



Global Credit Quarterly Q4 2020 outlook

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Overview of the previous quarter and outlook for Q4 2020

The strategy's performance continued to recover during the last quarter. The strategy's relative and absolute performances are now positive. Strong results in the banking sector, in particular the lower part of the capital structure (i.e. T2 and AT1 bonds) were a strong driver of the rebound. But our focus on sectors benefitting from changing consumer behaviour, for example technology, also supported the performance. Furthermore, our overweight of Asian credit and BB-rated companies added value.

For the remainder of the year we will increase the portfolio liquidity by an enhanced use of CDS, reduce volatility by focusing on European Central Bank-eligible bonds and continue to favour bank, technology and media issuers. Given the strong central bank support, we expect the credit market to finish the year on a stable performance, despite multiple challenges ahead such as US political developments and the ongoing COVID-19 pandemic.

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