

Management Firm: Generation Alfa SA
Strategy: Bonds
Fund currency: USD
Minimum Investment: 2'000'000

Inception date: 31.12.2008
Liquidity: Weekly
Fees: 1%: 10%
Bench. 1: iBoxx

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+.

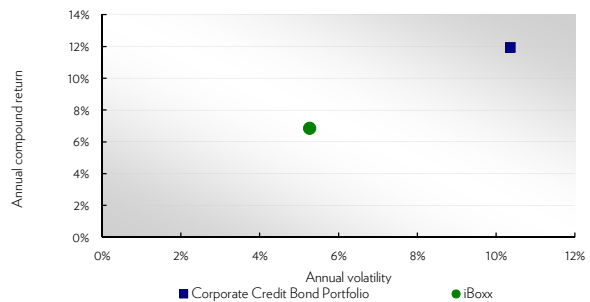
Comment

Despite a negative month of September, where the bearish steepening of the US Curve has impacted the mark-to-market of the bonds, the portfolio closes the 3rd quarter with a positive performance at + 1.29%. During the quarter, the Bank of St-Petersburg 2017 was redeemed and was reinvested into some US High Yield names, such as L Brand 2035, Hertz 2021 as well as the long dated Electricité de France 2114. Perpetual bonds still represent our largest weighting at 41%. EM bonds stand at 26%, and have come down by 7% since January. We are closely monitoring the situation of Venezuela and would be ready to sell our Venezuela 2018 bond, based on the outcome of the social crisis.

Statistics

	Main fund	Bench. 1
Total Return	168.42%	78.49%
Annual Compound Return	11.94%	6.84%
Annual Volatility	10.56%	5.26%
Monthly Volatility	2.99%	1.52%
Maximum Drawdown	-14.08%	-6.43%
Sharp Ratio (0.5%)	1.10	1.20
Sortino by Mean	-0.06	-0.03
Volatility of Positive Returns	2.00%	0.97%
Volatility of Negative Returns	2.04%	0.96%
% Positive Months	67.62%	61.90%
Average Positive Returns	2.52%	1.48%
Average Negative Returns	-2.21%	-0.95%

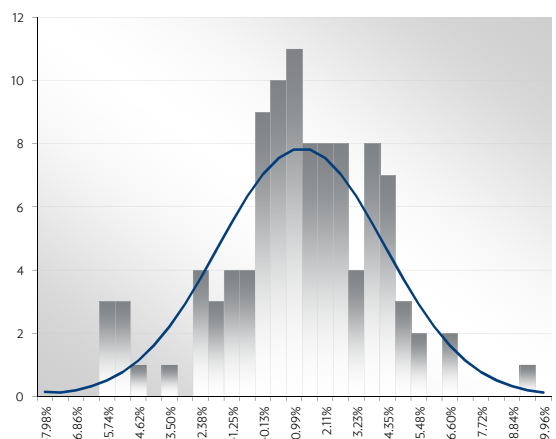
Risk / Return



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	-3.92%	2	4	Oct-16	Dec-16

Distribution of Returns



Correlation

	Bench. 1	Period	Returns
Alpha	0.55%	1 month	-0.89%
Annualised Alpha	6.79%	3 months	1.29%
Beta	0.7795	6 months	7.87%
Correlation	0.3960	1 year	7.90%

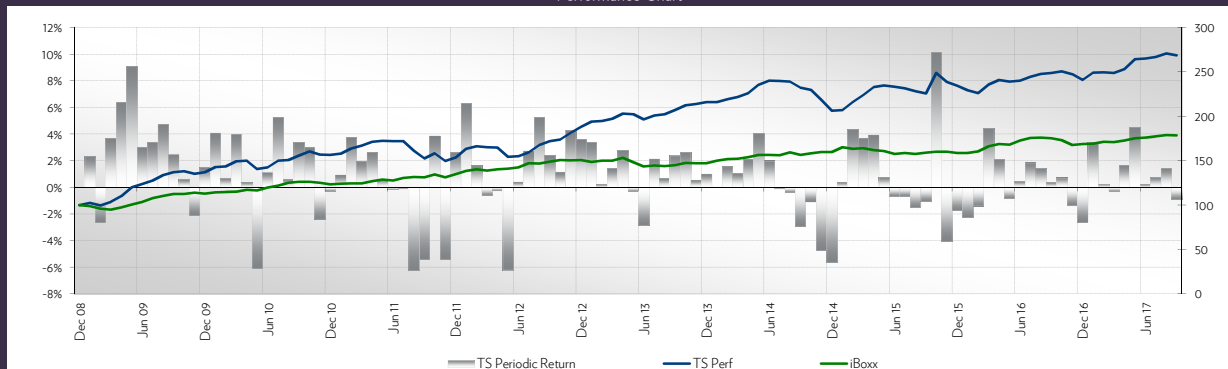
Rolling Returns

Period	Best	Worst	Average	Pos. per.	Neg. per.
1 month	10.16%	-6.22%	0.99%	71	34
3 months	20.34%	-11.37%	3.08%	74	29
6 months	34.23%	-14.08%	6.00%	85	15
1 year	44.57%	-10.31%	10.91%	77	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%	-2.61%	2.69%
2017	3.40%	0.25%	-0.29%	1.65%	4.53%	0.23%	0.73%	1.46%	-0.89%				11.50%

Performance Chart



Past Performance is not necessarily indicative of future results

Source PackHedge™ by FinLab