

SMD-AM Ares ESG Enhanced Global High Yield Bond Fund (F) USD

SMD-AM FUNDS | MONTHLY FACTSHEET

Data as of 30 June 2024

Investment Objective

Maximise total return, consisting of interest income and capital appreciation, through access to the developed high yield bond markets while promoting, amongst others, certain environmental and social characteristics in compliance with Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR").

Product Description

This product is actively managed and invests in global high yield bonds, principally in the USA and Europe that are typically rated lower than Baa by Moody's or BBB by S&P or equivalently rated by Fitch. The Sub-Fund is actively managed but uses the ICE BofA Global High Yield Constrained Index (Total Return) ("HWOC") as a reference for performance comparison. This product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Investor Profile

Institutional and wholesale investors seeking to participate in the capital market performance of an actively managed SFDR Article 8 compliant global high yield bond portfolio. The Sub-Fund is therefore suitable for investors who can afford to invest their capital over the longer term.

Key Facts

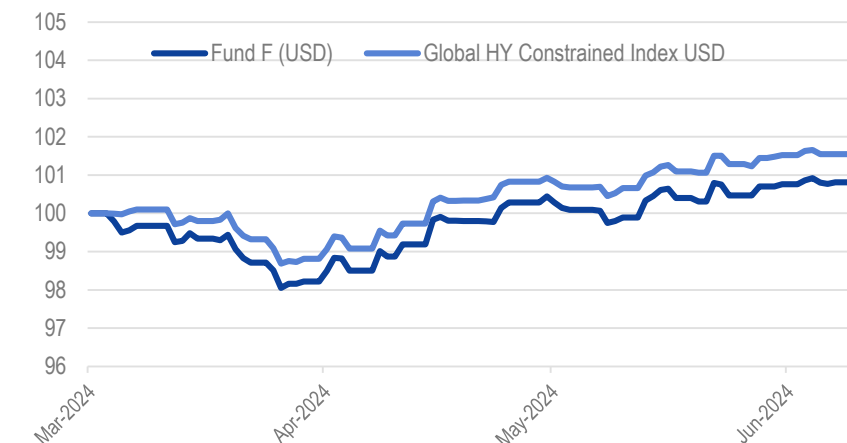
ISIN [(P) USD]	LU2710802047
Bloomberg Ticker	SMARUFH LX
Sub-Fund Domicile	Luxembourg
Legal Structure	SICAV
LEI	213800IKWO7BJPUD7M73
Regulatory Structure	UCITS
Sub-Investment Manager	Ares Capital Management II LLC ("Ares Capital")
SMDAM (UK) LEI:	213800U65SVAMEAI6V90
Sub-Fund Inception	22 March 2024
Share Class Inception	22 March 2024
Portfolio Managers	Boris OKULIAR, Brian ABDELHADI, Chris MATHEWSON, Kapil SINGH
Base Currency	USD
Available Currencies	USD, EUR, JPY, HKD
Investment Style	Value & ESG Exclusions
EU 2019/2088 SFDR Regs: Article 8	The Sub-Fund is categorised under SFDR as Article 8. The Sub-Fund promotes environmental and social characteristics but does not have a sustainable investment objective.
Reference Benchmark*	ICE BofA High Yield Constrained Index (Total Return) (HWOC)
Number of Holdings	Circa 100 - 150 stocks
Fund AUM (million)**	USD 30.2
Administrator	Brown Brothers Harriman (Luxembourg) S.C.A.
BBH LEI	222100V03Y766EM5TZ83

* For performance comparison purposes and not to attain the SFDR environmental or social characteristics promoted by this Sub-Fund. **As at 30 June 2024

Investment Information

Investment Management Fee	Founders (F)	Institutional (I)
	up to 0.70% p.a.	up to 1.30% p.a.
	Wholesale (A) up to 1.80% p.a.	
Trading Frequency	Daily	
Dealing Cut-Off Time (Luxembourg time)	16:00 CET, on the Business Day prior to the relevant dealing date	

Daily Fund Performance vs. Reference Benchmark



Source: SMDAM, Ares Capital and Bloomberg, data as at 30 June 2024. Rebased to 100 at inception (22 March 2024) of UCITS SMD-AM Ares ESG Enhanced Global High Yield Bond Fund (F) USD. The chart above shows daily performance, in USD, of the UCITS Sub-Fund against the reference benchmark: ICE BofA Global High Yield Constrained Index (Total Return) ("HWOC"). Performance is illustrated Net of fees.

Fund Performance - Share class: (F) USD as at 30 June 2024

ISIN: LU2710802047 Fund: Net of Fees	June 2024 %	May 2024 %	April 2024 %	3 Months %	12 Months %	2 Years % p.a.	Since Inception % †
SMD-AM Ares ESG Global HY Bond Fund (F) USD	0.92	-	-	1.14	-	-	0.81
HWOC (Total Return)	0.88	-	-	1.45			1.55
Excess Return	0.04	-	-	-0.30	-	-	-0.74

Top Ten Holdings

Top Ten Holdings	Holding %
OCI NV	1.30
Iron Mountain	1.30
Hannon Armstrong	1.20
Summit Materials Inc	1.20
L Brands Inc	1.20
Sensata Technologies Holding PLC	1.20
AMWINS Group, Inc.	1.20
Sealed Air Corp/Sealed Air Corp US	1.20
Howden Group Holdings	1.20
Specialty Building Products Holdings, LLC	1.20
Total	12.00

Source: SMDAM and Ares Capital, data as at 30 June 2024. Any discrepancies are due to rounding.

† Data shown is for the UCITS SMD-AM Ares ESG Enhanced Global High Yield Bond Fund (F) USD using portfolio month-end weights

Risk Warning: The organisations and/or financial instruments mentioned are for reference purposes only. Material content should not be construed as a recommendation for their purchase or sale.

Performance Disclaimers

Source for all Sub-Fund data is SMDAM, SMDAM (UK) & Ares Capital. Basis for (F) USD share class performance data: NAV based, total return (net of fees), in USD. This information is provided against the ICE BofA Global High Yield Constrained Index (Total Return) (HWOC) to illustrate how the investment fared versus the entire global high yield market. Where indicated, Net of fees refers to: returns reflect the reinvestment of dividends and other earnings and are shown after the deduction of investment management fees.

Performance in the market commentary is shown in USD terms.

Performance Risk Warnings

Inception date of SMD-AM Ares ESG Enhanced Global High Yield Bond Fund (F) USD is 22 March 2024.

Risk warning: Past performance is not a reliable indicator of future performance and may not be repeated. An investment's value and the income deriving from it may fall, as well as rise, due to market fluctuations. **Investors may not get back the amount originally invested and may lose money as a result of the investment.** Any minor discrepancies are due to rounding. Performance is shown in USD, the return may increase or decrease as a result of currency fluctuations, and is net of fees (after trading expenses).



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CONTACTS

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Management Company:
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AIR Building, 1 rue Jean Piret,
Luxembourg, L-2350.

Paying / Information Agents:

UK:
FE fundinfo.

Luxembourg: Brown Brothers Harriman (Luxembourg) S.C.A.

Switzerland:
Telco Bank Ltd. Bahnhofstrasse 4,
6430 Schwyz,
Switzerland.

The representative in Switzerland is 1741 Fund Solutions Ltd, Burggraben 16, CH-9000 St. Gallen.

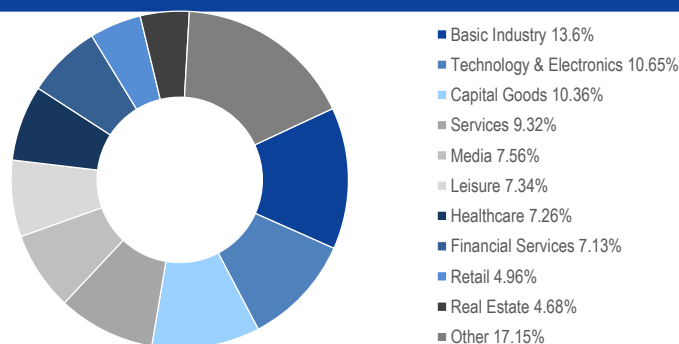
The prospectus and the Key Investor Information Document as well as the annual and semi-annual reports may be obtained free of charge from our website: www.smd-am.co.uk

Market and Portfolio Commentary

During June, the SMD-AM Ares ESG Enhanced Global High Yield Fund (the "Fund") returned 1.00% on a gross basis, 0.71% versus 0.91% for the ICE BofA Global High Yield Constrained Index ("HWOC" or the "benchmark") during the month. Additionally, the Fund returned 1.31% gross (1.33% net) versus 1.44% for the quarter. We want to highlight that the quarterly reported net performance is higher than gross due to the expense offset that happened in May. Broadly, higher rated cohorts outperformed lower rated cohorts throughout the month. However, the fund's outperformance in comparison to the benchmark was further attributable to our security selection within the BB-rated cohort which contributed a total of 27 basis points to performance. Additionally, the top performing security for the month was SCRIPPS ESCROW (SSP) which contributed 7 basis points to performance after the company reported strong first quarter 2024 earnings that beat investor expectations. Further, we expect a strong 2H24E and overall 2024 on political spend and positive retransmission trends which will provide an opportunity for broadcasters to de-lever. Conversely, this was partially offset by the bottom contributor for the month was American Bath Group which detracted 3 basis points to performance after the company reported softer than expected first quarter earnings.

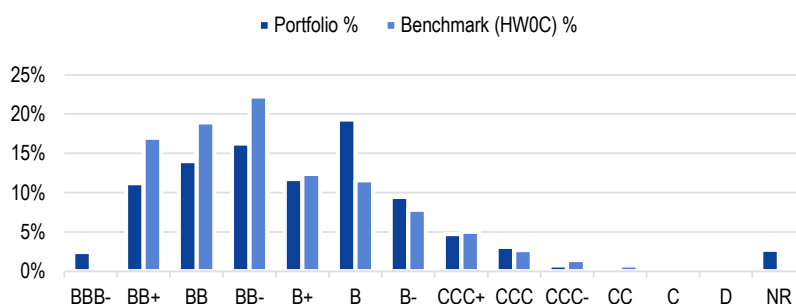
In terms of portfolio construction, we decreased our position in Capital Goods and increased our position in Telecommunications. We continue to remain underweight CCC-rated securities and overall risk due to our avoidance of non-ESG compliant securities and issuers. During the month, we also increased our exposure to BB-rated bonds. Our geographic bias remains slightly tilted towards U.S. companies with an overweight compared to the benchmark and we believe the U.S. economic backdrops remains strong.

Top 10 Industry Exposures



Source: SMDAM and Ares Capital as at 30 June 2024.

Credit Rating Exposures



Source: SMDAM and Ares Capital as at 30 June 2024.

The exposure weights of the UCITS SMD-AM Ares ESG Enhanced Global High Yield Bond Fund (F) USD are calculated using portfolio month-end weights.

Institutional (F & I share class)***

Share Class	ISIN	Minimum investment amount *	Subsequent investment amount *
F, USD	LU2710802047	USD 5,000,000	USD 50,000
I, USD	LU2710801825	USD 300,000	USD 50,000

Wholesale (A share class)***

Share Class	ISIN	Minimum investment amount *	Subsequent investment amount *
A, USD	LU2710801742	USD 2,000	USD 1,000
A, EUR (UH)	LU2710800934	USD 2,000	USD 1,000
A, HKD (UH) (S*2) **	LU2710800264	USD 2,000	USD 1,000

(H) indicates hedged share class. (UH) indicates unhedged share class.

* USD or the equivalent in other currencies | ** indicates the share class is Income whereas all others are Accumulation

*** Please refer to the Prospectus for other available share classes | S*2 indicates the share class has Semi-Annual Distribution

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This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.

The Sub-Fund is making disclosures as an Article 8 fund for the purposes of the SFDR.

