Weekly Client Memo
Geneva, March 25th 2020

Dear Clients and Partners,

This message as a follow-up to our first message dated March 18th on how our teams and portfolios are navigating the current situation. We will be sending you a weekly update from now on, to give you the latest and most accurate information in the management of your portfolios.

The key elements of the past week are the following:

- **Portfolio diversification and yield resilience.** As in the past, but particularly now, we continue to serve our clients with the maximum diversification in their portfolios, to dilute and atomize the multiplicity of risk factors, and amortize volatility with high credit risk premiums (4 to 6% above money markets on average). We remain confident in the capacity of our investment class to remain resilient and robust given its granularity, in particular relative to other asset classes and mainstream market indexes.
- **New fund inflows and launches.** Our clients share the same view. We have received confirmation from two large institutional investors, both investing over spring 40m$ each in some of our portfolios. We have also confirmed the launch of two new funds in April, one with a Dutch pan-European bank and another with a Swiss independent wealth manager.
- **Reinforced risk management.** Our teams internally are integrating pandemic resilience factors in their risk analysis and investment strategy, both the Markets division in their bottom-up financial institutions selection and review process, and the Portfolios division in their top-down country review and allocation. The Investments division is adapting their risk pricing and key terms negotiation to the changing market situation and new needs from financial institutions. The forex management teams are weathering the storm through a selective investment approach, discriminating between hard currency lending, main EM liquid currency denominations and illiquid or less liquid EM currency denominations.
- **Growing funding demand.** The result of our funding needs update with our investees shows an unchanged investment pipeline for the coming months. Financing demands are actually higher, with stronger liquidity management requests as preventive measures by MFI CFOs.
- **Strong liquidity commitments.** We have received several information from development banks and government agencies committing large investment budgets in our regions and sector to ensure proper liquidity needs for partner financial institutions.

We remain fully operational and committed to providing you with the best service and support possible. Most importantly we hope that you and your loved ones are healthy during this period.

Yours sincerely,
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