

Pentagon Global Diversified Bond Fund

SEPTEMBER 2024

THE FUND:

Pentagon Global Diversified Bond Fund Limited is incorporated as an exempted company under the laws of Bermuda and is authorised as an administered fund under the Investment Funds Act 2006 of Bermuda.

OBJECTIVE:

The principal objective of the Fund is to provide shareholders with an opportunity to invest in a portfolio of predominantly investment grade debt and higher yielding securities that produce regular income and long-term capital appreciation.

INVESTMENT APPROACH:

To achieve its investment objectives the Fund invests in debt securities that consist principally of bonds and asset backed securities. The investment focus is on corporate rather than sovereign debt. In order to diversify the Fund's investments, the Fund invests in securities across different countries, currencies, industries and sectors. This allows the investment manager to reduce the risk that the Fund is not exposed to one particular sector or currency and therefore improves the Fund's overall risk adjusted return.

FUND INFORMATION

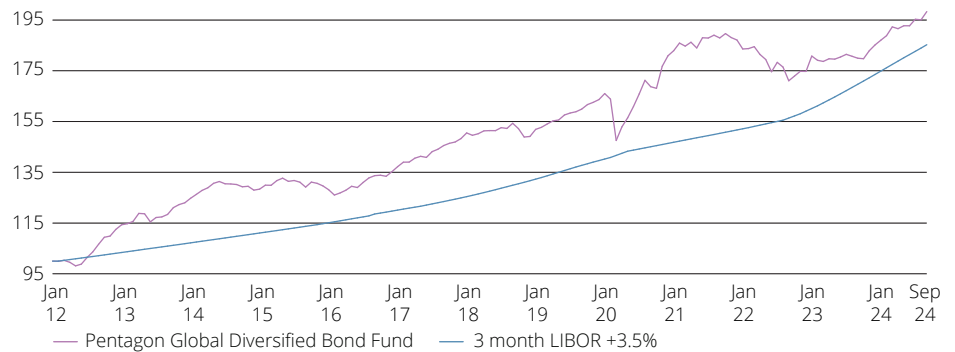
Total Fund Size	\$15.98m
NAV per Share	\$126.06
NAV Since Inception Inc Dividend	\$198.31
NAV at Launch	\$100.00
Underlying Running Yield	4.45%
Effective Duration	3.0
Number of Positions held	26

DIVIDEND INFORMATION

Cumulative Dividend Paid Since Inception	\$72.25
Last Dividend Paid (1 July 2024)	\$1.50
Targeted Annual Dividend Yield	5.00%
Expected Annual Dividend Yield	4.76%
Next Dividend Pay Date	1 October 2024

PERFORMANCE

SINCE INCEPTION (net of fees) (including dividend)

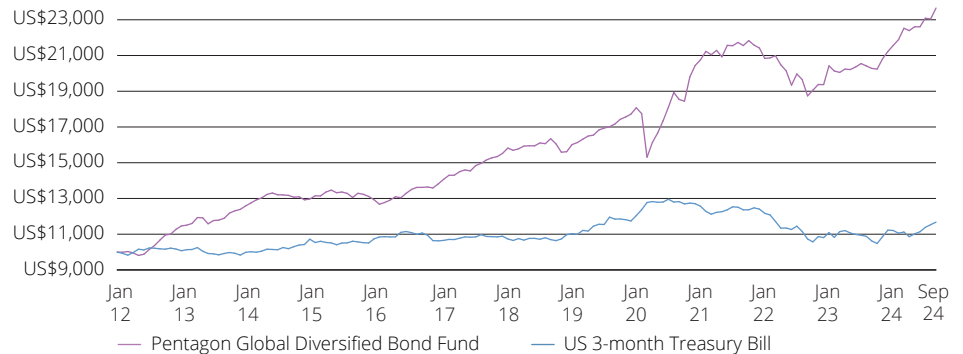


FUND PERFORMANCE

	1 month	3 month	1-year	3-years	5-years	Annualised Return since Inception
Absolute Return	2.6%	4.6%	16.7%	3.1%	6.6%	7.0%
	YTD*	2023	2022	2021	2020	2019
Absolute Return	11.5%	9.6%	-9.6%	4.8%	15.3%	13.5%

* Calendar year to date

GROWTH OF US\$10,000 SINCE INCEPTION (including dividend)



FUND DETAILS

ADMINISTRATION INFORMATION

Minimum Subscription	\$50,000
Subsequent Investment	\$1,000
Liquidity	Monthly
Unit Purchase Transaction Cost	0.75%
Investment Advisor Fee	0.50%
Administration Fees	c.0.40%
Performance Fee	N/A

KEY DATES

Launch Date	1 January 2012
Year End	30 September 2024
AGM Date	December
Dividend Determination Dates	March, June, September, December

INVESTMENT MANAGER

Pentagon Global Diversified Bond Fund Limited is managed by ICM Investment Management Limited (ICMIM). ICMIM is authorised and regulated by the UK Financial Conduct Authority (FCA) as a Collective Portfolio Management Investment firm. ICMIM's headquarters are in Epsom, Surrey, UK.

INVESTMENT AND RESEARCH TEAM

• Alasdair Younie • Conor Spencer
• Gavin Blessing • Ben Hannigan

BOARD

• Greg Reid • Ray McMahon
• Jon Brunson

FUND LETTER SEPTEMBER 2024
PERFORMANCE

In September, the Pentagon Global Diversified Bond Fund (the "Fund") increased by 2.6%, versus 1.6% for the US High Yield Index and 1.7% for the US Investment Grade Index.

Year-to-date, the Fund has returned 11.5%, compared to 8.0% for the US High Yield Index and 5.8% for the US Investment Grade Index.

Since its inception, the Fund has returned over 136.5% in total, or 7.0% annually, versus 102.7% for the US High Yield Index and 51.0% for the US Investment Grade Index.

FUND POSITIONING

In September, the Fund fully closed its underweight to credit spread duration. Over the past few months, the Fund has pivoted to

a much more risk-on stance, a trend we expect to continue over the coming months.

The fund now has 16.9% invested in technology converts. These are generally trading reasonably close to the par value of the bonds, giving the Fund a free option if the equity of the underlying companies does well but protecting the Fund's capital should the equity disappoint.

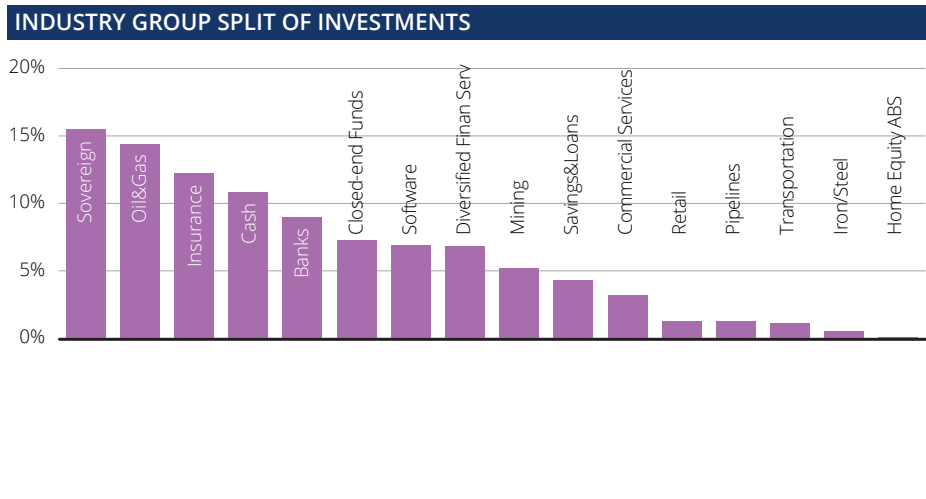
The Fund has 13.3% invested in Additional Tier 1 ("AT1") bank capital and a further 12.2% invested in Restricted Tier 1 ("RT1") insurance capital. Global financial regulators mandated this type of capital in response to the Global Financial Crisis ("GFC"). It is designed to protect taxpayers in future financial crises by requiring that banks issue more bail-in-able capital that can be used to shore up banks' balance sheets before the need to tap up taxpayers. In our view, AT1's and RT1's tend to trade with

a significant yield premium, over and above what is justified by their position in the capital structure. This means we have been frequent investors in this type of capital. Our bullish economic view also adds to our conviction that now is a tremendous time to invest in this area.

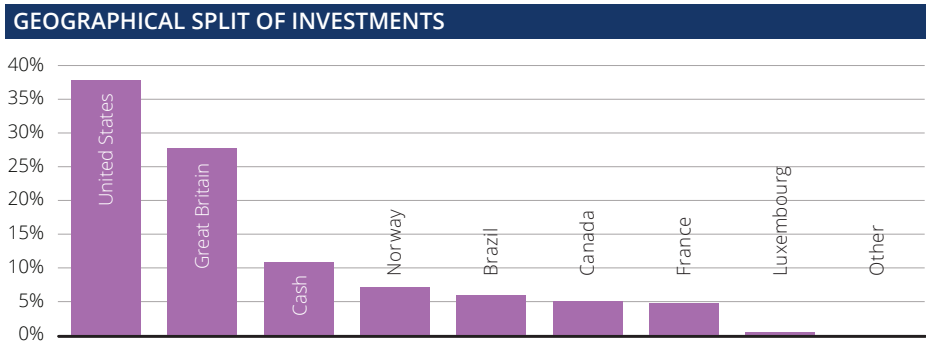
The Fund has significant exposure to cyclical sectors, with 11.0% in energy bonds and 1.3% in retail bonds, in the expectation of improving economic conditions.

The Fund has continued to materially reduce exposure to government bonds and will continue to do so in the coming months.

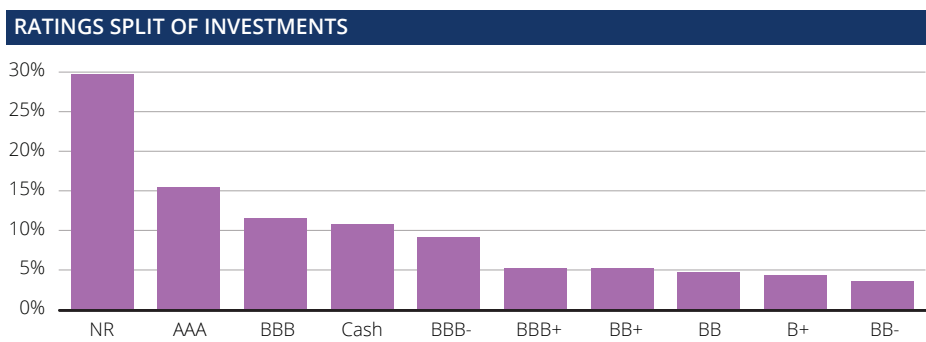
As always, the Fund continues investing where we see the most significant return while minimising the risk of medium-term capital impairment.



TOP TEN HOLDINGS		
		% of gross assets
1	UIL 2026 ZDP	7.42
2	Just Group 5% Perp (Mar 31)	6.76
3	DNO 7.875% 2026 (Sep 2024)	5.79
4	Phoenix Life 5.75% Perp (Apr 2028)	5.44
5	Aris Gold 7.5% 2027	5.22
6	T 3.5% February 2033	4.92
7	Credit Agricole 8.125% Perp (Dec 2025)	4.82
8	Cosan O/seas. 8.25% Perp (Discrete 30 days notice)	4.78
9	T 4.0% February 2028	4.69
10	T 0.0% October 2024	4.69
TOTAL		54.54



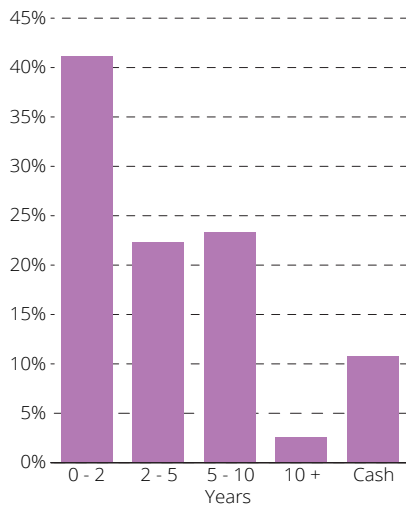
Average Credit Quality	BBB
Sharpe Ratio (Risk Free Ref: US 3mth T-Bill)	0.80
Annualised Standard Deviation	7.15%
Information Ratio	0.56
Correlation to Treasuries	-0.05
Correlation to IG Corporates	0.64
Correlation to HY Corporates	0.81
% Periods Up:	66
% Periods Down:	34



Domiciled	Bermuda
Currency	USD
Minimum Subscription	\$50,000
Distributions	Quarterly
Investment Advisor	ICMIM
Custodian	Royal Bank of Canada
Fund Administrator	Artex Capital Solutions
Auditors	KPMG
Legal Advisors	Conyers, Dill & Pearman Ltd

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DURATION SPLIT OF INVESTMENTS



TEAM BIOGRAPHIES



ALASDAIR YOUNIE

Alasdair Younie joined ICM in 2010, is a Director of ICM Limited and is based in Bermuda. Alasdair has extensive experience in financial markets and corporate finance, and he is responsible for the day to day running of the Somers Group. Alasdair qualified as a chartered accountant with PricewaterhouseCoopers and subsequently worked for six years in the corporate finance division of Arbuthnot Securities Limited in London. Alasdair graduated from Bristol University with a BSc in Economics and Economic History in 1998 and is a Member of the Institute of Chartered Accountants in England and Wales.



GAVIN BLESSING

Gavin Blessing joined ICM in 2012 to lead its Fixed Income division. Gavin has over 20 years of experience managing investments for clients in the financial capital markets. Prior to joining ICM he worked at Goldman Sachs Asset Management in London for over 10 years as a Credit Research Analyst and Portfolio Manager. Gavin holds a BComm degree from University College Dublin, is a CFA Charterholder and is a member of the Institute of Chartered Accountants in Ireland. gavin.blessing@icm.limited.



CONOR SPENCER

Conor Spencer has worked in financial markets for over 12 years. Prior to joining ICM, Conor worked as a Senior Credit Research Analyst And Fixed Income Portfolio Manager at Dexia S.A. Prior to joining Dexia, Conor lectured Management Science and Statistics in Dublin Institute of Technology.



BEN HANNIGAN

Ben Hannigan joined ICM in 2019 and he is a Senior Analyst based in Dublin. Previously Ben was at Davy stockbrokers, where he worked on the investment team responsible for managing the Multi Asset Fund of Funds product. Before this he worked as a data analyst in KPMG from 2012 through to 2016. Ben graduated with an honours degree in Management Science from DIT, Ireland in 2012. He is a Member of the Institute of Chartered Accountants in Ireland and he is a CFA Charterholder.

Further information regarding Pentagon Global Diversified Bond Fund Limited (including prospectus and subscription agreement) is available from Gavin Blessing, gavin.blessing@icm.limited.

Alternatively, Pentagon Global Diversified Bond Fund subscription forms are available from Artex Capital Solutions, Wessex House, 45 Reid Street, Hamilton, HM12, Bermuda <https://www.artexrisk.com/> or from Donnell Steede, donnell_steede@artexrisk.com

Important Notes

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