



## Performance

		Fund	Gilts	Index Linked Gilts	US Treasuries	US Tips
Performance	Last Quarter	-4.53%	-3.54%	-6.00%	-3.14%	-2.88%
	Year to Date	-3.04%	-4.02%	-8.83%	0.58%	1.84%
	1 Year	-3.04%	-4.02%	-8.83%	0.58%	1.84%
	Annualised since launch	1.60%	2.45%	-2.81%	2.66%	2.95%

Past performance does not predict future returns. Source: Gilts: Bloomberg Sterling Gilts TR GBP, UK Index Linked: Bloomberg UK Govt Inflation Linked All Maturities GBP TR, US Treasuries: Bloomberg US Treasury USD TR, US Tips: Bloomberg US Treasury US Tips USD TR. (8/8/23 to 31/12/24)

## Performance Attribution and Commentary

		Oct	Nov	Dec	
Yield at Mid Month	UK 10yr Interest Rate	3.6%	4.0%	3.8%	<b>October</b> Very strong US employment data sent rates higher (+34bps in UK and +51bps in US) with markets lowering the odds of a double cut by the Fed in November. The inflation swap exposure added 69bps, helping offset losses from the interest rate swaps. Headline US CPI printed at 2.4% vs 3.5% 6 months prior. This greater than 1% reduction resulted in signal 1 (Inflation Trend) pivoting towards bonds. US rates duration increased from 8.6 to 10.9 and the US inflation duration reducing from 4.4 to 2.7 years.
	UK 10yr Inflation Rate	3.5%	3.6%	3.6%	
	US 10yr Interest Rate	3.3%	3.8%	3.7%	
	US 10yr Inflation Rate	2.4%	2.5%	2.5%	
Allocation	UK 10yr Interest Rate	100%	67%	100%	<b>November</b> Timing of signal changes had a significant effect on performance in a volatile month with the UK Labour budget and US election results. Higher inflation prints in both US and UK resulted in signal 1 (Inflation trend) in both regions moving the fund away from bonds towards inflation.
	UK 10yr Inflation Rate	50%	67%	50%	
	US 10yr Interest Rate	133%	100%	100%	
	US 10yr Inflation Rate	33%	50%	50%	
Performance Attribution	UK Interest Rates	-1.7%	0.8%	-0.9%	<b>December</b> First month in over a year where inflation swaps did not provide offset to losses on interest rate swaps. Hawkish rhetoric from the Fed citing concerns of sticky inflation sent rates higher. Poor demand for new US Inflation-linked bond supply weighed on the fund's inflation swaps positions. Bank of England left rates unchanged but higher core inflation for the month (3.3% to 3.5%) saw UK 10-year real yields move above signal 2's 1% tolerance (0.92% to 1.15%). This shifted the fund's UK allocation towards bonds. (3/6)
	UK Inflation	0.4%	-0.2%	-0.1%	
	US Interest Rates	-2.3%	-0.3%	-1.1%	
	US Inflation	0.3%	-0.2%	0.0%	
	Cash	0.3%	0.3%	0.2%	
	Total	-3.0%	0.4%	-1.9%	

Past performance does not predict future returns. Source: Bloomberg (30/09/24 to 31/12/24)

## Most Recent Signal Change

Region	Month	Market data			Signal output				Direction	Portfolio Weight %		Portfolio Duration	
		Signal 1	Signal 2	Signal 3	Signal 1	Signal 2	Signal 3	Combined		Rates	Inflation	Rates	Inflation
UK	Dec-24	0.6%	1.2%	3.5%	1	1 > 2	0	2/6 > 3/6	More Bonds	100%	50%	5.3	6.1
UK	Nov-24	0.0%	0.9%	3.3%	2 > 1	1	0	3/6 > 2/6	More Inflation	67%	67%	5.4	6.2
US	Nov-24	-0.8%	2.1%	3.3%	2 > 1	2	0	4/6 > 3/6	More Inflation	100%	50%	8.2	4.2
US	Oct-24	-1.1%	1.7%	3.3%	1 > 2	2	0	3/6 > 4/6	More Bonds	133%	33%	10.9	2.7

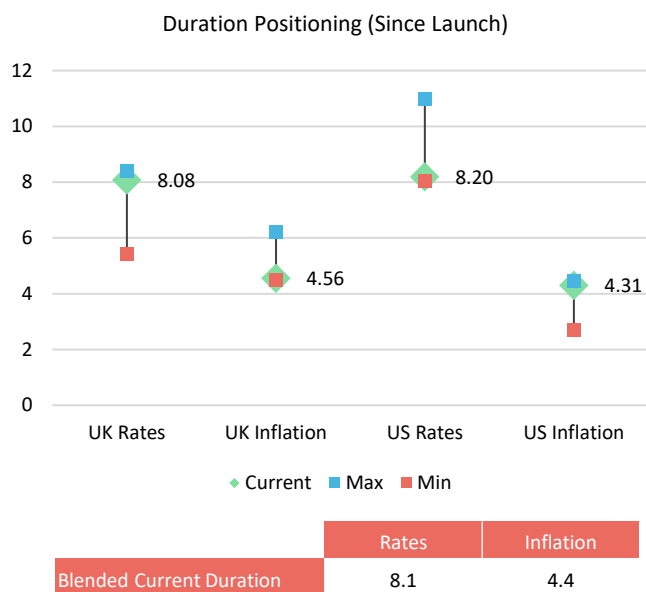
Source: Bloomberg (as at 31/12/24)

Signal 1 Inflation Trend		Signal 2 Real Yield		Signal 3 Inflation Target	
3-month average change in 6 month in YoY headline inflation		Market real yield on 10-year Inflation linked bond		YoY core inflation rate vs policy target rate	
Parameter	Output	Parameter	Output	Parameter	Output
>1%	0 (inflation)	>1%	0 (inflation)	>1%	0 (inflation)
-1% and 1%	1 (neutral)	-1% and 1%	1 (neutral)	-1% and 1%	1 (neutral)
<-1%	2 (bonds)	<-1%	2 (bonds)	<-1%	2 (bonds)

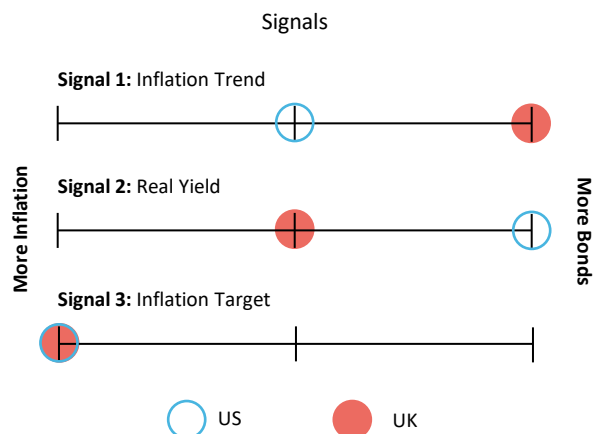




Shape of the Fund



Source: Atlantic House



Allocation	UK	USD
Signal Score	3/6	3/6
Rates	50%	50%
Inflation	100%	100%

Scenario Analysis

Below table uses the funds latest positioning and assumes equal changes in UK and US interest rates and inflation to estimate the marked-to-market impact.

		Change in 10y interest rate swap (basis points)						
		-100	-50	-25	0	25	50	100
Change in 10y inflation swap rate (basis points)	-100	3.6%	-0.3%	-2.2%	-4.1%	-6.0%	-7.8%	-11.4%
	-50	5.8%	1.8%	-0.2%	-2.1%	-4.0%	-5.9%	-9.6%
	-25	6.9%	2.9%	0.9%	-1.1%	-3.0%	-4.9%	-8.7%
	0	8.1%	4.0%	2.0%	0.0%	-2.0%	-3.9%	-7.7%
	25	9.3%	5.1%	3.1%	1.1%	-0.9%	-2.9%	-6.7%
	50	10.5%	6.3%	4.2%	2.2%	0.2%	-1.8%	-5.7%
	100	13.0%	8.7%	6.6%	4.5%	2.4%	0.4%	-3.7%

Source: Atlantic House as at 30/12/24.

Three scenarios based on the fund's current sensitivities to interest rates and inflation

Recessionary shock	Wage price growth cools	Inflationary shock
<b>Rates down 3%</b> <b>Expected inflation down 1%</b>	<b>Rates down 1%</b> <b>Expected inflation down 1%</b>	<b>Rates up 1%</b> <b>Expected inflation up 2%</b>
Passive bond fund: +26.6%	Passive bond Fund: +8.4%	Passive bond Fund: -8.0%
Active bond fund: <i>uncertain</i>	Active bond fund: <i>uncertain</i>	Active bond fund: <i>uncertain</i>
Dynamic Duration: +17.1%	Dynamic Duration: +2.0%	Dynamic Duration: +4.7%

Summary and Outlook

The fund is currently well positioned for an inflationary shock in the short term and can act as a powerful diversifier alongside client's conventional bond holdings.



## Key Risks

This is a marketing communication. The Fund is aimed at advised & discretionary market investors over the long term who have the capacity to tolerate a loss of the entire capital invested or the initial amount.

A final investment decision should not be contemplated until the risks are fully considered. A comprehensive list of risk factors is detailed in the Risk Warnings Section of the Prospectus and the Supplement of the Fund and in the relevant key investor information document (KIID). A copy of the English version of the Supplement, the Prospectus, and any other offering document and the KIID can be viewed at [www.atlantichousegroup.com](http://www.atlantichousegroup.com) and [www.geminicapital.ie](http://www.geminicapital.ie). A summary of investor rights associated with an investment in the fund is available in English at [www.geminicapital.ie](http://www.geminicapital.ie).

Calculations do not consider credit spread movements of the issuers of the securities. The Mark to Market of the securities and therefore the NAV of the Fund will decrease as credit spreads widen and vice versa if spreads narrow. The value of investments and income from them can go down and you may get back less than originally invested. There is no guarantee that the Fund will achieve its objective. The level and basis of tax is subject to change and will depend on individual circumstances. The Fund invests in derivatives for investment purposes, for efficient portfolio management and/ or

to protect against exchange risks. Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of a derivative investment to fluctuate and the Fund could lose more than the amount invested.

The Fund invests in high quality government and corporate bonds. All bonds will be rated at least A- by Standard and Poors at outset. If any of the bonds the Fund owns suffer credit events the performance of the Fund could be adversely affected. Other risks the fund is exposed to include but are not limited to, credit and counterparty risk, possible changes in exchange rates, interest rates and inflation, changing expectations of future market volatility, changing expectations of equity market correlation and changing dividend expectations.

A decision may be taken at any time to terminate the arrangements for the marketing of the Fund in any jurisdiction in which it is currently being marketed. Shareholders in affected EEA Member State will be notified of any decision marketing arrangements in advance and will be provided the opportunity to redeem their shareholding in the Company free of any charges or deductions for at least 30 working days from the date of such notification.

## Important Information

Source for all data is Atlantic House Investments as of 31 December 2024 unless stated otherwise.

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