



COMMENTS





USD FIXED INCOME

Is the FED behind the curve? Not sure. With unemployment at its lowest and stable inflation, the rising rate environment could continue with a gradual pace. Monetary tightening will burden on Fixed Income Corporates and Equity Earnings Per Share ratios

With the sharp drop on equity markets since the beginning of the quarter (DowJones -7.29%, S&P500 -8.55%, Nasdaq - 12.03%), a switch to "safe" heavens has materialized but not to the extend one should expect. As presented in the attached chart, a smooth move in tandem.

Could this be because of the US Central Bank and its USD 3.1500-4.1 trillion balance sheet (debt...)?

We rather concentrate on the Fixed Income Corporates that are part of our portfolios and continue to witness a spread widening of the High Yield components (attached Global HY index YTD).

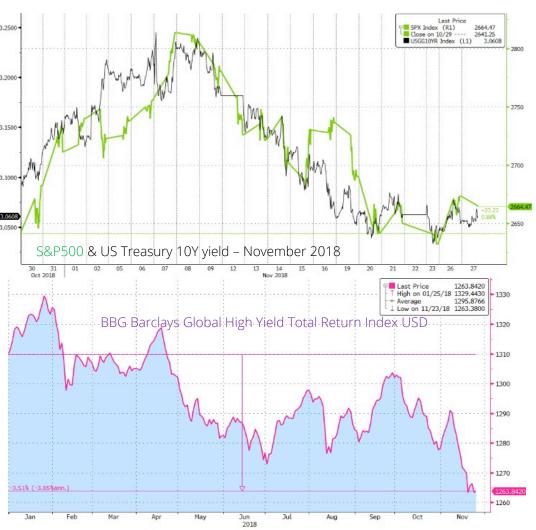
With a credit market cycle at hits "due age" we could expect more unsystematic risks, that can be managed.

Further volatility is expected and as mentioned earlier, we would concentrate our efforts to either:

- Reduce portfolio risks (lower duration, increase ratings and manage credit profiles
- Buy protections
- Diversify

Those willing to avoid being the last "to get out" would rather decrease a bit their yield income in exchange to a more "conservative and risk-off mode".

In the next page a selection of Investment Grade options.



FIXED INCOME





SPECULATIVE BONDS SELECTION

11/27/2018

FIXED INCOME & Sim.	Ccy	Min. Quantity	ISIN	Coupon	Name	Maturity	Ratings	Next Call	Next Call Price%	Issue Risk Country	Ind. Sector	Ind. Offer PRICE	Yield to Worst	RISK GRADES®
USD Investment Grade	USD	1,000	US459058FS77	1.125	INTL BK RECON & DEVELOP	11/27/2019	AAA			SNAT	Supranational Bank	98.38	2.79	
(special research)	USD	50,000	XS1125544913	1.625	LAND NORDRHEIN-WESTFALEN	1/22/2020	AA-			DE	Regional Authority	98.56	2.92	
	USD	1,000	US500769GU24	1.875	KFW	11/30/2020	AAA			DE	Special Purpose Banks	97.90	2.96	
	USD	2,000	US084670BQ02	2.200	BERKSHIRE HATHAWAY INC	3/15/2021	AA	2/15/2021	100	US	Property/Casualty Ins	98.11	3.06	
	USD	200,000	XS1394760182	2.000	JAPAN TOBACCO INC	4/13/2021	AA-	3/13/2021	100	JP	Tobacco	96.69	3.47	
	USD	2,000	US60871RAF73	2.100	MOLSON COORS BREWING CO	7/15/2021	BBB-	6/15/2021	100	US	Brewery	96.05	3.69	
	USD	2,000	US30161MAL72	4.250	EXELON GENERATION CO LLC	6/15/2022	BBB	3/15/2022	100	US	Electric-Integrated	101.45	3.81	
	USD	2,000	US25468PCW41	2.350	WALT DISNEY COMPANY/THE	12/1/2022	A+ *-			US	Multimedia	96.00	3.43	
	USD	2,000	US037833AK68	2.400	APPLE INC	5/3/2023	AA+			US	Computers	95.60	3.48	
	USD	2,000	US256746AF59	3.700	DOLLAR TREE INC	5/15/2023	BBB-	4/15/2023	100	US	Retail-Discount	97.42	4.34	
	USD	2,000	US91324PCP53	3.750	UNITEDHEALTH GROUP INC	7/15/2025	A+			US	Medical-HMO	99.82	3.78	
	USD	2,000	US98978VAK98	4.500	ZOETIS INC	11/13/2025	BBB	8/13/2025	100	US	Medical-Drugs	102.65	4.06	
	USD	2,000	USU8066LAE49	4.000	SCHLUMBERGER HLDGS CORP	12/21/2025	AA-	9/21/2025	100	US	Oil-Field Services	98.31	4.28	
	USD	200,000	RU000A0ZYYN4	4.375	RUSSIAN FEDERATION	3/21/2029	BBB-			RU	Sovereign	93.02	5.26	

DISCLAIMER



This publication is intended for information purposes only, should not be construed as an offer or recommendation or solicitation for sale, purchase or engagement in any other transaction and shall be distributed to financial professionals, qualified or well informed investors and/or institutional investors as defined below. All material is provided without express or implied warranties or representations of any kind and no liability is accepted. Opinions and comments therefore reflect current views of the author, but not necessarily the ones of Mount-Invest SA or partners entities and are subject to change without notice.

Other Mount-Invest SA entities or partners may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Mount-Invest SA assumes no obligation to ensure that such other reports are brought to the attention of any recipient of this report. The investments herein may not be suitable for all recipients. Past performance is no guarantee of future results and no guarantee is implied. Past performance, forecasting models and simulations are no guarantee for future performance ! Statements regarding the future performance of investments are forecasts only; therefore no liability is accepted. The price, value of, and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

Mount-Invest SA and/or its employees and associates or partners may have or have had financial or other interests or positions in relevant securities. Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. Further information is available on request. Subject to copyright with all rights reserved.