GENERATION ALFA SA

Corporate Credit Bond Portfolio

Performance record in USD from 31.12.2008 to 31.12.2016

Management Firm:	Generation Alfa SA	**Inception date**	31.12.2008
Strategy:	Bonds	**Liquidity**	Weekly
Fund currency	USD	**Fees:**	1%; 10%
Minimum Investment:	2'000'000	**Bench. 1:**	iBoxx
		Bench. 2:	

Description

This portfolio invests in Investment Grade and High Yield bonds from Developed and/or Emerging Market countries. The parameters of good performance lie into the accurate selection of the underlying companies and appropriate regional allocation. Should opportunities appear, the portfolio may invest into distressed debts and new issues. Very occasionally some local currency bonds and convertible bonds shall be traded too.

The average corporate rating (by S&P) will typically lie between B- and A+.

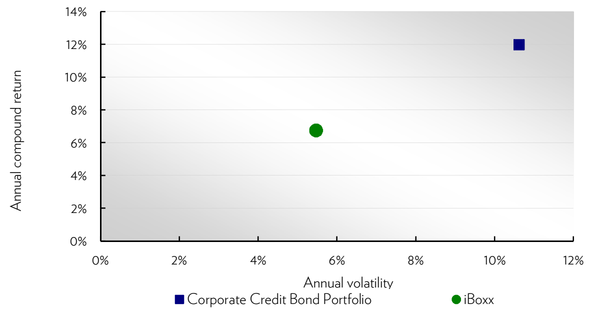
Comment

The CCB model has achieved a positive performance in December and a + 5.48% for the year.
The portfolio was maintained defensively during the all 2nd half of the year, as we were fearing possible reactions to a Trump's election.
As such, the portfolio has a much lower duration than previously, with 2 bonds maturing in 2017 (Kazkommertsbank and Bank of St Petersburg).
At the end of year, the Grupo Papelero Scribe bond was redeemed at 102.50%, which is increasing the liquidity of the portfolio.
For the year 2017, we will be watching the US curve in order to increase our exposure to US subordinated and perpetual bonds.
We will maintain the exposure to EM market equal and reinvest maturing bonds into new names.
We believe that the target of 6% annualized return could be achieved in 2017, as well.

Statistics

	Main fund	Bench. 1
Total Return	147.30%	68.63%
Annual Compound Return	11.97%	6.74%
Annual Volatility	10.62%	5.47%
Monthly Volatility	3.07%	1.58%
Maximum Drawdown	-14.08%	-6.43%
Sharp Ratio (0.5%)	1.08	1.14
Sortino by Mean	-0.06	-0.03
Volatility of Positive Returns	2.04%	0.99%
Volatility of Negative Returns	2.09%	0.96%
% Positive Months	67.71%	60.42%
Average Positive Returns	2.56%	1.56%
Average Negative Returns	-2.30%	-0.97%

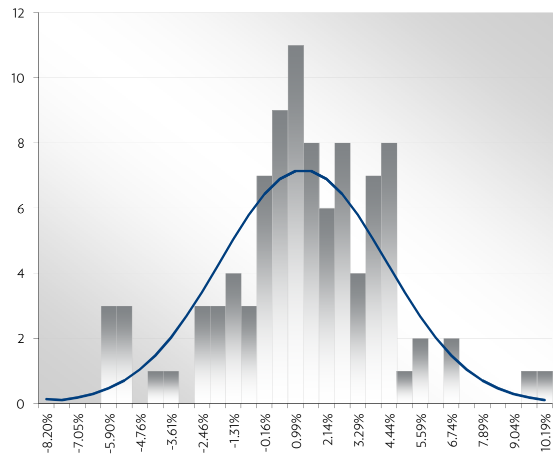
Risk / Return



Drawdown Analysis

Rank	Depth	Length	Recov	Begin	End
1	-14.08%	6	10	Jun-14	Dec-14
2	-13.03%	6	11	May-11	Nov-11
3	-9.13%	4	7	Oct-15	Feb-16
4	-7.01%	3	3	Feb-12	May-12
5	-6.07%	1	3	Apr-10	May-10
6	-3.82%	4	1	May-15	Sep-15

Distribution of Returns



Correlation

	Bench. 1
Alpha	0.56%
Annualised Alpha	6.97%
Beta	0.7719
Correlation	0.3976

Corporate Credit Bond Portfolio

Period	Returns
1 month	0.04%
3 months	-0.59%
6 months	3.05%
1 year	5.48%

Rolling Returns

Period	Best	Worst	Average	Pos. per.	Neg. per.
1 month	10.16%	-6.22%	0.99%	65	31
3 months	20.34%	-11.37%	3.11%	66	28
6 months	34.23%	-14.08%	6.14%	76	15
1 year	44.57%	-10.31%	11.19%	68	17

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	2.33%	-2.63%	3.67%	6.41%	9.09%	3.00%	3.38%	4.75%	2.50%	0.62%	-2.10%	1.50%	37.07%
2010	4.09%	0.66%	3.98%	0.35%	-6.07%	1.13%	5.27%	0.60%	3.40%	3.01%	-2.37%	-0.28%	14.05%
2011	0.94%	3.73%	1.94%	2.60%	0.59%	-0.15%	-0.10%	-6.22%	-5.40%	3.88%	-5.39%	2.65%	-1.65%
2012	6.31%	1.63%	-0.62%	-0.25%	-6.20%	0.42%	2.75%	5.26%	2.41%	1.16%	4.28%	3.62%	22.14%
2013	3.37%	0.23%	1.44%	2.81%	-0.29%	-2.82%	2.15%	0.67%	2.38%	2.63%	0.56%	1.02%	14.92%
2014	0.02%	1.56%	1.08%	2.08%	4.08%	1.99%	-0.10%	-0.38%	-2.90%	-1.09%	-4.74%	-5.64%	-4.41%
2015	0.36%	4.34%	3.71%	3.95%	0.78%	-0.69%	-0.67%	-1.48%	-1.03%	10.16%	-4.05%	-1.74%	13.65%
2016	-2.26%	-1.39%	4.41%	2.10%	-0.83%	0.46%	1.84%	1.40%	0.38%	0.72%	-1.34%	0.04%	5.48%

Performance Chart