





- Euro and USD Corporate Bonds Comparison
- Zest Investment Process



ZEST

Asset Management SICAV

EUR Corporate Bonds Yield to Worst Grouped by Rating and Duration

- Small Yield pick-up (by increasing Duration) in High Quality Issuers. High Quality & Short Duration offer almost 0% Yield
- Risk Taking is “Mandatory”, if Looking for Yield. Tail Risk & Hidden Risk the Name of the Game. Investors do not cover Inflation
- Credit Analysis becomes Paramount, i.e. NO Room for Error.

EUR	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0							0.876	0.841	-0.073	2.552	-2.694		-9.796	-5.661	2.849	9.786	-9.538		
1						0.678	1.019	1.082	1.327	0.778	0.557	0.145	1.812		1.690				
2							1.075		0.723	0.683	2.759	1.302	2.996	5.192			2.243		
3							0.711		1.263	1.190	1.456	2.101	3.243		8.959	15.774			
4							0.959		1.560	1.655	2.403	2.844	2.984		3.811	16.127			
5							0.950	1.048	1.090	1.484	2.301	1.808	4.225	5.192	5.792		8.826		
6				0.989		1.126	0.907	0.883	1.039	1.761	3.332	3.242	3.735	5.724					
7						0.772	1.059	0.902	1.097	2.139	3.789								
8			0.694			0.766	0.965	1.058	1.147	2.835	4.098								
9			0.673		0.671	1.084	1.166	1.029	1.363	1.202									
10				0.724	0.845	0.808	1.250	1.164	1.952										
11					0.922	1.392	1.419	1.662	1.613										
12	0.705			1.191	0.953	1.140	1.392	1.693	2.335										
13				1.145				1.790	2.380										
14	0.960		1.205	1.050	1.155	1.480	1.546	1.819	1.996										
15				1.149			1.689	2.479	2.241										
16				1.233	1.126	1.569	2.101	2.067											
17											3.320								
18						1.143		2.558											
28							3.169												



USD Corporate Bonds Yield to Worst Grouped by Rating and Duration

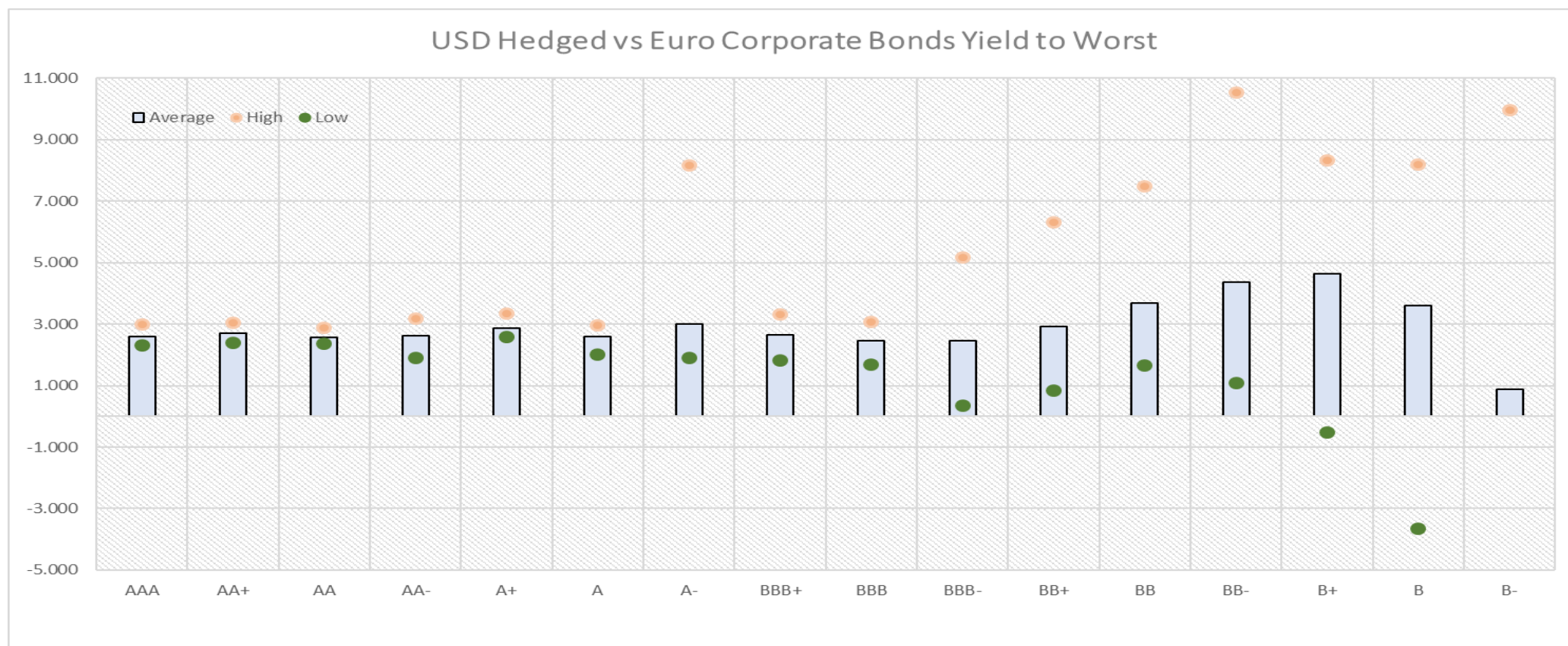
- Still Small Yield pick-up in High Quality Issuers.
- Investors are at least able to cover Inflation. Small Risk Premia for Lower Ratings, i.e. a “more normal” market
- Cross-Over still the Sweet Spot for Investors.

USD	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0	2.687	2.561	2.573	2.892	2.716	2.704	3.248	3.040	2.987	2.902	3.112	1.805	0.733	2.670	-0.795	3.632			
1	2.368	2.397	2.429	2.505	2.593	2.700	2.918	2.889	3.083	3.181	3.553	3.506	3.733	3.590	4.026	4.299	8.602		
2	2.319	2.466	2.359	2.387	2.677	2.683	3.119	2.927	2.946	3.272	3.584	3.971	4.656	4.663	5.237	5.536			
3	2.379	2.505	2.530	2.450	2.795	2.662	3.153	3.093	3.097	3.366	4.090	4.543	4.929	4.992	6.023	7.875	8.160	25.579	
4	2.398	2.617	2.571	2.584	2.755	2.804	3.295	3.309	3.242	3.499	4.365	4.497	4.997	5.500	6.644	9.539		9.181	
5	2.621	2.747	2.739	2.863	2.854	2.923	3.466	3.375	3.589	3.745	4.540	4.625	5.299	6.708	7.704	9.946			83.015
6	2.739	2.899	2.868	2.899	2.881	3.160	3.618	3.624	3.687	4.210	4.867	5.616	5.335	6.972	6.961	6.971			
7	2.860	3.019	2.855	2.943	3.068	3.318	3.636	3.648	3.822	4.438	5.088	5.495	5.280	7.407	7.401				
8	2.981	3.040	3.122	3.173	3.188	3.319	3.821	3.739	3.907	4.729	5.312		8.309	8.177	7.840				
9			3.055		4.015	3.633	4.285	4.007	4.248	4.799	5.236	6.618	7.617	6.234					
10				3.333	3.641	3.760	4.079	4.141	4.810	5.173	6.302	7.470	6.355		8.185				
11							4.511												
12																			
13																			
14								4.000											
15								4.868											
16																			
17																			
18																			
27							11.328												



EUR vs USD Corporate Bonds Yield to Worst – Currency Hedged grouped by Rating

- Currency Hedging Cost is now 2.95% per year.
- Limited to no Risk-Free Cross Currency Arbitrage.
- Years of Central Banks Intervention have forced Investors to extract “Alpha” in whichever way possible.
- Corollary of this is the “Steepness of the Alpha Yield Curve”



EUR Corporates better positioned for a Rising Rate Environment...if and when.

- EUR Corp with Maturity > 10 Years is 37.11% of Outstanding (our sample*)
- USD Corp with Maturity > 10 Years is 7.19% of Outstanding (our sample*)

* Our Sample of Eur 312Bil. (537 Securities) and USD 2'350Bil (4'981 Securities).

Steepness of the Alpha Yield Curve

- Focus on Analysis of the Business Model
- Competitive Landscape and Long Term Opportunity for the Company.
- Buy and Hold Strategy
- Tail Risk Management Becomes Key.

Comcast Corporation provides media and television broadcasting services. The Company offers video streaming, television programming, high-speed Internet, cable television, and communication services. Comcast serves customers worldwide.

Market Cap USD m 196,030

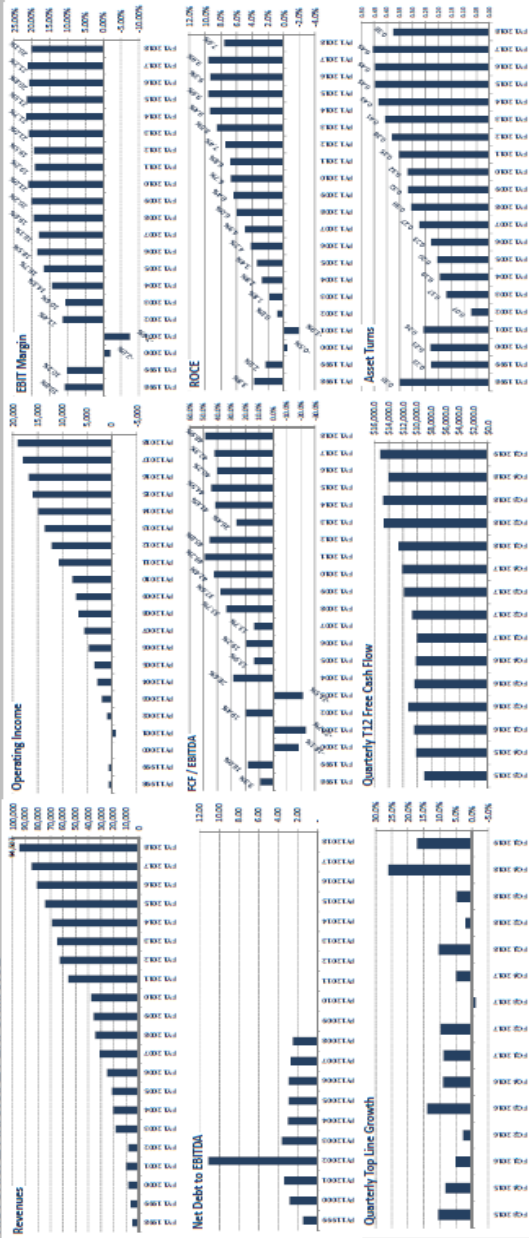
Rating/Outlook

Sector/Sub sector

Communication Services

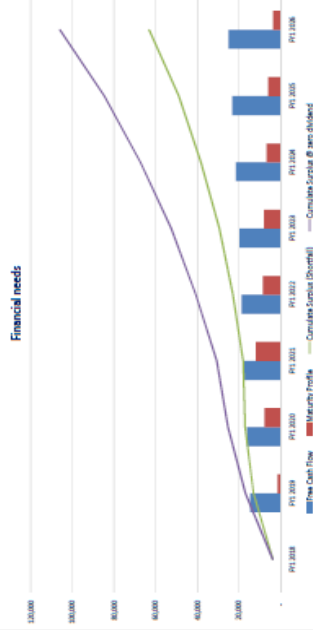
Cable & satellite

HISTORICAL FINANCIAL PERFORMANCE



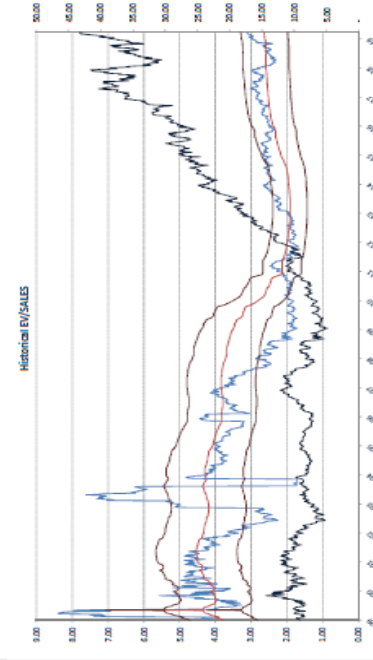
Ratios

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
P&L								
Sales	151,063	145,507	111,412	117,405	100,543	130,040	140,267	151,362
Median Growth	7.89%	11.15%	17.95%	5.40%	2.59%	7.89%	7.89%	7.89%
EBITDA	27,706	29,685	34,650	36,890	38,448	40,802	37,831	47,683
EBIT	16,018	19,009	21,748	23,364	24,112	25,389	26,177	30,050
EBIT Margin	21.19%	20.11%	19.51%	19.85%	20.00%	19.52%	20.08%	19.85%
Net Income	22,735	11,731	13,263	14,733	15,884	17,654	16,663	21,865
Free Cash Flow	11,711	14,523	14,667	16,279	17,472	18,776	19,739	21,539
Free Cash Flow Margin	13.77%	15.37%	13.85%	13.85%	14.50%	14.44%	14.07%	14.23%
Cash needs								
FCF	14,667	16,279	17,472	18,776	19,739	21,539	21,539	21,539
Maturity Profile	1,532	7,905	12,064	8,734	7,995	6,700	7,995	6,700
Bond Principal	1,450	7,645	8,175	3,680	3,799	6,700	6,700	6,700
Amount Avail In Revolvers	-	-	9,781	-	-	-	-	-
Term Loan Out	82	260	3,888	5,053	4,195	-	-	-
Dividends	3,676	4,247	4,576	5,077	5,207	6,101	6,101	6,101
Yr Surplus (shortfall)	9,259	4,126	832	4,965	6,538	8,739	8,739	8,739
Cumulative surplus (shortfall)	3,814	13,073	17,199	18,032	22,987	29,535	38,274	38,274
Cumulative surplus @ zero dividend	3,814	16,949	25,323	30,732	40,774	52,519	67,359	67,359
Financial needs								

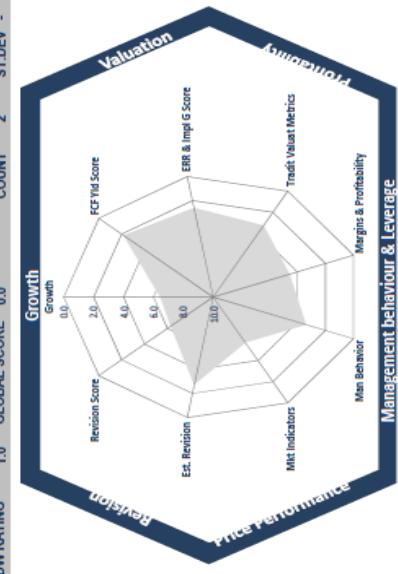


FROM EQUITY WORLD

Valuation	t-1	t-2	t-3	t-4	t-5
EV/Sales	2.73	2.59	2.52	2.34	2.17
EV/EBITDA	8.77	8.24	7.91	7.45	8.03
P/E	14.8	13.3	12.3	11.1	10.5
FCF Yield	7.5%	8.3%	8.9%	9.6%	10.1%
FCF Years	20.7	18.7	17.4	16.2	15.4
Dividend Yield	2.0%	2.2%	2.3%	2.6%	2.7%



ADW RATING 1.0 GLOBAL SCORE 0.0 COUNT 2 ST DEV -

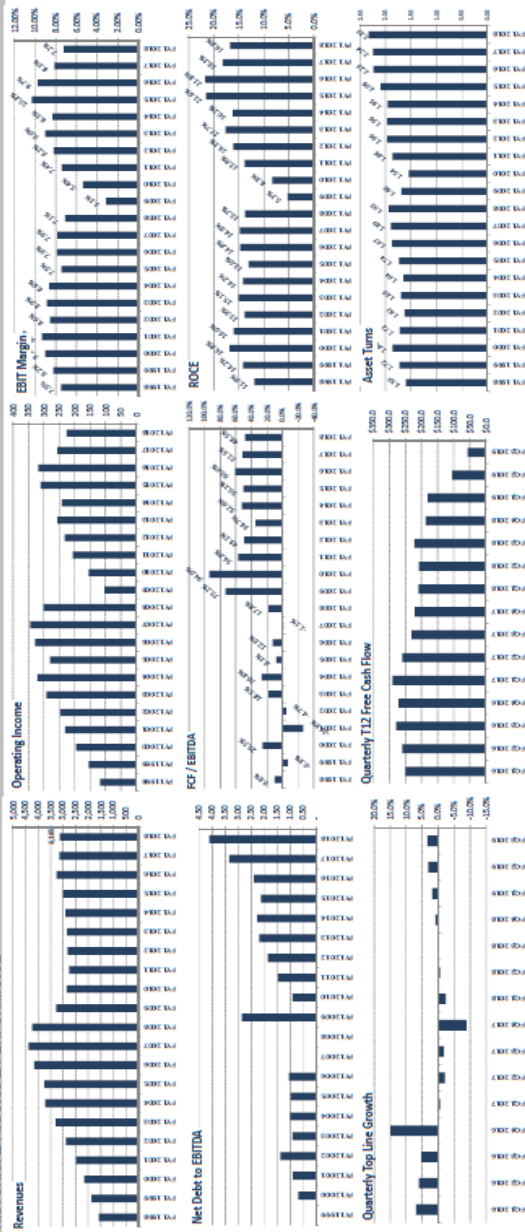


NOTE

Brinker International, Inc. is a restaurant operator who owns, operates, or franchises establishments in the United States and internationally. These restaurants offer customers burgers, ribs, salads, steaks, classic Italian fare, and Tex-Mex offerings.

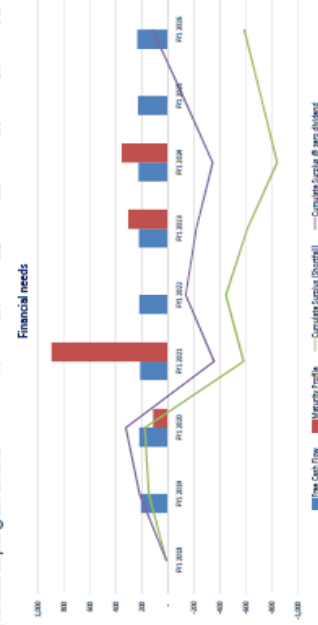
Market Cap 1,523
USD m
Rating/Outlook BB+ STABLE
Sector/Sub sector Consumer Discretionary Restaurants

HISTORICAL FINANCIAL PERFORMANCE



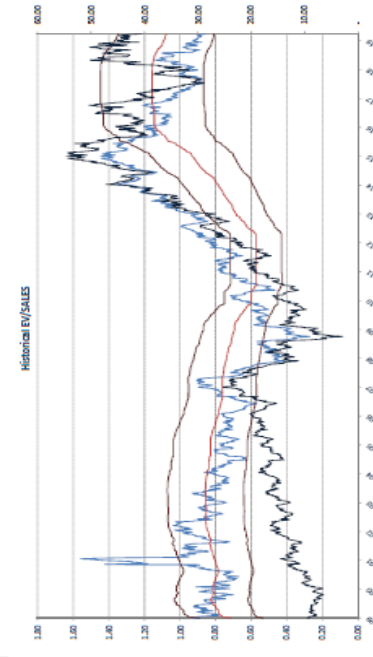
Financials

	PBL	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
US\$B									
Median Growth	3.151	3.135	3.221	3.277	3.351	3.416	3.483	3.557	
EBITDA	1.96%	-0.49%	2.72%	1.74%	2.25%	1.95%	1.96%	1.96%	
EBIT Margin	8.13%	7.21%	7.17%	6.82%	6.62%	6.62%	6.62%	6.62%	
Net Income	151	136	153	147	147	153	156	158	
Free Cash Flow	213	193	205	216	212	218	220	224	
Free Cash Flow Margin	6.75%	5.84%	6.36%	6.59%	6.33%	6.36%	6.36%	6.36%	

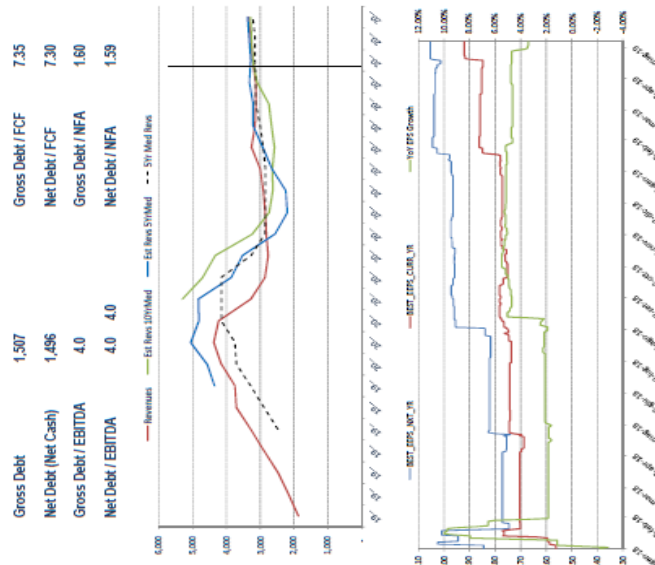


FROM EQUITY WORLD

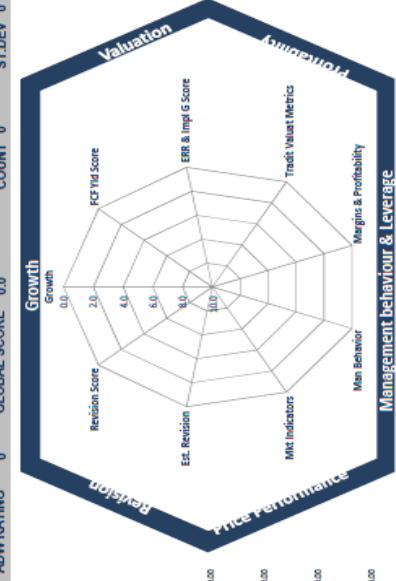
Valuation	I-1	T-2	T-3	T-4	T-5
EV/Sales	0.34	0.52	0.90	0.88	0.87
EV/EBITDA	8.09	8.15	7.49	7.24	7.24
P/E	9.9	10.4	10.4	9.9	9.8
FCF Yield	13.5%	14.2%	13.9%	14.3%	14.4%
FCF Years	14.7	14.0	14.2	13.9	13.7
Dividend Yield	4.6%	5.0%	5.2%	5.4%	5.5%



Ratios



FROM EQUITY WORLD



NOTE

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