

GAMA Funds – Global Short Dated Opportunities

A perfect vehicle to benefit from high interest rates

GAMA Funds – Global Short-Dated Opportunities



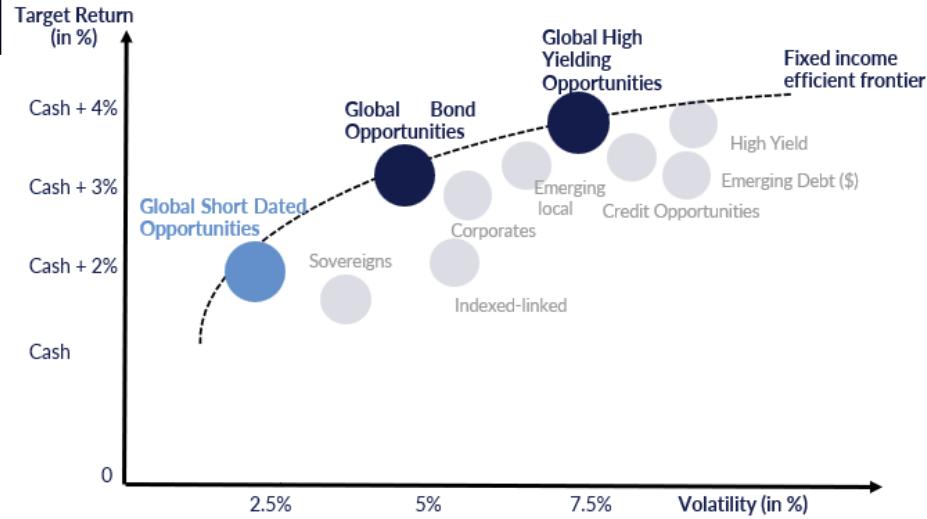
Global Short-dated Strategy

- For investors seeking a **higher yield than money market funds** over one year without embracing the full risks associated with long maturity bonds.
- A mix of **highly diversified selected short-dated bonds** with **below 3Y maturities** across the world with investment grade average quality and strong liquidity.
- Experienced investment team with recognized expertise in credit selection and fixed income management.



Key Facts & Statistics

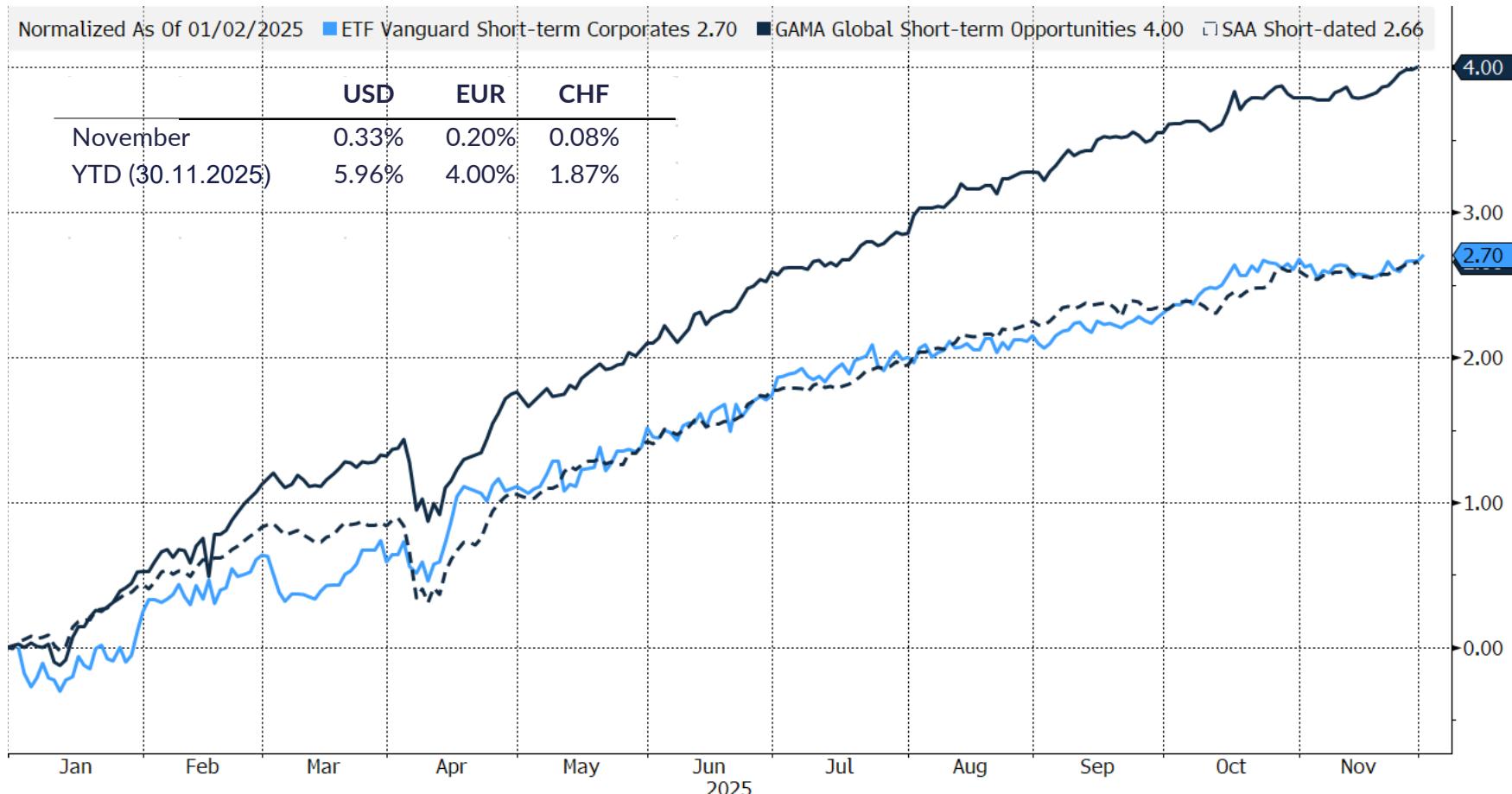
Fund's Domicile	Luxembourg UCITS SICAV
Strategy	Global Short-Term Bonds
Number of issuers	~180 issuers
Estimated Yield	5.5% (USD), 4.0% (EUR), 1.5% (CHF)
Duration	1.5 years
Target Return	Cash + 2%
Volatility	2-3%
ESG Policy	Integration process, Article 8 SFDR



GAMA Short Dated Opportunities



GAMA Global Short Dated Opportunities - Performance as of 01.12.2025 (EUR)



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Short-Dated Bond Strategy

- € UCITS (Lux), AuM: EUR >200mn, Art.8 SFDR
- € Short-term Bond Strategy (< 3Y legal maturities), Average rating Investment Grade, highly diversified (~180 issuers) and very liquid (daily)
- € Active management with recurrent excess return over passive strategies (> 1.5% per year)
- € Share classes: EUR, USD, CHF accumulation or distribution, fully hedged (no FX risk)
- € Inception Date: 21.09.2020 (>5 years)

Key Statistics

- € Heded Yield To maturity: 5.35% in USD, 3.21% in EUR, 1.18% in CHF
- € Average Duration: 1.51 years
- € Average Rating: BBB+
- € MSCI ESG Rating: A
- € Volatility (Daily, 3Y): 1.38%
- € Bloomberg Peers Quintile* (5Y): 91%

*Peers: Short-term aggregate, OECD Countries

Why This Fund ? Why Now?

- € Attractive excess yields over deposit rates with daily liquidity and large diversification
- € Defensive credit stance and low interest sensitivity to navigate through uncertain times
- € Solid fundamental credit selection with ESG-integration and quantitative filters
- € Stable team with solid track record over various time-horizons

Key Fund Information (EN)

€ Factsheets	EUR	USD	CHF
€ KIDS	EUR	USD	CHF
€ Prospectus	Click Here		
€ Why Invest ? 6 pagers	Click Here		
€ Full presentation with Process	Click Here		
€ Access to GAMA website	Click Here		

INVESTMENT STRATEGY

Short-term bond fund for investors seeking a higher yield than that of money market funds over one year or more.

- Estimated forward-looking return: cash + 2%
- Capital preservation and income primarily with short-dated bonds with less than 3Y maturities.
- Credit selection broadly diversified across countries & sectors with currency exposures hedged into the base currency

Credit Exposure  Medium

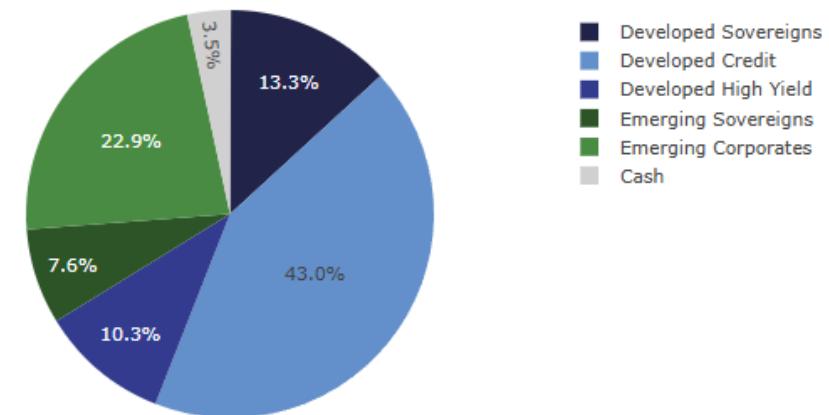
Interest Rate Exposure  Low

Currency Exposure - Fully hedged

PORTFOLIO CHARACTERISTICS

Average yield (EUR)	3.21%
Average yield (USD)	5.35%
Average yield (CHF)	1.18%
Average yield (GBP)	4.85%
Average interest-rate duration	1.51
Average spread	138.06
Average credit rating of bonds	BBB+
Number of issuers	210

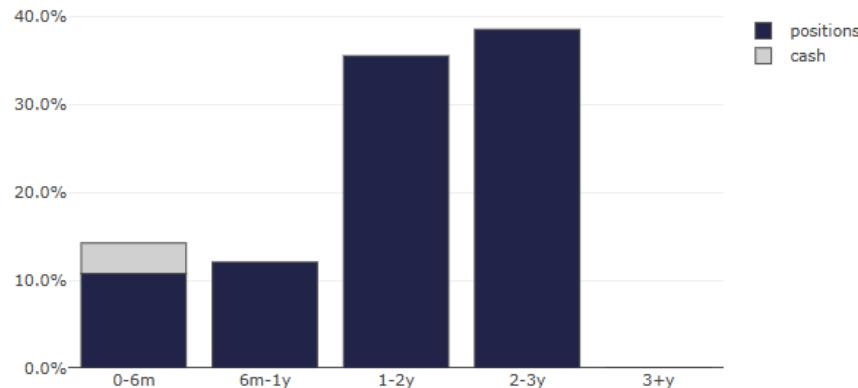
BREAKDOWN BY SEGMENT



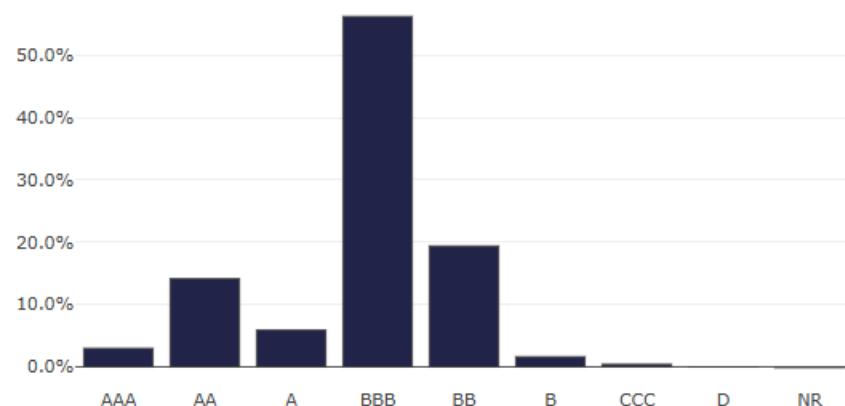
GAMA Funds - Global Short Dated Opportunities



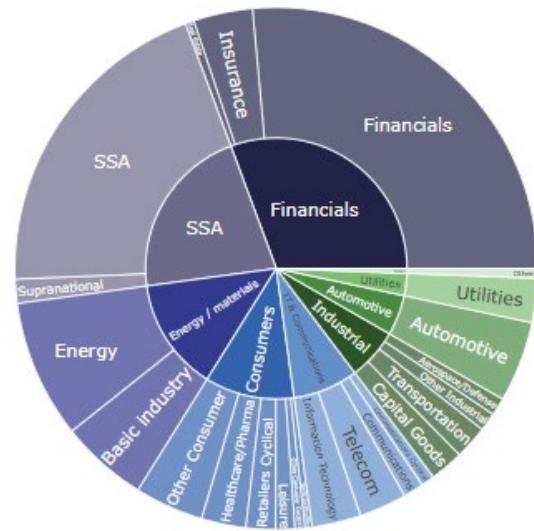
BREAKDOWN BY MATURITY



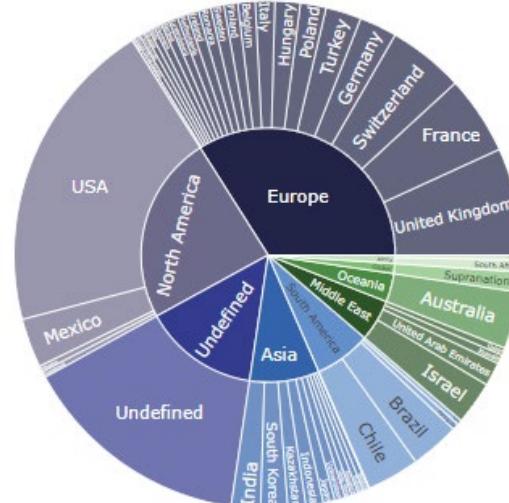
BREAKDOWN BY RATING



BREAKDOWN BY SECTOR



BREAKDOWN BY COUNTRY



Global Short-Dated Opportunities



Top 10% of Funds among peers for over 5 years & 5-star Morningstar rating

PGGSOFU Metrics		11/27/25		
Return				
Per	Fund	Index	Peers	PCTL
1 Wk	.14	--	.24	29
1 Mo	.27	--	-.05	83
3 Mo	1.24	--	1.12	71
YTD	5.93	--	3.62	79
1 Yr	6.33	--	3.46	89
3 Yr	6.61	--	3.52	91
5 Yr	3.45	--	-.22	91
2024	6.02	--	3.35	81
2023	7.38	--	5.43	75
2022	-3.75	--	-11.09	87
2021	1.59	--	-.86	84



GAMA Funds – Global Short-Dated Opportunities

3 YEAR

6.87%

Annualized return

Top 10%
among peers*

5 YEAR

3.64%

Annualized return

Top 10%
among peers*

1 YEAR

6.09%

Annual return

Top 8%
among peers*



*Global Short-Dated Opportunities Class F USD is
ranked among the top performing funds compared
to peers on Bloomberg as of September 2025.



GAMA Funds - Global Short dated Opportunities

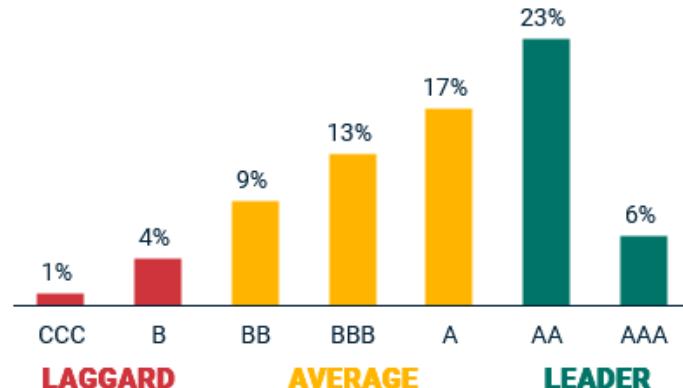


ESG Rating (MSCI)

MSCI
ESG RATINGS



BREAKDOWN BY ESG RATING (MSCI)



EXPOSURE TO CONTROVERSY SECTORS



CARBON INTENSITY

Weighted average carbon intensity
(tCO₂e / \$m sales)

The fund's holdings have moderate carbon intensity, based on the weighted average carbon emissions per USD million sales.

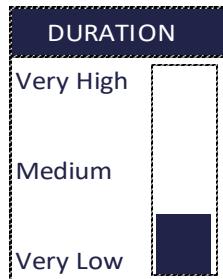
204.7 tons



GAMA Funds - Global Short Dated Opportunities



DURATION



- Duration: 1.51 (stable)

CURRENCY ALLOCATION

100% Hedged Into Currency

KEY BOND MONTHLY PURCHASES

- MEGLOBAL BV (BBB) 2028 USD, G+83
- NEMAK SAB DE CV (BB+) 2028 EUR, Z+196
- MEGLOBAL BV (BBB) 2028 USD, G+93
- INVESTEC (BBB+) 2028 GBP, Z+109
- FONCIERE ASSOC (B+) 2026 EUR, Z+278
- CITADEL LP (BBB) 2027 USD, G+101
- CARNIVAL CORP (BBB-) 2028 USD, G+105
- EMBOT ANDINA SA (BBB+) 2028 CHF, Z+91
- AIRX GROUP HOLD (CCC+) 2028 EUR, Z+998
- SERBIA REPUBLIC (BB+) 2028 EUR, Z+111
- IG GROUP (BBB) 2028 GBP, Z+141
- SES (BBB-) 2029 EUR, Z+103
- COINBASE GLOBAL (BB-) 2028 USD, G+198

KEY BONDS MONTHLY SALES

- LEASYS SPA (A-) 2026 EUR, Z+17
- SYNN FIN AG (BBB) 2027 CHF, Z+93
- STADLER RAIL AG () 2026 CHF, Z+83
- SES (BBB-) 2027 EUR, Z+74

Matured / Tendered / Called (1.9%):

- VIDEOTRON LTD (BBB-) 2027 USD
- HSBC HOLDINGS (A-) 2026 USD
- SAMSONITE FINCO (BB+) 2026 EUR
- AA BOND CO LTD (BBB) 2027 GBP, Z+57
- HARLEY-DAVIDSON (BBB) 2028 USD, G+37
- COLOMBIA REP OF (BB+) 2026 EUR

GAMA Funds - Global Short Dated Opportunities



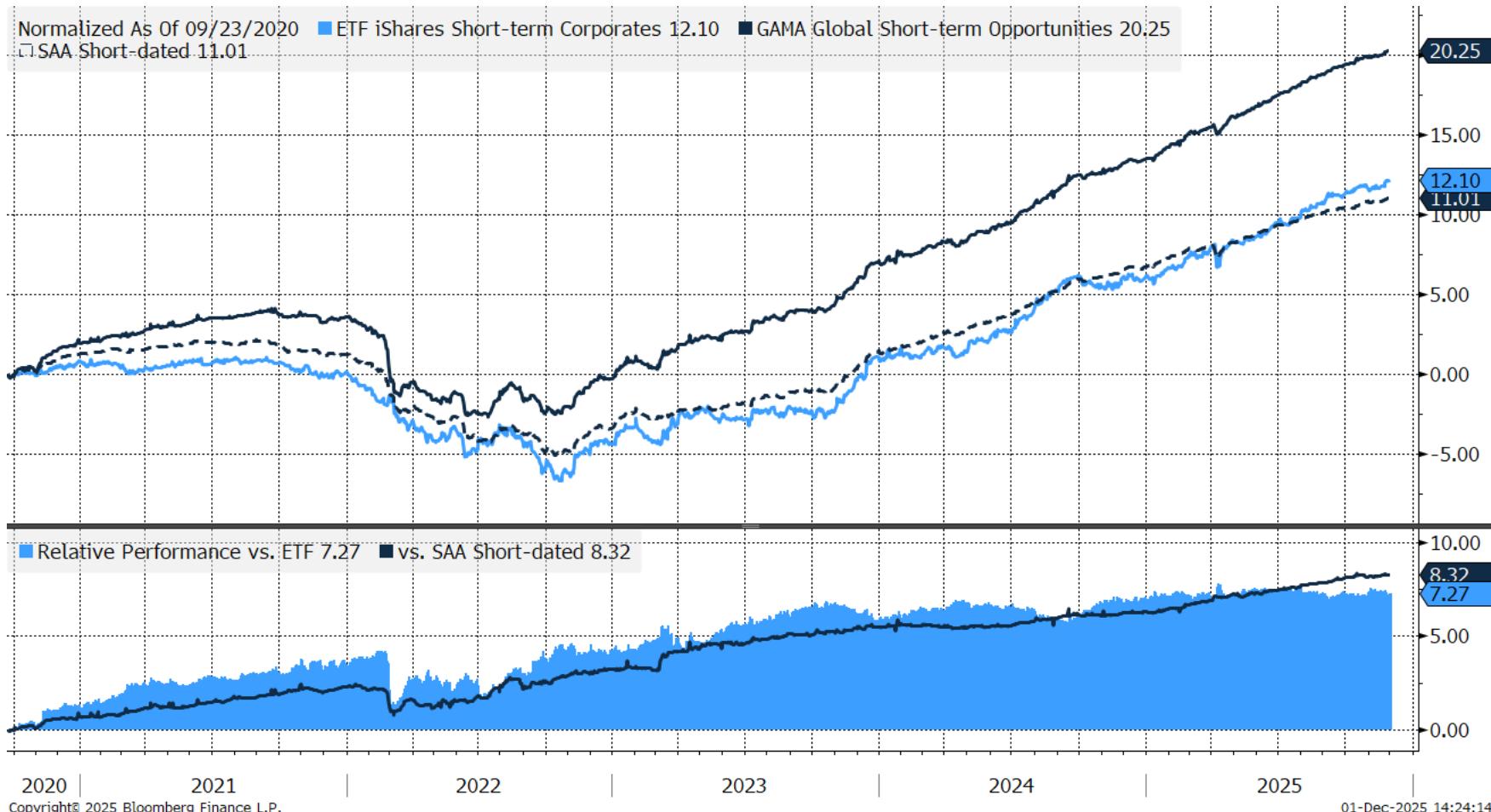
Key Turnover Statistics* - The value of active management

	Average Spread (in Bps)	Weighted Spread (in Bps)	Average Maturity (in Years)	% NAV
Buy	171	148	2.6	72.4%
Tendered	35	27	1.55	4.2%
Called	166	30	1.63	6.2%
Sell	93	84	1.26	23.7%
Total before Maturity	97	67	1.36	34.0%
Matured	0	0	0	12.9%
TOTAL	71	48	0.98	46.9%

- ✓ Approximately, 40% of Bonds are not kept until maturity but sold, tendered or called before maturity.
- ✓ On average and over the past year, the purchases have been done with a weighted maturity of 2.6 years and with a spread 81 bps higher than the bonds sold with a weighted average maturity of 1.36 years and 100 bps higher when you include bonds kept to maturity.
- ✓ The capital appreciation can therefore be estimated to be 0.8% to 1.0% of the NAV on top of the yields, spreads.

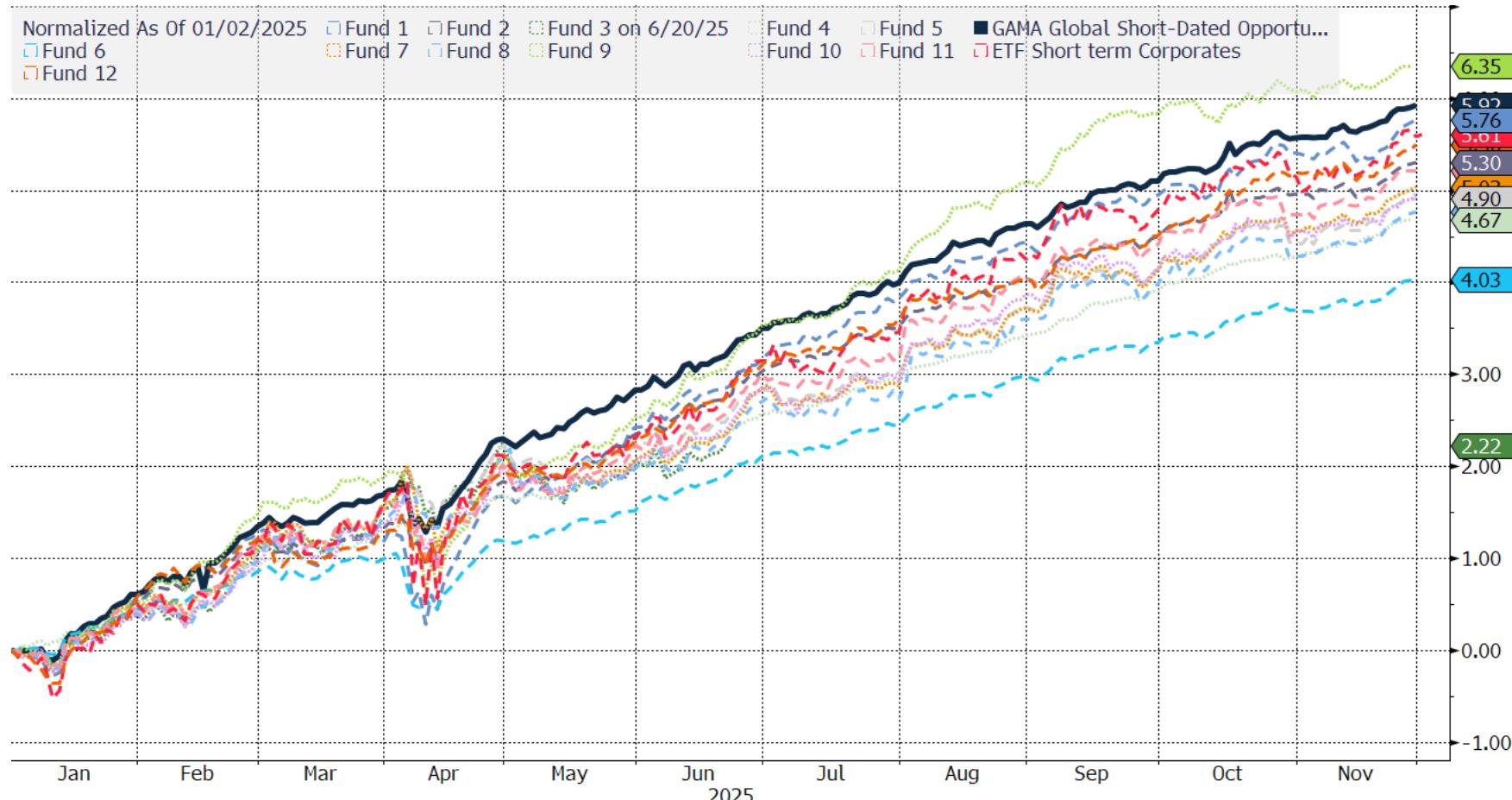
Source: GAMA calculations, *Annual data from June 2024 to June 2025

GAMA Global Short-Dated Opportunities (USD)



Source: Bloomberg, GAMA calculations

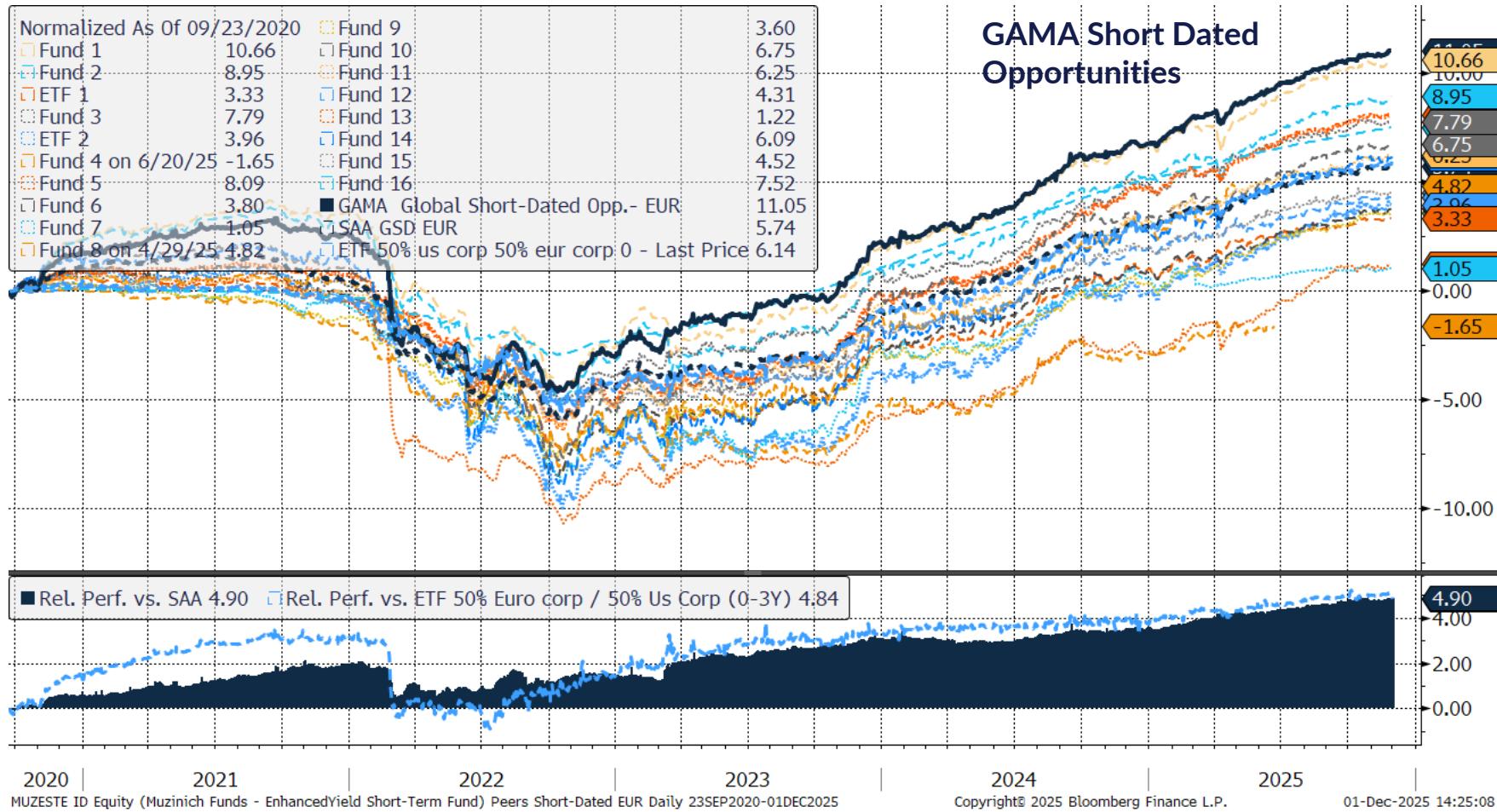
Global Short-Dated Opportunities - Peer Group (ST)



Source: Bloomberg, GAMA

Global Short-Dated Opportunities - Peer Group (EUR)

Active management added more than 1% annualised versus passive strategies

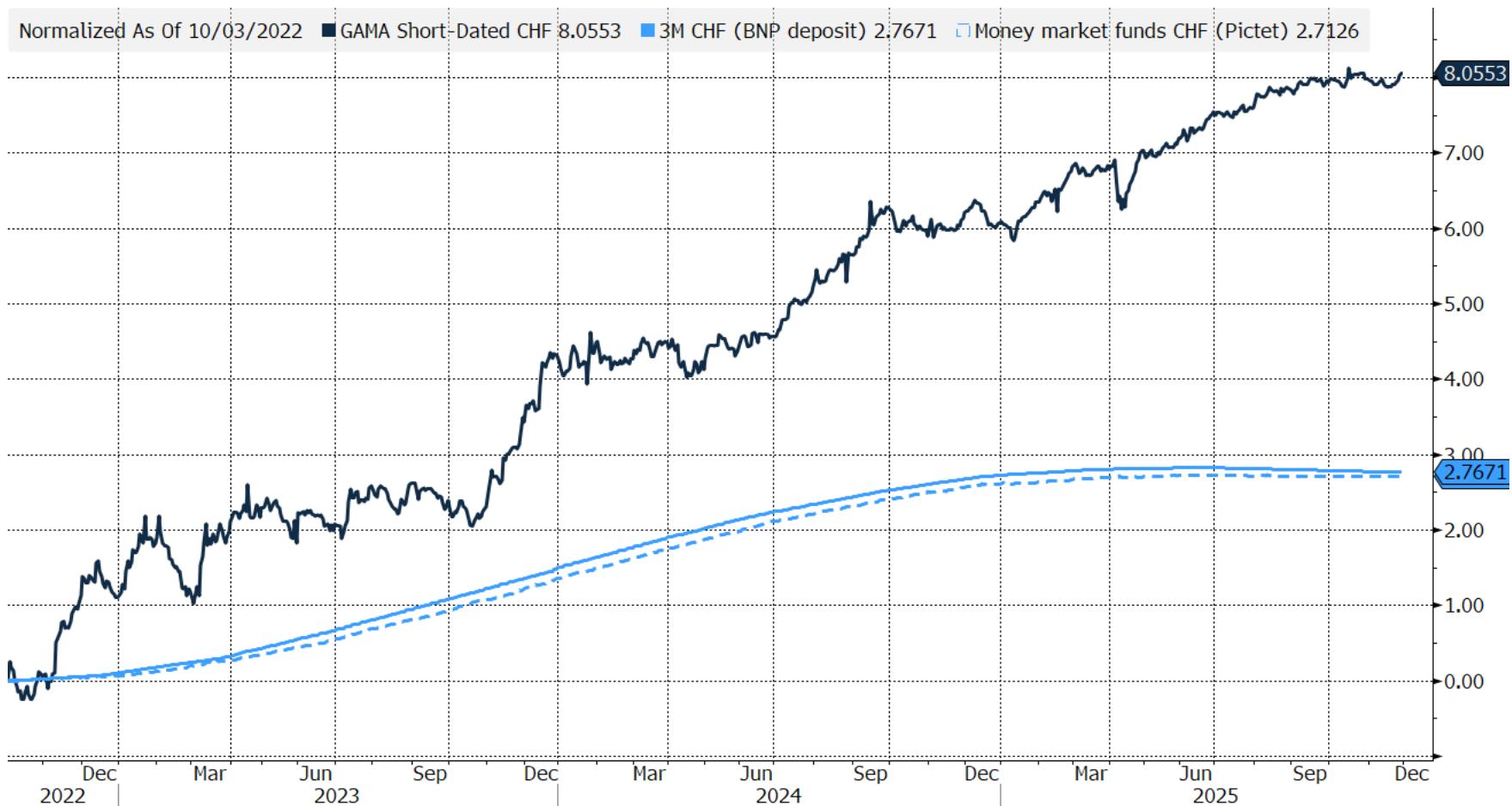


Source: Bloomberg, GAMA, Performance net of fees since inception date (21.09.2020) versus peers and passive strategies (ETF or SAA).

GAMA Global Short-Dated Opportunities (CHF)



As cash yield turns negative, short dated bonds become a good alternative



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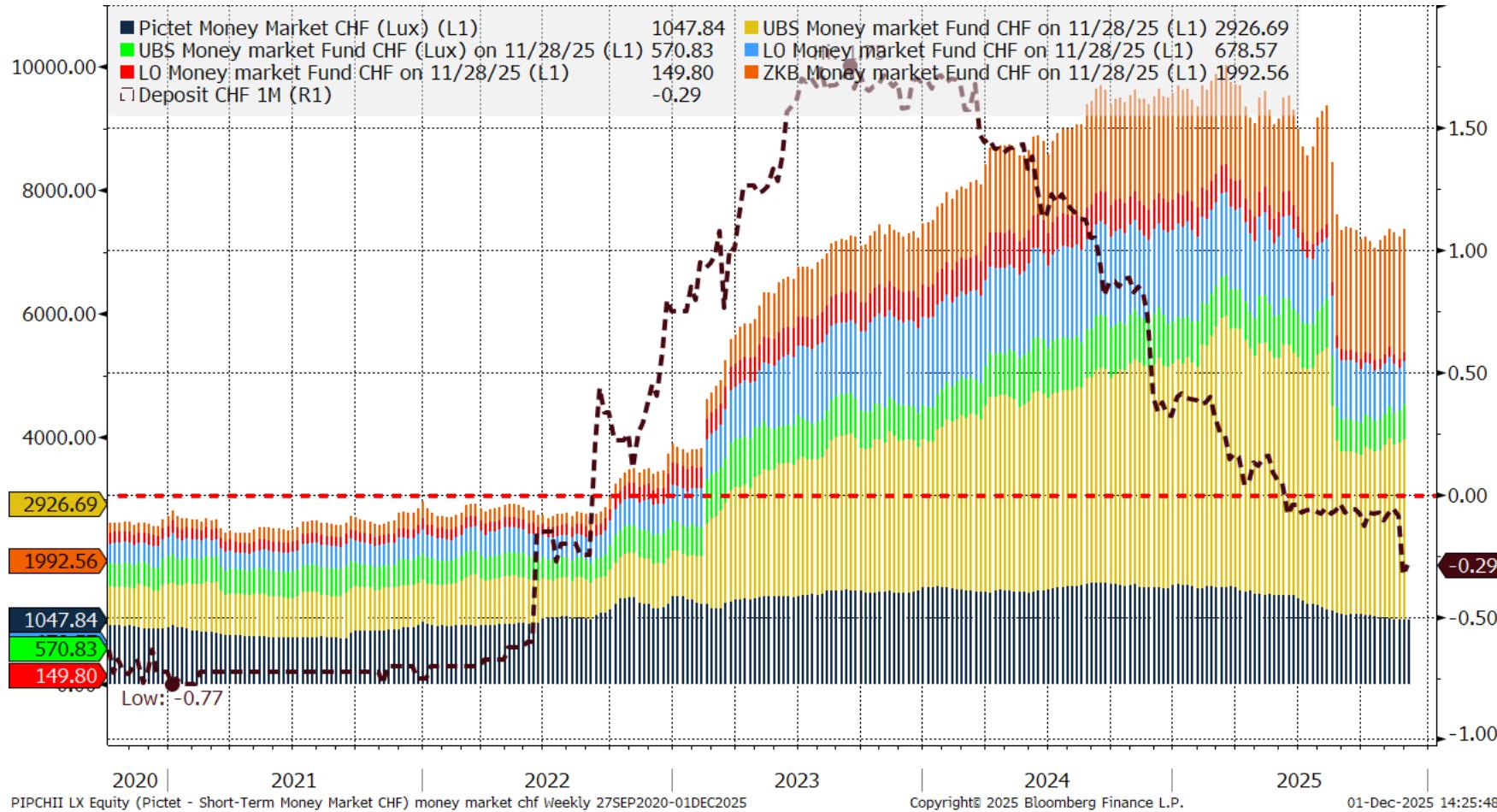
Source: Bloomberg, GAMA calculations

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CHF Money Markets



As cash yield moved into negative territory, investors are exiting money markets

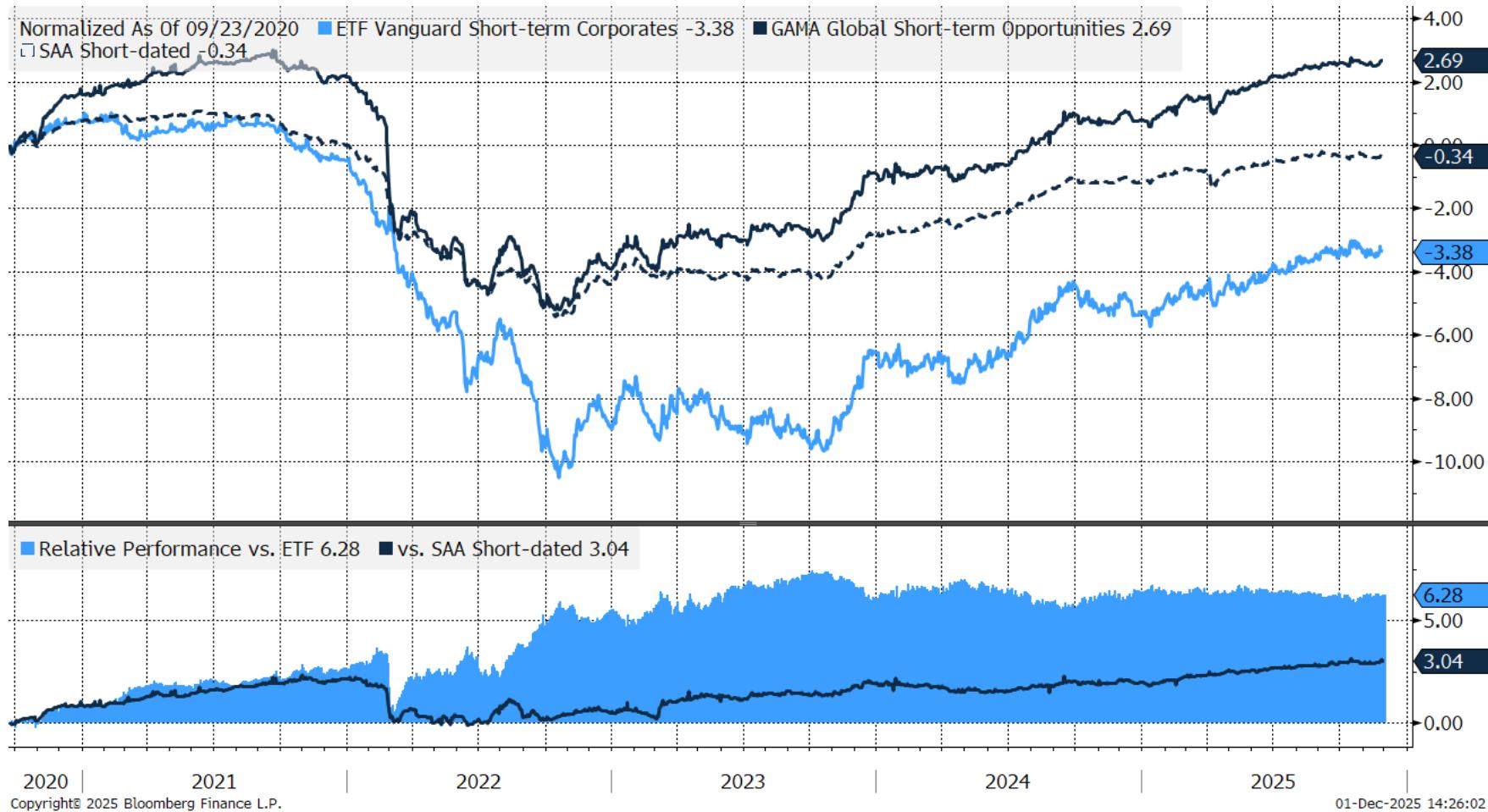


Source: Bloomberg, GAMA calculations

GAMA Global Short-Dated Opportunities (CHF)



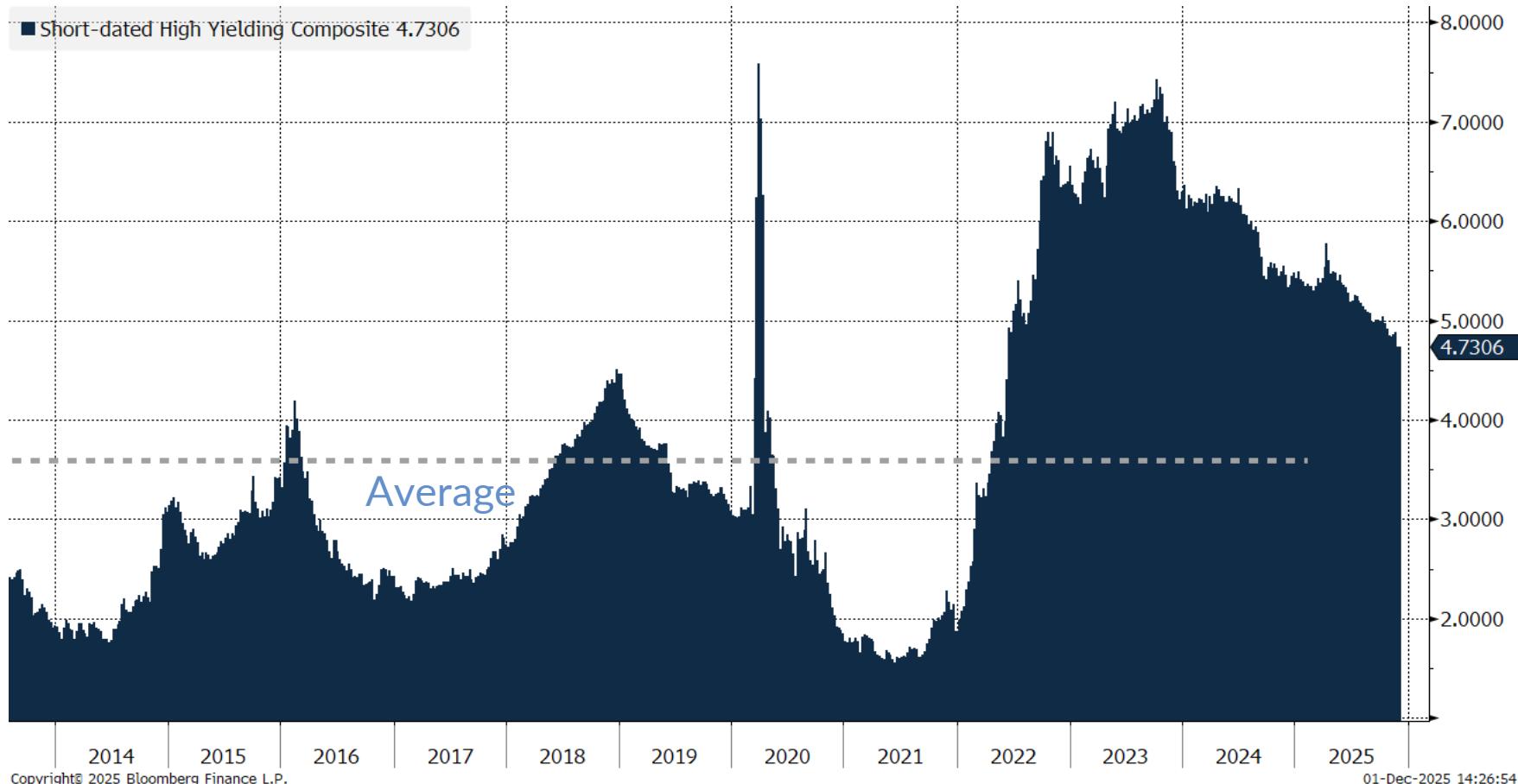
Relative performance versus strategic asset allocation and passive strategies



Short-Dated Opportunities Offering Attractive Yield

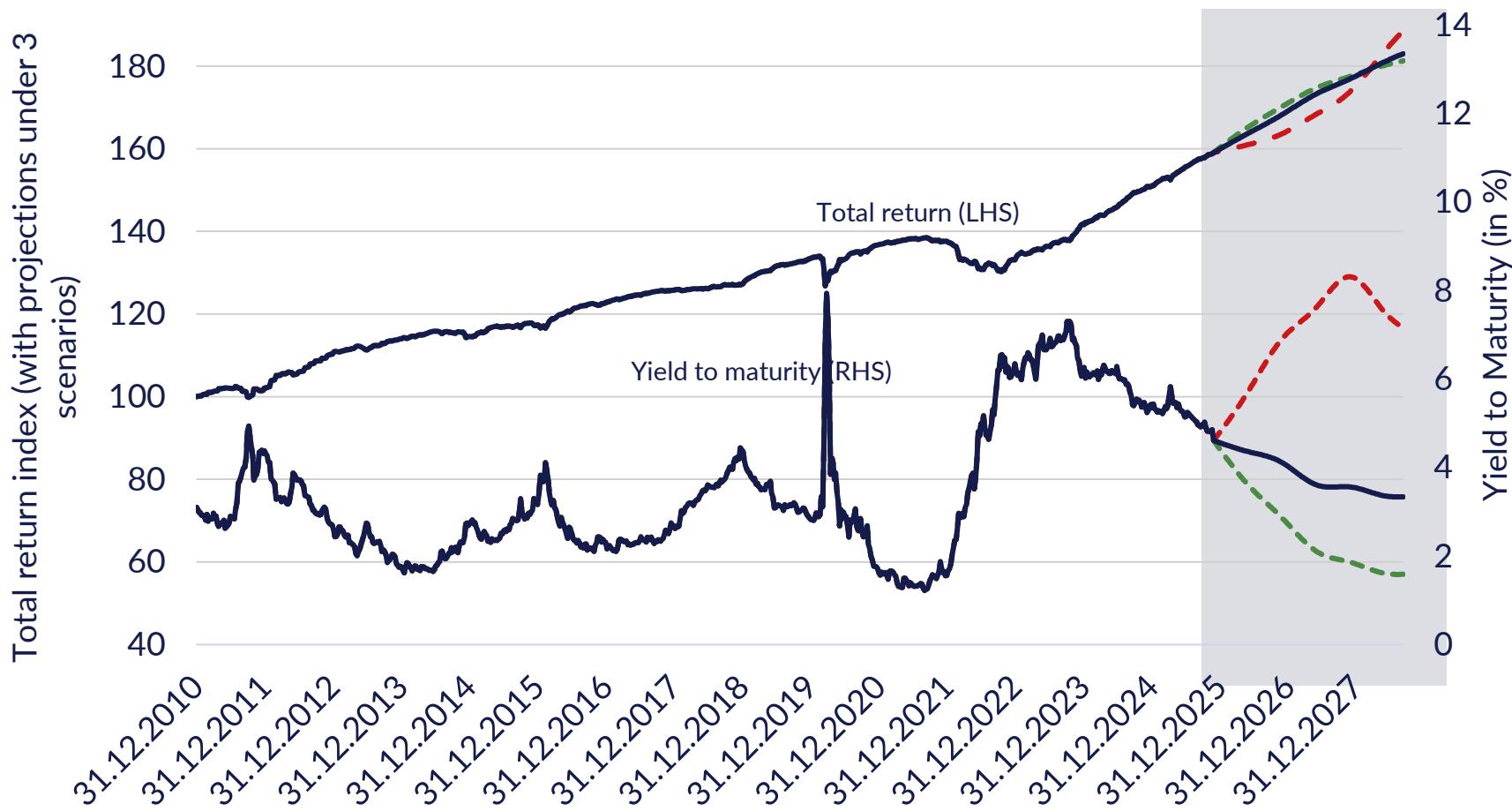


Short-dated High Yielding composite at its decade's record



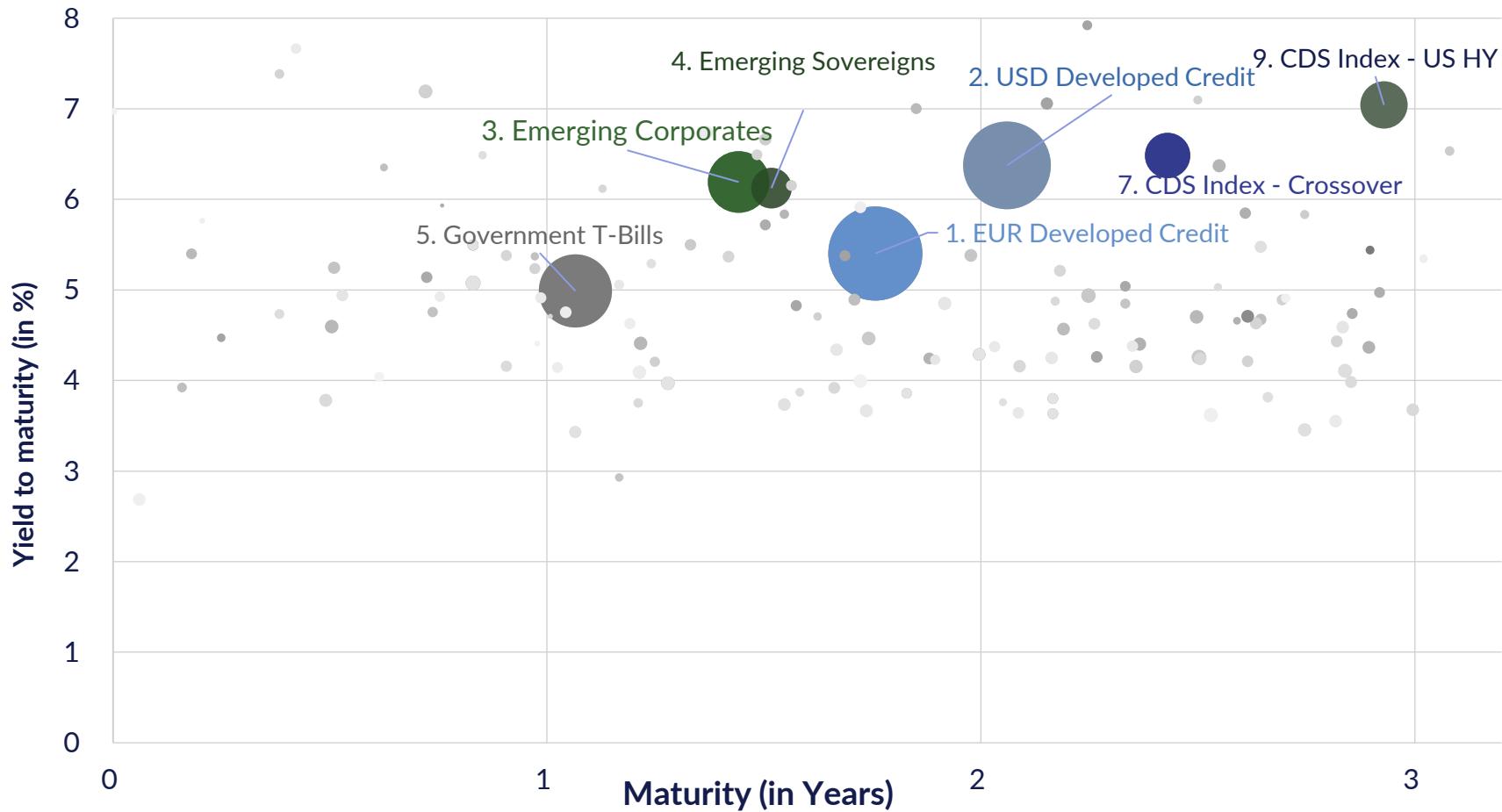
Source: Bloomberg, GAMA calculations, Short-dated high yielding composite, with 1/3 Developed credit, 1/3 Emerging Credit and 1/3 T-Bills in USD.

Global Short-Dated Composite*



Sources: Bloomberg, GAMA calculations, *Derived from global different short-dated fixed income segments hedged in USD

GAMA Funds - Global Short-Dated Opportunities



Each dot represents a specific bond and each circle represents the fixed income segment proportional to its weight.

Source: Bloomberg, GAMA

Monthly Performance



MONTHLY RETURNS (IN USD, NET OF FEES)

	2020	2021	2022	2023	2024	2025
January	-	0.09%	-0.76%	1.10%	0.49%	0.65%
February	-	0.27%	-2.20%	-0.38%	0.12%	0.73%
March	-	0.40%	-1.04%	1.31%	0.55%	0.33%
April	-	0.27%	-1.10%	0.45%	-0.02%	0.60%
May	-	0.20%	0.46%	-0.08%	0.64%	0.53%
June	-	0.27%	-1.37%	0.58%	0.49%	0.65%
July	-	0.08%	0.96%	0.81%	1.01%	0.47%
August	-	0.28%	-0.04%	0.41%	0.80%	0.62%
September	-0.46%	-0.12%	-0.83%	0.09%	0.91%	0.45%
October	0.28%	0.12%	0.41%	0.24%	0.04%	0.44%
November	1.32%	-0.68%	1.30%	1.41%	0.59%	0.33%
December	0.46%	0.40%	0.44%	1.21%	0.26%	-
Year	1.61%	1.59%	-3.75%	7.38%	6.02%	5.96%

Source: GAMA Asset Management SA, Class USD F

Global Funds – Global Short-Dated Opportunities



Share Class	Class R	Class P	Class N	Class F
Min. Investment	1'000	1 Mios	5 Mios	20 Mios
Management fees	0.60%	0.40%	0.30%	0.20%
EUR	ACC LU2092459143	ACC LU2092460075	ACC LU2092460828	ACC LU2092461800
	DIS LU2092458764	DIS LU2092459655	DIS LU2092460406	DIS LU2092461479
CHF	ACC LU2092459226	ACC LU2092460158	ACC LU2092461040	ACC LU2092461982
	DIS LU2092458848	DIS LU2092459739	DIS LU2092460588	DIS LU2092461552
USD	ACC LU2092459499	ACC LU2092460232	ACC LU2092461123	ACC LU2092462014
	DIS LU2092458921	DIS LU2092459812	DIS LU2092460661	DIS LU2092461636
GBP	ACC LU2092459572	ACC LU2092460315	ACC LU2092461396	ACC LU2092462105
	DIS LU2092459069	DIS LU2092459903	DIS LU2092460745	DIS LU2092461719

Minimum investment amount defined in the currency of each share class.

Blue = active share classes, grey = available but inactive. To activate a new share class, please contact us.



Appendix

Addendum – Key Contents

A blurred background image of a city skyline at dusk or night, with numerous lit-up skyscrapers and buildings. The Empire State Building is visible on the right side of the image.

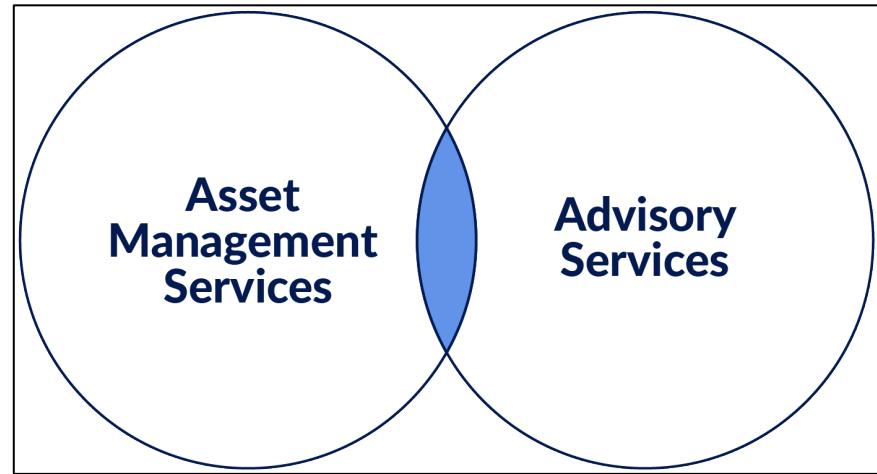
- 1 GAMA Asset Management
- 2 Governance and Team
- 3 Short-Dated Universe and Drivers
- 4 Investment Process and ESG
- 5 Risk Management
- 6 Case For Active Management
- 7 Examples of Trades

GAMA – Key Highlights



GAMA Asset Management SA

- ➲ GAMA is an independent fixed-income and macro boutique founded and majority-owned by seasoned investment professionals.
- ➲ GAMA provides global active global solutions through funds or dedicated mandates and tailor-made investment services.
- ➲ Our clients are exclusively professional and institutional investors willing to strengthen their fixed income, macro or asset allocation capabilities.
- ➲ GAMA is regulated by the FINMA as a manager of collective assets (art. 24 FinIA) and authorized by the CSSF (Luxembourg)



Facts And Figures

- ➲ Company Founded in Geneva in **2019**
- ➲ Investment Team of **6** specialists
- ➲ **2** Luxembourg UCITS funds (GAMA Funds)
- ➲ Assets under management ~**CHF 600 mm**
- ➲ **3** independent board members and **1** ESG advisory Board

Our Corporate Values



Our business model and our activities are guided by strong values that we live out daily.



We are independent

GAMA is a pure asset manager majority-owned by its investment team. Independence ensures that our interests are perfectly aligned with those of our clients.



We care about sustainable performance

Our job is all about performance. Long-term performance is our principal objective. For that, we look at both financial and non-financial criteria. We continuously adapt to seize investment opportunities.



We are a close and reliable partner

We put our experience and creativity at work for our clients. Being close to them allows us to design unique solutions that add value to their offering.



We work responsibly and ethically

Each of us acts responsibly, with integrity, transparency and according to the highest ethical standards. We avoid or disclose conflicts of interest and always behave loyally towards our clients.

Investment Resources



The GAMA Investment Team



Manuel Streiff, CFA, FRM

Founding Partner,
Senior Portfolio Manager

25 years of experience
TAA, IG Credit, Rates, Currencies



Rajeev De Mello

Senior Portfolio Manager
36 years of experience
Macro, SAA, TAA, EM



Jérôme Strecker, CFA, FRM

Senior Credit Analyst

19 years of experience
Credit Snalysis, Developed HY & IG



Bastien Mourier

Junior Credit Analyst

2 years of experience
Credit Analysis, Developed HY & IG



Vinicius Marignac

Junior Portfolio Manager

1 year of experience
EM Sovereigns, FX, Quant Strategies



Akimou Ossé, PhD, MBF

Independant Risk Management Consultant

23 years of experience



GAMA Board Of Directors & Operations



Board Members



Céline Richa

Chairman (Independent)
Richa Partners



Manuel Streiff

Vice-Chairman
GAMA Founding Partner



Christina Riva

Board member (Independent)
Adresse Unique Sarl



Professor René Sieber

Board member (Independent)
University of Geneva
Founding Partner of Dynagest SA



Paul Lombard

COO, Board Secretary
GAMA



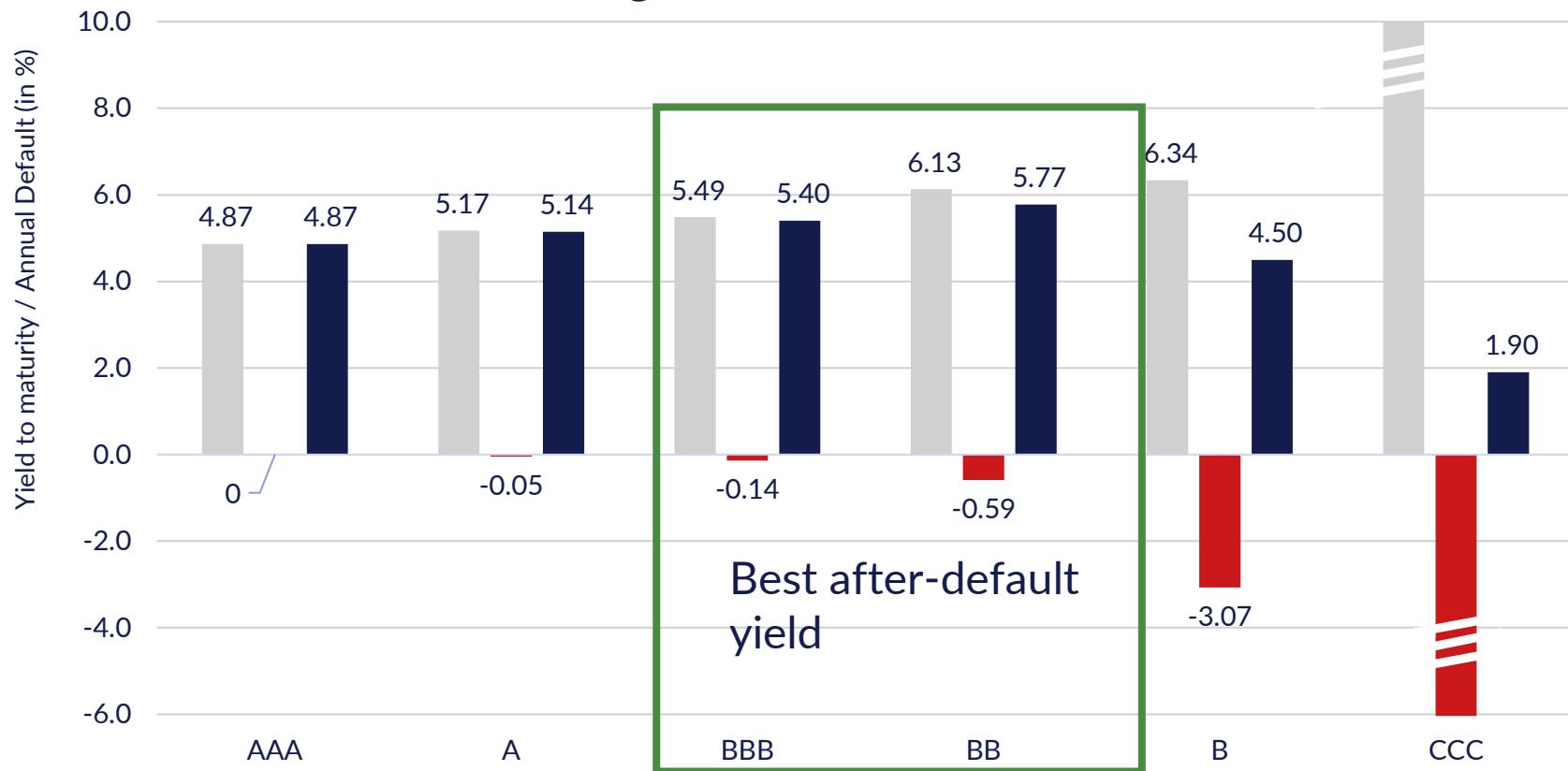
Joachim Huet

IT Solution Architect
Master in Computer science, EPFL

Credit - Default-Adjusted Yield



The sweet spot for after-default 2Y yields (using average historical default) is BBB-BB, worsening below BB- and lower

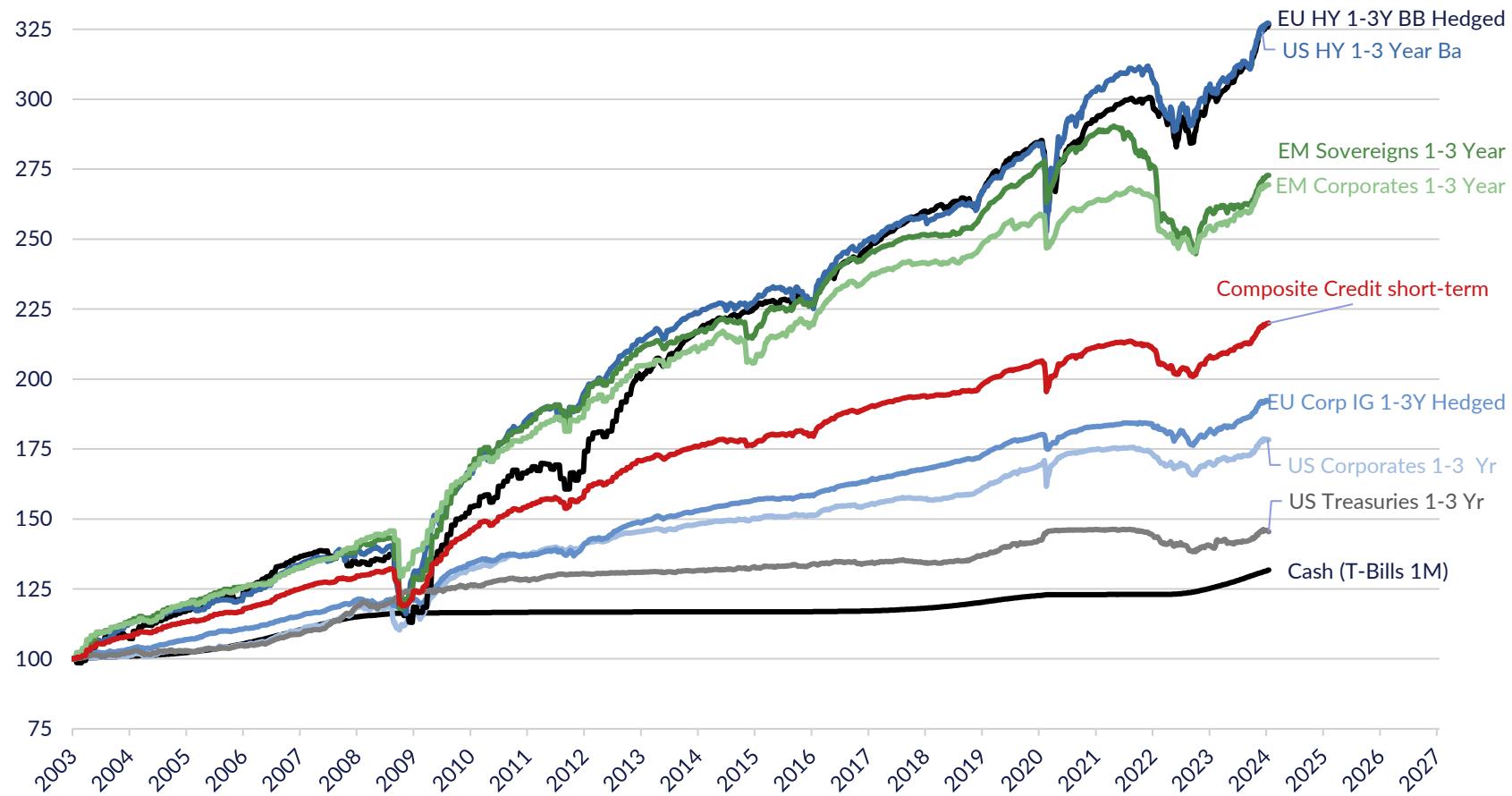


Sources: Bloomberg, GAMA calculations using S&P average historical default Rates and 40% recovery assumptions; Note that CCC/CC default rate equals 25%.

Short-Dated Fixed Income Segments



Long-term Total Returns Short-Dated segments (<3Y)

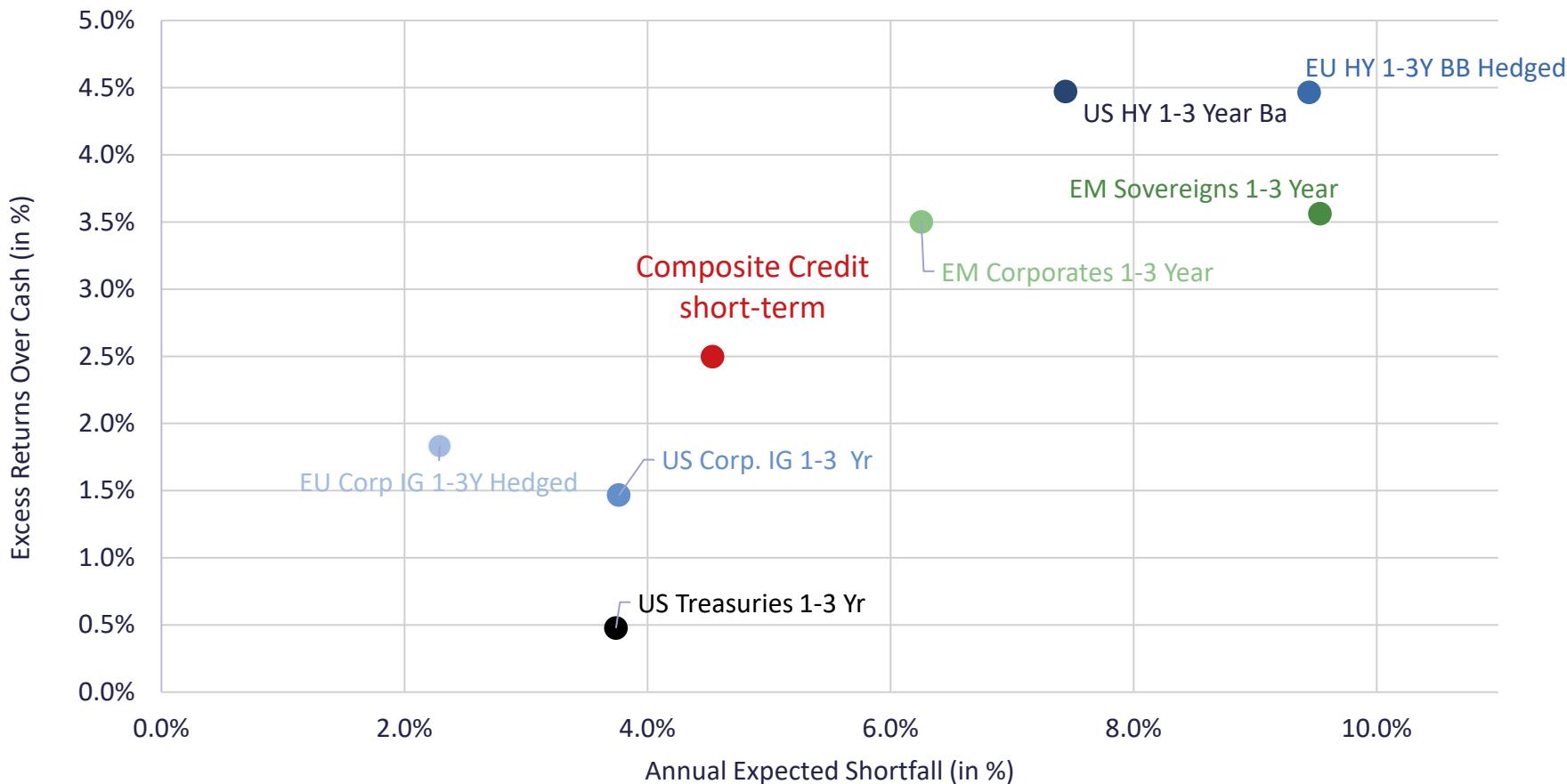


Sources: Bloomberg indices, GAMA Calculations, Composite Short-term (0-3Y maturities), composed of 1/3 of T-Bills, 1/3 of Credit >Ba EUR-hedged and USD, 1/6 of Emerging Sovereign and 1/6 of Emerging Corporates

Annual Returns Versus Risk



Annualised total returns per unit of annual expected shortfall

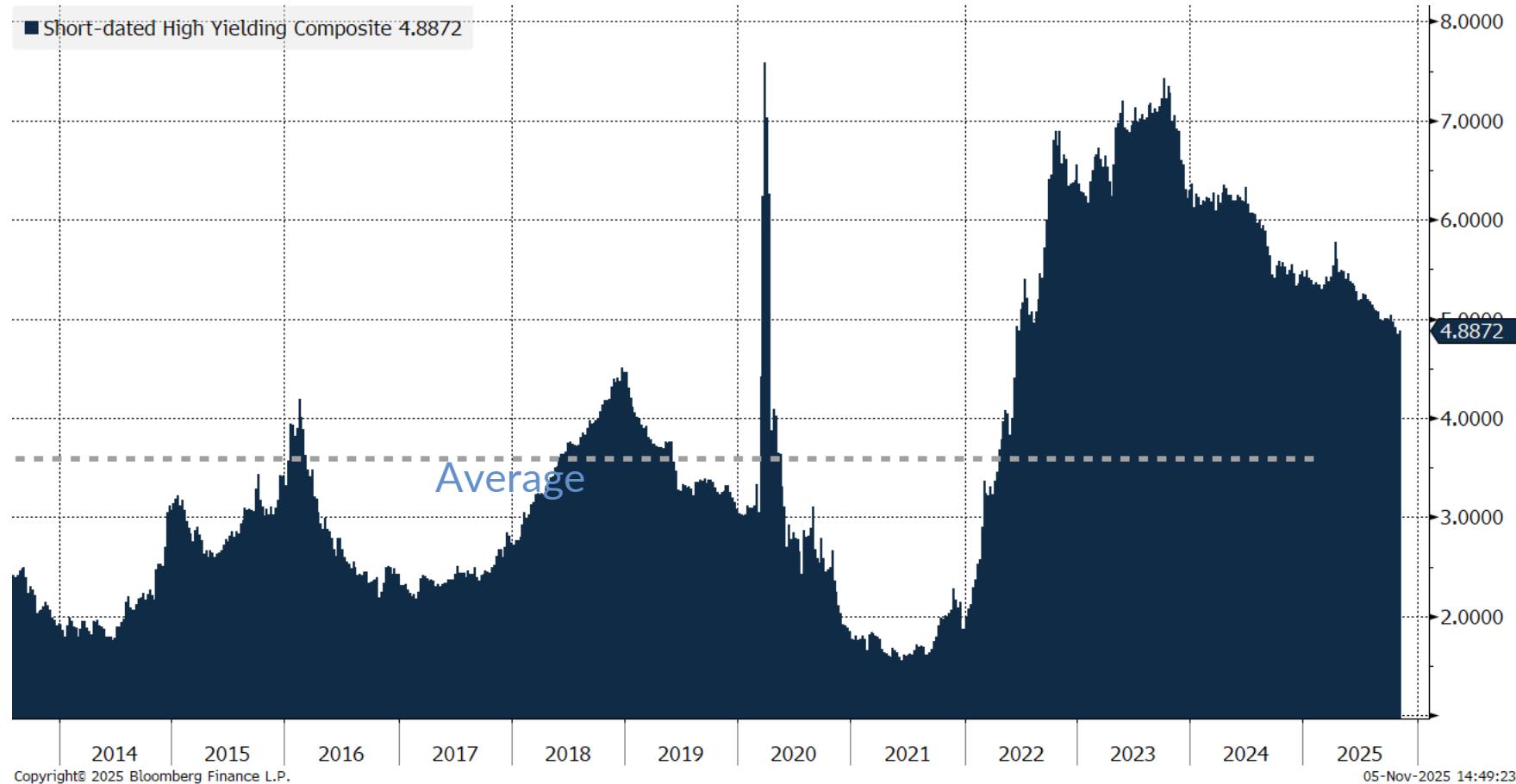


Sources: Bloomberg, GAMA Calculations, Shortfall calculated as the average 5% of the worst rolling 1Y total returns since 2003

Short-Dated Opportunities Offering Attractive Yield

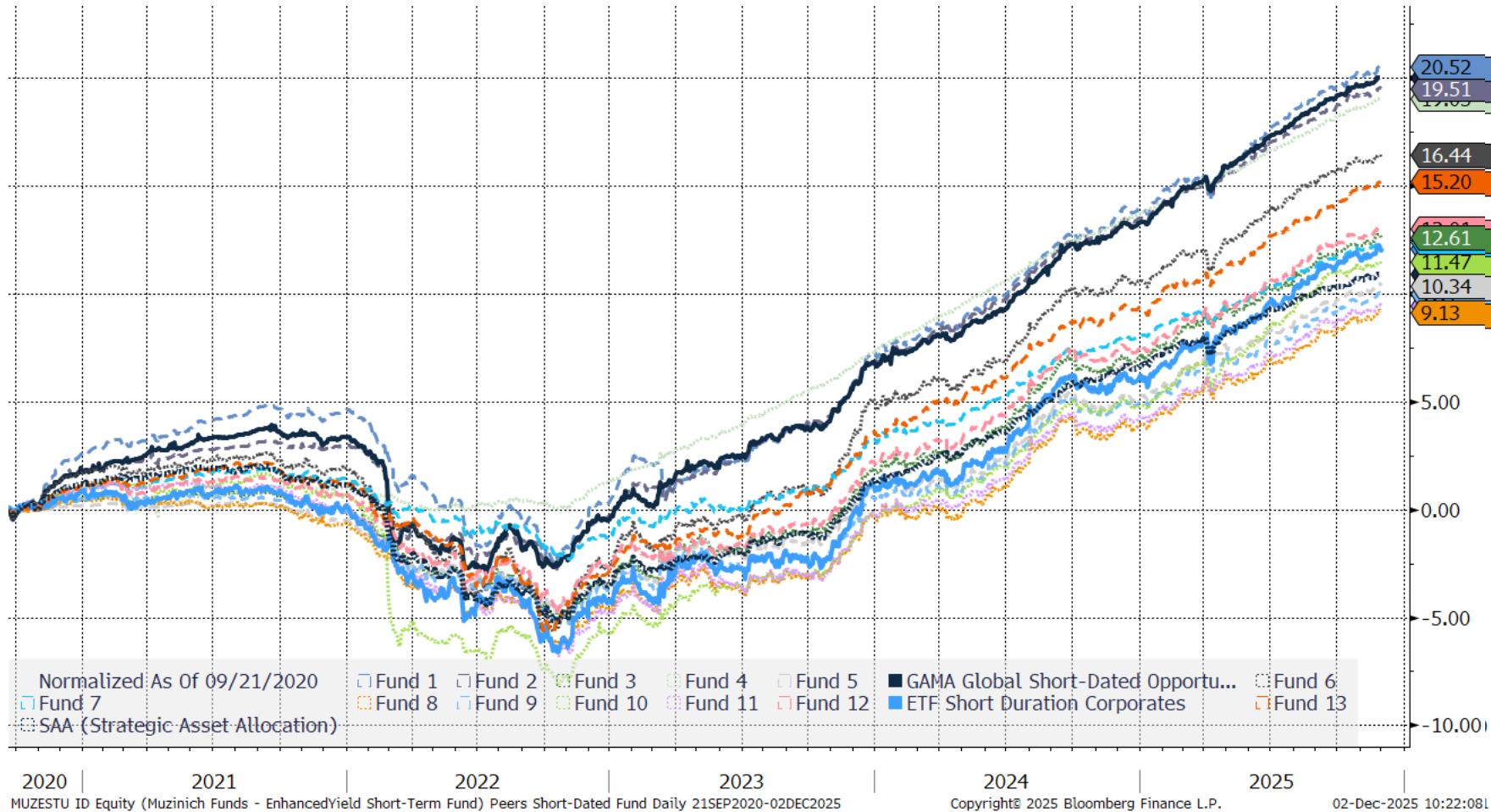


Short-dated High Yielding composite at its decade's record



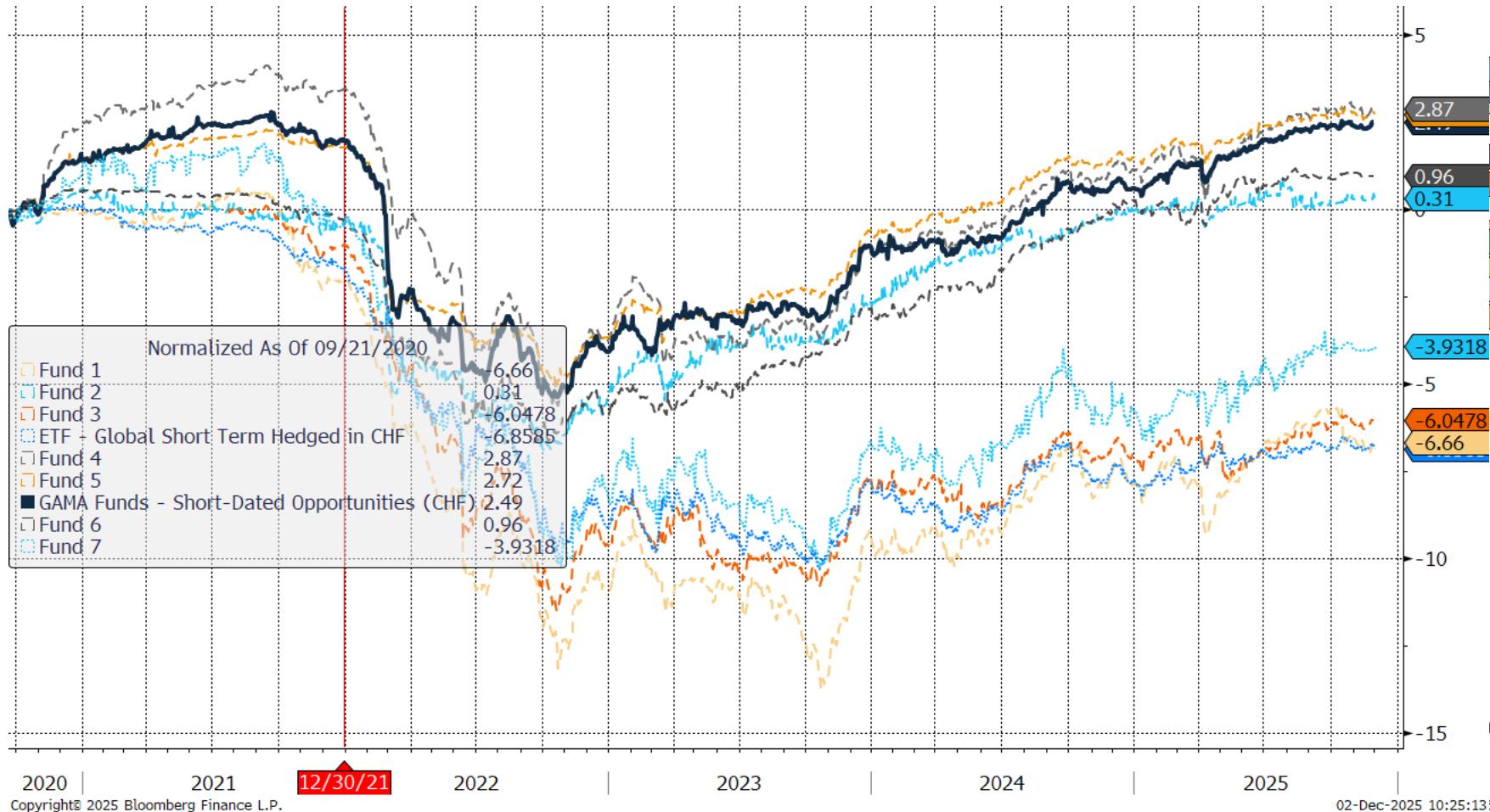
Source: Bloomberg, GAMA calculations, Short-dated high yielding composite, with 1/3 Developed credit, 1/3 Emerging Credit and 1/3 T-Bills in USD.

Global Short-Dated Opportunities - Peer Group (USD)



Source: Bloomberg, GAMA, Performance net of fees since inception date (21.09.2020)

Global Short-Dated Opportunities - Peer Group (CHF)

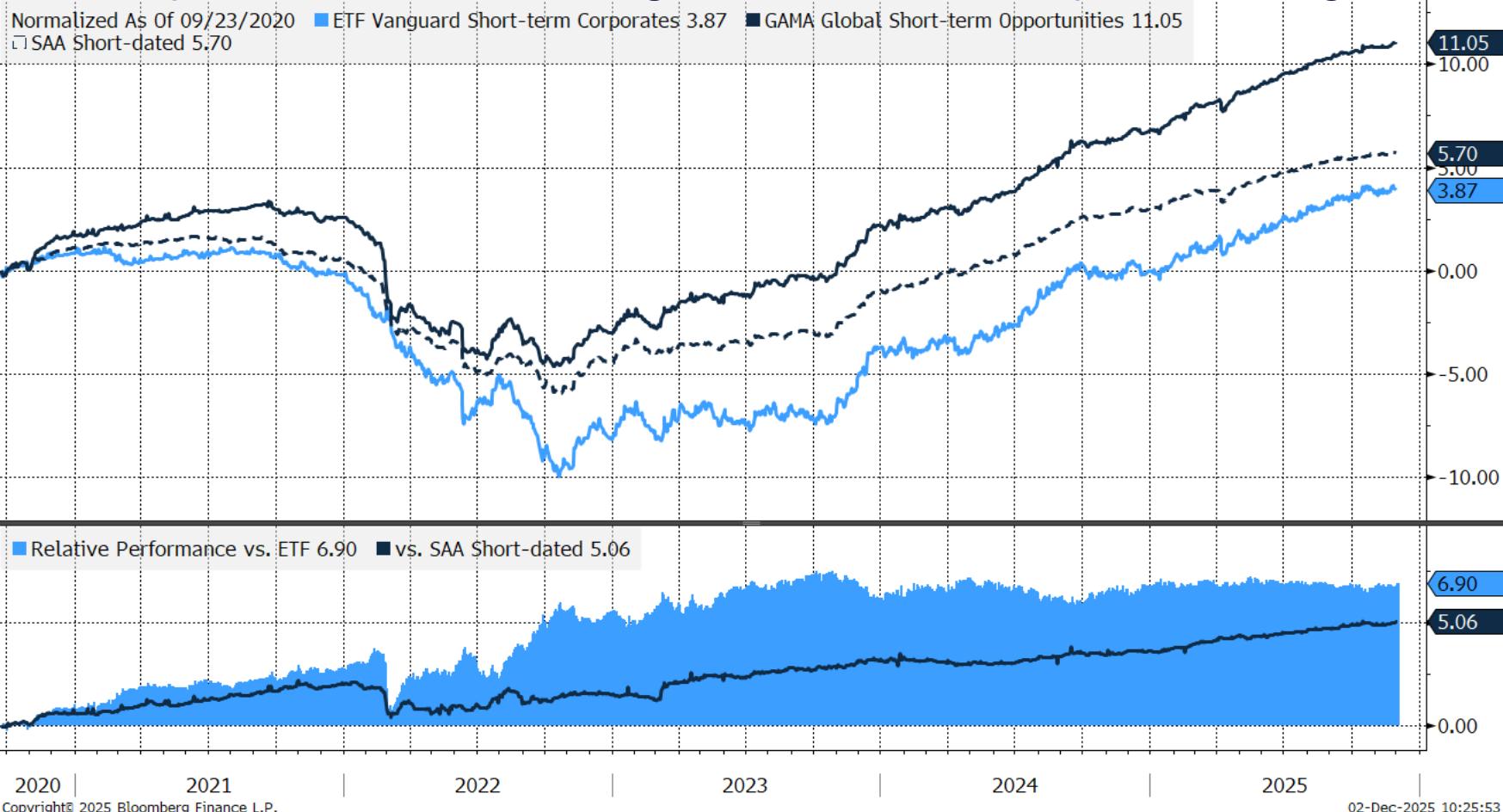


Source: Bloomberg, GAMA, Performance net of fees since inception date (21.09.2020)

GAMA Global Short-Dated Opportunities (EUR)



Relative performance versus strategic asset allocation and passive strategies



Source: Bloomberg, GAMA calculations



I. Strategy Generation



II. Portfolio Construction



III. Risk Management

I. Strategy Generation



Fundamental decision-making process enhanced by quantitative models.

Focus on convexity and downside management.

Fundamental analysis



Quantitative models

Macro

- Growth & inflation expectations
- Monetary and fiscal policy

Micro

- Business model
- Financial analysis
- Governance
- Covenants
- Sustainability
- Liquidity

Quantitative signals

- Valuation
- Momentum
- Carry
- Positioning

II. Portfolio Construction – Four Steps



Client's needs

Client's base currency and risk tolerance



Strategic asset allocation

Weighting of a diversified mix of asset classes to meet the client's long-run objectives (annual review)



Tactical asset allocation

Tactical change of strategic weights according to our investment strategy



Security selection

Selection of the security according to the issuer, structure, currency, maturity, liquidity, etc.



Dynamic management of portfolio exposures

Adjusting portfolio exposures through derivatives to limit downside risk and exploit short-term opportunities

1. Strategic Asset Allocation (SAA)

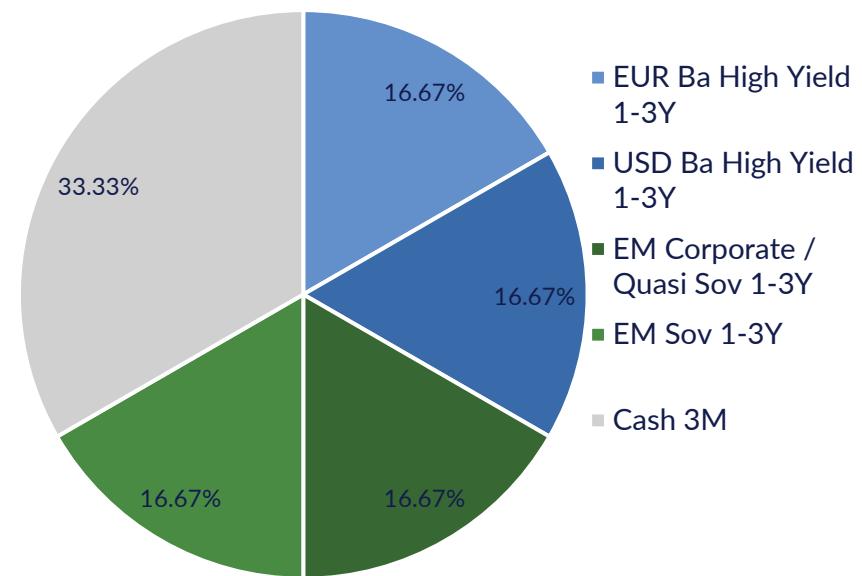


- ✓ The SAA is reviewed once a year except in exceptional circumstances.
- ✓ We use proprietary 10-year forward-looking expected returns for each asset class based on a deep analysis of risk premia
- ✓ We formulate a median case but also analyze alternative scenarios
- ✓ We shock asset class volatility and correlations
- ✓ We compare our capital market assumptions with those of major investors.



Mean-variance optimization using
3 different scenarios

Illustration: Current SAA
(Global Short-Dated)*

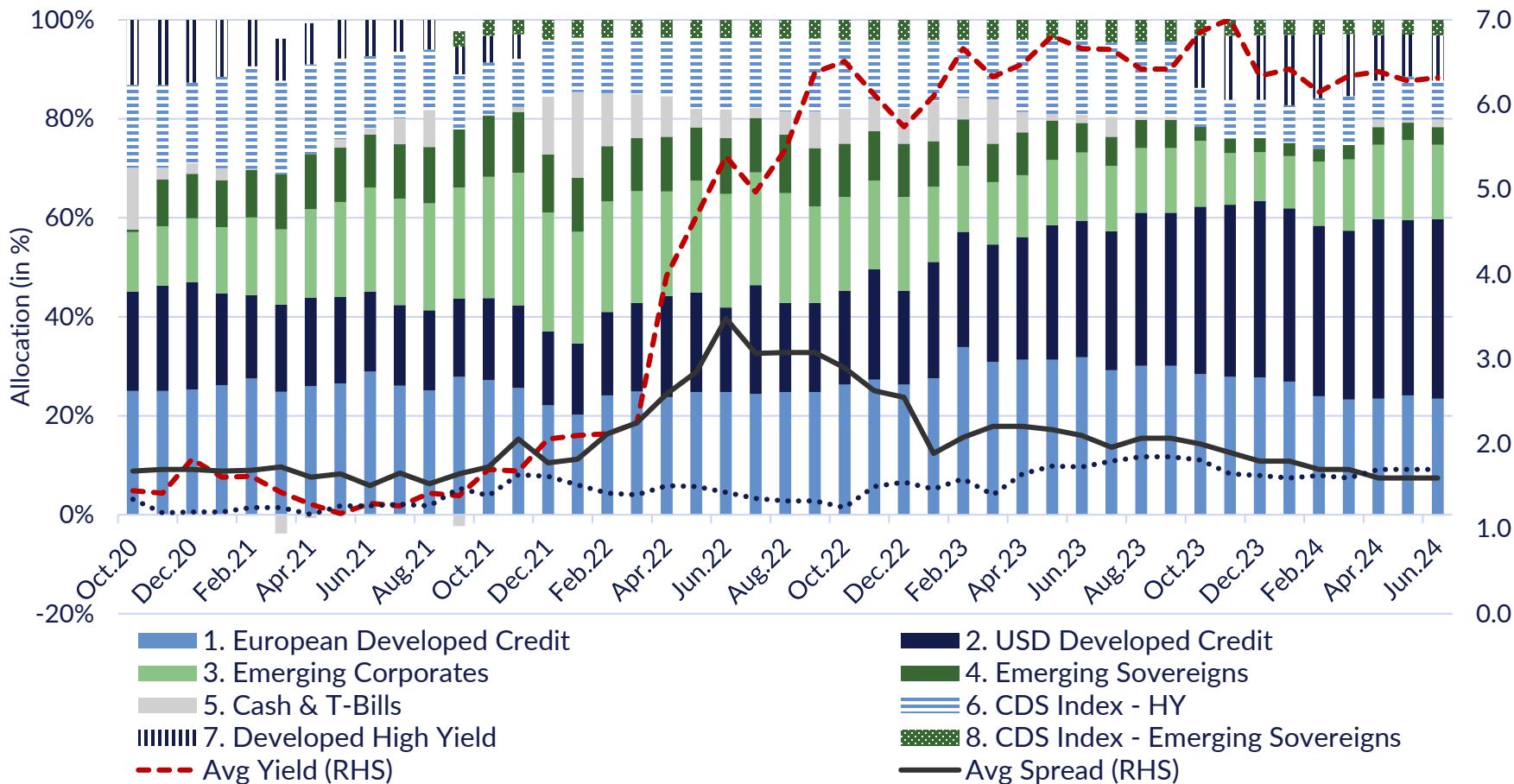


* Sources: Bloomberg indices, the overall allocation is 2/3 developed credit and 1/3 emerging, on average IG (BBB+ rated) and an average duration of circa 1.5 years.

2. Tactical Asset Allocation (TAA)



The allocation is adjusted, based on valuations, fundamental view and top-down scenarios



Sources Of Alpha



Credit Selection

- Careful credit selection

Relative Value

- Switches
- Yield after currency hedges
- Primary

Maturity Extension

- Take advantage of steeper credit curves

Convexity

- Optionality of bonds trading to maturity with call feature
- Corporate actions

Security Selection



ESG Exclusions

- Nonconventional weapons, cluster bombs, anti-personnel mines
- Entities that derive more than 5% of their revenues from:
 - Tobacco
 - Nonconventional fossil fuel
 - Adult entertainment
 - Gambling

Top-Down Input

- Liquidity conditions
- Risk appetite
- Sector preferences
- Regional preferences
- Cyclical views

Credit Analysis

- Industry and Business Analysis
- Non-Financial Analysis (ESG)
- Financial Analysis
- Management/ Ownership Analysis
- Capital Structure
- Covenants

Security Analysis

- Liquidity
- Valuation
- Technical
- Upside/Downside Assessment

Portfolio Considerations

- Currency
- Maturity
- Rank and types (senior, hybrid, subordination...)



THREE PILLARS OF ESG POLICY AND EXTERNAL CHALLENGE

- ❑ **Exclusion:** restrict the investment in issuers that do not meet minimum fundamental responsibilities or are active in controversial activities.
- ❑ **Integration:** favor issuers that best address the sustainability risks they face and adapt their business models and strategies to these new challenges.
- ❑ **Engagement:** encourage the promotion of good corporate behaviors through constructive and open dialogue with the issuers.

➤ **ESG Board:** We benefit from the support of an independent ESG Board to support us in terms of sustainable finance and ESG positioning.

Principles for Responsible Investment (PRI)



GAMA is signatory to the Principles for Responsible Investment (PRI*) since February 2021.



GAMA is member of the Institutional Investor Group on Climate Change since April 2023



GAMA has taken various initiatives as an employer, including the encouragement of eco-mobility, to minimize carbon footprint and transparency

Exclusion

Securities issued by corporate entities that are directly or indirectly involved in the production or distribution of biological and chemical weapons, cluster bombs as well as depleted uranium munitions and in companies that violate, in a very severe way, one or more of the ten principles of the Global Compact.

Exclusion Based On Revenue

Nuclear Weapons

- Maximum 2% of revenue

Tobacco

- Maximum 5% of revenue

Unconventional fossil fuels including shale gas and tar sand

- Maximum 5% of revenue

Adult entertainment

- Maximum 5% of revenue

Gambling activities

- Maximum 5% of revenue

Integration

Based on a bottom-up issuer analysis process which systematically integrates material ESG issues and opportunities.

Examples of element used for assessment

Corporates

Environment

- Water consumption
- Carbon Gas Emission and Footprint
- Toxic Waste
- Exposure to Coal

Social

- Health and Safety:
- Human Capital Development
- Human Right Compliance

Governance

- Corporate Governance Practice
- Governance Exposure

Sovereigns

Environment

- Natural Resources Risks
- Sovereign Warming Potential
- Energy Security Risk
- Energy Productivity

Social

- Human Capital Performance
- Income Inequality

Governance

- Political Stability
- Institutional Strength
- Level Of Corruption

Engagement



GAMA's level

Engagement with, mainly, local companies, not covered by ESG rating agencies to discuss ESG issues and promote the improvement of their environmental and social characteristics, especially when a specific issue has been detected. Encourage appropriate disclosure of material information in public reports.

Collaboration

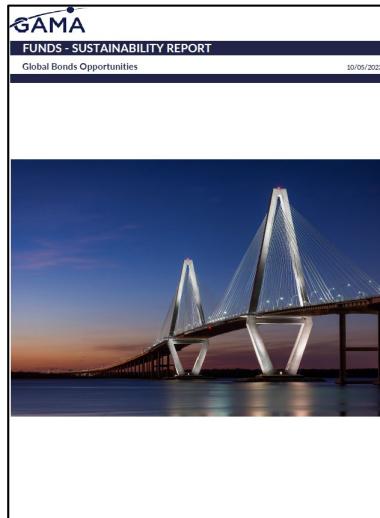
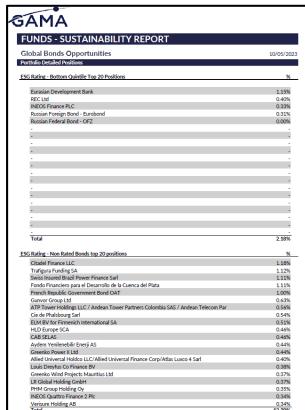
Given its size and in order to have more influence on the targeted companies, GAMA engages in coordination with other investors. GAMA is member of the Institutional Investor Group on Climate Change since April 2023 and member of the UN PRI since February 2021.

Monthly ESG Report

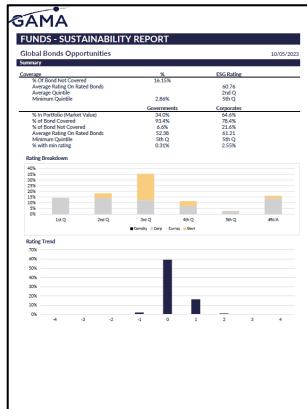


15-pages Report

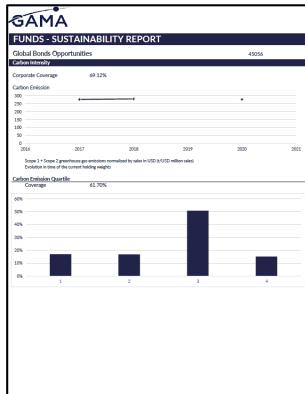
ESG Grades



Coverage



Carbon Intensity



Business Involvement

FUNDS - SUSTAINABILITY REPORT		
Global Bonds Opportunities		
Bonds Individuel		
Adult Entertainment	10 Most Exposed Entities	% of revenue
Amazon.com Inc	0.99	0.51
Atmosphere NV	0.99	0.49
Telefónica Europa BV	0.90	0.37
...
...
...
Total		1.39%
Alcohol	10 Most Exposed Entities	% of revenue
Davidson-Matthews NV	17.17	0.62
Anglo American Plc	16.82	0.61
SabMiller Plc	16.82	0.61
Dulux Paints BV	16.62	0.59
Imperial Distillers Plc	15.82	0.55
Finseal Oyj	0.30	0.12
Kronenbourg Luehnen Matcholding NV	0.20	0.08
Stena Bulk Holdings Ltd	0.20	0.08
...
...
...
Country Garden Holdings Co Ltd	0.00	0.18%
Total		0.54%
Gambling	10 Most Exposed Entities	% of revenue
Harley-Davidson Financial Services Inc	...	0.58%
...
...
...
...
...
...
Total		0.58%

Controversies

Contaminants	% among Corporates
Not Downgraded for Creditworthiness	0.00%
Red	0.00%
Orange	3.00%
Yellow	14.70%
Green	62.24%
Total	100%

Sustainable Bonds

FUND'S SUSTAINABILITY REPORT		10/01/2023
Global Green Opportunities		
Sustainable Bonds		
Green Bonds	8.40%	
Social Bonds	0.00%	
Sustainable Bonds	2.55%	
Green/Social Bonds	1.00%	
ESG-Linked Transition	0.00%	
Total	\$2.95B	
		%
Top 5 Sustainable Bonds		
Prudential Assurance Company Bond GNT	1.00%	
East Asian Financial Oil Trust	0.91%	
ESG-Linked Transition	0.74%	
Bank Reparations BM	0.64%	
Asia Bond Fund	0.53%	
Total	\$1.00B	
		%
Top 5 Sustainable Bonds		
Thihaa Capital (CA)	1.42%	
Standard Chartered Bank (AS)	0.84%	
Finance Department Government of Sharjah	0.56%	
Finance Department Government of Sharjah	0.56%	
Total	\$0.40B	
		%
Top 5 Social Bonds		
...	...	
...	...	
...	...	
...	...	
...	...	
Total	\$0.00B	
		%
Top 5 Sustainable/Bio United		
Air France-KLM	0.74%	
Malta Gas	0.44%	
Teva Pharmaceutical Finance Netherlands II BV	0.44%	
...	...	

Credit Analysis



4-pages Reports with 1 page focusing on Sustainability

Credit Tear-Sheet

STENA AB

Credit Risk

ESG Rating

Description

Stena AB [publ] engages in the ferry operations in Scandinavia, the rest of Europe, and internationally, through the Ferries Operations, Offshore Drilling, Shipping, Property, and New Businesses segments. The Ferries segment offers passenger and freight services, including short-haul and long-haul routes, as well as private cars, package/charter trips, and hotel accommodation; and onboard sales from shops, restaurants. Offshore Drilling segment develops, constructs, and operates drilling rigs and drill ships. Its fleet consists of approximately 100 vessels, including semi-submersible, jack-up, and tension-leg platforms, and a supply vessel. The Shipping segment is involved in the provision of RoRo and Bulk services to RoRo, RoPax ferries, natural gas (LNG) markets under the Stena RoRo and Stena Bulk brands; and management and manning support services to the shipping industry, including vessel recruitment, vessel management, and maritime management services. Its property portfolio consists of approximately 29,700 residential units and commercial units. The New Businesses segment offers kitchens, bathroom, and storage products; range of indoor and outdoor cleaning products; and services for households and municipalities, and payment solutions. The company had provided 18 ferry services and operated 59 vessels and 2 ports. Stena AB [publ] was headquartered in Gothenburg, Sweden.

Summary

Rating Currency	SEK
Credit Rating	BB (st)
ESG quintile	2/5
Sector	Diversified
Group	Holding Companies-Diversified
Sub-Group	Diversified Operations

Key Ratios

	FY 2020	FY 2021	FY 2022
Total Leverage	10.7x	5.3x	
Net Leverage	9.5x	5.3x	4.7x
Interest Coverage Ratio	-0.1x	1.0x	1.8x

Key Figures (FY 2022)

Market Capitalization (SEK BLN)	-
Revenue (SEK BLN)	52.0
EBITDA (SEK BLN)	14.0
Net Leverage (x)	4.7

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CREDIT SUMMARY - STENA AB

SUSTAINABILITY

13 October 2023

Key Scores

Industry-Adjusted Score	69/100
Weighted Average Score	63
Environmental Score	71
Social Score	78
Governance Score	45

Sustainability Comment

Due to its involvement in property management and finance, which accounts for 41% of its assets in FY 2021, Stena has a lower level of exposure to risk associated with potential workplace injuries. However, as the release of toxic gases and wastes is linked to industrial processes, Stena is highly engaged in marine transport. Stena's efforts to reduce the risk of workplace injuries are in line with those of its peers, and notably include the establishment of specific targets to reduce lost work time across its operations. Nonetheless, in FY 2021, Stena reported a fatality rate of 17.5 per 100,000 employees.

As Stena operates tankers, ferries, and drilling rigs, it faces risks related to toxic emissions and the discharge of harmful substances into water bodies. Its strategies to mitigate these risks are on par with those of its industry peers. By December 2022, approximately 4% of its vessels were powered by methanol, known for its low sulfur oxide (SOx) and nitrogen oxide (NOx) emissions. Furthermore, Stena has initiated efforts to prevent oil spills. The company's actions to address the challenges posed by greenhouse gas (GHG) emission regulations within the shipping industry are in line with its competitors. In addition to methanol-powered vessels, Stena has electrified several of its ships, and it has made design improvements, such as optimizing hulls and propellers, to enhance energy efficiency. Additionally, Stena has established measurable GHG emission reduction targets for its real estate and drilling divisions.

On the corporate governance front, Stena continues to lag behind most global peers. It remains under the complete ownership of the Olsson-Eriksson family, with whom the company engages in recurring related-party transactions. Notably, Stena lacks an audit committee responsible for overseeing these transactions.

Controversies

Worst score (10 is best)	6.0
Environment	10.0
Social	6.0
Governance	10.0

Human rights controversies

United Nations Principles	10.0
Human Rights Compliance	Pass
Global Compact Compliance	Pass

Sustainability Metrics (10 no exposure - 0 most vulnerable)

E - Water Stress Exposure	7.8
E - Carbon Exposure Score	3.5
E - Product Carbon Footprint	7.4
E - Toxic Emissions & Waste	4.9
S - Health and Safety	7.8
S - Human Capital Development	-
S - Supply Chain Labor Standards	-
G - Corporate Governance score	4.0
G - Corporate Governance	4.5
G - Ethics	8.0

Strengths

- Good liquidity supported by ESG investments and marketable SEK11.2 billion in availability under the ESG framework.
- Diversification of businesses.
- Negative Free Cash Flow before (SEK 14.2 bn over the last five years).

Weaknesses

- Elevated leverage, but has been reduced.
- Cyclical businesses.
- Bonds are secured only by port revenues, 50% of EBITDA, 53% of revenue.

Sector Involvement (% Of Revenue)

Adult Entertainment	check	% of rev.
Defense/Weapons	check	% of rev.

CO2 Emissions Intensity

Water Consumption Intensity

ESG Rating Evolution

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FINANCIALS 13 October 2023

FY 2020	FY 2021	FY 2022	2022 Q2	2023 Q2
32.5	36.7	52.0	13.3	14.0
-8%	13%	42%	-	-5%
5.70	9.23	14.01	3.59	3.69
18%	25%	27%	27%	20%
-4.86	0.07	1.84	0.56	0.58
5.04	5.51	7.40	2.92	4.71
-5.86	-4.65	-10.31	-3.74	-2.70
-0.60	-0.33	2.52	1.55	-1.12
-1.03	-1.40	-1.19	-0.32	2.05
-	-	-0.04	-0.04	-0.25
61.2	66.4	74.7	73.6	73.9
6.9	8.5	8.6	9.1	9.9
54.2	57.9	66.1	64.5	64.0
10.7x	7.2x	5.3x	8.5x	4.9x
9.5x	10.0x	4.7x	7.5x	4.3x
-0.1x	1.0x	1.8x	0.5x	1.0x

SECURITIES 13 October 2023

Next Call date	ISIN	Offer price	Z	YTW	sd Rating	Out. amount	Min. Piece	Mod. Dur.
2/11/2023	XSE00748515	99.79	195	16	BB	215MM	100/1	1.2
5/10/2023	US427944872	99.05	654	164	BB	255MM	100/1	1.2
5/02/2023	XSE007491958	103.25	634	271	BB	315MM	100/1	1.8

Debt Distribution

Cashflow

STENA INTERNATIONAL SA EUR 7.25 2028

STENA INTERNATIONAL SA 3.75 2025

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Sustainability At GAMA Level



Training

- We embed ESG into our corporate policies and reporting documents to maintain high standards of transparency, accountability, and governance more broadly.
- We seek to create a work environment where people are judged on their skills. We condemn all forms of discrimination and stereotyping, positive and negative.
- We encourage our employees' commitment to volunteer work and participation in educational programs.
- We strive to minimise the carbon footprint of our activities and to provide good stewardship of the environment
- 100% of investment staff to have an ESG certification



GAMA has taken various initiatives as an employer, including the encouragement of eco-mobility, to minimize carbon footprint and transparency

SFDR Article 8

- All funds are currently under article 8 (Q4 2023)
- External reviewing of our funds

ESG Advisory Board



GAMA benefits from the support of an independent ESG Board to support us in terms of sustainable finance and ESG positioning.

The firm can count on the expertise, experience and relevance of 3 members, whose skills in the ESG field are recognized.



RENÉ SIEBER
INDEPENDANT BOARD MEMBER FOR
GAMA



DOMINIQUE HABEGGER
CHIEF SUSTAINABILITY OFFICER FOR
DE PURY PICET TURRETTINI



JEAN LAVILLE
PARTNER AT CONSER INVEST



RISK – 4 PILLARS IN OUR RISK MANAGEMENT

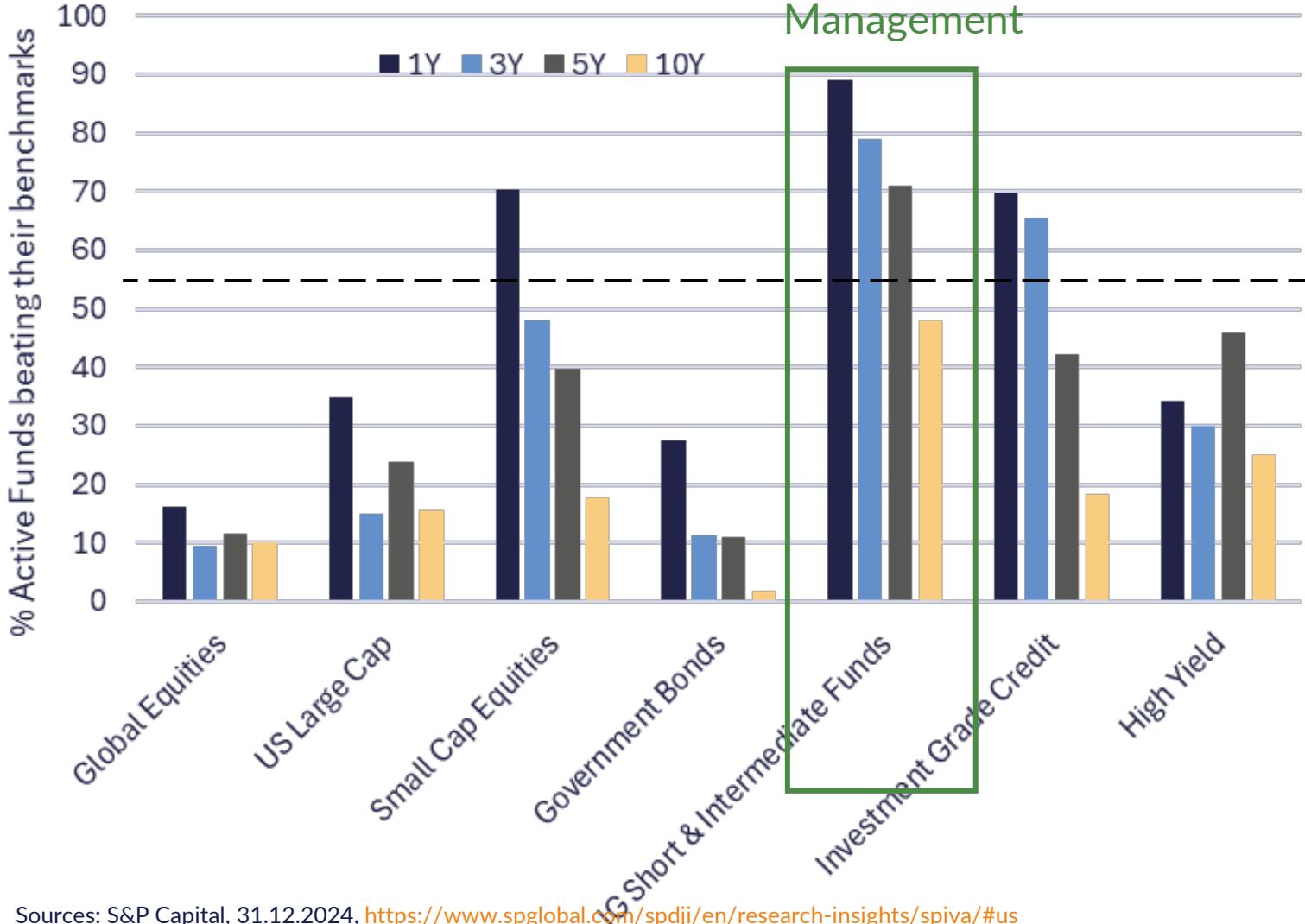
- **Several layers of risk management:** Three different and independent levels of risk monitoring, starting 1) at the portfolio management level, 2) with an independent consultant firm working with 3) our chief risk officer, and monitoring risk through different lenses.
- **Investment constraints:** We limit our risk at the portfolio level (e.g., maximum 1-year expected shortfall of 5%, average rating minimum BBB-), at the country levels and issuer levels (max 1% of fund for a BBB issuer).
- **Fundamental diversification:** we look beyond statistical measures of risk and diversification to fundamental diversification by analyzing sensitivity to various macro factors (e.g. USD, oil, interest rates, geopolitical risk).
- **Multi-scenarios and stress tests:** We calculate expected return under three different scenarios and stress test the portfolio under various assumptions.

Active Fund Outperformance: Equities and Bonds



% Outperformance of Funds In Equities and Bonds (1Y, 3Y, 5Y, 10Y)

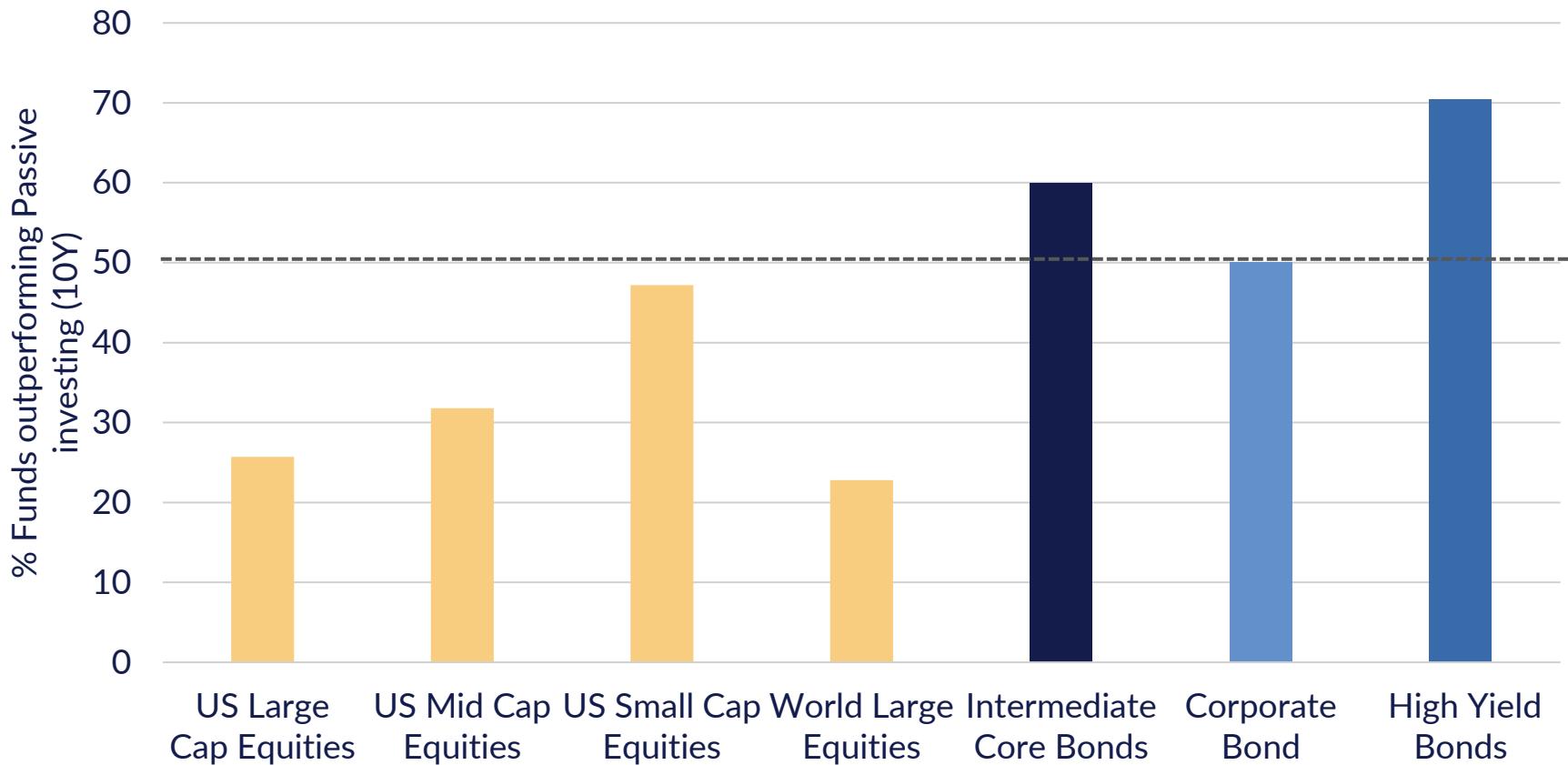
Focus for Active
Management



The Case For Active Fixed Income Management



In contrast to equities, the majority of fixed income funds are beating passive investments over 10Y.



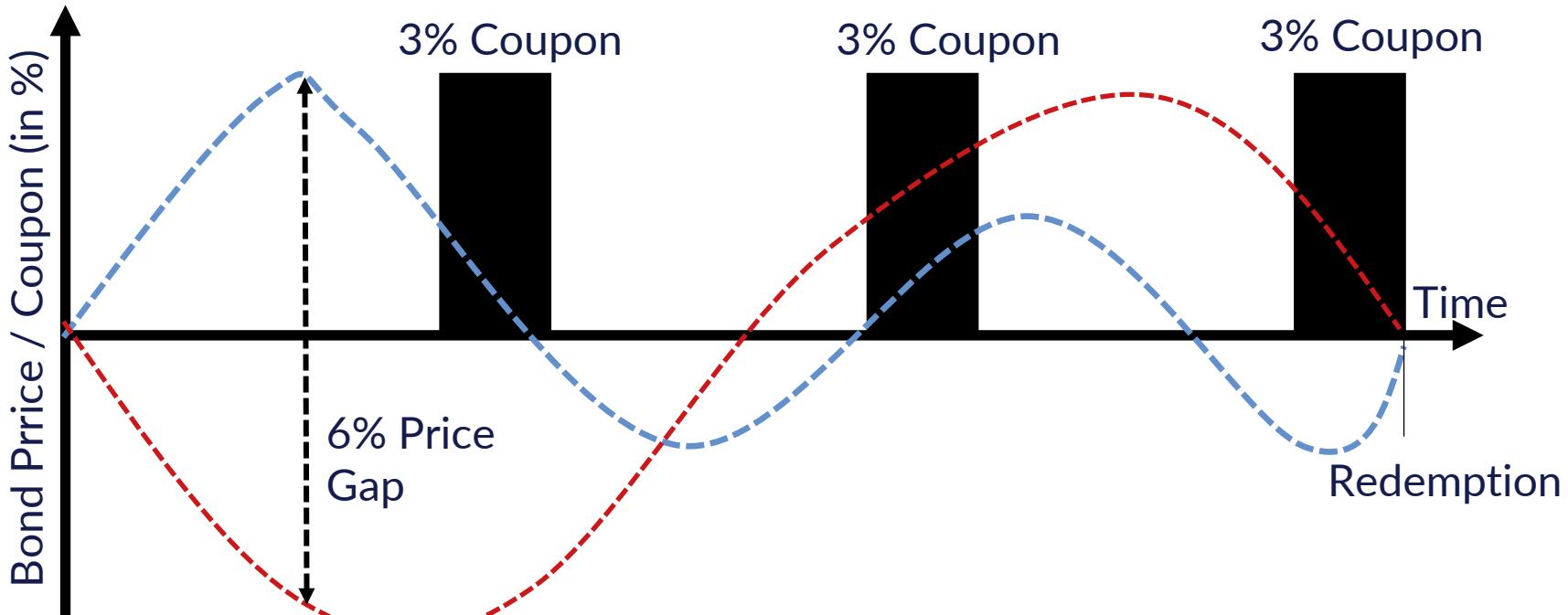
Source: Morningstar, Data and calculations as of 31.12.2022, focusing on funds in the low fee quintile that beat their benchmarks.

The Case For Active Fixed Income Management



Imagine a world with 2 different 3Y bonds (IG), with same yield and coupon (3%): **Corporate A** and **Corporate B**. After 6 months, we observe a 6% price gap differential...

- Passive strategy* or bad luck / bad skills active strategy** = 3% annual
- Active strategy with luck / good skills***= >5% annual

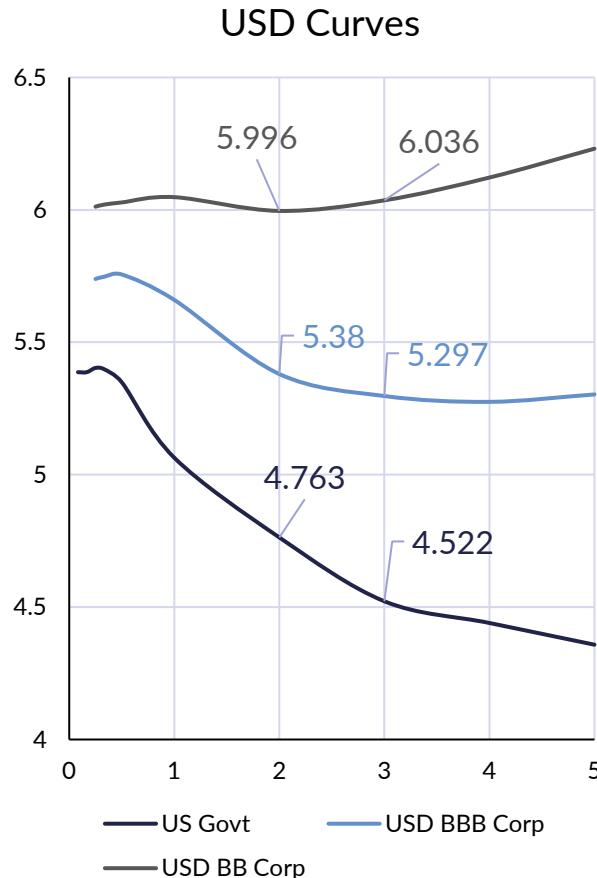


Source: *Passive strategy would invest 50% in each bonds assuming the same weight in the index, **bad luck or bad skills strategy would invest 100% in the Corporate B; ***good luck or skills strategy would invest 100% in Corporate A and switch into company B to capture a capital gain and beat passive investing

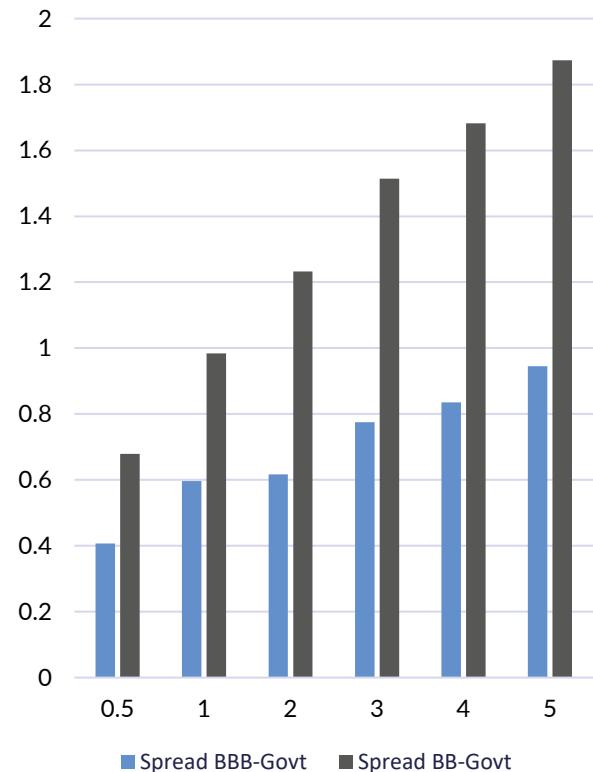
Government Curves Are Challenging



But credit curves offer some steepness



USD Carry-Roll
Down on a 3-year bond:
- Govt: 3.92% (3.92%*)
- BBB: 5.09% (4.80%*)
- BB: 6.14% (4.95%*)



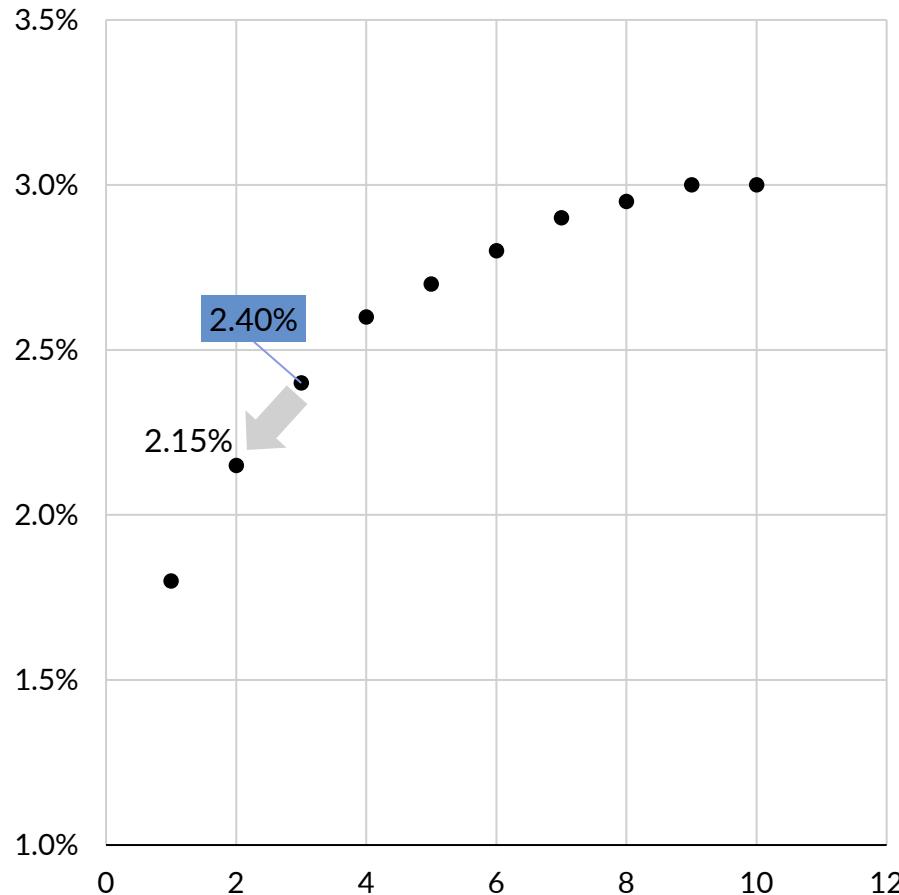
*Yield after default with default assumption based on long term average multiplied by 2 for IG and 3 for HY.

Historical default rates: US & EU govt 0%, US BBB- 0.24%, US BB 0.66%, EU BBB- 0.18%, EU BB 0.28% and 40% recovery rate

Sources: Bloomberg, GAMA Calculations

Maturity Extension: Performance From Carry And Roll Down

Positively sloping curves generate performance



Purchase a 3-year bond
with a duration of 2.5
(Assumption curve does not move):

Carry of the bond over 1 year:
2.4%



Roll-down:
 $\Delta \text{ yield} \times \text{duration} (*)$
 $\approx (2.4\% - 2.15\%) \times 2.5$
 $\approx 0.625\%$



Total return approximation
over 1 year (*):
 $\approx 2.4\% + 0.625\%$
 $\approx 3.025\%$

*Simplified model grounded in specific assumptions. For illustrative purposes, it may not fully capture all real-world intricacies

Maturity Extension



Example with Lufthansa done this past year

Trade	Name	CCY	Cpn	Maturity	Rank	Rating	Trade Price	Yield	G-Spread	Spread vs Swap
Sell	Lufthansa	EUR	2.875	11/02/2025	Sr Unsecured	BBB-	98.88	4.10	59	52
Buy	Lufthansa	EUR	2.875	16/05/2027	Sr Unsecured	BBB-	96.289	4.13	153	135



Sources: Bloomberg, GAMA Calculations

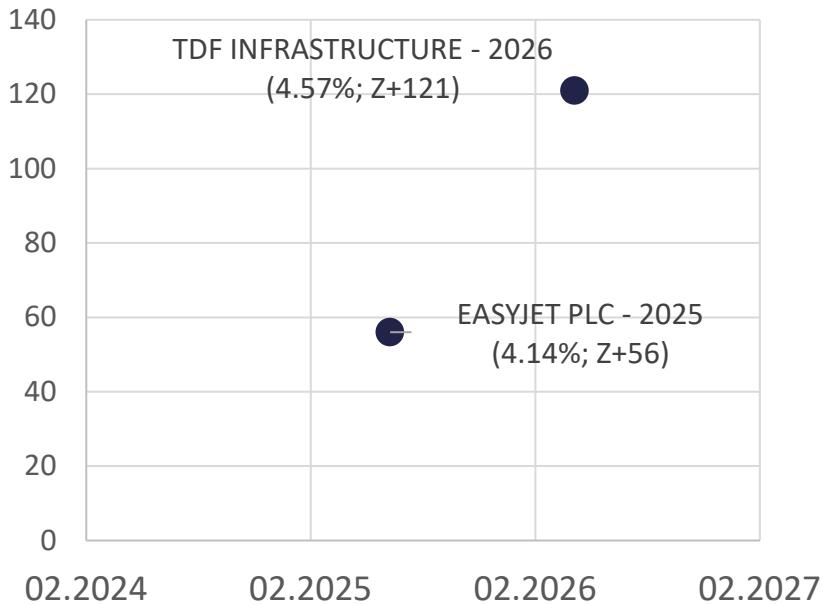
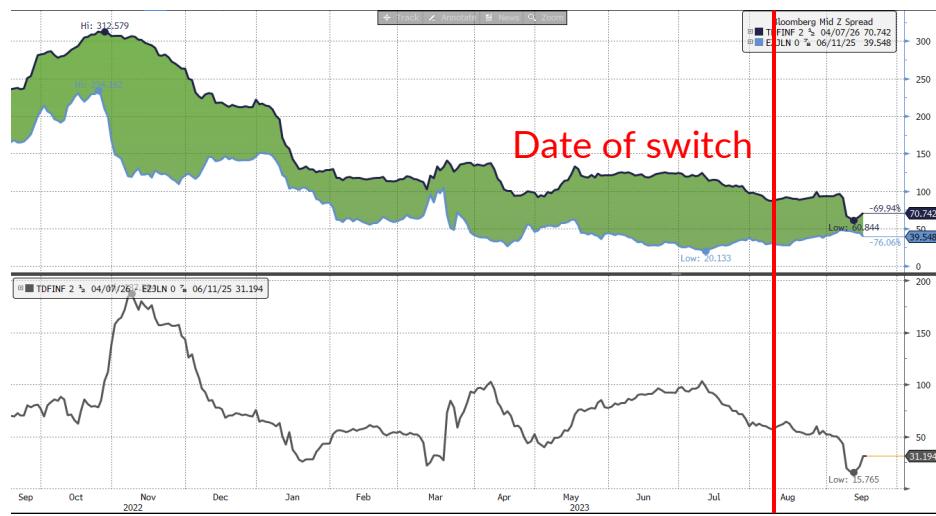
Relative Value



As a rule of thumb, aim at BBB papers above Z+100-120. For HY buy above Z+200.

- Switch out of paper that have tightened and invest in higher spreads

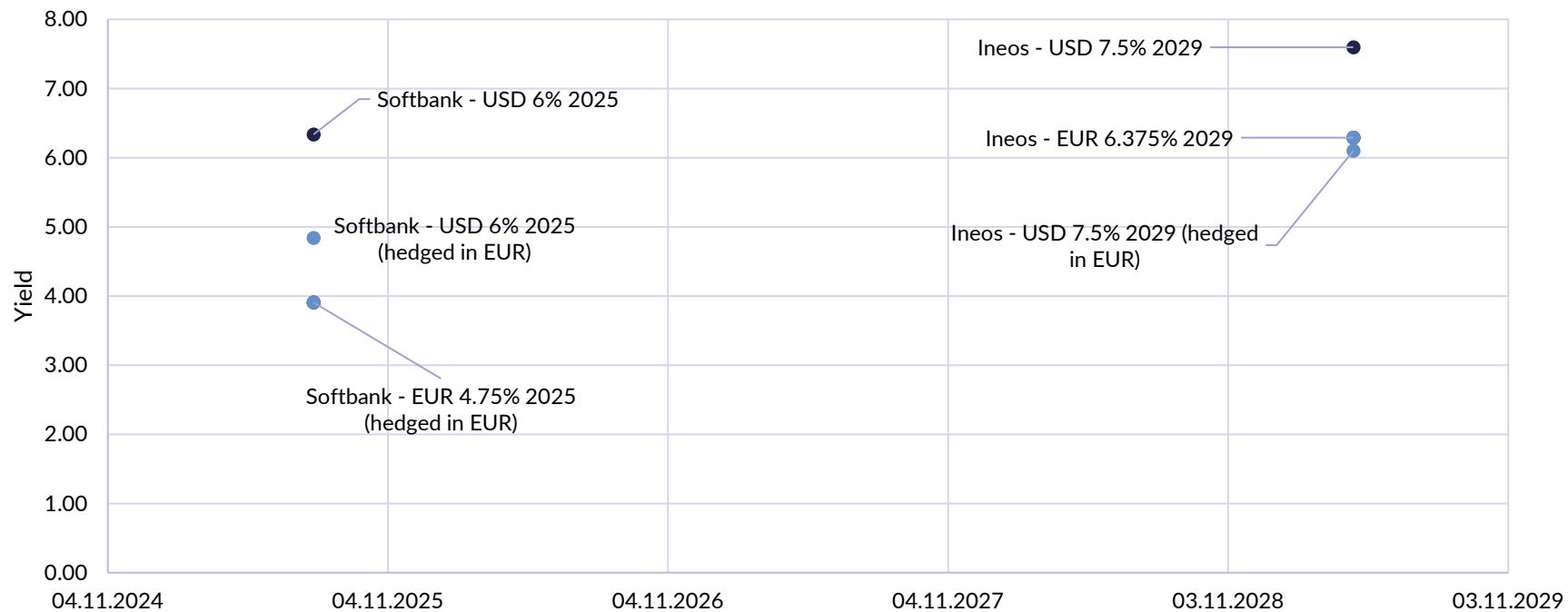
Trade	Issuer	Cpn	Maturity	Rank	Rating	CCY	Trade price	YTW	G-Spread	Z-Spread
Sell	EASYJET PLC	0.875	11/06/2025	Sr Unsecured	BBB-	EUR	94.229	4.14%	95	56
Buy	TDF INFRASTRUCTURE	2.5	07/04/2026	Sr Unsecured	BBB-	EUR	94.85	4.57%	167	121



Relative Value - FX Hedge Cost



Name	CCY	Cpn	Maturity	Rank	Ask Price	Yield	Hedged yield in EUR	G-Spread	Spread vs Swap
Softbank	USD	6	30/07/2025	Sr Unsecured	99.684	6.34	4.84	147	157
Softbank	EUR	4.75	30/07/2025	Sr Unsecured	101.6	3.91	3.91	52	34
Ineos	USD	7.5	15/04/2029	Secured	100.13	7.60	6.10	331	362
Ineos	EUR	6.375	15/04/2029	Secured	100.85	6.29	6.29	378	341



Sources: Bloomberg, GAMA Calculations

What Makes GAMA Funds Different



GAMA Asset Management:

- ✓ Independent investment firm focused on unconstrained global strategies
- ✓ Highly experienced and successful investment managers
- ✓ Rigorous investment process combining fundamental analysis with robust quantitative signals

The GAMA Funds and dedicated mandates:

- ⌚ Global unconstrained active strategies with a proven track record
- ⌚ Better risk/return profile than corresponding market indices

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