

Credit Market Overview



As at 31 October 2024



| Measure | Level | 1 Month | 3 Month | 6 Month | 12 Month |
|--|-------|---------|---------|---------|----------|
| Cash Spread/Yield Changes | | | | | |
| Global IG Corp YTW (%) | 4.67 | 0.34 | -0.03 | -0.58 | -1.19 |
| Global IG Spread (bps) | 92 | -8 | -9 | -6 | -50 |
| Global HY YTW (%) | 7.47 | 0.18 | -0.53 | -0.99 | -2.52 |
| Global HY Spread (bps) | 338 | -26 | -56 | -41 | -183 |
| Currency (Unhedged) Performance (%) | | | | | |
| Bloomberg USD Corp | | -2.43 | 0.86 | 5.87 | 13.63 |
| Bloomberg GBP Corp | | -1.24 | -0.67 | 2.87 | 9.63 |
| Bloomberg Euro Corp | | -0.31 | 1.22 | 3.91 | 8.79 |
| Higher Beta Sector (Hedged) Performance (%) | | | | | |
| Bank AT1 | | -0.24 | 3.09 | 7.80 | 22.07 |
| EUR High Yield | | 0.74 | 3.15 | 6.26 | 15.04 |
| US High Yield | | -0.54 | 2.72 | 6.86 | 16.47 |
| Leveraged Loans | | 0.96 | 2.09 | 4.40 | 10.55 |
| EUR Corp Hybrids | | 0.72 | 3.96 | 7.37 | 18.52 |
| Global EM USD Index | | -1.37 | 2.47 | 6.83 | 17.06 |
| Rating Bucket Performance (%) | | | | | |
| USA | | -2.53 | 0.79 | 5.72 | 12.96 |
| US BBB | | -2.22 | 1.01 | 6.07 | 14.53 |
| US BB | | -0.92 | 1.71 | 5.64 | 14.31 |
| US B | | -0.44 | 2.26 | 6.09 | 15.36 |
| US CCC | | 0.76 | 7.13 | 12.13 | 25.52 |
| IG Maturity Bucket Performance (%) | | | | | |
| Short (1-3 Yr) | | -0.47 | 1.40 | 4.01 | 7.59 |
| Intermediate (5-10 Yr) | | -2.37 | 0.78 | 6.27 | 14.27 |
| Long | | -4.16 | 0.52 | 7.20 | 19.23 |
| Global IG Corp Index Attribution (%) | | | | | |
| Carry | | 0.36 | 1.18 | 2.63 | 5.86 |
| Duration | | -2.47 | -0.60 | 2.52 | 3.88 |
| Spread | | 0.49 | 0.54 | 0.35 | 2.86 |
| Performance | | -1.62 | 1.11 | 5.50 | 12.60 |

Overview

- Volatility rose in October as robust U.S. economic data prompted a reassessment of future Federal Reserve rate cuts. Fixed income markets led the decline, with U.S. Treasuries suffering their worst monthly performance since 2022. Equities, credit, and emerging markets similarly experienced drawdowns.
- Despite the rates volatility, credit spreads tightened in October with the US IG index reaching its tightest spread level since March 2005. CCC bonds in aggregate outperformed other ratings bands as a result.
- Interest rate duration drove negative performance in credit indices in the month, with carry and spread compression providing a minor offset. Higher beta asset classes, which have less interest rate sensitivity, outperformed in October.

Investment Grade

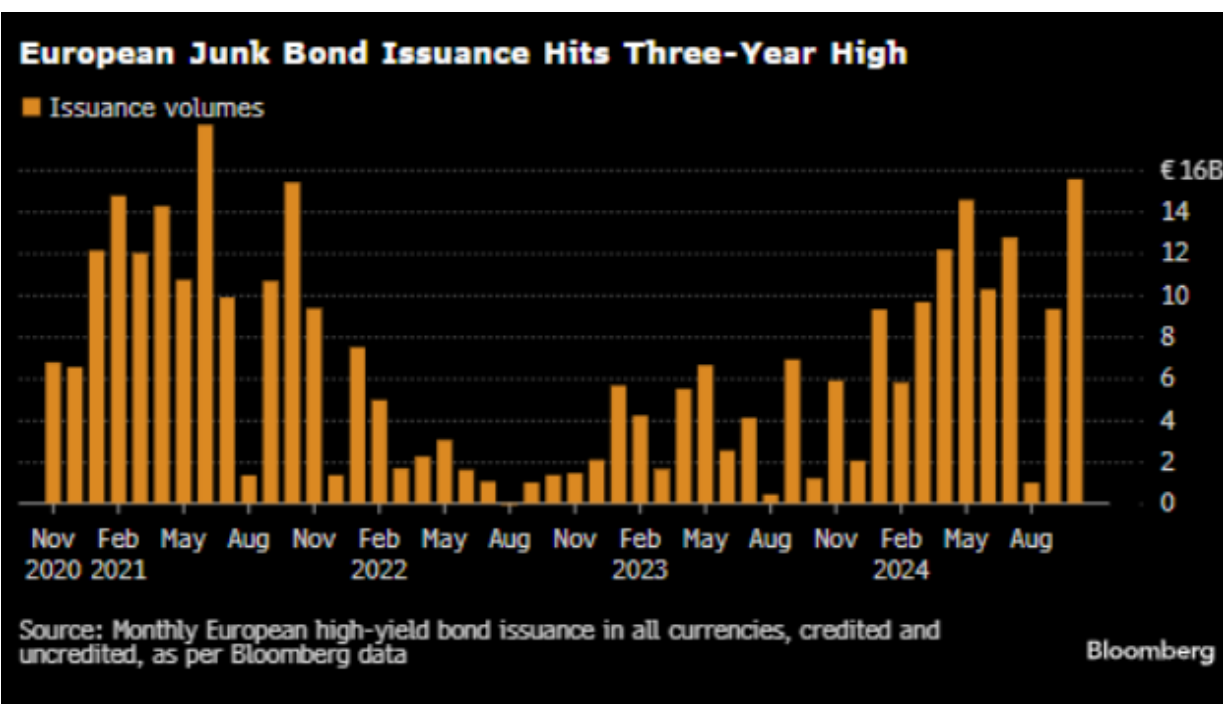
- Issuance in the European market reached the second highest October on record with YTD supply now running 20% ahead of 2023 levels. In contrast, October marked the first month this year in which US IG supply failed to reach the \$100bn threshold as earnings season and pre-election uncertainty dampened issuance activity.
- The month saw Proctor & Gamble issue a new 10-year bond at a spread of 37bps over Treasuries – equalling the record tight spread on a 10y, set by PG themselves in January.

Financials

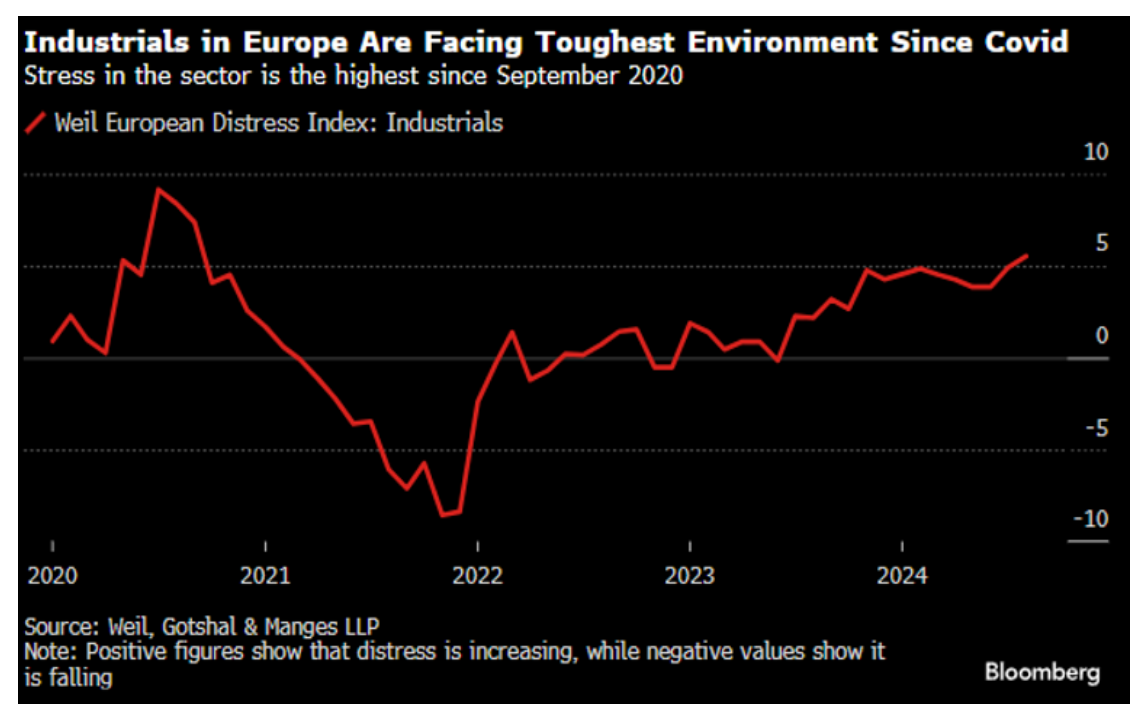
- Earnings season began with strong results from the banking sector on both sides of the Atlantic. Concerns over US CRE exposure in German banks persist as hundreds of millions of euros of reserves are still being maintained to cushion potential losses.

High Yield

- The US HY primary market experienced its busiest October since 2021 as issuance was nearly double the combined levels of 2022 and 2023 while in Europe, the HY market saw the highest volume of supply since 2021.
- In the UK, troubled water utility Thames announced liquidity extension proposals, resulting in S&P downgrading their ratings with Class A debt lowered to CC.
- Swedish debt collector, Intrum, meanwhile, began plans to file for Chapter 11 bankruptcy protection in the US.



Source: Bloomberg



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.