

# Epsilon Fund - Emerging Bond Total Return I, EUR Accumulation



Data as of 05/31/2025

This Sub-Fund is managed by Eurizon Capital S.A.

<b>NAV (in EUR)</b>	142.90	<b>Fund Size (in EUR)</b>	1,053 mil	<b>Number of Holdings</b>	149
<b>Morningstar Rating <sup>TM</sup></b>	★★★★	<b>Fund Manager</b>	Luca Sibani		
Morningstar Rating <sup>TM</sup> referred to 04/30/2025					
<b>Class Unit Inception Date</b>	05/27/2008				

## Investment / Performance Objectives & policy

The fund mainly invests in short- and medium-term government and corporate bonds issued in emerging markets, including China and Russia, and denominated in any currency. These investments may be below investment grade. Specifically, the fund normally invests at least 51% of total net assets in debt or debt-related instruments from issuers that are located, or do most of their business, in emerging markets, including money market instruments. The fund may invest directly, or indirectly through the Bond Connect programme, in the China Interbank Bond Market.

The fund may invest in the following asset classes up to the percentages of total net assets indicated:

- deposits in any currency: 20%
- units of UCITS and other UCIs: 10%

The fund does not invest in asset-backed securities or mortgagebacked securities, but may be indirectly exposed to them (maximum 10% of total net assets).

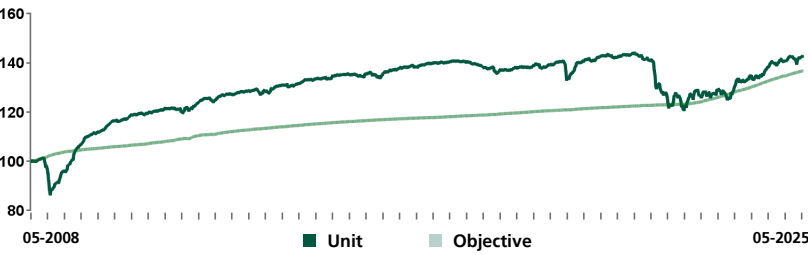
For more information read the Prospectus or Key Information Document (KID).

## Performance Objective

Bloomberg Euro Treasury Bills Index expressed in Euro + 1.30% (gross of management fees) p.a. over a time horizon of 36 months.

## Performance and NAV Evolution\*

### NAV Evolution since launch



### Cumulative and Annualized Performance

	Unit	Objective	Unit	Objective
	Cumulative		Annualized	
<b>YTD</b>	1.66%	1.54%	-	-
<b>1M</b>	0.64%	0.25%	-	-
<b>3M</b>	0.04%	0.91%	-	-
<b>1Y</b>	6.56%	4.31%	-	-
<b>3Y</b>	12.17%	11.21%	3.90%	3.61%
<b>5Y</b>	3.01%	12.90%	0.59%	2.45%
<b>Since Launch</b>	42.90%	36.91%	2.12%	1.86%

### Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
<b>Annualized Volatility Unit</b>	2.90%	2.95%	4.80%	4.74%	3.62%
<b>Sharpe Ratio</b>	-0.02	1.21	0.33	-0.12	0.39

### Annual Performance (Calendar Year)

	Unit	Objective
<b>2024</b>	5.48%	4.67%
<b>2023</b>	6.29%	4.07%
<b>2022</b>	-11.63%	0.76%
<b>2021</b>	-0.71%	0.73%
<b>2020</b>	1.85%	0.91%

\*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case).  
Reference period: YTD (year to date) from 01/01/2025 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

## Risk and Reward Profile



The risk indicator assumes you keep the product for 3 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 2 out of 7, which is a lower risk class.

This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity to pay you.

For any further details on investment risks, please refer in particular to the Risks section of the Fund's Prospectus.

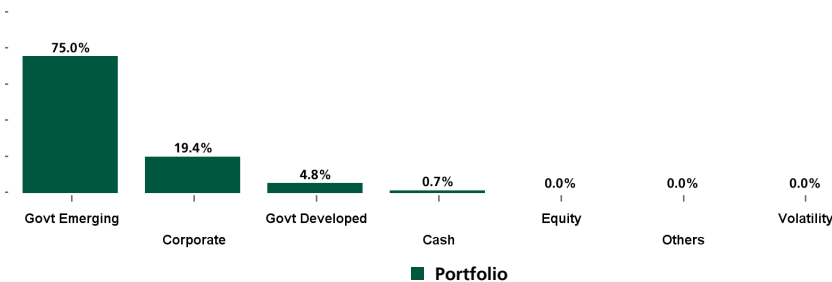
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## Portfolio Information

### Asset Breakdown\*



\*The Corporate asset class may include issues by local agencies or authorities that are equivalent to Corporate instruments issued in terms of creditworthiness. The Developed Governments asset class may include derivative financial instruments on interbank rates.

### Derivatives

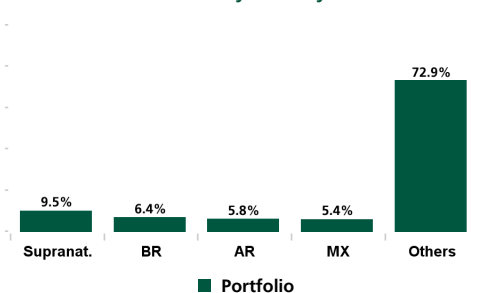
### Weight

Currency	-
Equity	-
Interest rate	-

### Top 10 Holdings (excluding cash)

	Weight	Sector	Duration	Rating S&P
ARGENT 0 1/8 07/09/41...	2.03%	Government	6.37	CCC
ARGENT 0 07/09/30	1.96%	Government	2.22	CCC
PARGUY 4,7% 03/27	1.87%	Government	1.71	BB+
SERBIA 1 09/23/28	1.75%	Government	3.12	BBB-
TURKEY 5,125% 02/28	1.63%	Government	2.44	BB-
TURKEY 5 7/8 05/21/30...	1.50%	Government	4.24	BB-
IVYCST 6 3/8 03/03/28...	1.46%	Government	1.59	BB
PANAMA 3,875% 03/28	1.40%	Government	2.58	BBB-
BRAZIL 4,625% 01/28	1.33%	Government	2.39	BB
ROMANI 5 1/8 09/24/31...	1.20%	Government	5.05	BBB-

### Duration Contribution by Country



### Contribution to Duration by Maturity

	% Contrib.
0-1	1.25%
1-3	29.77%
3-5	36.08%
5-7	9.42%
7-10	3.89%
>10	19.58%
Total	100.00%

### Duration Evolution

	Portfolio
12-2024	3.90
01-2025	3.06
02-2025	2.99
03-2025	3.07
04-2025	2.97
05-2025	2.94

### Sector Allocation

	Portfolio
Treasury	2.87%
Government Related	
Agency	15.71%
Local Authority	-
Supranational	1.44%
Sovereign	65.77%
Corporate	
Industrial	2.57%
Financial Institutions	4.25%
Utility	0.89%
Securitized	-

### Portfolio Characteristics

	Portfolio
Weighted Average Coupon	4.11%
Current Yield	4.25%
Average Rating	BB+
Yield to Worst*	3.58%

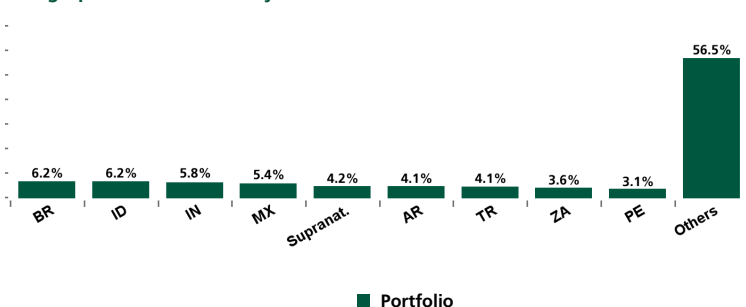
The portfolio Yield to Worst refers only to the component of fixed income and is calculated as a weighted average of returns of the single bond instruments, where the weighting takes place with respect to the value of the individual instrument. Returns hold account of the operating probabilities of the optional components possibly present in the bonds.

### Allocation by S&P Rating / Maturity\*

	0-1	1-3	3-5	5-7	7-10	>10	Total
AAA	-	1.39%	0.50%	-	0.96%	1.38%	4.23%
AA	-	1.90%	-	-	-	0.27%	2.18%
A	-	2.33%	1.52%	-	-	0.21%	4.07%
BBB	1.02%	21.71%	10.75%	1.44%	-	0.62%	35.55%
BB	1.82%	16.00%	12.47%	3.59%	0.68%	1.37%	35.93%
B	1.31%	1.00%	1.01%	-	-	-	3.32%
Below B	-	0.50%	1.65%	1.96%	-	2.03%	6.14%
Total	4.15%	44.83%	27.90%	7.00%	1.64%	5.89%	

\*Instruments without ratings are excluded from the calculation.

### Geographical Breakdown by Issuer



The sum of the weights represents the total bond exposure, including derivative instruments.

Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

### Currency Risk Exposure\*

	Portfolio
JPY	1.93%
IDR	1.32%
TRY	1.03%
ARS	0.16%
ZAR	0.12%
BRL	0.11%
CHF	-2.10%
USD	-3.34%
Others	0.14%

\*The figure refers only to classes not covered by exchange rate risk.

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Data as of 05/31/2025

Investment Manager Commentary

Market Development

During the month, the recovery of risky activities continued after the introduction of tariffs on most of the products imported into the US in the previous month. The US administration's choice of dialogue with major trading partners helped reduce volatility. Against this backdrop, the US dollar steadied against the major G10 and emerging market currencies. With regard to emerging bond indices, there was a rapid narrowing of spreads (-29bps for the JP Morgan EMBIG index and -27bps for the JP Morgan CEMBI index) that allowed hard currency indices to generate positive results, despite the rise in yields. The hard currency sovereign bond index (JP Morgan EMBIG) declined by 85%, while the corporate bond index (JP Morgan CEMBI Broad) gained 0.45bps. As expected, the performance of the High Yield component significantly outperformed Investment Grade, which was negative. The JP Morgan GBI-EM local currency debt index posted a positive return of 1.41%, supported by the weakening dollar, as did the JP Morgan ELM+ index, which gained 172bps. Local currency indices generated positive results, even measured in euro terms.

Performance and Investment Choices

The liquidity component of the Fund remained high at 5%. Spread duration remained stable under 3 years. The Fund's performance was positive during the month. The High Yield component contributed mainly to the result, with the exception of Ukraine, which was penalised by the uncertainty surrounding the peace talks.

Outlook and Investment Strategy

The interest rate component remains the main component in this phase; political uncertainty in the US seems to have lost relevance in the last period. Market sentiment and investment flows remain relatively insignificant, also due to the impact of tariffs on emerging market exports. From a growth perspective, the geopolitical landscape is increasingly uncertain, although business conditions, as gauged by confidence indicators, are being impacted primarily by China. Technical factors such as positioning and expected net funding until the end of the year should continue to support the asset class.

Source: Eurizon Capital SGR S.p.A., the Investment Manager of the Sub-Fund.

This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.

Fund Overview

Legal Status	Fonds Commun de Placement (FCP)/UCITS
Home jurisdiction of the Fund	Luxembourg
ISIN Code	LU0365358570
Class Unit Inception Date	05/27/2008
Valuation	Daily
Bloomberg Code	EURBDTR LX
Entry costs	-
Exit costs	-
Management fees and other administrative or operating costs	0.78% (of which management commission constitutes 0.25%)
Transaction costs	0.40%
Performance fees	The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund's hurdle rate. The actual amount will vary depending on how well your investment performs
Minimum amount	3,000,000 EUR
Taxes	The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor.
Management Company	Eurizon Capital S.A.
Investment Manager of the Sub-Fund	Eurizon Capital SGR S.p.A.
Category	GLOBAL EMERGING MARKETS BOND - EUR HEDGED

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.

The Sub-Fund is not an Index-tracking UCITS and then does not intend to passively replicate, track or leverage the performance of a Benchmark through synthetic or physical replication.

Data as of 05/31/2025

## Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website [www.eurizoncapital.com](http://www.eurizoncapital.com). These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request. This document does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Unit is suitable to your personal situation and understand the related risks and tax impacts.

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## IMPORTANT INFORMATION

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

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