



Press Release

“Dynamic Credit Defensive Strategy Fund outperformed their peers average return in 2018 by 1.84%.”

Asset-backed securities (ABS) fund of Dynamic Credit posts strong 2018 performance relative to peers and other fixed income investments

AMSTERDAM, 1 March 2019

The 2018 performance of asset-backed securities (ABS) markets in general can roughly be divided into two parts. In the first half of the year leading into the summer, markets slowly drifted higher and reached their all-time lows in spread terms around May. After a slow summer session, volatility dominated the markets in the second half of the year with the most dramatic spread widening in the fourth quarter across all sectors and risk segments.

Tim Jansen (Portfolio Manager at Dynamic Credit) commented: *“Asset-backed securities still offer relative value compared to other fixed income assets classes. It adds diversification and offers exposure to the real economy. On top of this the floating element of ABS provides a natural hedge against rising interest rates.”*

Since launching in Q4 2017, the Dynamic Credit Defensive Strategy Fund has sought to generate an attractive return for investors through high quality investments in ABS. Despite the market volatility, the defensive positioning of the Fund resulted in stable monthly returns with limited drawdowns during down months.

In its first full year, 2018, performance of the fund was 1.58%², and since inception¹ the performance was 1.79%². Not only did ABS as a whole outperform other fixed income asset classes, the fund outperformed its peer group³ average return in 2018 by 1.84%². Most other funds had a negative return for the year. While ABS funds have different strategies, we are confident that we will continue to build upon the 7+ year track record of outperformance of our investment strategy and processes.

Due to their specific characteristics (floating rate nature, highly diversified loan exposure, collateralized assets) ABS should be a cornerstone investment in every fixed income portfolio. ABS and the underlying exposure to real economy assets can make a true contribution to portfolio diversification. The performance of ABS in the last quarter, in absolute sense and relative to other asset classes, was a clear example of this fact.

¹ Inception date 23-10-2017

² All returns are net of fees and expenses and before tax implications.

The value of your investments can fluctuate. Past performance is not an indicator of future results

³ The peer group consists of Euro denominated funds which invest the majority of their capital in Asset-Backed Securities.

The funds are only available for institutional investors and are allowed to invest in at least all ratings up until BBB. The peer group consists of 4 funds



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For a more elaborate update on the performance of the Fund the Annual Performance Review 2018 on the website of Dynamic Credit (www.dynamiccredit.com). If you would like to receive our monthly Fund update in your mailbox, please send an email to sales@dynamiccredit.com.

About Dynamic Credit

Dynamic Credit is a fixed income asset management and direct lending firm with over EUR 10.5 billion under management. Founded in 2003, Dynamic Credit has offices in Amsterdam, New York and Jakarta.

In December 2017 Dynamic Credit entered into a strategic partnership with Aegon, who has become a 25% shareholder of Dynamic Credit. The partnership enables further growth into new lending products, like prime SME and buy-to-let loans.

The team of experts at Dynamic Credit have extensive experience valuing, sourcing, creating and managing alternative fixed income products. In 2015, Dynamic Credit set up the first online mortgage distribution platform of the Netherlands (bijBouwe). In August 2017, Dynamic Credit launched the Dynamic Credit Funds ICAV, an Irish AIFM regulated fund umbrella.

Dynamic Credit is fully licensed and is regulated by Dutch and Irish financial market authorities.

For more information: www.dynamiccredit.com