

# Hayfin European High Yield & Syndicated Loans - Spectrum

CLIENT REPORT | 30 NOVEMBER 2024

MONTHLY FUND PERFORMANCE +62bps

## About Hayfin

Hayfin is a leading alternative asset manager, founded in 2009 with a focus on delivering best-in-class risk-adjusted returns for investors across a range of private markets and liquid credit strategies. Today, we have 13 offices globally and c.€32bn of assets under management.

## Fund Overview

Inception Date	19 Mar 2018
Fund base currency	EUR
Total Fund NAV	€426.9m
No. of investments	68

## Fund Manager

Gina Germano  
33 years experience

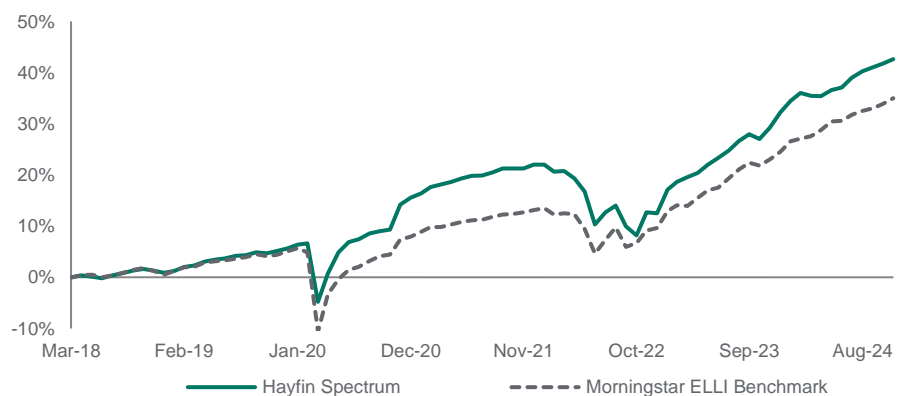
## Monthly Commentary

November was generally a firm month for risk assets on the back of Trump's presidential election victory and ongoing strength in US economic data. However, European assets underperformed on renewed fears of the potential impact of Trump tariffs on growth in the region. French risk was particularly soft given the ongoing domestic budget situation. The S&P 500 finished up +5.73% and the Euro Stoxx 50 -0.48%.

European high yield returned +0.45% supported by a rally in European rates, and the leveraged loan market returned +0.85% in November. Both primary markets were busy with €4.9bn of high yield and €12bn of loans printing.

There continues to be a divergence in the policy path between the US and Europe in the context of shifting macro factors (disparate CPI trajectory and GDP growth, ongoing corporate earnings pressure, social/political risk) whilst the geopolitical environment remains highly volatile. Whilst credit markets benefit from the support of high single-digit running yields and a supportive technical, they have also indicated limited tolerance for bad news as demonstrated by sharp idiosyncratic repricing events. Hayfin remains firmly focused on avoiding losers and effectively selecting high quality securities with good yield. Our portfolio maintains a senior secured bias, with a preference for businesses with defensive and cycle-resistant income streams.

## Cumulative Returns<sup>1</sup>



## Performance Summary (%)<sup>1</sup>

Summary	1 Month	3 Months	Year-to-date	LTM	3yr (p.a.)	5yr (p.a.)	Since Inception	Since Inception (ann.)
Spectrum (Gross)	0.6%	1.9%	8.1%	10.6%	5.6%	6.3%	42.9%	5.5%
Benchmark*	0.8%	1.9%	8.4%	9.7%	6.2%	5.3%	35.0%	4.6%

\*Morningstar European Leveraged Loan Index (ELLI). Note Hayfin expects the Spectrum mandate to have from time to time a material allocation to high yield bonds in line with investment guidelines and market conditions.

<sup>1</sup> Please note that gross returns are expressed in local currency and are before fees, expenses and hedging costs. See 'Legal Disclaimer' for more information.

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## Portfolio Characteristics

Fund Characteristics	Portfolio
Number of Holdings	68
Net Subscriptions	€0.0m
Average Price	96.10
Average Duration	1.60
Average Coupon (Bonds)	4.9%
Average Spread (Loans)	411bps
Yield to Maturity (YTM)	7.6%
Current Yield	7.3%

	% of Capital Invested	Current YTM
Senior Secured Loan	59.9%	7.6%
Senior Secured Bond	30.2%	8.2%
Senior Note	9.3%	5.3%
Subordinated Loan	0.4%	12.0%
PIK Note	0.1%	13.1%

	% of Capital Invested
Allocation to First Lien	90%
Allocation to Floating Rate Instruments	70%
Allocation to Bank Loans	60%

## Top 5 Issuers/Borrowers

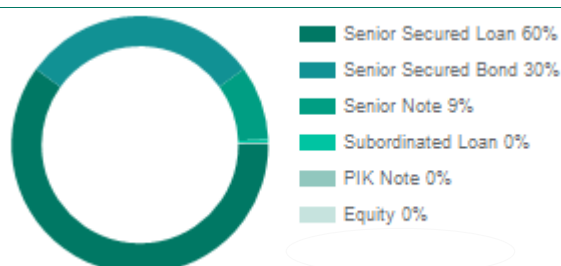
Issuer / Borrower	GICS Sector	% of Capital Invested
Alice France	Communication Services	5.0
Verisure	Consumer Discretionary	4.9
Stada	Health Care	4.4
MasMovil	Communication Services	4.4
Virgin Media 2	Communication Services	4.3

## Monthly Top 5 Contributors & Detractors<sup>1</sup>

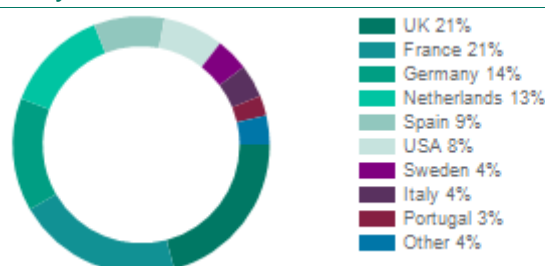
Contributors	Country of Risk	Contribution
Alice France	France	8.0 bps
Allied Universal	United States of America	4.4 bps
IGM Resins 2	Netherlands	4.2 bps
T-Mobile NL	Netherlands	3.7 bps
Stada	Germany	3.7 bps

Detractors	Country of Risk	Contribution
Alice International	Portugal	-16.1 bps
House of HR	Netherlands	-0.8 bps
Virgin Media 2	United Kingdom	-0.7 bps
Pinewood	United Kingdom	-0.5 bps
HSE	Germany	-0.5 bps

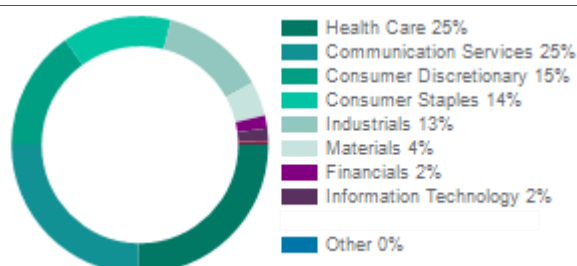
## Asset Mix<sup>2</sup>



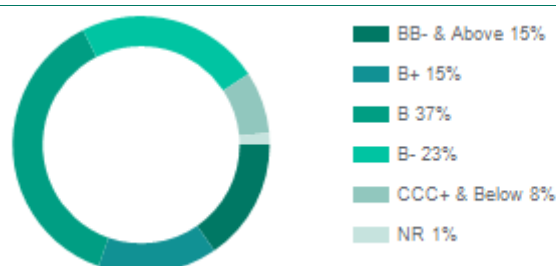
## Country of Risk<sup>2</sup>



## GICS Sector<sup>2</sup>



## Corporate Rating<sup>2</sup>



<sup>1</sup> Profit / loss in basis points ("bps"). <sup>2</sup> Excludes Covis Pharma, GTT HoldCo PIK, IGM 2L, Wittur 2L; HSE target 70c. <sup>3</sup> Weighted by Market Value of invested capital. See 'Legal Disclaimer' for more information.

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The information contained herein is also based in part on the valuation of unrealised investments, determined by Hayfin in accordance with applicable accounting standards and Hayfin's internal valuation policy and procedures. There can be no assurance that the valuations for unrealised investments accurately reflect the amounts for which such investments could be sold.

## Notes to Investment Performance

Please note that the illustrated returns are indicative gross returns (inclusive of transaction costs but exclusive of hedging costs).

The Transition Period is the period from 19 March to 31 August 2018 during which Hayfin transitioned from the legacy assets to Hayfin's target portfolio.