



## Monthly Factsheet - February 2025

### Fund Overview

The Atlantic House Dynamic Duration Fund aims to deliver capital growth over the medium to long term through a systematic and signal-based investment strategy, that is designed to outperform in a wider range of inflation environments than a conventional bond fund.

### Key Facts

<b>Launch Date</b>	8 August 2023
<b>Fund Size</b>	£21.84m
<b>NAV</b>	1.0434 *(A Acc GBP Share Class)
<b>OCF</b>	0.40% (Capped)
<b>Managers</b>	Mark Greenwood, FIA Jack Roberts, CFA
<b>Domicile</b>	Dublin, Ireland
<b>Fund Type</b>	UCITS
<b>Dealing</b>	Daily
<b>Currency</b>	GBP
<b>Available Share Classes</b>	<b>A Acc GBP</b> ISIN: IE00BMY8S439 Sedol: BMY8S43 Bloomberg: AHUEEAG
	<b>A Acc (Hedged) EUR</b> ISIN: IE000YFXJA12 Sedol: BQS7T85 Bloomberg: AHDDEUA
	<b>A Acc (Hedged) USD</b> ISIN: IE00BVXVS028, Sedol: BVXVS02, Bloomberg: AHFMUSI
	<b>D Dis GBP</b> ISIN: IE00BMY8S546 Sedol: BMY8S54 Bloomberg: AHUEEAA
<b>Distribution &amp; Target Market Strategy</b>	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.

### Monthly commentary

Dynamic Duration Fund performance during the month was as follows:

Interest rate swaps UK	+0.06%
Interest rate swaps US	+1.08%
Inflation swaps UK	-0.15%
Inflation swaps US	-0.24%
Cash base	+0.23%
<b>Total return</b>	<b>+0.98%</b>

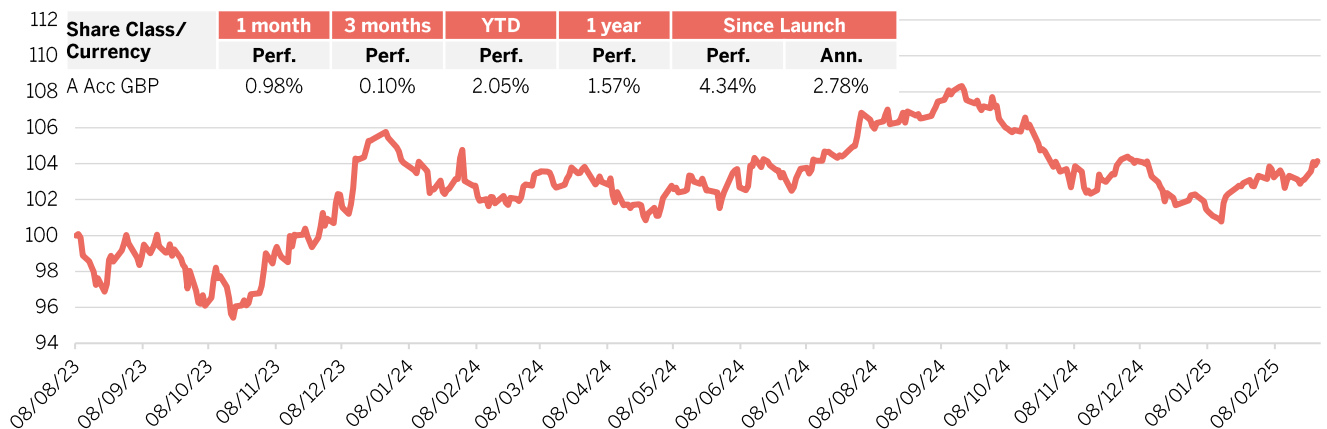
The Dynamic Duration fund added 0.98% in February. The US rates swap positions contributed most of the upside. Modest losses from the UK and US inflation swap sleeves are consistent with their negative correlation to rates swaps.

Towards the start of the month, the Bank of England cut rates by 25 basis points with two dissenting votes for a 50 basis points cut. UK inflation then came in at 3.7% for core and 3.0% for headline CPI. The market had been expecting an increase from VAT on private school fees, but this only accounted for about 0.1%. A larger driver was food inflation surging to 3.3% from 2.0% a month ago. The swap market now implies these effects will wane and core inflation will drop to below 3% by the second half of the year. This would shift the fund longer fixed income as the inflation target signal increases, although there may be an offsetting move from the UK real rates signal by then.

There was no Federal Reserve meeting this month and no cut is expected at the forthcoming March meeting. US inflation printed at 3.3% core and 3.0% headline, slightly up on the month with high food price inflation again a contributor. A hyperactive US administration has to date refrained from leaning on Fed policy and concentrated instead on reducing 10-year bond yields. For now, the market believes an independent Fed will hold the line against higher inflation from tariffs and lower migration, keeping inflation swap rates in check.

At such a time of heightened uncertainty we feel comfortable with the rules-based interest rate durations of around 7.5 years and inflation durations of around 4 years for both the US and UK.

### Cumulative Performance and Performance Since Launch



Past performance does not predict future returns.

### 3 key signals

#### 1. Inflation Trend

(3-month average of) change over 6-months in Market real yield on the current 10-year headline inflation year-on-year rate

#### 2. Inflation versus Rates

year inflation-linked bond

#### 3. Inflation target

Core inflation year-on-year rate minus official core inflation target rate



### Current signals and last change

Each of the 3 signals has a potential value of 0, 1, or 2 for a combined signal value out of 6. The higher the combined signal, the higher the strategy's positioning towards rates and lower to inflation, and vice versa. This table shows the current signals for both the UK and US based on the latest monthly data available. Also shown is the date at which the last signal change took place.

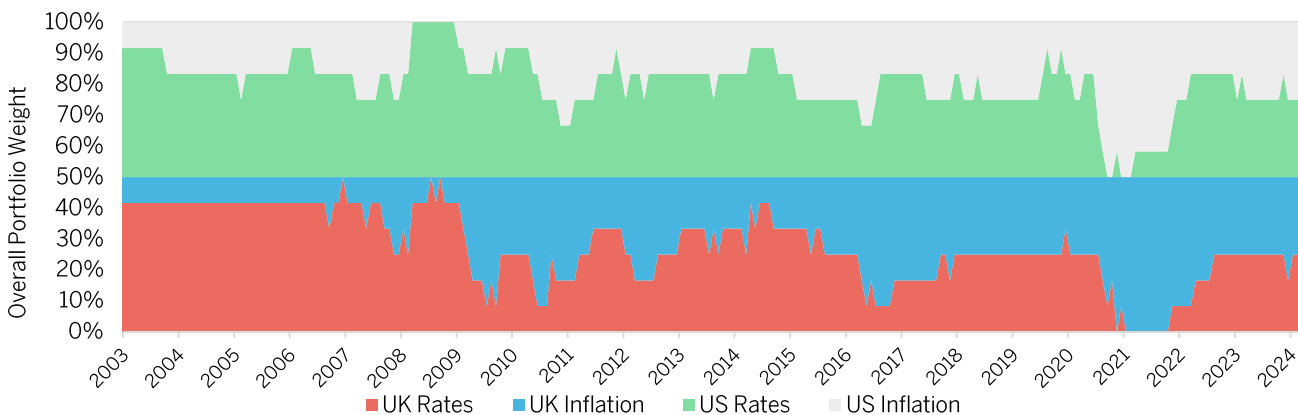
		Market data			Signal output				Portfolio Weight %		Portfolio Duration	
United Kingdom (UK)		Signal 1	Signal 2	Signal 3	Signal 1	Signal 2	Signal 3	Combined	Rates	Inflation	Rates	Inflation
Date	Month	3m ave of 6m CPI change	Real yield 10y inflation linked bonds	UK core CPI (BoE target: 2%)	Inflation Trend	Inflation versus Rates	Inflation Target	Signal				
Current CPI data	Jan 2025	0.6%	1.05%	3.7%	1	2	0	3/6	100%	50%	7.5	4.2
Last Signal change	Nov 2024	0.0%	1.15%	3.5%	1	1→2	0	2/6 → 3/6	100%	50%	8.1	4.5

		Market data			Signal output				Portfolio Weight %		Portfolio Duration	
United States (US)		Signal 1	Signal 2	Signal 3	Signal 1	Signal 2	Signal 3	Combined	Rates	Inflation	Rates	Inflation
Date	Month	3m ave of 6m CPI change	Real yield 10y inflation linked bonds	US Core CPI (Fed target: 2%)	Inflation Trend	Inflation versus Rates	Inflation Target	Signal				
Current CPI data	Jan 2025	-0.2%	2.15%	3.3%	1	2	0	3/6	100%	50%	7.5	3.9
Last Signal change	Oct 2024	-0.8%	2.11%	3.3%	2 → 1	2	0	4/6 → 3/6	100%	50%	8.2	4.2

### Signal evolution: portfolio weightings

The signals drive the risk weighting of the portfolio between 'rates' (interest rate swaps) and 'inflation' (inflation swaps), across both the UK and US markets equally. For each of the UK and US portfolios, a signal of 0/6 indicates 100% investment in inflation, while a signal of 6/6 indicates 100% investment in rates. The evolution of the rules-based signals over time allows us to plot the evolution of the resulting portfolio weights over the same period.



The fund uses leverage to gain twice the exposure to Rates via interest rate swaps; the fund's notional exposure to rates is double that shown. The fund is approximately ½ invested in rates exposure over the backtest life. For the fund to have a similar exposure and similar volatility, on average, to its internal benchmark of passive 10yr UK and US government bond exposure, equally weighted, twice leverage in rates exposure is required.

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

Recessionary shock <b>Rates down 3%</b> <b>Expected inflation down 1%</b>	Wage price growth cools <b>Rates down 1%</b> <b>Expected inflation down 1%</b>	Inflationary shock <b>Rates up 1%</b> <b>Expected inflation up 2%</b>
Passive bond fund: +26.4% Active bond fund: <i>uncertain</i> Dynamic Duration: +20.6%	Passive bond Fund: +8.4% Active bond fund: <i>uncertain</i> Dynamic Duration: +3.8%	Passive bond Fund: -8.0% Active bond fund: <i>uncertain</i> Dynamic Duration: +1.8%



## 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 Factors 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.gemincapital.ie](http://www.gemincapital.ie). A summary of investor rights associated with an investment in the fund is available in English at [www.gemincapital.ie](http://www.gemincapital.ie).

**Please be aware that past performance is not indicative of future performance. The value of investments and income from them can go down as well as up, and you may get back less than originally invested.**

**Counterparty Risk:** The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date.

**Interest Rate Risk:** The fund's investments are sensitive to changes in interest rates.

**Operational Risk:** The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems including those relating to the safekeeping of assets or from external events.

**Credit Risk:** The risk the issuer of the bond fails to make interest or capital payments.

**Liquidity Risk:** The risk that the fund may be unable to sell an investment readily at its fair market value. In extreme market conditions this can affect the fund's ability to meet redemption requests upon demand.

**Derivatives Risk:** The fund is permitted to use certain types of financial derivatives to achieve its objective. The value of these investments can rise and fall depending on the value of the underlying instrument. There is also a risk that the counterparty to these derivatives fails to meet its obligations.

For full information on these and other risks, please refer to the fund prospectus and offering documents, including the KID or KIID, as applicable.

## Important Information

Source for all data is Atlantic House Investments as of 28 February 2025, unless stated otherwise.

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