

# ELARA FIXED INCOME FUND LTD.

USD 2,607.34

NAV as on 30<sup>th</sup> May 2025

MTD: +2.01% / YTD: +3.37%

IRR (since inception): 10.22% | Authorised by: Bermuda Monetary Authority (BMA) | Manager: Elara Asset Management Limited

## Fund Description

Elara Fixed Income Fund employs an opportunistic strategy that is not tied to any specific benchmark. The fund has broad flexibility to invest across geographies, sectors, and credit segments, with a bias toward emerging markets. It is designed to maximise total return while reducing volatility and drawdowns. Currency risk is actively managed for non-USD exposures. During the month ended 30<sup>th</sup> May 2025, the fund NAV rose by **+2.01%** to **USD 2,607.34**.

## Monthly Commentary – May 2025

The global high yield market continued to perform well in May as the Trump administration continued to de-escalate their tariff threats. The Bloomberg Global High Yield Index (LG50TRUU) rose +1.56%, while global high yield spreads tightened from 3.92% to 3.30% (LG50OAS Index). Investment grade credit also rallied, with spreads narrowing from 0.80% to 0.34% (LEGAOAS Index)<sup>1</sup>. U.S. 10Y Treasury yields ended the month at 4.40%, up from 4.22%, amid resilient data and reduced likelihood of near-term Fed easing.

Core PCE inflation rose 0.1% MoM in April, in line with expectations, and recent strength in payroll and retail sales data pushed rate cut expectations out to September from July. Within credit, B-rated bonds led the tightening (~80 bps), followed by BBs (~41 bps). On the sector front, Consumer Discretionary and Communications were the top contributors to global HY performance, while Utilities and Consumer Staples saw limited participation.

Against this backdrop, the fund returned +2.01% in May, outperforming the Bloomberg Global High Yield Index (LG50TRUU) which rose +1.56%. We continue to build exposure in the 2-5 year maturity bucket, optimising for carry and keeping an eye out for improving credit stories.

## Risk and Reward profile

**Credit and Default Risk:** A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to depreciate.

**Currency Risk:** Changes in exchange rates may cause the value of investments to decrease or increase. **Liquidity Risk:** Difficult market conditions could result in certain securities becoming hard to sell at a desired time and price. **Interest Rate Risk:** Changes in interest rates will usually result in the values of bond and other debt instruments moving in the opposite direction (e.g., a rise in interest rates likely leads to fall in bond prices).

## Overview

**Elara Fixed Income Fund Ltd.** is an open-ended Bermuda-based fund investing in corporate and sovereign debt across emerging markets, with a focus on income generation, diversification, and prudent leverage.

**Fund Manager:** Elara Asset Management Limited

**Fund Administrator:** Apex Fund Services (Bermuda) Limited

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## Key Facts

	Description
<b>Bloomberg Ticker</b>	ELARAFI BH
<b>ISIN</b>	BMG3095Q1050
<b>Inception Date</b>	23/11/2012
<b>Total Expense Ratio<sup>1</sup></b>	1.12%
<b>Management Fee<sup>2</sup></b>	1.0% per annum
<b>Fund Type</b>	Open-ended
<b>Investment Manager</b>	Elara Asset Management Ltd.
<b>Total Net Assets</b>	<100 million USD
<b>Fund Base Currency</b>	USD
<b>Performance Fee</b>	5% of NAV increase
<b>Redemption Fee</b>	Zero

1. Excluding Performance Fee,  
2. Accrued monthly payable quarterly

## Accolades and Recognition



Finalist at EuroHedge Awards 2023 in the Emerging Manager & Smaller Fund Category

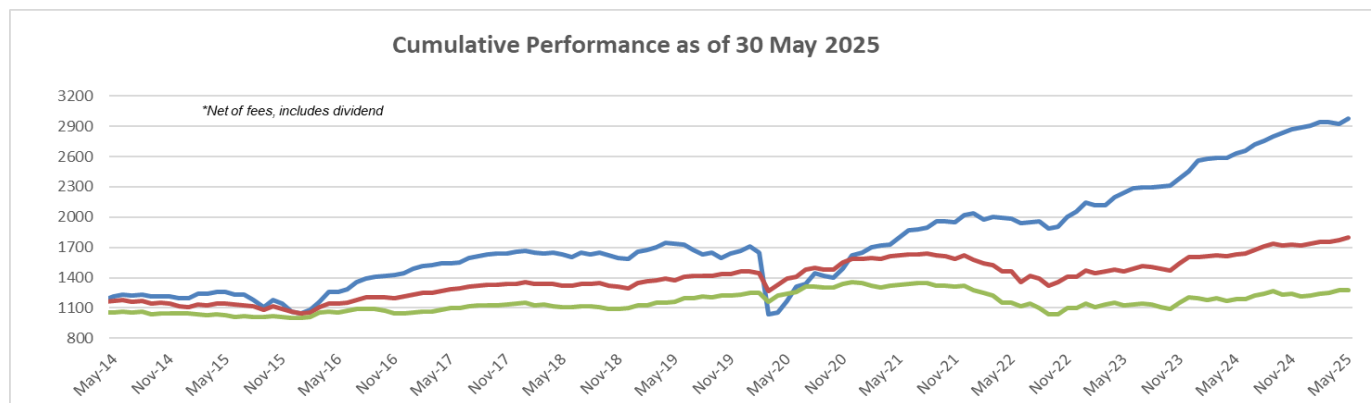
Finalist at the HFM European Performance Awards 2023 under two categories: (1) Credit – Long-term performance (5 years); (2) Credit – long/short

Finalist at the EuroHedge Emerging Fund Management Awards 2017 in the Credit & Fixed Income category.

<sup>1</sup> Spreads referenced are based on Bloomberg Global High Yield OAS(LG50OAS Index) and Bloomberg Global Aggregate Corporate OAS (LEGAOAS Index) as of May 2025

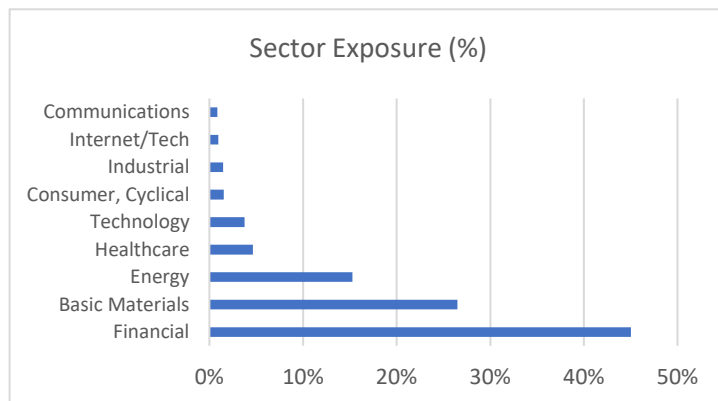
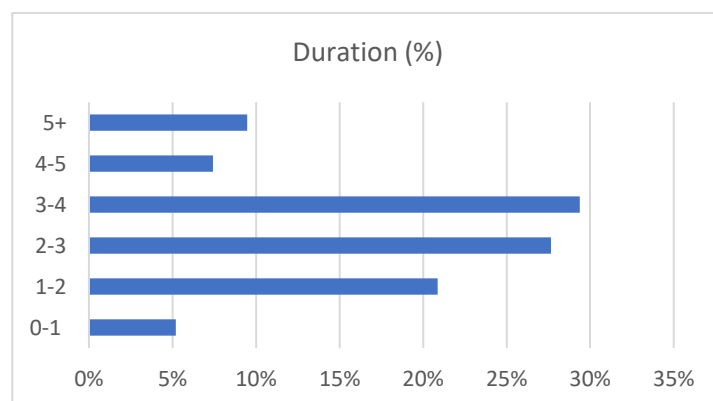
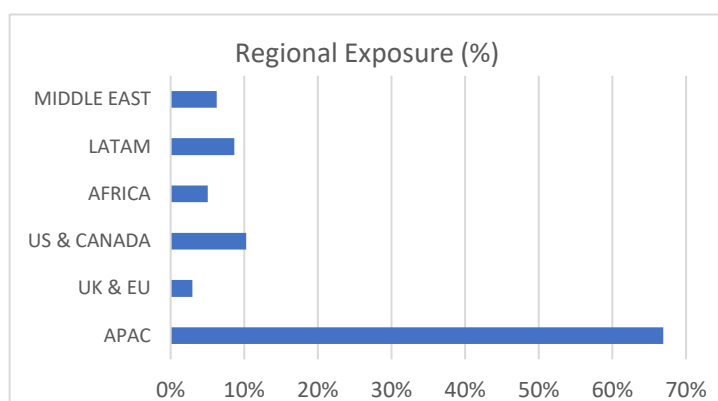
Disclaimer: The information contained in this document is not an invitation or inducement to any person to purchase shares in the fund. Investment should be made on the basis of the prospectus, which should be read before investing. The value may be affected by fluctuations in exchange rates where assets of the Fund are denominated in currencies other than USD. The information contained in this document is provided by the investment Manager.

■ Elara Fixed Income Fund ■ Bloomberg Global High Yield Corporate Total Return Index (LG50TRUU Index) ■ Bloomberg Global Aggregate – Corporate TR Index Value Unhedged USD (I09805US Index)



**Disclaimer: Past performance does not predict future results.**

Source: Bloomberg (ISIN: BMG3095Q1050)



#### Fund Statistics

<b>Average Duration</b>	<b>3.29</b>
<b>Average Coupon (%)</b>	<b>8.21</b>
<b>Sharpe Ratio</b>	<b>3.53</b>

Source: Elara Asset Management Limited (Administrator: Apex Fund Services (Mauritius) Ltd.)

#### TRAILING PERFORMANCE (as of May 2025)

	1 month	3 months	YTD	12 months	3 years**	5 years**	IRR (since 2012)*
<b>Fund</b>	<b>2.01%</b>	<b>1.34%</b>	<b>3.37%</b>	<b>15.43%</b>	<b>17.08%</b>	<b>25.48%</b>	<b>10.22%</b>
<b>LG50TRUU Index</b>	<b>1.56%</b>	<b>2.42%</b>	<b>4.58%</b>	<b>10.04%</b>	<b>7.16%</b>	<b>5.31%</b>	<b>4.77%</b>
<b>I09805US Index</b>	<b>0.18%</b>	<b>2.64%</b>	<b>4.97%</b>	<b>7.44%</b>	<b>3.39%</b>	<b>0.64%</b>	<b>1.96%</b>

\*\* Returns are calculated on an annualized basis

Year	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>YTD</b>	<b>3.76%</b>	<b>9.50%</b>	<b>5.55%</b>	<b>-11.79%</b>	<b>41.73%</b>	<b>16.94%</b>	<b>-5.35%</b>	<b>6.36%</b>	<b>-3.67%</b>	<b>30.36%</b>	<b>2.00%</b>	<b>23.55%</b>	<b>20.58%</b>	<b>3.37%</b>

\*Since Nov 2012

#### About the Benchmark:

- The Bloomberg Global High Yield Corporate Index (LG50TRUU Index) is a multi-currency measure of the global high yield corporate debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and the corporate sector of the Emerging Markets (EM) Hard Currency High Yield Indices; and,
- The Bloomberg Global Aggregate Corporate Index (I09805US Index) is a flagship measure of global investment grade, fixed-rate corporate debt. This multicurrency benchmark includes bonds from developed and emerging markets issuers within the industrial, utility and financial sectors.

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