



Mirabaud - Global Strategic Bond Fund

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PERFORMANCE UPDATE

The Mirabaud Global Strategic Bond fund returned 0.00% over the month of April underperforming its Libor benchmark which returned +0.20%. Treasuries and yield sensitive assets underperformed spread sensitive and credit assets this month. Global yields rose due to signs of stabilisation in global growth rates and easing trade tensions. Spreads were stable and riskier credit in Europe and the US outperformed over the month while Emerging Markets showed signs of instability.

The month was quite mixed for fixed income. Our futures hedges mitigated losses over the month and was a positive contributor to performance. In terms of sectors, Telecommunications and Cable had a positive month after a dismal few months. Altice, Sprint and Frontier were key contributors. Commodity markets had a decent month which led to our Energy exposure contributing positively to performance. Key detractors came from Russian and other Emerging Markets related names. Our Investment Grade names were also weaker on higher underlying government yields.

PORTFOLIO ACTIVITY

We added to some Euro denominated new issues to increase our diversification into the asset class. Our duration was reduced incrementally over the month.

MARKET REVIEW

Markets were focussed on the 10 year Treasury reaching the 3% yield level. There seems to be some general weariness of equity markets being able to deal with this number. The month never saw yields rise much above this level due to tensions between low inflation and the levelling off of PMIs globally. This led to stability in spreads and high yield. However, US sanctions on certain Russian entities roiled Russian corporate bonds and with some nervousness displayed in other Emerging Market currencies caused Emerging Market Debt to underperform over the month.

OUTLOOK

Higher yields, increased volatility and more outflows may make markets nervous in the coming month. This creates interesting opportunities to incrementally add to higher yielding assets as premiums rise.

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