



Example Mandate Report

June 2021

cr

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Overview

Mandate information

Fixed income active

Example Mandate Report

96.28m

Total Assets in USD

MTD return

2.16%

Benchmark 2.19%

QTD return

4.62%

Benchmark 4.35%

Average duration, years

5.6

Average rating, S&P

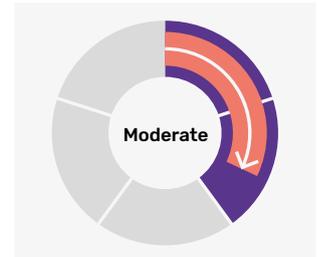
A+

Portfolio manager



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Risk status



Portfolio and strategy

Per 31.06.2021



Market

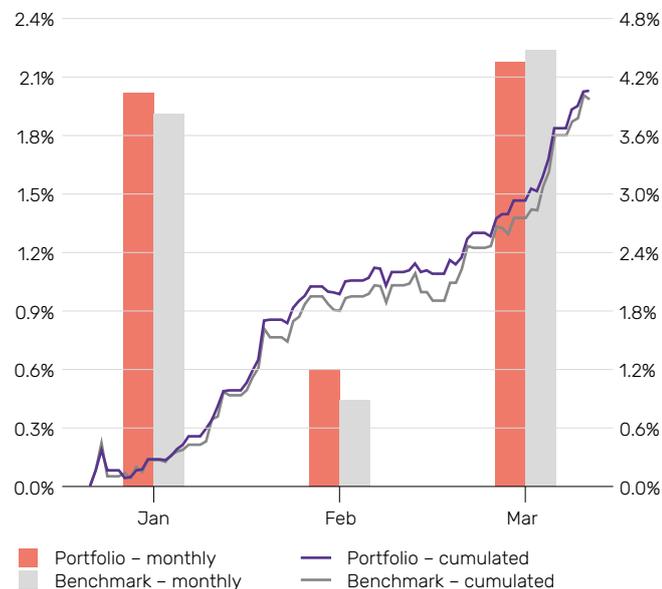
Commentary, 31.06.2021

A month driven by falling interest rates

The J.P. Morgan CEMBI Broad Diversified High Grade Index posted another strong monthly return of 1.77% in March. As opposed to the previous months, performance was strongly driven by falling interest rates rather than credit spread tightening.

Performance

Monthly and cumulated return in 2021



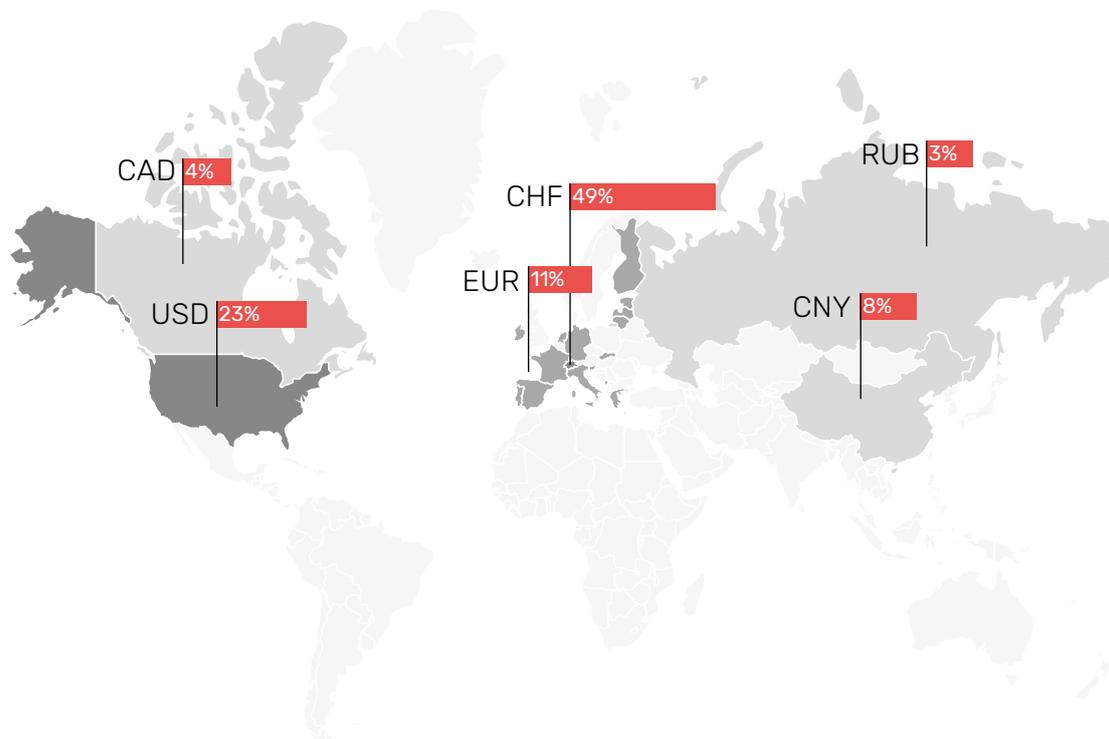
Positions return

Top gainers

1	WELLTOWER INC	14.35%
2	USD/EUR REC	13.58%
3	USD/GBP REC	9.89%
4	EUR/USD PAY	-0.69%
5	GBP CASH	3.17%
6	ENEL FINANCE INTERNATIONAL NV	delta 2.78%
7	WELLTOWER INC	delta 0.69%
8	WELLTOWER INC (US)	delta 0.43%
9	GBP CASH	3.17%
10	USD/CHF	-11.64%

Assets

by currency





Key metrics

Min return 2021 -2.56% Benchmark -2.41% delta 0.16%	Max return 2021 2.75% Benchmark 2.34% delta 0.41%	QTD return 2.21% Benchmark 1.52% delta 0.69%
Annualized risk 4.83% Benchmark -2.41%	Tracking error 2.28%	Sharpe ratio -0.62
Alpha -0.13	Beta 1.09	Information ratio -0.59

Transactions

Last movements

JUL 22	Sell WELLTOWER INC 1.75%, 2023, CHF 200'000
JUL 22	Buy SIKA AG 2.75%, 2023, CHF 200'000
JUL 21	Sell UNION PACK 6.15%, 2023, CHF 150'000
JUL 21	Sell WELLTOWER INC 3.15%, 2023, CHF 500'000
JUL 21	Sell WELLTOWER INC 2.75%, 2023, CHF 200'000
JUL 21	Buy SIKA AG 1.5%, 2023, CHF 150'000
JUL 19	Sell UNION PACK 0.7%, 2023, CHF 200'000

Performance

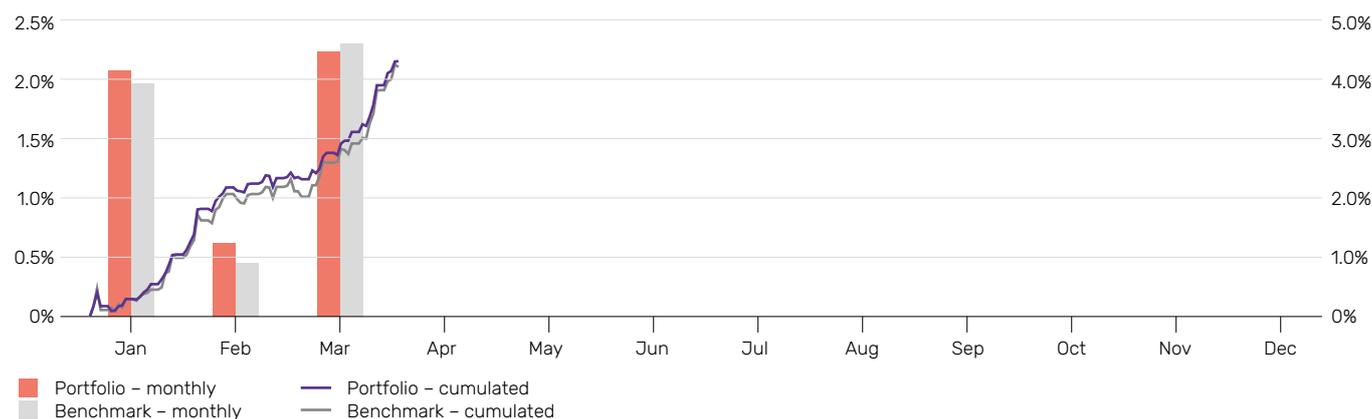
Return key figures

Monthly overview since 01.01.2021, MTD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Portfolio gross	1.89%	0.56%											2.46%
Benchmark	1.79%	0.41%											2.20%
Relative gross	0.10%	0.15%											0.25%

Monthly and cumulated return

since 01.01.2021, YTD



Contribution and attribution

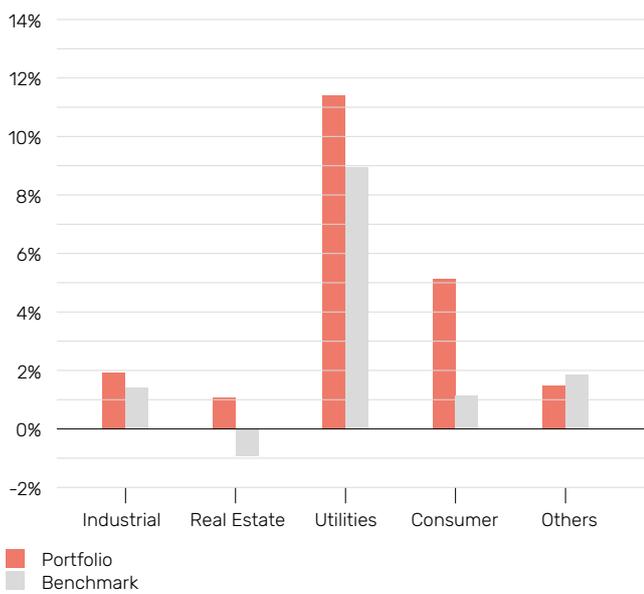
by sector, MTD

	Weight	Portfolio Contribution	Weight	Benchmark Contribution	Active Contribution	Chart
Consumer	3.38	0.07	8.63	0.06	0.01	
Diversified	8.78	0.22	11.94	0.15	0.08	
Financials	31.47	0.47	30.31	0.44	0.03	
Industrial	52.50	0.81	46.12	0.82	-0.01	
Infrastructure	3.65	-0.00	2.31	0.05	-0.05	
Others	0.22	0.57	0.68	0.58	-0.00	
Total	100.00	2.15	100.00	2.10	0.05	

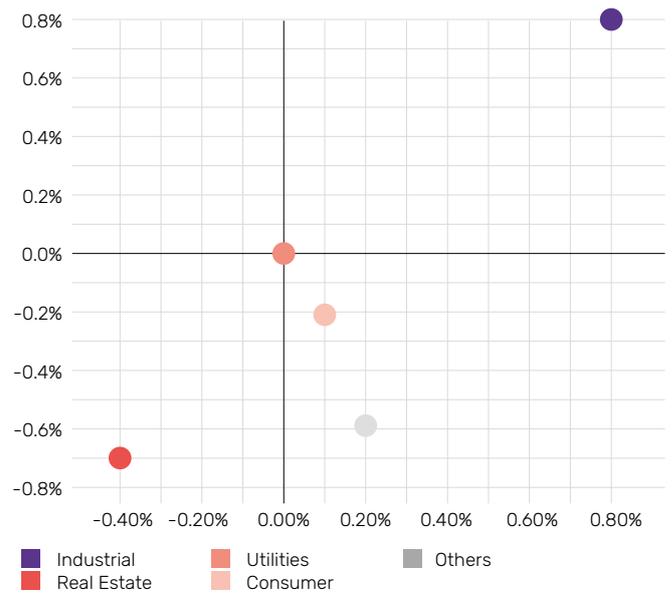
Attribution effects
in bps, MTD



Contribution
by sector, in %, MTD



Performance/Weight
by sector



Assets

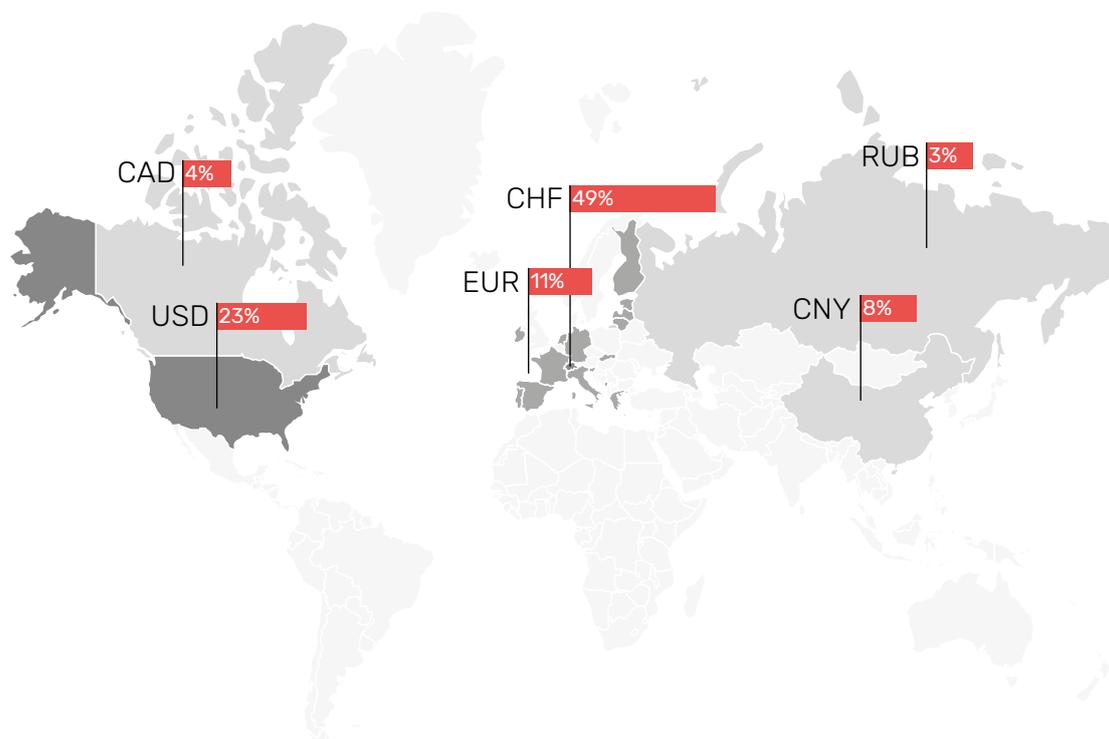
Strategy and bandwidths

by currency

	Portfolio	Strategy	Weight Relative	Minimum	Maximum	Bandwidths Breach
USD	59.57%	50%	9.57%	49%	59%	Yes
EUR	15.88%	20%	-4.12%	14%	22%	No
JPY	8.53%	10%	-1.47%	8%	12%	No
GBP	6.01%	5%	1.01%	3%	7%	No
AUD	4.12%	5%	-0.88%	3%	7%	No
CHF	3.49%	5%	-1.51%	3%	7%	No
Others	2.40%	5%	-2.60%	0%	5%	No

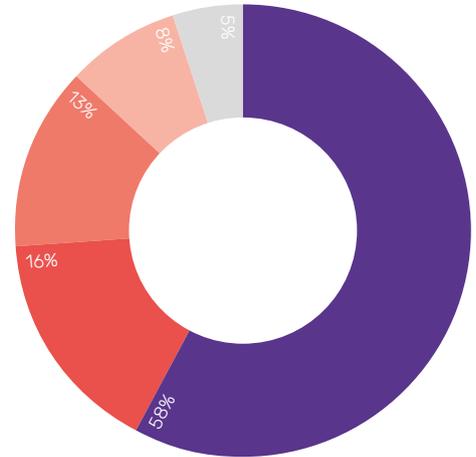
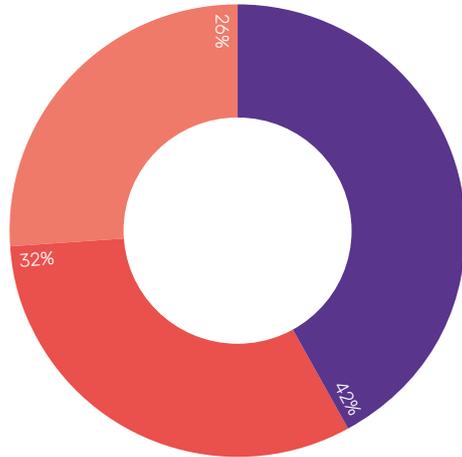
Assets

by currency



Strategy and bandwidths

by currency



■ >10 years
■ 3-5 years
■ <1 year

■ AAA
■ AA
■ BBB
■ B
■ BB

	AAA	AA	BBB	B	BB	TOTAL
>10 years	32%	0%	0%	0%	0%	32%
3-5 years	26%	16%	0%	0%	0%	42%
<1 year	0%	0%	8%	13%	5%	26%
Total	58%	16%	8%	13%	5%	100%

Risk key metrics

Risk figures

Ex-post, 1 year

	Portfolio	Benchmark	Relative
Annualized return in %	8.21	7.15	1.06
Annualized risk in %	7.03	5.72	-
Sharpe ratio	0.89	0.9	-
Maximum draw-down	-4.73	-4.96	-
Tracking error	-	-	2.16
Beta	-	-	1.18
Alpha	-	-	0.11
Information ratio	-	-	0.49
Correlation	-	-	0.96

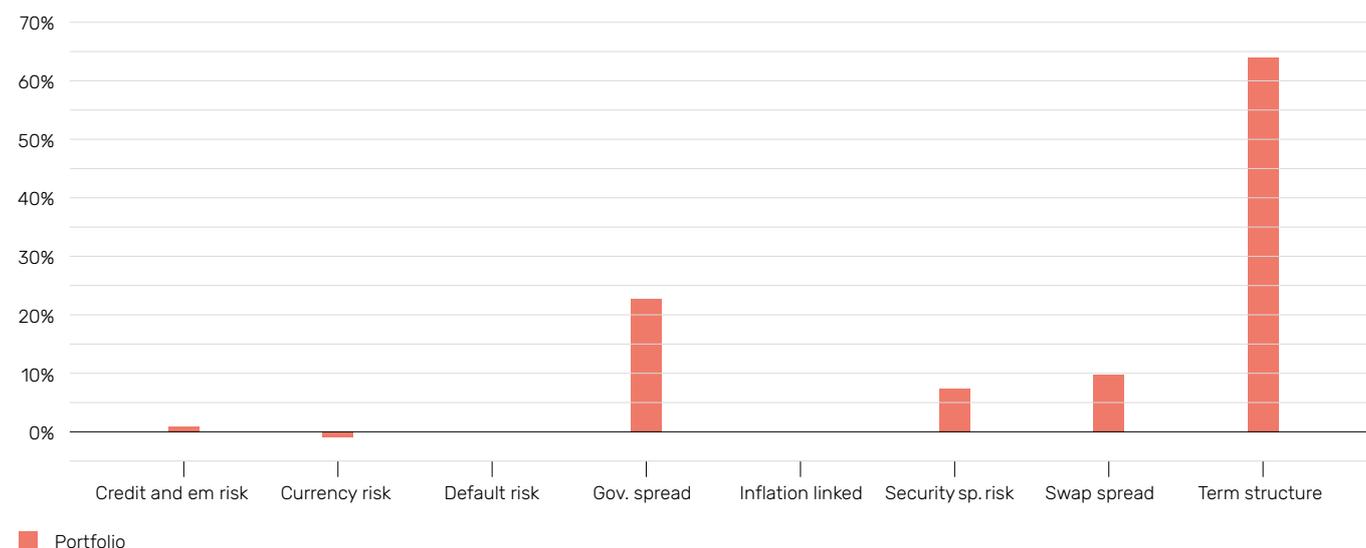
Risk figures

Ex-ante, 1 month

	Portfolio	Benchmark	Relative
Annualized return in %	8.9	8.7	0.2
Annualized risk in %	7.35	6.14	-
Sharpe ratio	0.99	1.14	-
Maximum draw-down	-6.58	-5.26	-
Tracking error	-	-	2.16
Beta	-	-	1.16
Alpha	-	-	-0.87
Information ratio	-	-	0.09
Correlation	-	-	0.97

Contribution to tracking error

by factor



Value at risk

by method

	90% confidence	95% confidence	99% confidence
Parametric VaR	4'123'987	4'818'153	6'578'294
Empirical VaR	1'273'969	3'823'932	4'458'229
Expected shortfall	7'287'383	8'732'949	8'372'883

Market commentary

Summary

01.06.2021

A month driven by falling interest rates

The J.P. Morgan CEMBI Broad Diversified High Grade Index posted another strong monthly return of 1.77% in March. As opposed to the previous months, performance was strongly driven by falling interest rates rather than credit spread tightening. US 10-year Treasury bond yields fell by 31 basis points (bps) to 2.41%, a level last seen at the beginning of 2018. Short end (2-year) and long end (30-year) yields fell by 25 bps and 27 bps, respectively.

A more dovish-than-expected FOMC meeting has confirmed that the Fed has changed course and no longer expects to hike interest rates this year. Additionally, further positive signals in US-China trade negotiations should be supportive for emerging markets and result in ongoing inflows into the asset class. One of the key worries for markets will be the further path of global economic growth and the magnitude of the slowdown. The recent inversion of the 10-year to 3-month US yield curve has put a lot of focus on a possible US recession within the next 1- 2 years.

As a result, the yield curve (10-year vs. 3-month) became inverted for the first time since 2008. EM high-grade credit markets widened by 6 bps to 211 bps. Market volatility increased during March as investors are concerned about a possible stronger-than-expected economic growth slowdown. The US Federal Reserve

(Fed) also delivered a more dovish assessment and lowered their interest rate projections to a now expected zero hikes in 2019. Market expectations for a positive outcome in US-China trade negotiations have continued to increase.

Current Trend

The current environment continues to benefit emerging markets and carry strategies, with the shift in the US rate policy a key driver for the positive sentiment. A more dovish-than-expected FOMC meeting has confirmed that the Fed has changed course and no longer expects to hike interest rates this year. Additionally, further positive signals in US-China trade negotiations should be supportive for emerging markets and result in ongoing inflows into the asset class. One of the key worries for markets will be the further path of global economic growth and the magnitude of the slowdown. The recent inversion of the 10-year to 3-month US yield curve has put a lot of focus on a possible US recession within the next 1- 2 years. While valuations in EMs have tightened since the beginning of the year, ongoing inflows and apart from Asia and the Middle East only limited new supply provides a strong technical backdrop for emerging market credits. We also remain comfortable with many credits from a fundamental perspective.

Key Points

- CEMBI Broad Diversified High Grade Index posted another strong monthly return
- 6 bps to 211 bps
- 10-year to 3-month US yield curve
- US-China trade negotiations should be supportive for emerging markets



Cumulated return

since 01.01.2021

