

# Redhedge ICAV

## RV Corporate Bonds Fund

Monthly newsletter – November 2024

For professional investors only. Not directed at retail investors

### Performance

Source: Internal data

NAV	120.27	Annualized Rtrn Since Incept.	2.28%
Week Return	-0.14%	Max Drawdown (Weekly)	-0.42%
Current Month Return	0.22%	Positive Months Since Incept.	74
YTD Return	0.43%	Negative Months Since Incept.	25
1-Year Rolling Return	0.15%		
Rtrn Since Incept.	20.27%		

### Fund overview

Redhedge focuses on managing liquid alternative Relative Value Credit Market-Neutral strategies. Our strategy is founded on the fact that short-term price volatility can temporarily lead to the relative mispricing in credit markets leading to relative value trading opportunities. Our core investment philosophy is to maintain consistency and discipline regardless of market direction, volatility or conditions. By maintaining this disciplined approach, we can minimize the volatility and potential negative drawdowns. The investment process consists of idea generation and relative value credit selection. Portfolio construction is driven by the team's quantitative approach combined with fundamental credit analysis. This repeatable and disciplined process is focused on identifying the most attractive relative value credit opportunities across the European credit universe.

### Ratios

Source: Internal data

Sharpe Ratio (Since Inception)	2.28
Std.Dev. of Annualized Rtrn (Since Inception)	1.00

### Fund Information

Source: Internal data

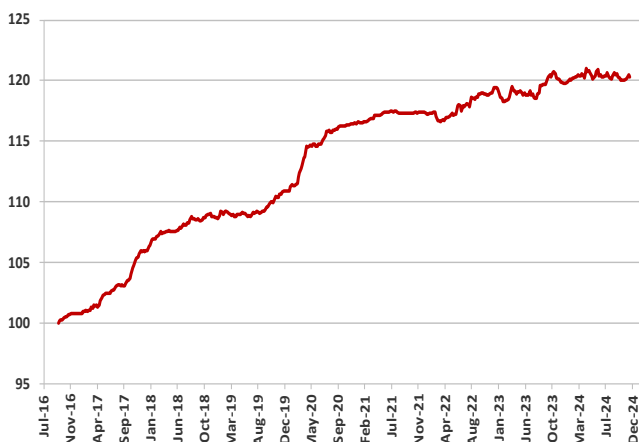
ISIN	IE00BD1R9143	Management Fee	1.00%
Bloomberg Code	RRVCBAE ID	Performance Fee	25.00%
Inception Date	23 Sept 2016	Redemption	Weekly
Fund AUM	47mm EUR	Min. Subscription	100K EUR
Fund Manager	Andrea Seminara		

### Monthly Returns Since Inception

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Tot.
2016									0.16%	0.39%	0.23%	0.01%	0.80%
2017	0.17%	0.10%	0.39%	0.07%	0.89%	0.22%	0.40%	0.04%	0.38%	1.59%	0.75%	0.02%	5.13%
2018	0.93%	0.21%	0.25%	0.17%	-0.06%	0.25%	0.37%	0.34%	0.06%	0.04%	0.32%	-0.34%	2.57%
2019	0.42%	0.01%	-0.16%	0.01%	0.05%	-0.21%	0.37%	-0.02%	0.38%	0.46%	0.44%	0.24%	2.01%
2020	0.48%	0.12%	1.91%	0.80%	0.18%	0.02%	0.87%	-0.02%	0.32%	0.08%	0.13%	0.05%	5.03%
2021	0.08%	0.06%	0.23%	0.24%	0.20%	0.09%	0.01%	-0.15%	0.02%	-0.01%	0.07%	-0.11%	0.72%
2022	-0.01%	-0.20%	-0.23%	0.21%	0.16%	0.66%	0.06%	0.44%	0.03%	0.36%	-0.11%	0.47%	1.84%
2023	-0.73%	-0.17%	0.94%	-0.36%	-0.10%	0.19%	-0.50%	0.83%	0.46%	0.52%	-0.53%	-0.28%	0.26%
2024	0.27%	0.21%	0.08%	0.35%	-0.36%	0.10%	-0.10%	0.00%	-0.06%	-0.27%	0.22%		0.21%

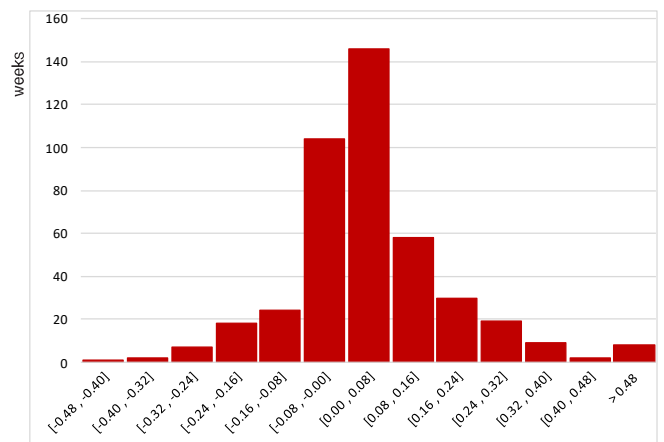
Source: Internal data

### NAV Price Performance Since Inception



Source: Internal data

### Histogram of Weekly Returns (428 weeks)



% return

Source: Internal data

#### DISCLAIMER

For Swiss investors:

The domicile of the Fund is Ireland. The Representative of the Fund in Switzerland is OpenFunds Investment Services AG, with its registered office at Seefeldstrasse 35, CH-8008 Zurich, Tel +41 44 500 31 08, www.open-funds.ch. Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona, Tel. +41 91 821 51 21, Fax. + 41 91 825 66 18, www.bancaria.ch. The distribution of Shares of the Fund in Switzerland must be made exclusively to Qualified Investors. The place of performance and jurisdiction for the Shares of the Fund distributed in Switzerland is at the registered office of the Representative. Publications to Swiss investors in respect of the Shares of the Fund are effected on the electronic platform www.fundinfo.com.

# RED HEDGE

Investor services:  
Email:  
Website:

+44 (0)20 3940 5626  
info@redhedge.com  
www.redhedge.com

## Monthly Comment – November 2024

European Credit markets in November largely took their cues from the US, following Donald Trump's election victory and clean-sweep of both the Congress and Senate.

The renewed optimism in the US has been fuelled by expectations of tax cuts, regulatory rollbacks, and pro-business policies. While this has provided a boost to the US economy, the implications for Europe are more complicated. The prospect of renewed trade tensions with China and the increased risk of tariffs could add to the already strained relationship between the US and the EU.

This uncertainty adds to the macroeconomic headwinds already facing Europe, with weakness in key cyclical sectors (particularly chemicals and autos) continuing. Their heavy weighting in Europe's industrial base suggests that the current spread performance might be overly optimistic. Given the economic challenges in these sectors - and their outsized contribution to European GDP - the risks of a more pronounced credit spread divergence remain high. If growth concerns materialise further, we could see more significant widening in European credit spreads relative to the US.

The default landscape in Europe has been deteriorating, particularly in the SME and private household segments. A combination of higher energy costs, financial conditions that haven't eased as much as previously expected and weakening demand, has put considerable stress on businesses, especially in the more cyclical sectors. As a result, the rate of defaults has risen.

On the flipside, positioning in "short Europe, long US" trades is very crowded and any indications that the economic divergence is less pronounced than expected can easily lead to a violent retracement. We are therefore very cautious about adding iterations of that same trade, preferring to be assertive if the right opportunities arise.

November also saw yield curves continue their disinversion, both in Europe and the US. After a long period of deeply inverted curves, the Central Banks cutting cycle is now sufficiently advanced for curves to be normalising. Our curve trades in Corporate Hybrids (long front-end vs back-end) have performed very well, and we will look to take profit as they also normalise. In addition, normalising yield curves are supportive of long duration senior bonds (once rates volatility subsides) and we continue to think risk/reward in IG seniors vs Corporate Hybrids looks attractive.

**Redhedge Investment Team**

## DISCLAIMER

This information is being communicated by Redhedge AM LLP, which is authorised and regulated by the Financial Conduct Authority. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. It is only directed and may only be distributed to persons who are Professional Clients or Eligible Counterparties and is not, under any circumstances, intended for distribution to the general public.

With investment, your capital is at risk and the value of an investment and the income from it can go up as well as down, it may be affected by exchange rate variations and you may not get back the amount invested. Past performance is not necessarily a guide to future performance and where past performance is quoted gross then investment management charges as well as transaction charges should be taken into consideration, as these will affect your returns. Any tax allowances or thresholds mentioned are based on personal circumstances and current legislation, which is subject to change.

We do not represent that this information, including any third party information, is accurate or complete and it should not be relied upon as such. Opinions expressed herein reflect the opinion of Redhedge AM LLP and are subject to change without notice. No part of this document may be reproduced in any manner without the written permission of Redhedge AM LLP, however recipients may pass on this document but only to others falling within this category. This information should be read in conjunction with the relevant fund documentation which may include the fund's prospectus, simplified prospectus or supplement documentation and if you are unsure if any of the products and portfolios featured are the right choice for you, please seek independent financial advice provided by regulated third parties.

### For Swiss investors:

The domicile of the Fund is Ireland. The Representative of the Fund in Switzerland is OpenFunds Investment Services AG, with its registered office at Seefeldstrasse 35, CH-8008 Zurich, Tel +41 44 500 3108, [www.open-funds.ch](http://www.open-funds.ch). Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona, Tel. +41 91 821 51 21, Fax. + 41 91 825 66 18, [www.bancaria.ch](http://www.bancaria.ch). The distribution of Shares of the Fund in Switzerland must be made exclusively to Qualified Investors. The place of performance and jurisdiction for the Shares of the Fund distributed in Switzerland is at the registered office of the Representative. Publications to Swiss investors in respect of the Shares of the Fund are effected on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

**RED HEDGE**

Investor services:  
Email:  
Website:

**+44 (0)20 3940 5626**  
**[info@redhedge.com](mailto:info@redhedge.com)**  
**[www.redhedge.com](http://www.redhedge.com)**