

# Full Duration Portfolio Liquidity Tranche Solution

**CrownAgents**  
Investment Management

As at 31 January 2020

## Key Facts

### Objective

Medium Risk Strategy

### Benchmark

ICE BAML US Treasury Index

### Strategy

Active Duration  
and Credit Management

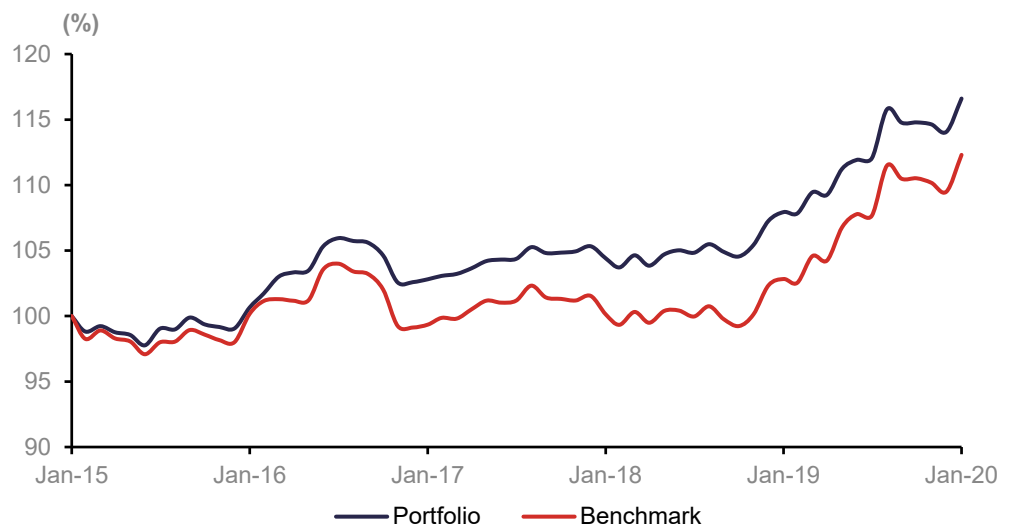
### Inception Date

July 2004

## Performance

	1M	3M	YTD	1Y	3Y <sup>(c)</sup>	5Y <sup>(c)</sup>	S.I. <sup>(c)</sup>
Portfolio	2.23	1.59	2.23	8.03	4.29	3.12	4.69
Benchmark	2.56	1.62	2.56	9.22	4.17	2.35	4.03

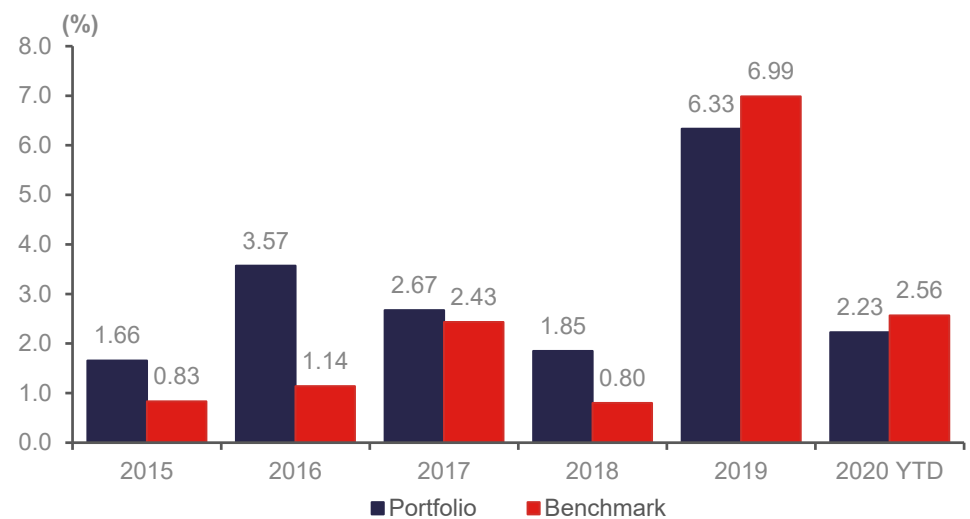
## 5 Year Cumulative<sup>(d)</sup>



## Risk Measures

	1 Year <sup>(a)</sup>	3 Year <sup>(b)</sup>
Volatility		
Portfolio	4.43	3.13
Benchmark	5.20	3.87
Tracking Error	1.01	0.94
Information Ratio	-1.18	0.12
Sharpe Ratio	1.31	0.83

## Annual Performance



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Source: CAIM / ICE BAML

a Using 12 month rolling data

b Using 36 month rolling data

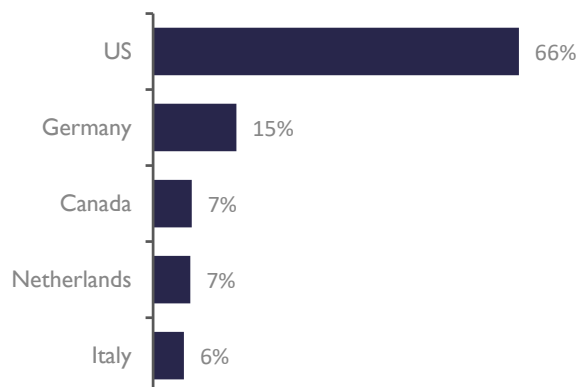
c Annualised Performance, Inception date April 1990

d Performance results are calculated before management fees and after trading expenses

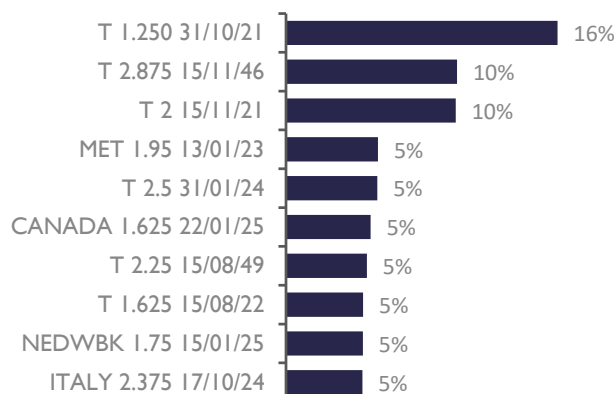
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As at 31 January 2020

## Country Allocation (a)



## Top Holdings



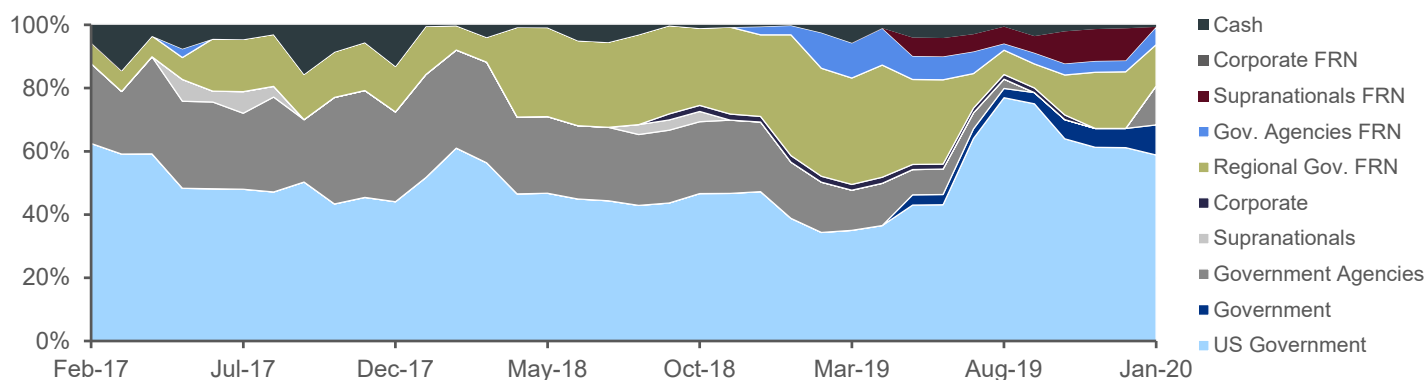
## Portfolio Commentary

Portfolio turnover in January was exceptionally high. We increased interest rate duration exposure, taking our active exposure closer to the benchmark. We transitioned from FRNs and shorter dated fixed coupon assets into newly issued bonds which we deemed to have attractive valuations. Going forward, at this stage, we would normally anticipate reducing interest rate exposure given the stressed bond market valuations. However, given the high level of uncertainty regarding implications of the coronavirus to the real economy and the size of possible downgrades to regional and global growth rates, it is not possible to accurately forecast for the path of interest rates in the United States over the near term.

## Economic and Market Commentary

Global fixed income markets opened the year on a very strong note. Geopolitical developments, including the unprecedented US action of killing of a senior Iranian general, increased market uncertainty and triggered a wave of additional demand for safe haven assets such as treasury bonds. Global equity markets fell sharply in the fallout from the new coronavirus (2019-nCoV). Fears of a repeat of SARS (or possibly something worse) pushed equity prices lower, while US treasuries benefited from increased 'risk reduction' demand. As a result, US treasuries delivered one of the best performing months since December 2018. Interest rate futures now imply a very high probability of a rate cut by the Federal Reserve over the near term.

## Asset Allocation Variation Over Prior 3 Years



## Disclaimer

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Source: CAIM / ICE BAML

a Percentages may not sum up to 100% due to rounding