

PRESS RELEASE

**KAIROS FOCUSES ON SUBORDINATED DEBT SECURITIES
IN THE FINANCIAL SECTOR WITH KIS FINANCIAL INCOME**

Milan, 13th November 2017 – Kairos, a group active in the asset management and private banking sector, promotes **Financial Income**, the **flexible and thematic bond** sub-fund of the harmonised Luxembourg-based Sicav (variable capital investment company) **Kairos International Sicav**.

The portfolio is composed primarily of European financial sector bonds and focuses on new generation debt securities (At1/ Contingent Convertible – COCO).

In fact, **KIS Financial Income** aims to seize the opportunities offered by the current valuation gap between the financial and corporate sectors and by recapitalisation and bank merger transactions, in light of the phase of restructuring and consolidation that the financial sector is experiencing. Subordinated bonds, as equity instruments, represent a valid alternative to the placement of shares and, therefore, able to offer significant potential in terms of returns.

Construction of the portfolio is based on a macro evaluation with a top-down approach, which makes it possible to establish how to structure the risk by type of instrument and geographic area, while issuers are selected according to a bottom-up approach, with the objective of identifying an optimal risk-return ratio. The product can rely on an extensive investible universe both in terms of the number of issuers and issues.

The management team, with a wealth of experience in analysing the capital structure of issuers, is headed up by **Rocco Bove**, one of the most experienced European bond managers in the world of subordinated financial bonds, supported by portfolio manager **Andrea Ponti** and analyst **Giulio Pesenti**. The team, already responsible for the KIS Bond and Kis Bond Plus sub-funds, is distinguished on the market by its highly active and flexible management style.

"The current macroeconomic context may be favourable for bond investments, if well managed", commented **Rocco Bove, Bond Manager of Kairos**. "The economic cycle is recovering after years of recession, political risk in Europe has eased and the Central Banks are starting to reduce the highly expansionary policies. This scenario is accompanied by the process of strengthening of the banking system, which increases the possibilities of diversification for investors looking for attractive returns, who may target alternative debt instruments, such as subordinated bonds. We believe that the financials not only offer the most interesting risk-return profile in the current phase, but also extensive liquidity; we envisage growth opportunities for the subordinated bond market between 2017 and 2019, also due to the effect of the new regulations, and we also expect new issues by Italian institutions. **KIS Financial Income** has been designed to take advantage of the opportunities that present themselves in this sector, through the analysis of the capital structure of issuers and of the macroeconomic context. Since its launch, last 24 July, the product has collected funding more than Euro 500 million".

Kairos

Kairos, founded in 1999, is a company operating in the asset management and private banking sector, with 150 staff and around € 11 billion in assets managed, with offices in Milan, Rome, Turin and some offices in the main international financial centres.

The Group engages in effective asset management activities, thanks to management teams not restricted by benchmarking and focused on performance and on risk control and offers a thorough private banking service, which can count on Kairos' management expertise, the know-how of Julius Baer and the institutional research of other investment firms.

The strategic partnership of 2012 with Julius Baer, one of the most important private banking groups in the world, now a majority shareholder, also helps to increase the value of the investment boutique business model at European level, with an integrated offering of value for private and institutional customers.

For more information:

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