdiction in accordance with the UCITS Directive.