Weekly Client Memo
Geneva, April 22nd, 2020

Dear Clients and Partners,

This message follows our four previous weekly memos, which you can all consult here:
https://symbioticsgroup.com/covid-19/

The key overview elements of this sixth week into the pandemic for us are the following:

- **Liquidity cases:** The "liquidity cases" due to the pandemic consequences on our markets, including renewal confirmations and payment rescheduling or forbearance requests, have grown to 33 (out of 296 investees or 10.9% of headcount) and to 271m$ (out of 2.15b$, or 12.6% of overall volumes).
- **Solvency cases:** The "solvency cases" have grown to 3 (or 1.0% of investee headcount, representing 0.3% of overall volumes). Each portfolio will have a different situation and varying provisioning or valuation regimes, but overall, the marginal post-Covid19 portfolio at risk growth can be equaled to this additional 0.3% at this stage.
- **Stress tests:** We continue to analyze in detail all our investees and now have a coverage of 40%+, growing from 56 stress tests cleared last week to 123 this week. This gives us better perspectives for the pipeline development and portfolio deployment over spring.
- **New investments:** We haven't disbursed any new loan over the past week but are looking to a growing pipeline build-up for existing funds and new ones launched in spring, resuming investments as a consequence, starting end of April. We currently have a schedule of 185m$ of potential renewals over May and June, and have in addition a potential pipeline of new investment opportunities of over 200m$ for the coming months.
- **Fund performance:** The overall performance of our funds and that of peers over the first quarter of the year shows a negative year-to-date average of -1.0% overall. Results are quite different between strategies and currencies of course. Fixed income USD hedged strategies point to +0.70% yield year-to-date on average, with Symbiotics mandates slightly above its peers, at +1.00% yield year-to-date on average. Those which hold a portion of liquid bonds have a slight setback of -0.50% year-to-date on average. The only UCITS liquid impact bond product in the market is posting -6.0% year to date. Blended strategies, which include some private equity positions are also showing slight decrease in valuation, the main one at -4.3% in EUR year-to-date. Finally, fixed income unhedged local currency strategies show a range of results between, on average year-to-date, depending on the investor currency base: -3.5% in USD, -2.6% in EUR -5.1% in CHF and +0.9% in SEK. These results vary of course fund by fund depending on their exact investment strategy, liquidity situation, cost structure and non-performing case load.

We believe the industry is holding up its resilience at this stage, performing much better than corresponding global fixed income or emerging market debt indices, providing a continued good diversification tool for mainstream investor portfolios. We also remain confident in being able to resume rapidly with new investments in our markets, with gross coupons averaging 6.0% in our simulations (in USD hedged terms). Please liaise directly with your relationship manager for portfolio specific situations and perspectives.

Yours sincerely,
Symbiotics