

OCTO CRÉDIT VALUE INVESTMENT
GRADE - AD

Management report - March 2025

OCTO AM

Part AD - FR001400J5R7

Net Asset Value : 110,49 EUR

ASSET UNDER MANAGEMENT : 56,39 million EUR

INVESTMENT COMMENTARY

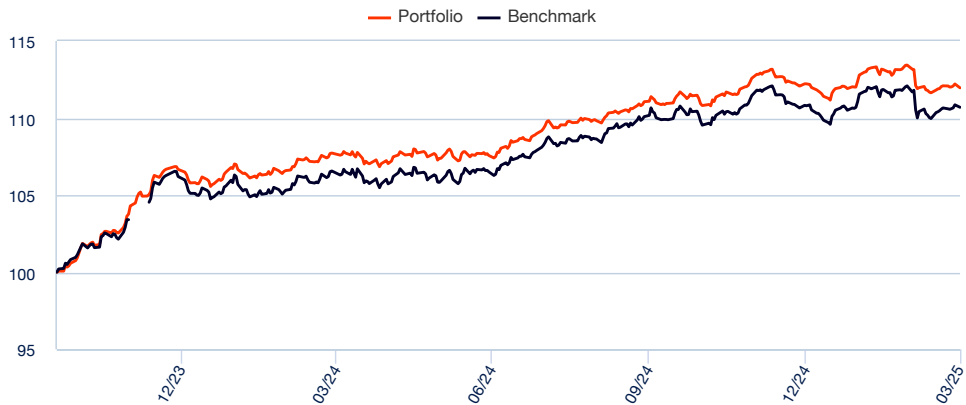
It seems a long time ago that investors' attention was focused entirely on monetary policy developments and their macroeconomic consequences on both sides of the Atlantic.... The month of March was a striking reminder that Trump's return to power and its implications continue, directly or indirectly, to blur investors' traditional analysis grids and fuel market volatility, much more than the decisions taken by central bankers. While the main driver of credit markets, and even more so rate markets, was the decision taken by the German Parliament to relax the constitutional constraint on the country's debt capacity, it is hard to overlook the fact that this decision, which was necessary in view of the weaknesses of the German economic model revealed by the successive crises of the post-CoViD era, was accelerated by the shadow cast over Europe by an American administration in a hurry to sweep away 70 years of shared history. This German decision not only weighed heavily on interest rates over the period (with all European 10-year yields diverging by more than 30bp, in line with the 33bp divergence observed on the Bund) but is also likely to exert sustained upward pressure on all European long-term yields. Further, the drivers of the negative trends in credit spreads over the period are to be found in the fears aroused by the decisions and announcements of the new Trump administration, both domestically - as evidenced by the growing fears that the United States was heading for stagflation - and internationally - with the announcement of a tariff 'Liberation Day' on 2 April - (the X-Over diverged by 35bp excluding roll-related skew). With all these factors pulling in the same direction, it is not surprising that all market segments posted negative performances over the period, although the riskiest categories outperformed, between partial absorption of rate movements by the credit spread cushion and the "confinement" of macroeconomic and price fears to the last few days of the month. The iBoxx Sovereign thus once again posted the weakest performance at -1.81% over the month, while the iBoxx HY limited its loss to -0.96% and the iBoxx Hybrids to -0.85%.

Against this backdrop, the Octo Crédit Value Investment Grade Fund performed in line with its benchmark index this month. We continue to favour financials, while maintaining a duration lower than that of the index, in the belief that sovereign debt, geopolitics and undervalued risk premiums on many assets could return to the fore and offer significant upsurges in volatility in the months ahead, sovereigns included.

With an on-board yield of 3.81% for an average BBB+ rating and a 4.9-year maturity, the fund offers a premium of 70 bps over the average BBB+ bond over this maturity (source: Octo, Bloomberg).

	YTD	1 month	3 months	6 months	1 year	3 years	Since
Since	31/12/2024	28/02/2025	31/12/2024	30/09/2024	28/03/2024	-	19/10/2023
Portfolio	-0.23%	-1.30%	-0.23%	0.78%	3.93%	-	11.96%
Benchmark	-0.09%	-1.24%	-0.09%	0.47%	3.87%	-	10.70%

PERFORMANCE



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AN
2023	-	-	-	-	-	-	-	-	-	0.94%	2.80%	2.79%	6.67%
2024	0.33%	-0.46%	1.13%	-0.64%	0.33%	0.17%	1.80%	0.29%	1.15%	-0.25%	1.60%	-0.32%	5.20%
2025	0.51%	0.57%	-1.30%	-	-	-	-	-	-	-	-	-	-0.23%

INVESTMENT OBJECTIVE

Octo Crédit Value Investment Grade is a flexible bond fund managed using a value approach. Its objective is to achieve an annualised performance, net of fees, in excess of the iBoxx Euro Liquid Corporates Diversified Total Return index. To outperform its benchmark over a 3-year investment horizon, the fund invests in financial or corporate bonds considered by the management team to be at a discount to their intrinsic value. The portfolio is invested up to 100% in high credit quality investment grade securities and up to 10% in speculative grade issuers with a minimum rating of B-.



RISK AND RETURN

	1 year	3 years
Volatility PTF	2.74%	-
Volatility BENCH	3.33%	-
Sharpe ratio PTF	0.25	-
Sharpe ratio BENCH	0.17	-
Max. drawdown	-1.78%	-
Recovery time	22	-
Best month % PTF	1.80%	-
Best month % BENCH	1.79%	-

	PTF	REF
Average maturity (year)	4.86	5.90
Average rating	BBB+	A
Yield to maturity	3.81%	3.35%
Yield to worst	3.76%	3.29%
Spread duration	4.18	4.92
Modified duration	4.17	4.75
Number of issuers	87	-
Number of holdings	93	-

DIVESTMENT DELAY

% in day	100%
% in 3 days	100%
% in 5 days	100%

CONTACT

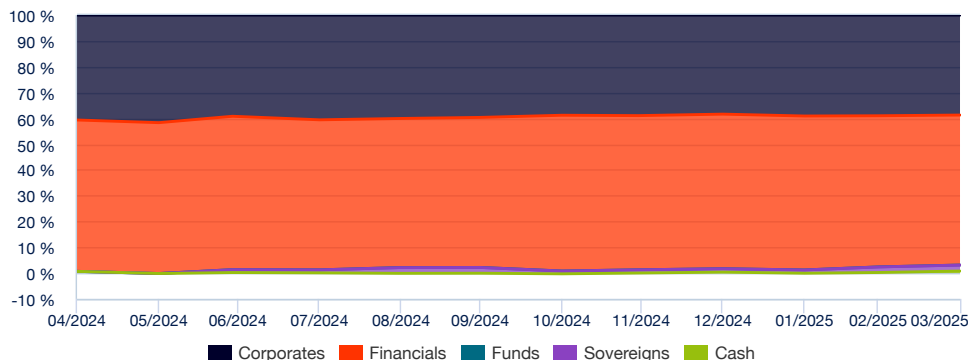
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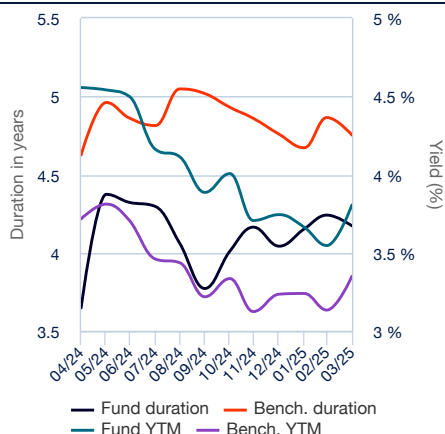
EVOLUTION OF THE PORTFOLIO STRUCTURE



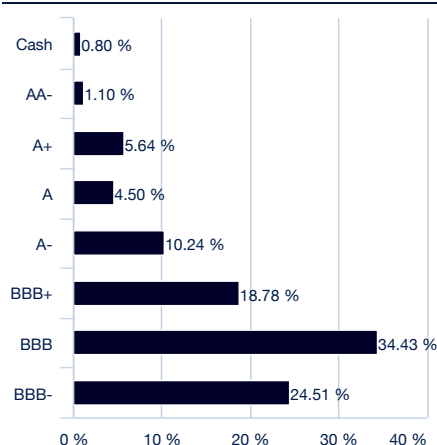
TOP 10 ISSUERS

	% Ptf
VOLKSBANK WIEN AG	1.51%
ABN AMRO BANK NV	1.47%
ASR NEDERLAND NV	1.47%
TRATON FINANCE LUXEMBOURG SA	1.44%
PERMANENT TSB GRP HDGS PLC	1.43%
ALLIANZ SE	1.42%
ATHORA HOLDING LTD	1.40%
ERSTE GROUP BANK AG	1.40%
TELEFONICA EMISIONES SA	1.40%
BANK OF IRELAND GROUP PLC	1.38%

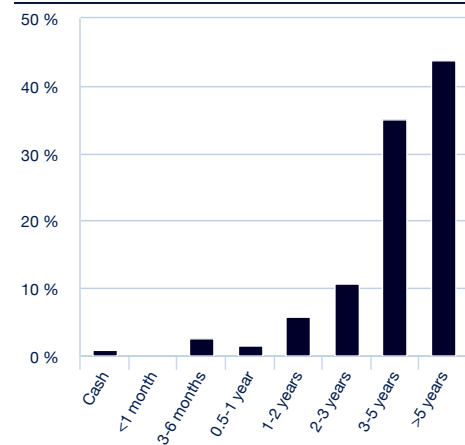
HISTORICAL DURATION/YIELD



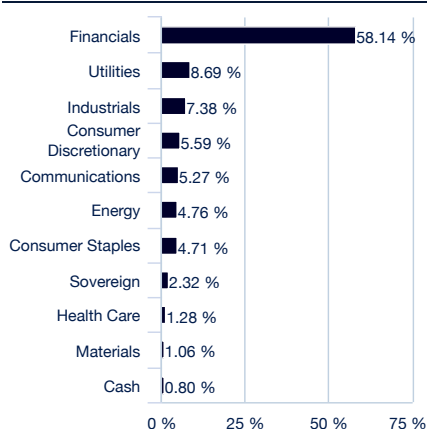
BREAKDOWN BY RATING



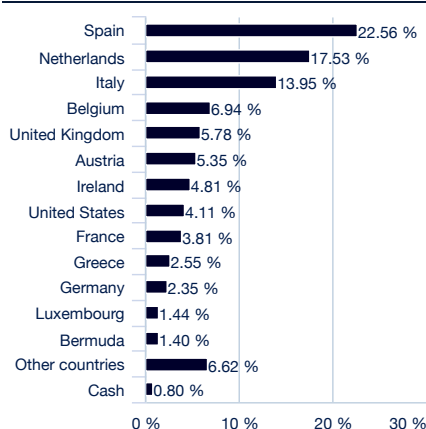
BREAKDOWN BY MATURITY



BREAKDOWN BY SECTOR



GEOGRAPHIC ALLOCATION



BREAKDOWN BY COUPON TYPE

	% Ptf
Variable	53.11%
Fixed	46.09%

NET CURRENCY EXPOSURE

	% Ptf
EUR	99.09%
USD	0.91%
CHF	0.00%

NET EXPOSURE ON DERIVATIVES

	Expo% Ptf
Bond Futures	4.18%
Total	4.18%

CHARACTERISTICS

ISIN CODE	FR001400J5R7
BLOOMBERG CODE	OCTIGAD FP
Approval date	18/08/2023
Approval reference	FCP20230199
Forme Juridique	FCP
NAV calculation frequency	Daily
Subscriptions / redemptions	Daily, before 11:00 am
Payment delivery	D+3
Custodian	SOCIETE GENERALE

Type of shares	Distribution
Decimalisation	Thousandth of a unit
Minimum (initial) investment	1 action(s)
Subscription fees	5 %
Ongoing charges	0.00%
Fee on outperformance	20 %
Exit charge	-
Benchmark	100% MARKIT IBOXX EUR LIQUID CORPORATES DIVERSIFIED TRI
Recommended investment horizon	3 years

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