3 Comma Capital

Atlantic Bond Fund ED, EA

Fund Report | July 31st, 2026

Manager Comment and Outlook

Market Review

July brought a more constructive inflation backdrop, supported by easing price pressures and greater stability in energy markets, although monetary policy remained restrictive and fixed-income markets continued to face pressure. In the United States, June CPI declined 0.4% month-over-month, its largest fall since April 2020, bringing headline inflation down to 3.5% year-over-year. The improvement was largely driven by a 5.7% decline in energy prices, while core CPI remained comparatively contained at 2.6%. The Federal Reserve nevertheless viewed the disinflation as predominantly energy-driven and maintained the federal funds rate at 3.50%–3.75% for a fifth consecutive meeting. Notably, three FOMC members dissented in favour of a 25-basis-point increase, reinforcing the higher-for-longer policy narrative. Despite softer inflation data, bond markets weakened as investors continued to reassess the medium-term inflation, fiscal, and monetary policy outlook. Pressure was particularly evident at the long end of the U.S. curve, where the 30-year Treasury yield rose to 5.23%, surpassing its 2023 peak and reaching its highest level since 2007. The move reflected persistently elevated term premia and concerns that long-term yields may remain structurally higher even as near-term inflation moderates.

In Europe, the ECB maintained its key policy rate at 2.25% following June's increase, as euro area inflation moderated from 3.2% to 2.8%. Despite improving headline inflation, uncertainty surrounding energy prices and the Middle East continued to complicate the policy outlook. European sovereign yields moved higher alongside global rates, while corporate credit proved comparatively resilient, with spreads remaining relatively contained despite pressure from higher underlying yields. Overall, July highlighted an increasingly important distinction for fixed-income investors: softer near-term inflation is providing some fundamental support, but elevated term premia, geopolitical uncertainty, and limited willingness from central banks to ease policy continue to constrain bond valuations, particularly at longer maturities.

Fund Performance

The Atlantic Bond Fund recorded a return of −0.77% in July, as higher sovereign yields and elevated term premia weighed on fixed-income valuations despite broadly resilient credit fundamentals. The Fund's corporate bond exposures were the main source of weakness, reflecting the broader pressure across global bond markets:

- **Portuguese Corporate Debt**: The Portuguese corporate bond allocation detracted −28 basis points, primarily reflecting the increase in underlying government yields. REN was the largest detractor (−9 bps), reflecting its comparatively higher duration sensitivity, followed by Fidelidade (−6 bps), Santander (−3 bps), and Crédito Agrícola (−3 bps). Credit spreads remained relatively contained, reinforcing the view that performance was predominantly driven by the repricing of interest-rate risk.
- **International Debt**: International fixed-income exposures also detracted from performance. The iShares J.P. Morgan USD EM Bond EUR-Hedged ETF was the largest contributor to weakness (−9 bps), as emerging market debt faced pressure from higher global yields and renewed geopolitical uncertainty. The unhedged iShares J.P. Morgan USD Emerging Markets Bond ETF detracted −4 bps, while the iShares Core GBP Corporate Bond ETF and the Fund's AT1 allocation each subtracted approximately −2 bps, reflecting broad weakness across global credit markets.
- **Alternative Assets**: Gold was broadly stable in U.S. dollar terms but declined 0.79% in euros, resulting in a modest −1 basis point contribution to Fund performance.

Portfolio Activity

During July, the Investment Committee made no material adjustments to the portfolio, maintaining the Fund's existing allocations and positioning. At month-end, the portfolio exhibited a weighted average yield to maturity of 4.35% and an effective duration of 3.10 years, providing an attractive level of carry while maintaining moderate sensitivity to interest-rate movements. The current positioning remains consistent with the Fund's capital preservation mandate, balancing income generation with disciplined duration and credit risk management.

Market Outlook

Looking ahead, we continue to view the recent inflation-driven repricing in bond markets as more likely cyclical than structural. The renewed pressure on headline inflation has remained largely concentrated in energy, with limited evidence so far of broader second-round effects. As crude oil prices retreat and geopolitical risk premia moderate, the combination of easing energy pressures and restrictive real rates should allow disinflationary forces to gradually reassert themselves. Against this backdrop, the recent rise in bond yields may overstate the persistence of underlying inflation pressures, creating scope for yields to moderate as incoming data confirms a more benign inflation trajectory. Our base case remains for both the Federal Reserve and the ECB to keep policy rates unchanged through year-end. As inflation pressures gradually subside, a normalization in euro area yields would provide a more supportive backdrop for fixed-income valuations, particularly high-quality corporate credit, while allowing the Atlantic Bond Fund to benefit from both its current carry and controlled duration exposure.

Portfolio Strategy

The Fund remains firmly focused on capital preservation, maintaining a high-quality fixed-income portfolio designed to generate attractive carry while limiting exposure to excessive duration and credit risk. July's weakness primarily reflected the repricing of underlying interest rates rather than a deterioration in corporate fundamentals, reinforcing our conviction in the Fund's core credit holdings. Against a backdrop of elevated term premia and continued macroeconomic uncertainty, the Fund will remain selective in deploying capital, prioritizing resilient issuers and attractive risk-adjusted yields across domestic and international credit markets. Should inflation continue to moderate and euro area yields normalize, the portfolio is positioned to benefit from both its underlying carry and potential price appreciation, while preserving the disciplined risk profile that remains central to the Fund's strategy.

Overview

Fund Strategy and Objective

The Atlantic Bond Fund is an Open-ended Alternative Investment Fund designed and managed by 3 Comma Capital.

The main objective of the Fund is to provide participants with exposure predominantly to the bond asset class, with a regional focus on commercial companies headquartered in Portuguese territory, which must represent a minimum allocation of 60% of its assets under management. Remainder allocated to Eurozone issuers and international debt ETFs.

Investor Profile

A fund accessible to any retail investor, although specifically designed to mitigate the concerns of investors seeking the safest 5-year journey along the Golden Visa path.

Risk Factor

1	**2**	3	4	5	6	7

Fund Detail

Investment Manager	3 Comma Capital SCR, S.A.
Inception Date	June 18th, 2025
Domicile	Portugal
Fund Custodian	Bison Bank, S.A.
Fund Base Currency	EUR
Unit Pricing	Daily
Asset Class	Fixed Income
Fund Size	30M
Number of Holdings	21
Unit Price	Share Class ED: 979.51 EUR Share Class EA: 980.34 EUR
Yield to Maturity	4.35%
Effective Duration	3.10 years

Fees & Expenses

Management Fee	Share Class ED: 1.65% p.a. Share Class EA: 1.50% p.a.
Performance Fee	10% above a 4% hurdle (high-water mark)
Custodian Fee	0.09% p.a.
Supervisory Fee	0.0026% monthly

Purchase Details

Min. Initial Subscription	Share Class ED: 150,000.00 EUR Share Class EA: 100,000.00 EUR
Entry Costs	1.50%
Subscriptions	Daily | Cut off time: 11 a.m. London time
Redemptions	Daily | Cut off time: 11 a.m. London time

For all withdrawals initiated within the first five years following the initial subscription, a 2.5% exit fee will be incurred

Codes

ISIN	Share Class ED: PT3CMOHM0000 Share Class EA: PT3CMUHM0002
Bloomberg	3CCABFED PL 3CCABFEA PL
Lipper ID	37196426

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Fund Performance

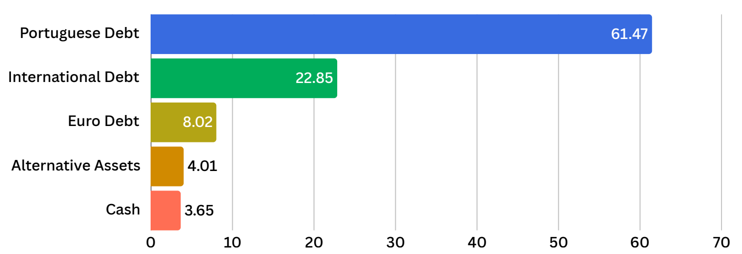
	1 Month	3 Months	6 Months	Since Inception*
Performance	-0.77%	-0.46%	-1.84%	0.27%
Risk (Volatility)	-	-	3.59%	2.58%
Sharpe Ratio	-	-	-	-
Max. Gain Monthly	-	-	-	0.88%
Max. Loss Monthly	-	-	-	-2.48%

*Fund Inception: June 18th, 2025

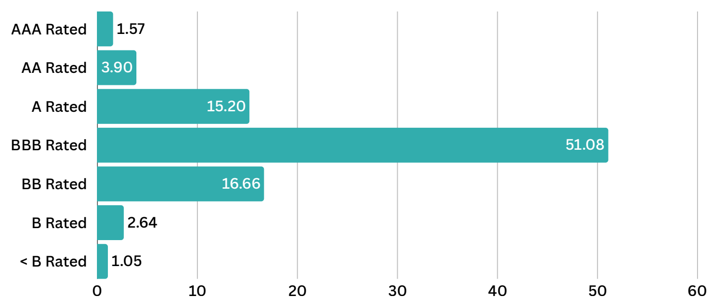
Monthly Returns

	January	February	March	April	May	June	July	August	September	October	November	December
2025	-	-	-	-	-	-	0.42%	-0.11%	0.46%	0.64%	0.03%	0.01%
2026	0.88%	0.39%	-2.48%	0.73%	0.53%	-0.22%	-0.77%	-	-	-	-	-

Asset Allocation (%)



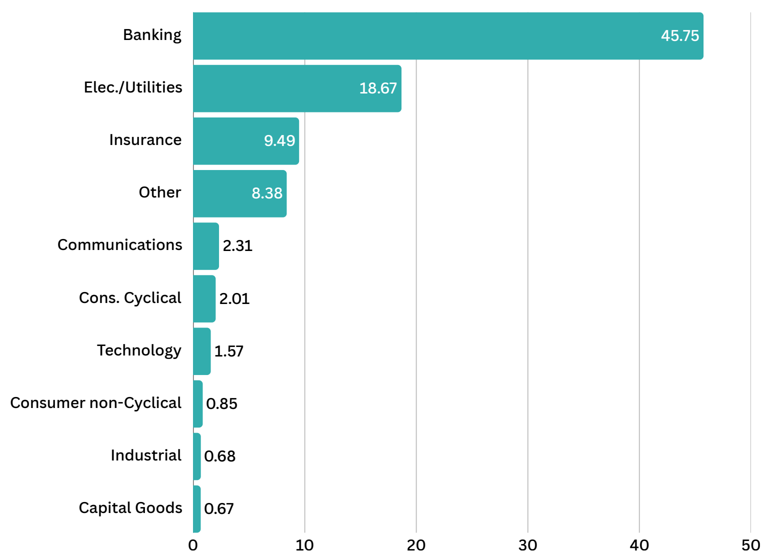
Credit Ratings (%)



Top 10 Holdings

COMPANHIA SEGUROS FIDELIDADE | FIDELI 7 ¾ PERP	9.00%
FLOENE | FLOEPT 4 ⅞ 07/03/28	8.14%
ISHARES EUR HY CORP ESG EURD ETF	8.02%
BANCO MONTEPIO | MONTPI 3 ½ 06/25/29	7.60%
REN | RENEPL 3 ½ 02/27/32	6.93%
NOVO BANCO | 3 ⅜ 01/22/31	6.62%
ISHARES JPM USD EMERGING MARKETS ETF	6.02%
STATE STREET GLOBAL CONVERTIBLE BONDS ETF	5.01%
ISHARES JPM USD EMERGING MARKETS BND EUR	4.60%
AMUNDI PHYSICAL GOLD ETC	4.01%

Sector Breakdown (%)



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