3 Comma Capital

Atlantic Bond Fund ED, EA

Fund Report | October 31st, 2026

Manager Comment and Outlook

Market Review

October marked a shift in fixed-income market dynamics, as sovereign yields retreated from multi-decade highs despite persistent inflationary pressures and elevated energy prices. U.S. Treasuries benefited from safe-haven demand, with the 10-year yield retreating 43 basis points from an October high of 5.35%, its highest level since 2007, to 4.92% by month-end, as concerns over economic growth, financial conditions and credit risks encouraged investors to seek higher-quality government debt. In the United States, the Federal Reserve maintained its target range at 3.75%–4.00% in a 10–2 decision, while Chair Warsh emphasised persistent inflation and resilient economic activity, with third-quarter GDP expanding at an annualised rate of 3.4%. In Europe, the ECB unanimously maintained its deposit rate at 2.50%, retaining a tightening bias as elevated energy prices and tighter bank lending standards complicated the growth-inflation trade-off. The central bank warned that a prolonged energy shock could simultaneously increase inflation and weaken economic activity, keeping the possibility of a December rate increase under consideration. European sovereign debt markets benefited from the broader bond recovery, although French government bonds remained a notable exception, ending the month in negative territory amid persistent fiscal and political uncertainty. The 10-year OAT yield exceeded 5.1% before retreating to approximately 4.9% by month-end, while its spread over German Bunds remained elevated at around 160 basis points. Corporate credit remained resilient, with investment-grade spreads contained despite emerging pockets of stress among more leveraged issuers. Overall, October presented an improved environment for fixed income, as declining benchmark yields provided some relief to duration-sensitive assets while fiscal uncertainty, persistent inflation risks and greater credit dispersion reinforced the importance of issuer quality and disciplined credit selection.

Fund Performance

The Atlantic Bond Fund recorded a return of –0.08% in October, as the recovery in sovereign bond markets supported the Fund's core fixed-income holdings, partially offsetting weakness in higher-risk credit segments and gold:

Portuguese Corporate Debt: Domestic corporate bonds contributed +26 bps, benefiting from the retreat in European sovereign yields and resilient credit spreads. REN was the largest contributor (+9 bps), followed by Banco Montepio, Crédito Agrícola and Floene (+3 bps each), while Novo Banco and Banco Santander added +2 bps each. The broad-based recovery reflected improved bond valuations as interest-rate pressures eased, reinforcing the stability of the Fund's domestic corporate credit portfolio.

International Debt: International fixed-income exposures delivered mixed results. The iShares GBP Corporate Bond ETF contributed +11 bps, benefiting from the decline in EUR/GBP exchange rate and UK government bond yields, with the 10-year Gilt yield falling 16 basis points to 5.29%. The iShares J.P. Morgan USD EM Bond EUR-Hedged ETF added +6 bps, while its unhedged counterpart contributed +2 bps. The Fund's AT1 bond ETF allocation added a further +5 bps, supported by improving valuations in subordinated financial credit. Conversely, euro high-yield corporate exposure detracted –10 bps. Global convertible bonds detracted 18 bps, as weaker equity markets and reduced risk appetite weighed on valuations despite declining sovereign yields.

Alternative Assets: Gold detracted 18 bps, declining 4.8% in euro terms (–6.3% in U.S. dollar terms). Gold extended September's correction as profit-taking following earlier gains and restrictive monetary policy outweighed safe-haven demand, despite declining sovereign yields.

Portfolio Activity

The Investment Committee maintained the Fund's existing positioning throughout October, with no significant portfolio adjustments. By month-end, the portfolio's weighted average yield to maturity stood at 5.48%, with an effective duration of 3.03 years, offering attractive income potential with controlled interest-rate risk and a focus on capital preservation.

Market Outlook

We view October's market volatility more as a stress test of financial conditions than the beginning of a broader deterioration in credit fundamentals. Although September's stronger CPI and PPI readings raised inflation concerns, subdued underlying inflation persistence and a narrowing breadth of price increases suggest that inflationary pressures may peak in Q4 rather than become entrenched. Meanwhile, the retreat in 10-year Treasury yields below 5%, alongside exceptionally strong demand at October's 10-year Treasury auction, which recorded a bid-to-cover ratio of 2.77, the highest since 2014, suggests that elevated yields are attracting organic buyers and genuine underlying demand. Nevertheless, another 25-basis-point Fed rate increase before year-end remains possible. The Fund remains focused on capturing attractive yields through selective credit exposure and disciplined duration management.

Portfolio Strategy

The Fund maintains a significant allocation to Portuguese banking sector debt, representing 33.6% of NAV, reflecting our constructive assessment of the Portuguese economy and the sector's credit fundamentals. In October, S&P Global Ratings revised its Portuguese banking industry risk trend from stable to positive, citing stronger structural profitability, improved operating efficiency and prudent lending standards. The agency expects sector return on equity to remain around 13% through 2028, supported by annual loan growth of approximately 5%, while non-performing assets are projected to remain below 3.5%. Strong funding profiles provide additional support to credit quality, with customer deposits representing approximately 80% of bank funding and fully covering outstanding loans. At the issuer level, S&P revised BCP's outlook from stable to positive, affirming its BBB+ rating, while maintaining CGD's A rating and positive outlook. Despite these positive developments, the Fund continues to monitor concentration risk, housing-market vulnerabilities and potential deterioration in asset quality.

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	32M
Number of Holdings	21
Unit Price	Share Class ED: 966.58 EUR Share Class EA: 967.72 EUR
Yield to Maturity	5.10%
Effective Duration	2.97 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

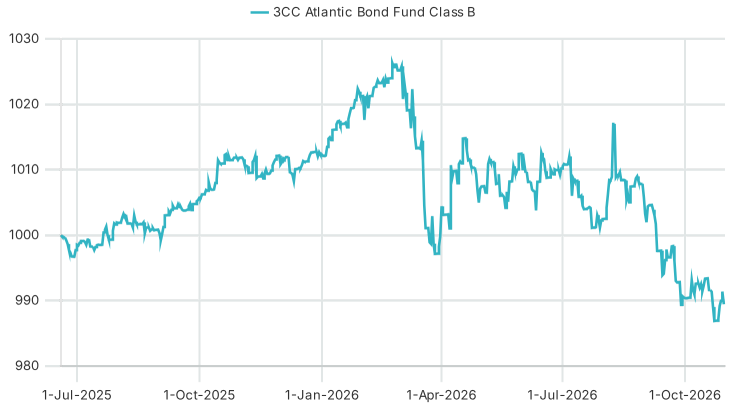
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Fund Performance

	1 Month	3 Months	6 Months	Since Inception*
Performance	-0.08%	-1.28%	-1.73%	-1.03%
Risk (Volatility)	-	-	3.12%	2.76%
Sharpe Ratio	-	-	-	-0.28
Max. Gain Monthly	-	-	-	0.88%
Max. Loss Monthly	-	-	-	-2.48%

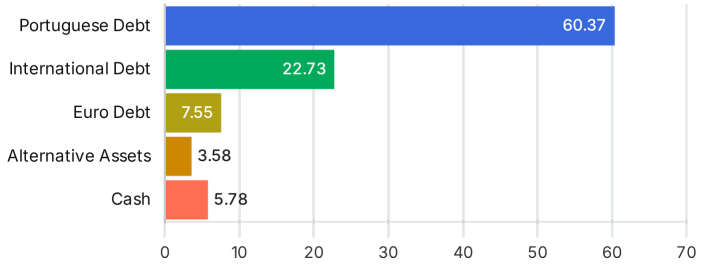
*Fund Inception: June 18th, 2025



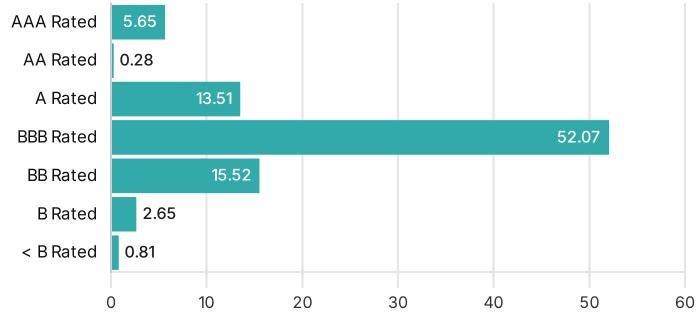
Monthly Returns

	January	February	March	April	May	June	July	August	September	October	November	December
2025	-	-	-	-	-	-0.23%	0.42%	-0.11%	0.45%	0.64%	0.03%	0.01%
2026	0.88%	0.39%	-2.48%	0.73%	0.53%	-0.22%	-0.77%	0.34%	-1.53%	-0.08%	-	-

Asset Allocation (%)



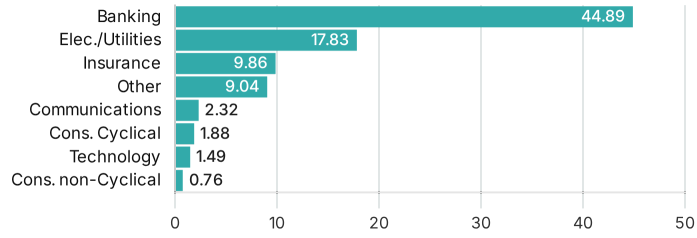
Credit Ratings (%)



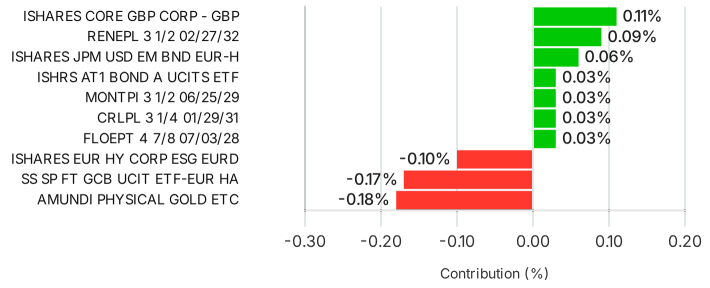
Top 10 Holdings

Fidelidade | FIDELI 7 3/4 PERP	9.38%
REN | RENEPL 3 1/2 02/27/32	7.71%
EUR High Yield | ISHARES EUR HY CORP ESG EURD	7.55%
Montepio | MONTPI 3 1/2 06/25/29	7.45%
Floene | FLOEPT 4 7/8 07/03/28	7.33%
Credito Agricola | CRLPL 3 1/4 01/29/31	6.73%
Novo Banco | NOVBNC 3 3/8 01/22/31	6.19%
EM Debt | ISHARES JPM USD EM BND EUR-H	6.05%
Convertibles | SS SP FT GCB UCIT ETF-EUR HA	4.27%
AT1 | INVESCO AT1 CAP BOND EUR HDG	3.79%

Sector Breakdown (%)



Monthly Performance Attribution (%)



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