#### ₩<mark>€</mark>Μ WEALTH EFFECT management o.c.p.

# **WEM Investment Grade Bonds**

as of 01.07.2023

| Asset class | Currency | Target return | Horizon   |
|-------------|----------|---------------|-----------|
| Bonds       | EUR/USD  | > 3%          | > 3 years |

#### Strategy overview

This portfolio invests in US corporate bonds which have been assigned a quality of BBB or higher by Fitch credit agency through investments in ETF funds. Higher credit entails greater solvency and a lower probability of delay or default in future payments. The components of return for this strategy are coupon yield as well as bond price appreciation.

#### **Portfolio structure**



#### Simulated performance (EUR)

|                               | 1 YEAR | 3 YEARS | 5 YEARS |
|-------------------------------|--------|---------|---------|
| WEM Investment<br>Grade Bonds | -2.05% | -6.66%  | 18.45%  |

#### **Strategy details**

| Liquidity    | Optimal investment | Risk level     | Inception    |
|--------------|--------------------|----------------|--------------|
| 100%         | EUR 30,000         | 4              | 01.06.2020   |
|              |                    | I              | 1            |
|              |                    |                |              |
| Sharpe ratio | Standard deviation | Dividend yield | VaR 95% (1m) |
| -0.62        | 10.36%             | 3.96%          | 3.89%        |

### Portfolio performance



# **Key benefits**

- Investment in high quality corporate bonds
- Diversification through different sectors, ratings and maturities
- Earning coupon yield

## **Key risks**

- Interest rate risk
- Credit risk
- Currency risk

Source: Bloomberg Professional Terminal, the presented data refer to the past. Past return is not reliable indicator of future results. Results are based on simulated total return performance over the stated period.