

# An Introduction to Schroders Sustainable Bond Fund in Amongst a Broader Sustainable Asset Allocation Strategy

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# Schroder Sustainable Bond

## Creating a sustainable portfolio

①

### Definition of sustainable universe

#### Global bond universe

All sovereign and corporate issuers

#### Sovereign inclusion criteria

UN SDGs, Net Zero policy & political/civil rights

#### Corporate criteria

Exclusion of destructive practices

②

### Idea generation

#### Economic roadmap

3–5 investment themes, generated by  
Quarterly Investment Forum

#### Market roadmap:

Market sentiment, positioning and alternative  
states

#### Sustainability:

Impact on strategic trends

③

### Portfolio construction

#### Asset allocation

Focus on catalysts and diversification

#### Credit selection

Schroders credit experts  
IG & HY (£, \$, €)

#### SustainEx

Measure net externalities in  
sovereign, government related and corporate

## Sustainable Bond Portfolio

Source: Schroders, as at December 2022.

Schroders uses SustainEx™ to estimate the net social and environmental “cost” or “benefit” of an investment portfolio having regard to certain sustainability measures in comparison to a product’s benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.



# Challenges of Sovereign ESG

“ The sovereign ESG framework must overcome three challenges:  
lack of clarity,  
the ingrained income bias,  
and poor environmental data quality ”  
- World Bank

## Sovereign sustainability

### Overcoming the challenge



Lack of clarity /  
transparency

Transparent and independent  
framework based on UN SDGs



Higher incomes correlated  
with better ESG scores

In defining the investment  
universe, we have assessed UN  
SDGs by income bracket



Poor quality / backward  
looking data

Sovereign Sustainability  
Committee & proprietary tools:  
Sovereign SustainEx

# Defining our investable universe for sovereigns



## 1) Outperformance relative to peers in terms of SDG achievement

- UN SDGs anchor the sovereign universe
- Annual aggregate individual country scores
- Transparent and independent measurement

## 2) Net zero policy a pre-requisite

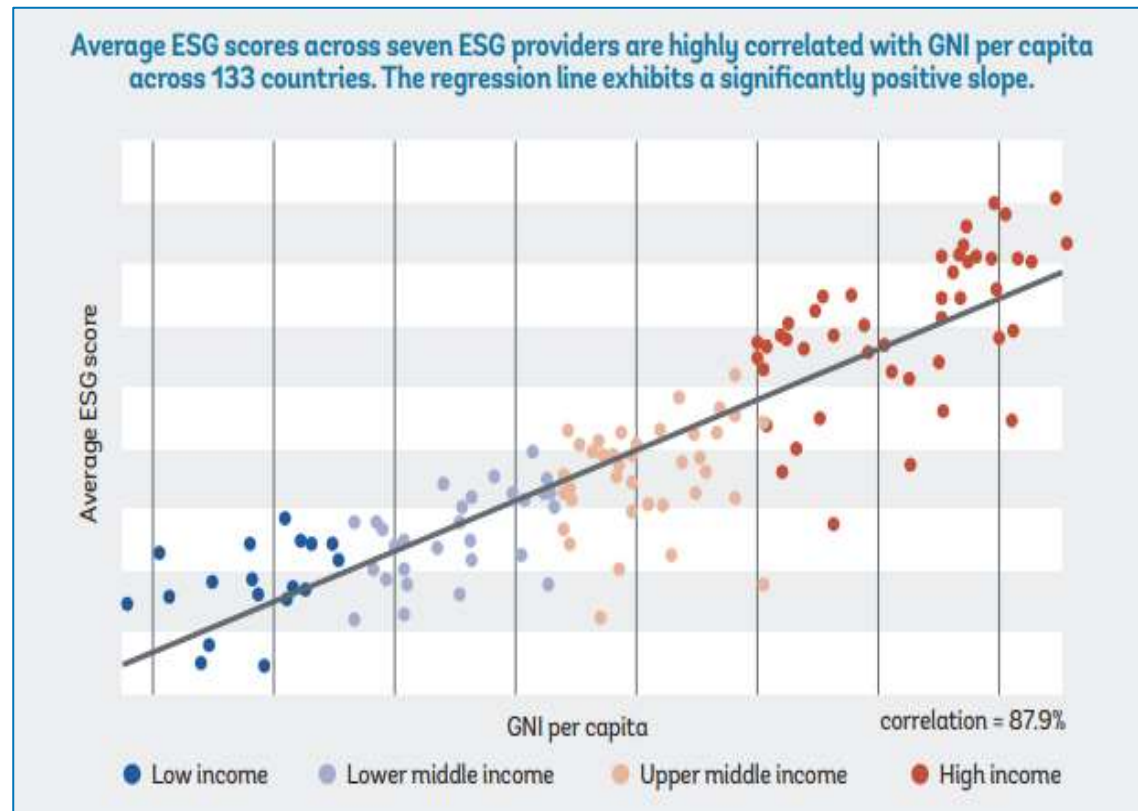
## 3) Political & civil rights necessary for sustainable growth

**Only countries that satisfy the above are included**

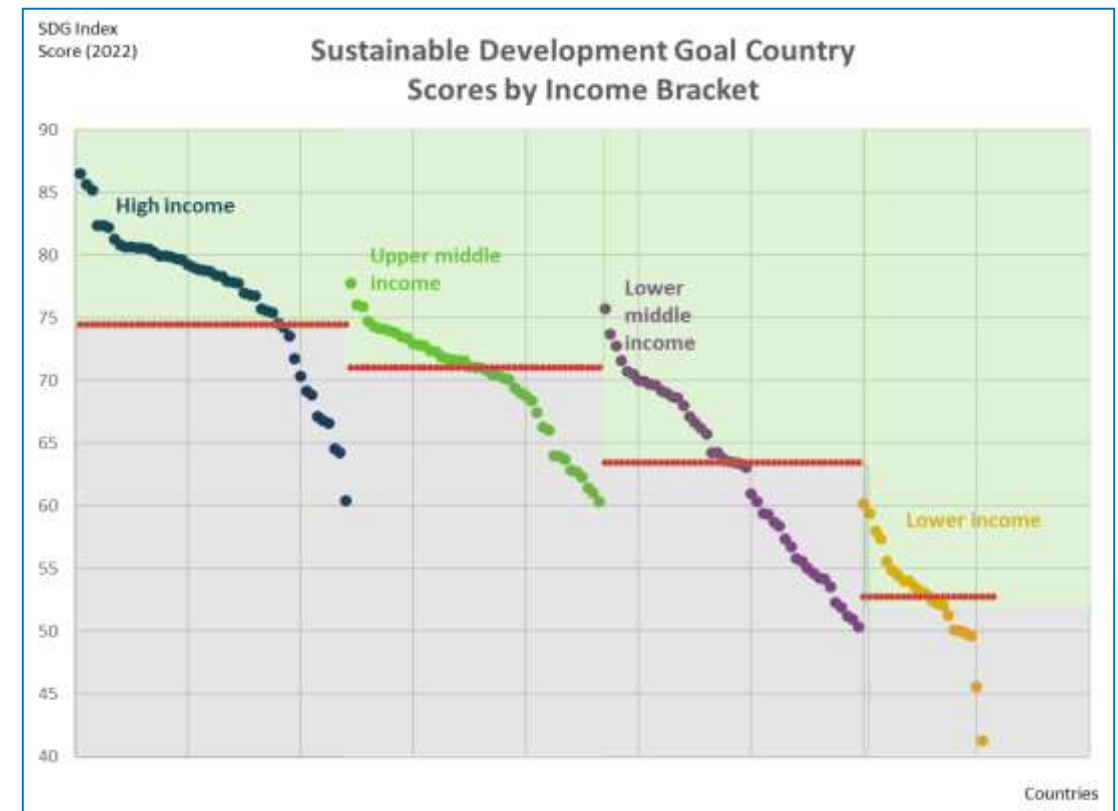
# Addressing the income bias before comparing sustainability performance

Developing economies should be encouraged via capital deployment

## Strong income bias within ESG scoring



## Assessing UN SDGs achievement by income bracket



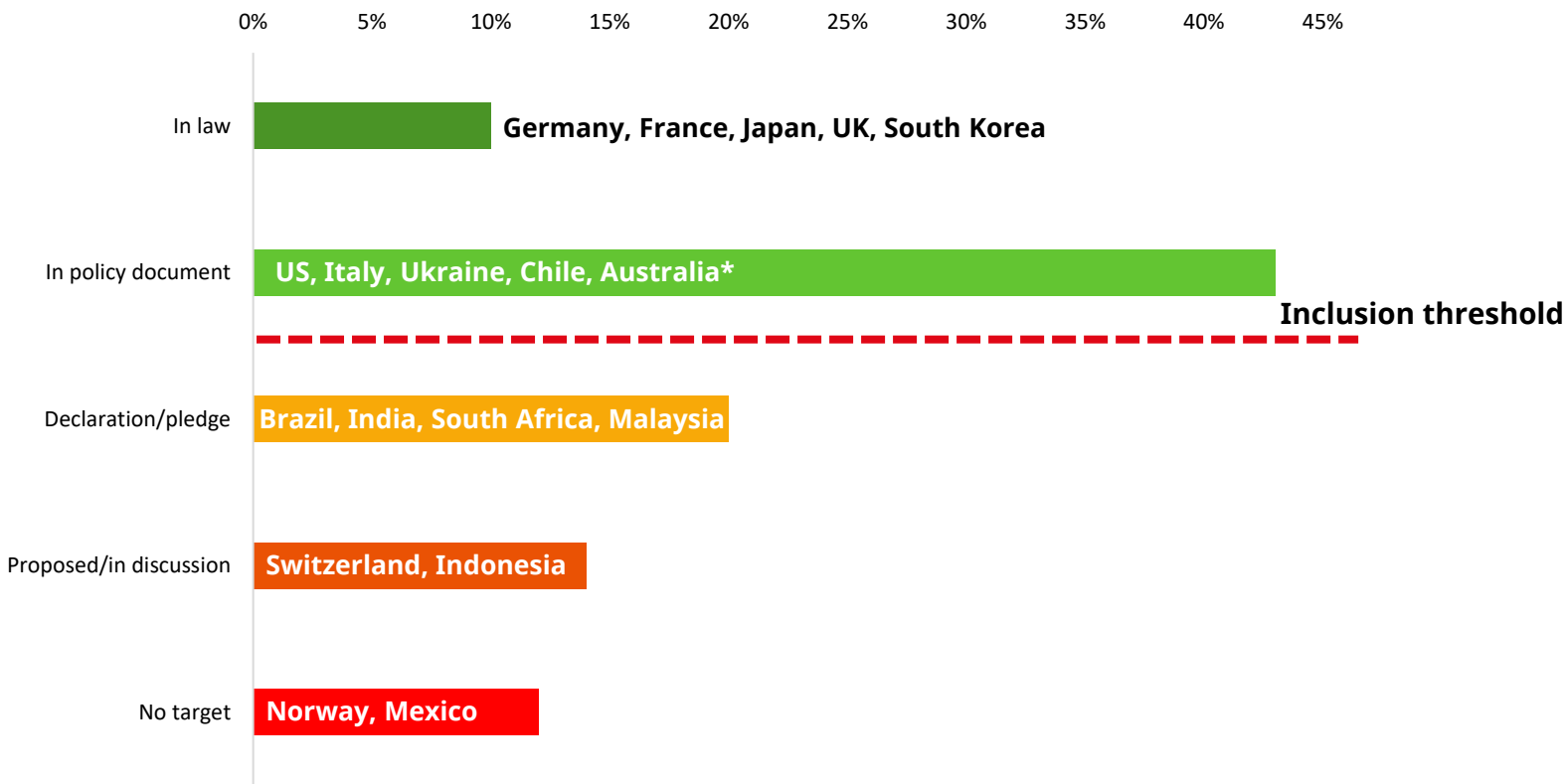
Source: Schroders, World Bank: <https://documents1.worldbank.org/curated/en/694901623100755591/pdf/A-New-Dawn-Rethinking-Sovereign-ESG.pdf>, Sachs et al. (2022): From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022.

# Not all targets are made equal

There is differentiation in the extent to which countries have a plan to reach net zero

## Target status of country net zero pledges

% of total global GHG emissions across all nations



- 88% of global emissions are covered by some form of net zero target
- However, only countries with a clear documented policy that sets out how they will achieve net zero are included
- This tighter constraint covers 53% of emissions
- Not included are developed and emerging countries such as Netherlands, Norway, Malaysia, Indonesia
- \*Australia not included as policy remains unclear

Source: Energy & Climate Intelligence Net Zero Tracker December 2022. Country list is not exhaustive.

# Political rights & civil liberties

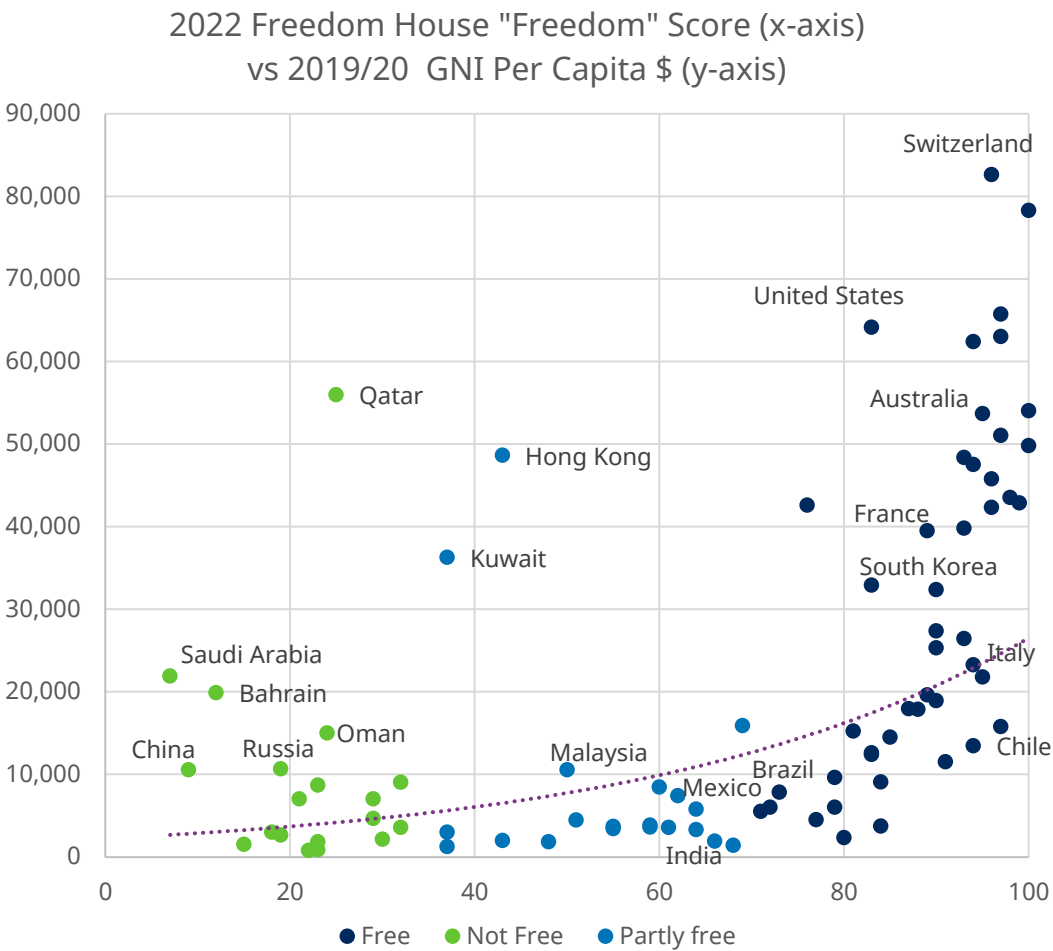
Long term sustainable economic growth is more challenging in countries that lack basic freedoms



Global Freedom Status

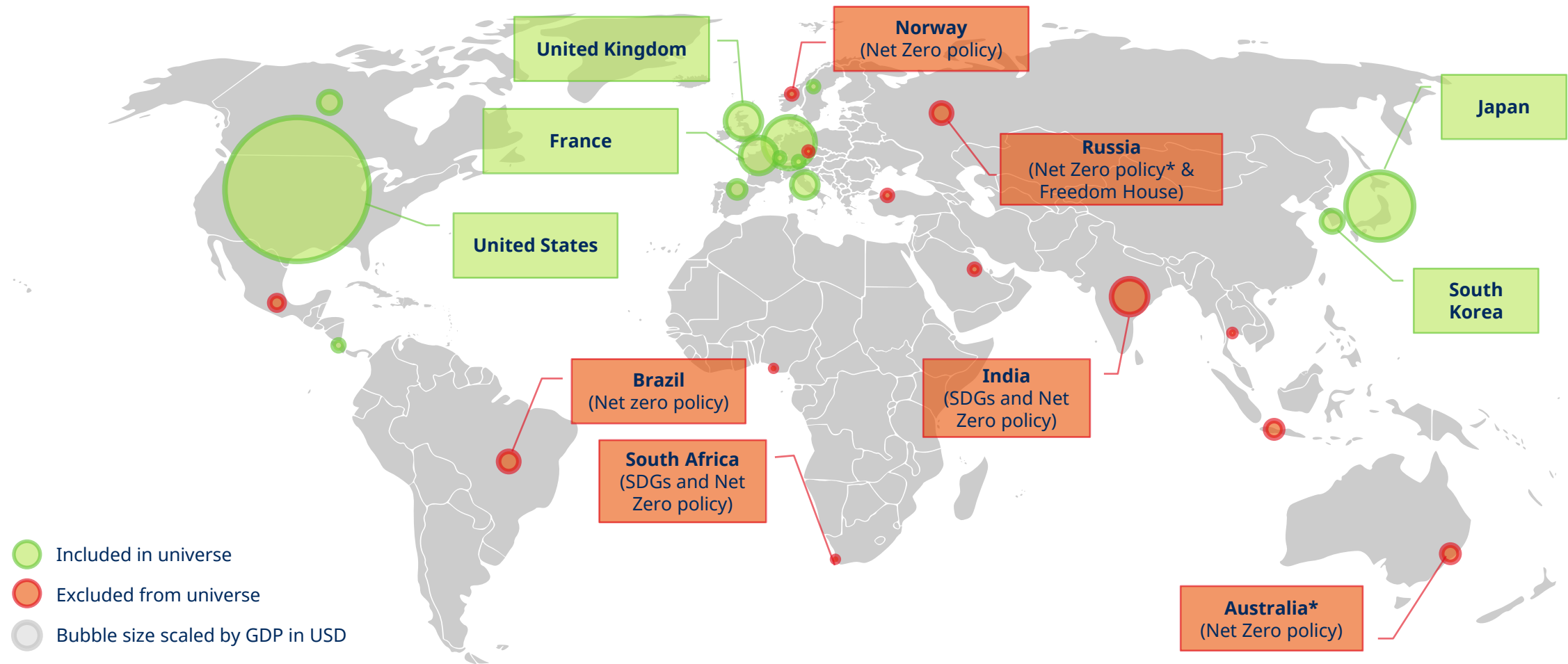
NOT FREE PARTLY FREE FREE

Source: Freedom House, World Bank 2022



# Sustainable investment universe – selected issuers

Promoting investment decisions in sovereign issuers that satisfy our selection criteria



Source: Schroders, World Bank. For illustration purposes only, selected sovereign issuers shown, list is not exhaustive and does not define the entire universe. Exclusion list as of December 2022. Bubble size is scaled based on latest country GDP in US dollars. \*Australia & Russia not included as policy remains unclear



# Supranationals– completing the sustainable universe

## Leaders in funding sustainable development

Supranationals have long been committed to sustainable development via the provision of grants, loans, technical assistance and equity investments. Through these channels, supranationals are facilitating progress towards achieving the Sustainable Development Goals for those countries receiving assistance.

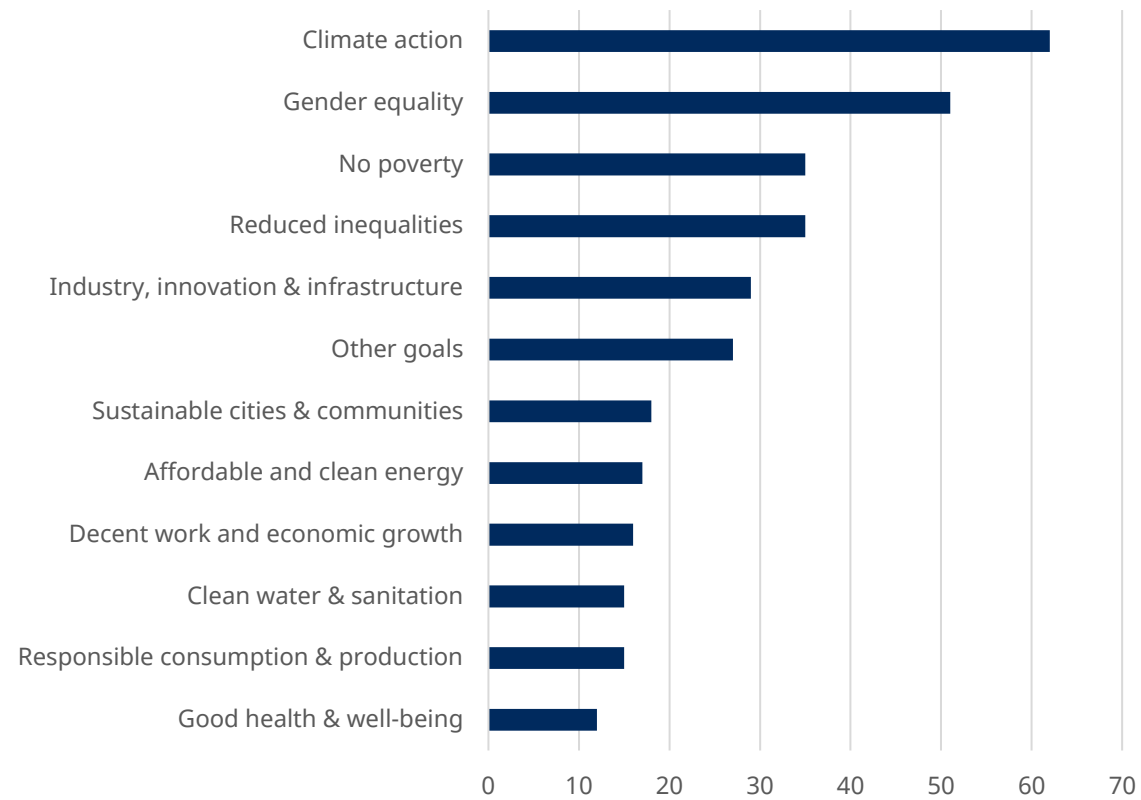
Entity	Council of Europe Development Bank (CEB)	The World Bank	European Bank for Reconstruction and Development (EBRD)	Asian Development Bank (ADB)
Year of foundation	1956	1944	1991	1966
Commitment to sustainability	Through the provision of financing and technical expertise for projects with a high social impact in its member states, it actively promotes social cohesion and strengthens social integration in Europe.	The World Bank Group is a unique global partnership: five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.	A commitment to promote ‘environmentally sound and sustainable development.  EBRD assists only those countries committed to applying the principles of multi-party democracy.	ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Source: Various supranationals.

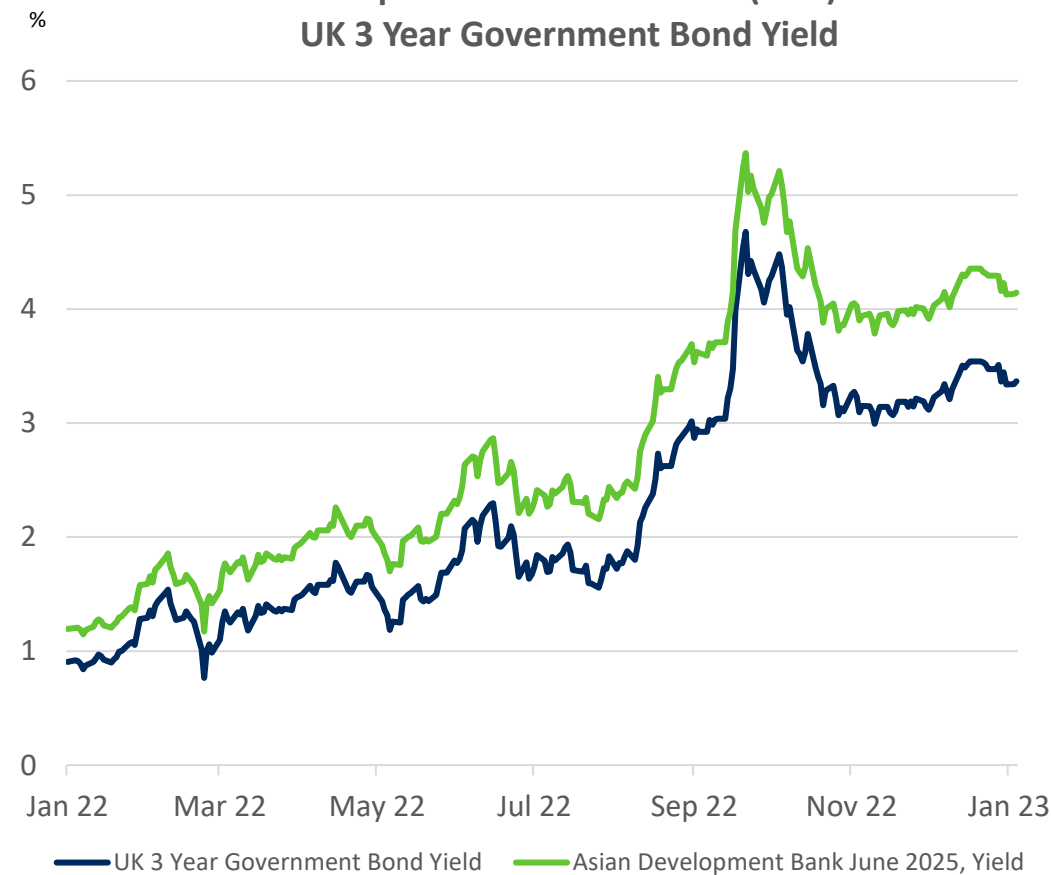
# Asian Development Bank - a positive sustainable and investment proposition

Under Strategy 2030, ADB will sustain its efforts to eradicate extreme poverty and expand its vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

ADB 2019 Projects Mapped to the SDGs



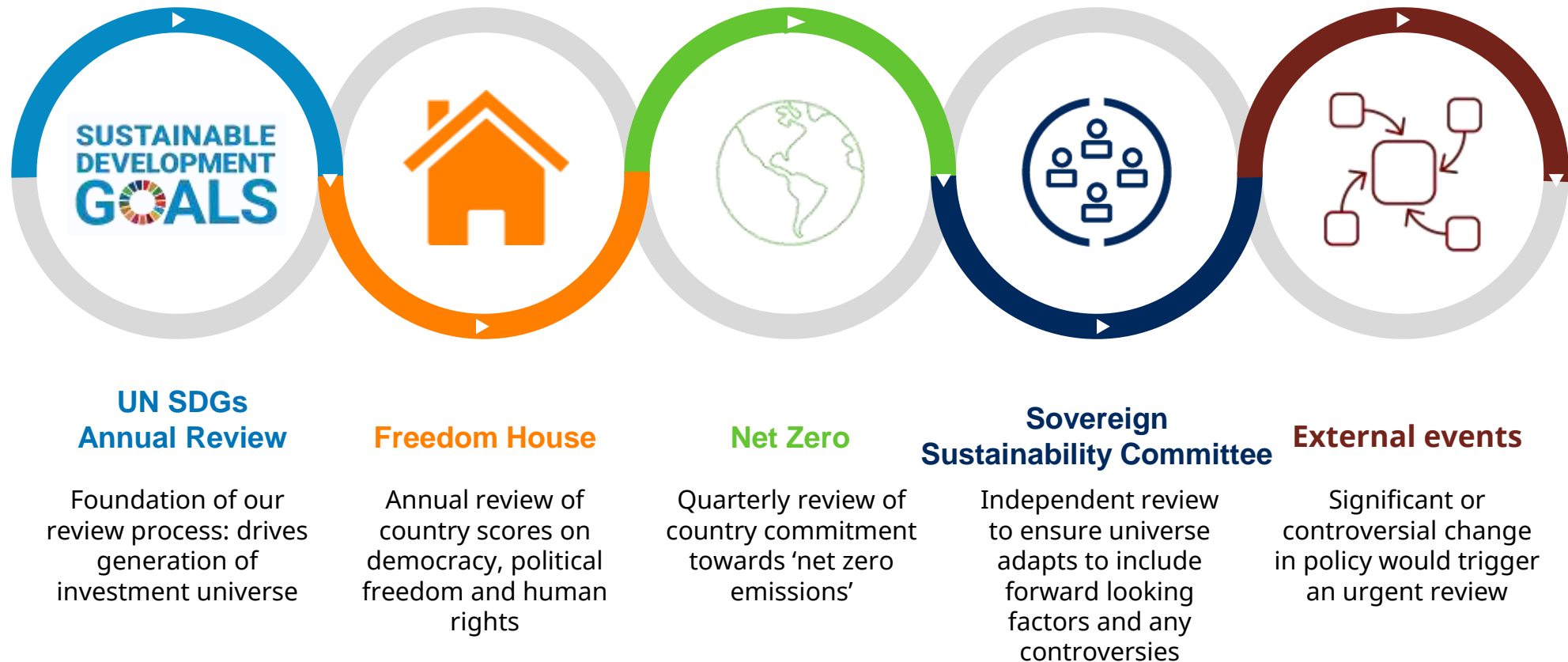
Asian Development Bank June 2025 (GBP) Yield vs UK 3 Year Government Bond Yield



Source: Bloomberg, Asian Development Bank, January 2023.  
Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy.

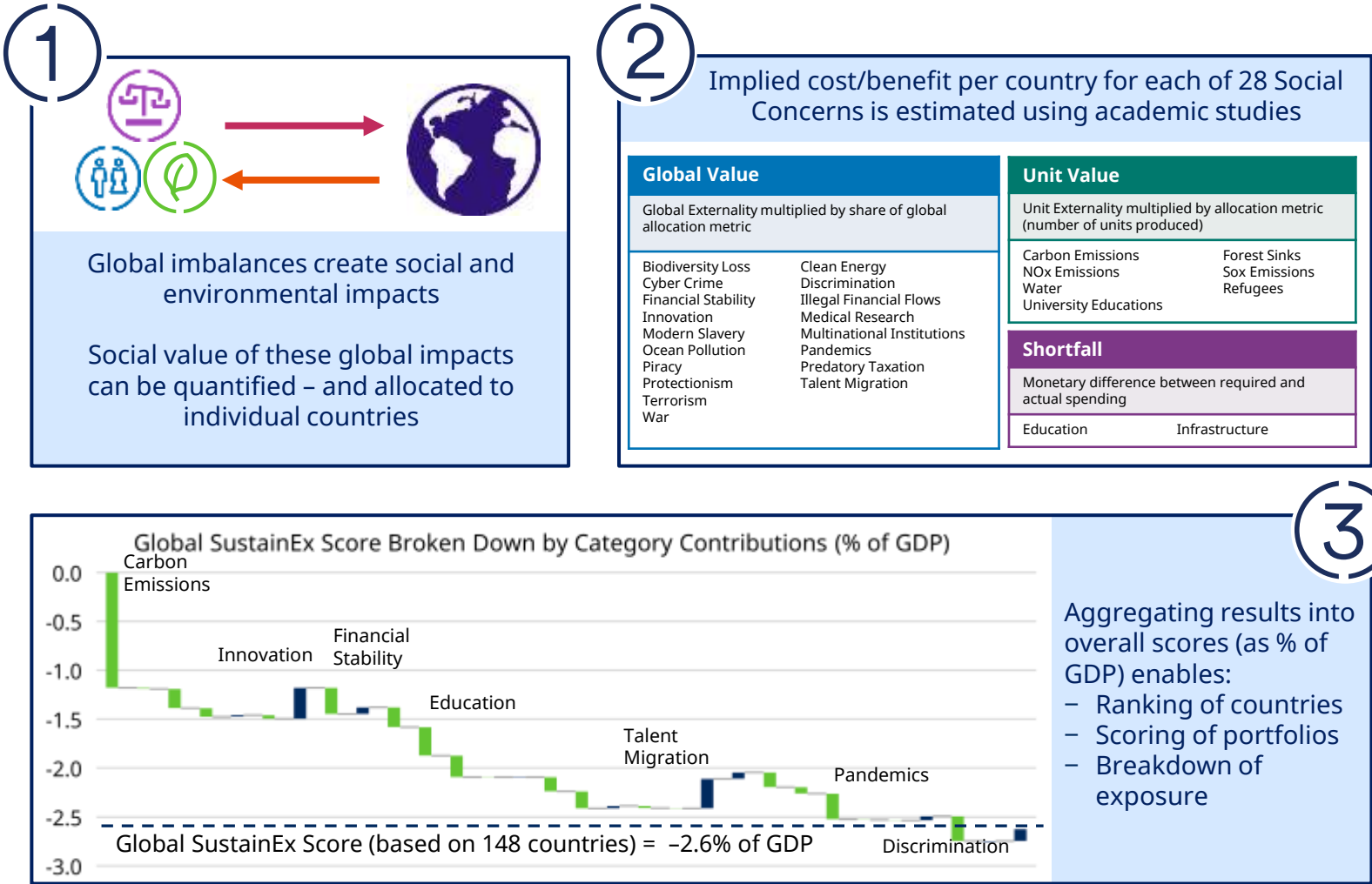
# A summary of our sustainable sovereign process

Rigorous approach with regular review, combined with independent analysis



# SustainEx – measuring ESG risk

Translating social and environmental impacts into financial costs



Source: Schroders, March 2021. Schroders uses SustainEx™ to estimate the net impact of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

A proprietary tool built on...

Over **750** academic studies of social and environmental externalities

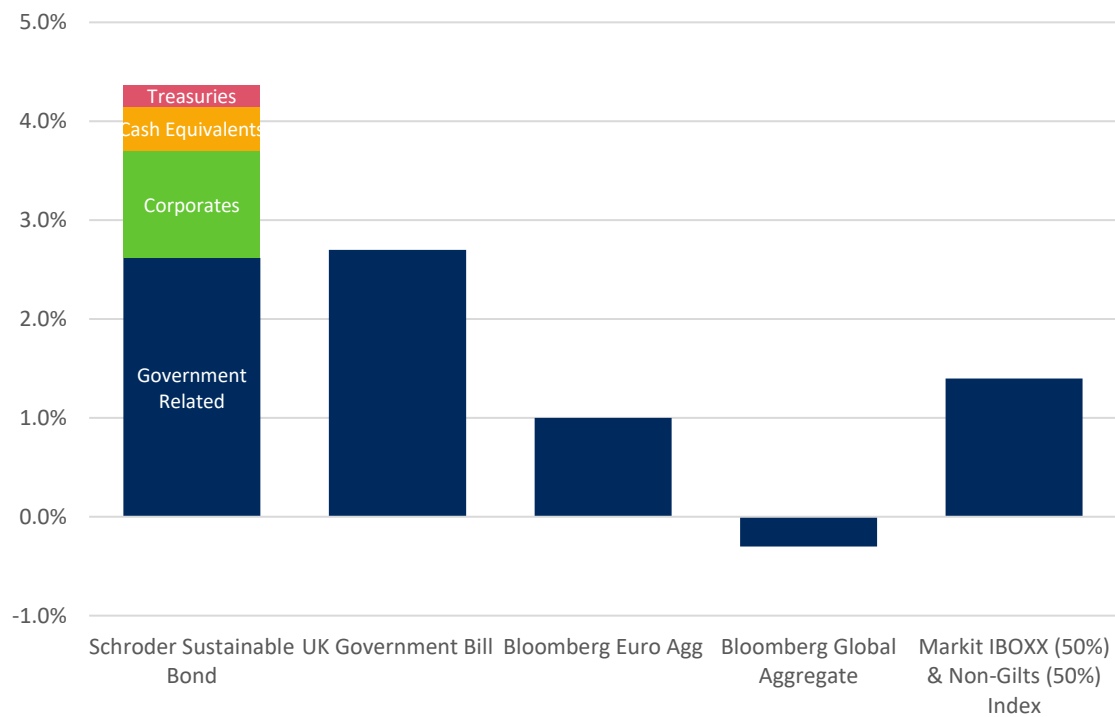
Approx. **30** metrics for each country, estimated where not disclosed

**150** countries included in universe for analysis

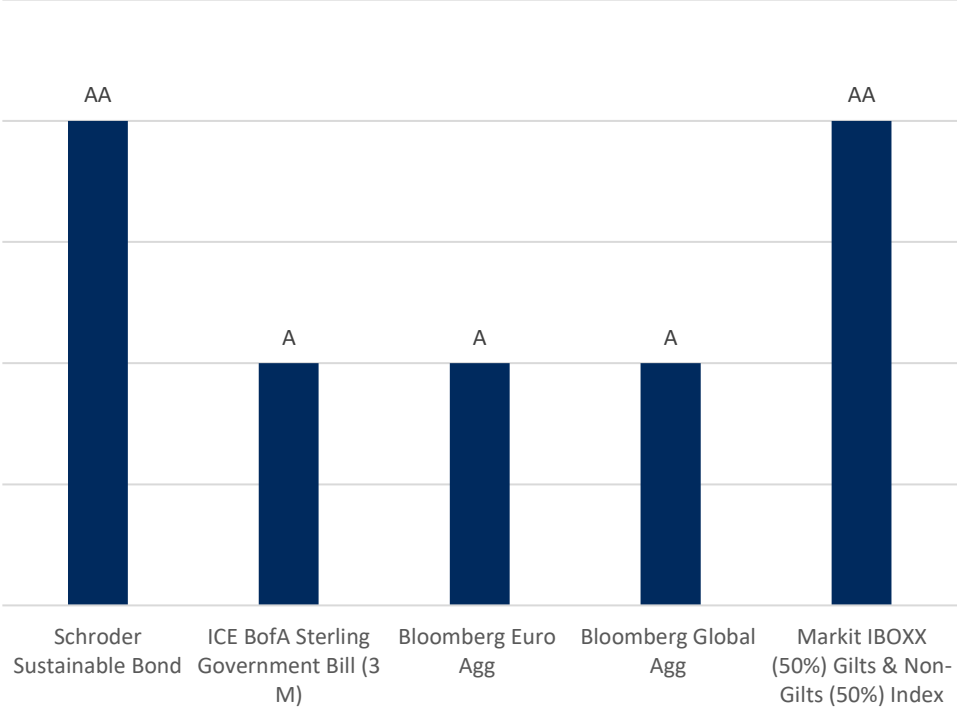


# A favourable position on various ESG metrics

SustainEx Scores



MSCI Score\*



Source: Schroders, January 2023 (LHS), \*MSCI, data as at 30 November 2022. Schroders uses SustainEx™ to estimate the net impact of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

# Schroder Sustainable Bond

Past Performance is not a guide to future performance and may not be repeated.

## Key attributes

### Fund Characteristics

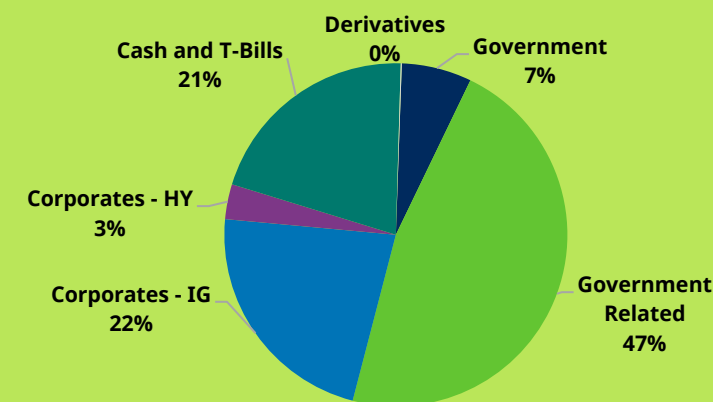
**The fund aims to deliver a total return of ICE BofA Sterling 3mth Government Bill index plus 2.5% (after fees have been deducted) over 3 – 5 years**

- Sterling denominated
- Permitted Fund duration range: -3 to +8 years
- Country duration range: -4 to +8 years
- Minimum of 60% investment grade bonds
- Maximum 20% active currency

## Portfolio summary

Schroder Sustainable Bond	Portfolio
Average effective duration (years)	1.19
Average effective yield (%)	3.71
Average credit rating	AA-
Average credit risk (OAS, bps)	158
SustainEx SV/Sales %*	4.3

## Asset allocation (% market value)



Source: Schroders, Aladdin® by Blackrock, data as of 30 December 2022.

Portfolio refers to Schroder Sustainable Bond. Asset allocation: Other includes IRS, ILS, forwards, options and collective investments.

\*The SustainEx Overall Impact is measured as the Social Value/Sales as a percentage, based on holdings data as at 30 November 2022. SustainEx Coverage is 93% for the Portfolio. Schroders uses Sustain Ex™ to estimate the net impact of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

# Schroder Sustainable Bond

Active allocation of risk in a clearly defined sustainable universe

1

A strategy that capitalises on Schrodgers sustainable expertise across **all sectors of fixed income universe**

Identifying opportunities in **sovereign, government related and currencies**, as well as **corporate credit**

2

**Proprietary, forward thinking sustainable sovereign approach** that seeks to allocate capital to countries that **outperform their peers in meeting UN SDGs**

Allocate to corporate issuers demonstrating **good or improving sustainability credentials**

3

Tried and tested **risk budgeting approach** to portfolio construction

Uses **Schrodgers proprietary SustainEx** tool to measure environmental, social and governance risks as financial costs/benefits

4

Deliver **net total return** of Sterling 3mth Government Bills plus 2.5% over 3–5 yrs

Maintain **positive absolute sustainability score** based on SustainEx

# Schroders



## Appendix



Global Fixed Income & Currency team supported by worldwide platform

**Sustainable Investment**

**Investment Management, Research & Analysts (25+)**

- Andy Howard**  
Global Head of Sustainable  
25 years experience
- Catherine Macaulay**  
Sustainable Analyst  
5 years experience
- Hannah Simons**  
Head of Sustainability Strategy  
23 years experience
- Niall Smith**  
Sustainable Analyst  
6 years experience

**Sustainable Investment team (25+)**

- Expertise and leadership across all aspects of sustainable investing to Schroders investment teams
- Sovereign Sustainability Committee led by Head of Global Sustainable Investment
- Sustainable investment experts provide inputs into process design & Quarterly Investment Forum

**Portfolio Managers (9)**

- Create holistic, risk-efficient portfolios based on investment themes
- Generate additional return through government, government related security selection decisions

**On-desk Strategists (6)**

- Long-term strategic research supporting top-down themes, incorporating sustainability considerations
- Focus on investable conclusions

**Portfolio Analysts (3)**

- Implement trades into portfolios & manage day-to-day portfolio flows and cash positions

**Credit & Regional Specialists (42+)**

- Provide specialist regional and sector expertise from across Schroders' global fixed income platform
- Manage security selection in corporate credit / securitised / emerging market debt

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# Corporate universe – exclusion of destructive practices

Exclusion criteria for corporates – screened by the central sustainability team

Social and human rights exclusions		
Excluded sectors	Issuer exclusion criteria	Criteria
Alcohol production	Max. revenue	< 5%
Tobacco production and distribution	Max. revenue	< 5%
Gambling	Max. revenue	< 5%
Adult entertainment	Max. revenue	< 5%
Conventional weapons	Max. revenue	< 5%
Civilian Firearms	Max. revenue	< 5%
Nuclear weapons	Any tie	Not permitted
Biological Weapons	Any tie	Not permitted
Chemical Weapons	Any tie	Not permitted
Uranium weapons	Any tie	Not permitted
Landmines	Any tie	Not permitted
Cluster munitions	Any tie	Not permitted

Material ESG misconduct / controversy		
Screening criteria	Detail	Criteria
UNGC list	UNGC compliance	Fail

Environmental exclusions		
Excluded sectors	Issuer exclusion criteria <sup>1</sup>	Criteria
Thermal Coal Production	Max. revenue	< 5%
Thermal Coal Generation	Max. revenue	< 10%
Unconventional oil and gas E&P	Max. revenue	< 5%
Tar sands	Max. revenue	< 5%
Uranium extraction	Max. revenue	< 5%
Nuclear energy	Max. revenue	< 5%
Nuclear Power Generation	Max. generation	< 30%
Oil and gas powered energy generation	Max. generation	< 30%
Thermal coal energy generation	Max. generation	< 10%
Carbon Underground 200	Worst 200 Issuers regarding their underground reserves	Not permitted

Additional scoring based exclusions	
Exclusion criteria	Criteria
SustainEx Score	bottom 10%
Internal ESG rating: D= / D- / F	Not permitted
MSCI B/ CCC	MSCI CCC excluded regardless of internal rating MSCI B excluded if internal rating is C/D

Source: Schroders. All terms described herein are indicative and subject to change.

<sup>1</sup>Based on revenue generated from that activity and percentage of power generated.

Exceptions: Green bonds, Sustainability bonds and SDG linked bonds from excluded fossil fuel energy generators might be permitted subject to specific criteria as appropriate to the sector:

i) The bonds are listed on the Science Based Target Initiative list ii) The issuer is allocating at least 50% of total generation capex to renewable generation

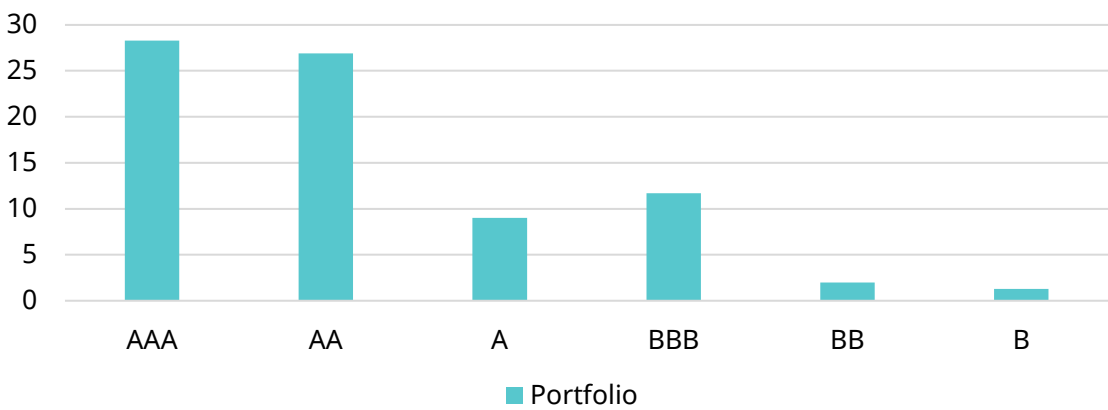
Credit Analysts/Portfolio Managers must present evidence (on a pre-trade basis) that the above criteria has been met to the Sustainable Investments Team who approve the investment. Evidence is provided on a per-investment basis. Our exclusions are subject to periodic review to reflect our sustainability priorities as well as regulatory developments.

# Schroder Sustainable Bond

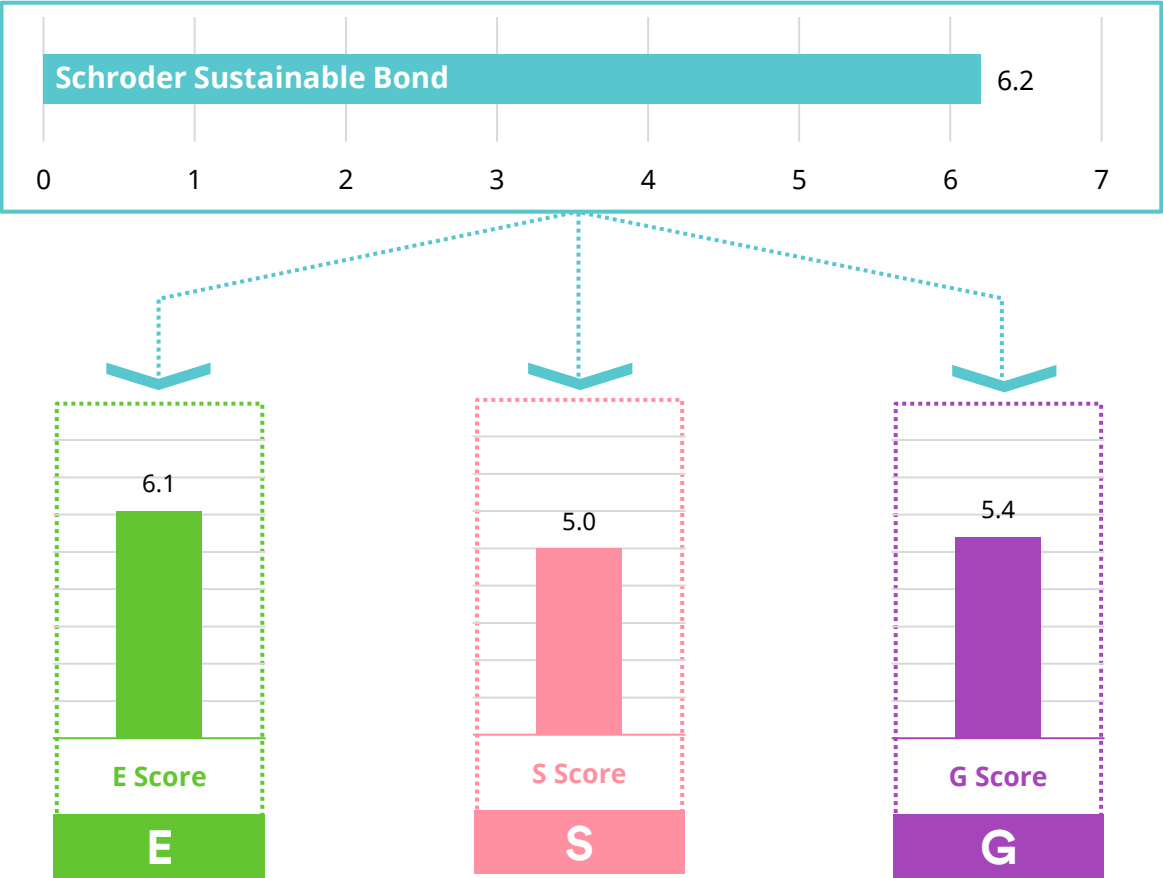
## Portfolio characteristics and sustainability statistics as at 30 December 2022

Sustainability metrics	Portfolio
Social and Sustainability-linked bonds, % MV	7.4
Green bonds, % MV	9.5
Average MSCI ESG rating	AA
MSCI carbon intensity*	28

### Rating (% Market Value)



### Overall MSCI ESG score

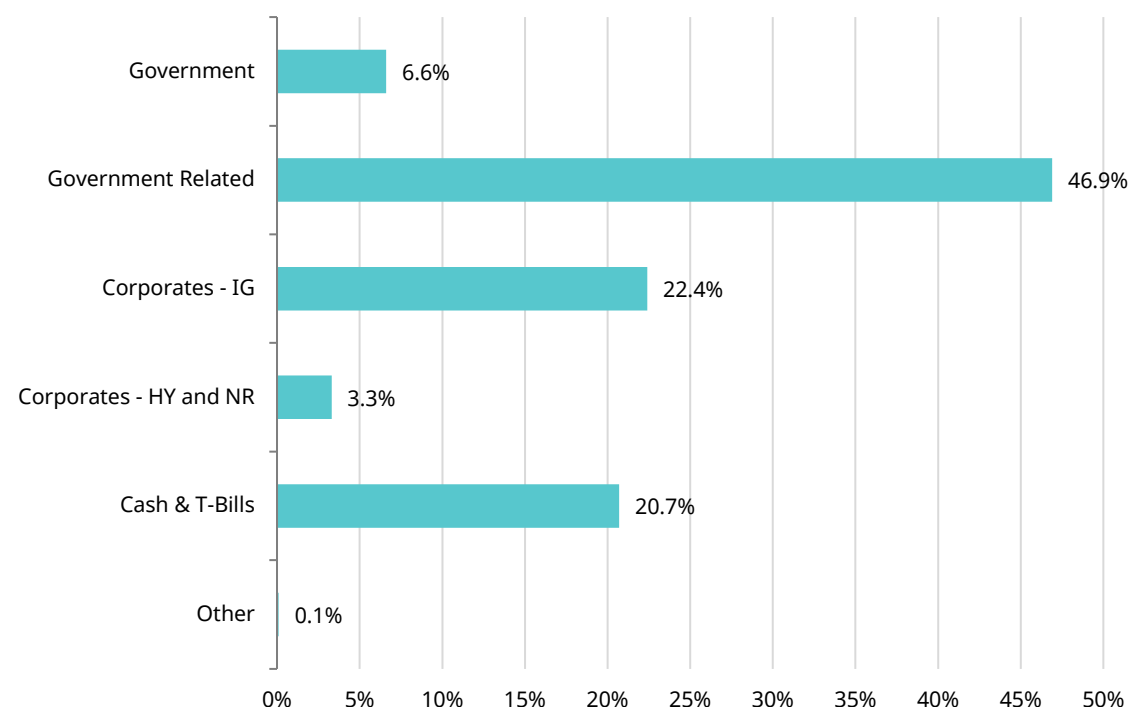


Source: Schroders, Aladdin® by Blackrock, as at 30 December 2022. For illustrative purposes only and should not be viewed as a recommendation to buy or sell. Portfolio refers to Schroder Sustainable Bond. Rating: chart will not add up to 100 as it does not include unrated securities, IRS, FX derivatives, forwards or cash synthetic, and exposures below 1%. \*MSCI, data as at 30 November 2022. Schroders uses SustainEx™ to estimate the net impact of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

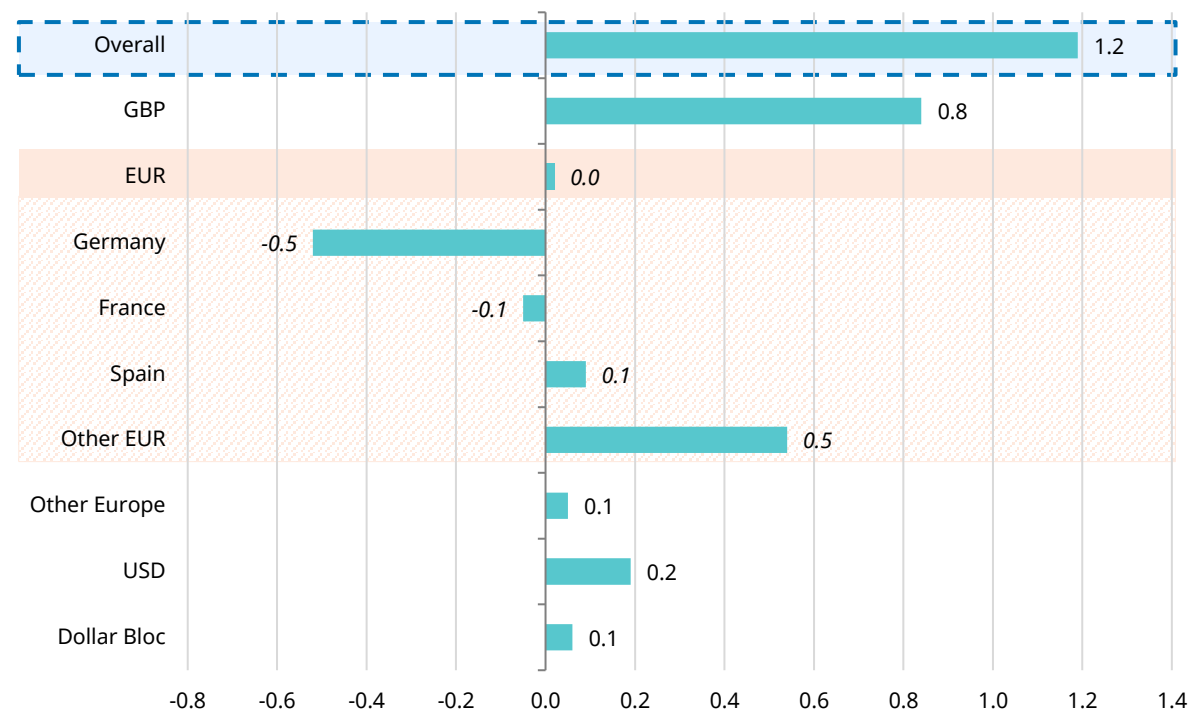
# Schroder Sustainable Bond

## Portfolio characteristics as at 30 December 2022

### Asset allocation (% market value)



### Rates allocation<sup>1</sup> (interest rate sensitivity, CTD years)



■ Portfolio

Source: Schroders, Aladdin® by Blackrock, data as at 30 December 2022. Portfolio refers to Schroder Sustainable Bond.

<sup>1</sup>Based on currency of issue. 'CTD' refers to contribution to duration. Excluding exposures below 0.05. Dollar Bloc includes CAD and NZD.

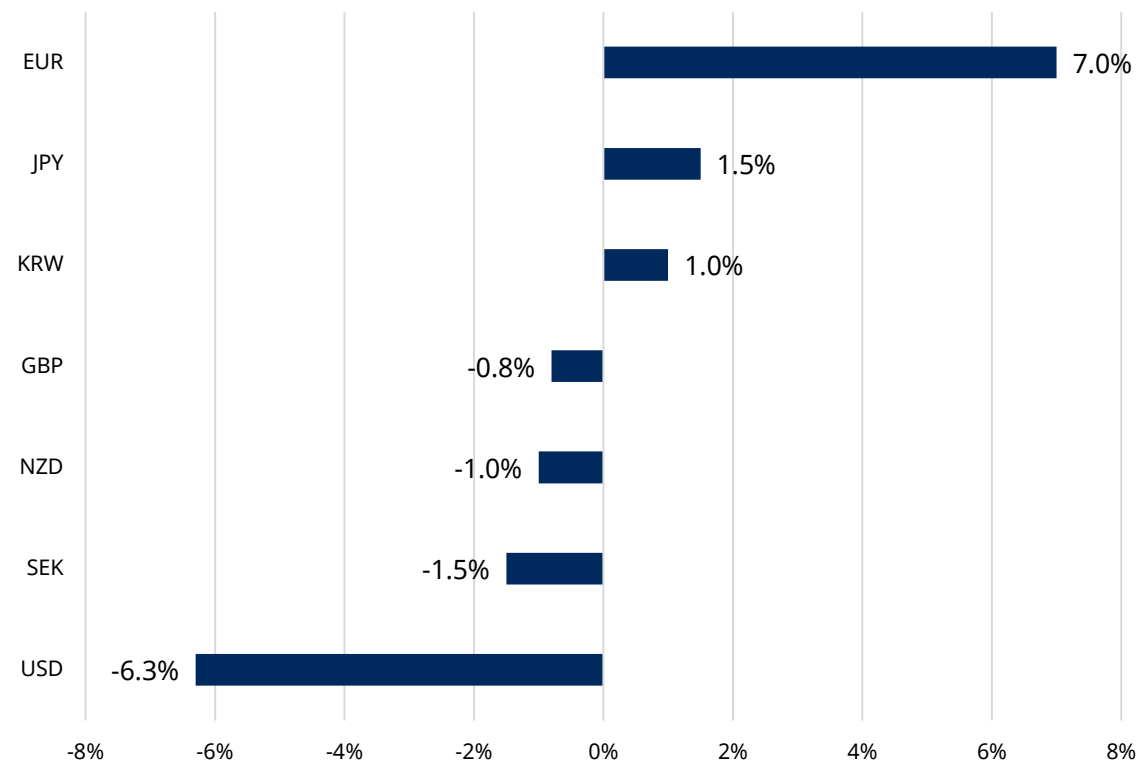
Asset allocation: Other includes IRS, ILS, forwards and options. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.



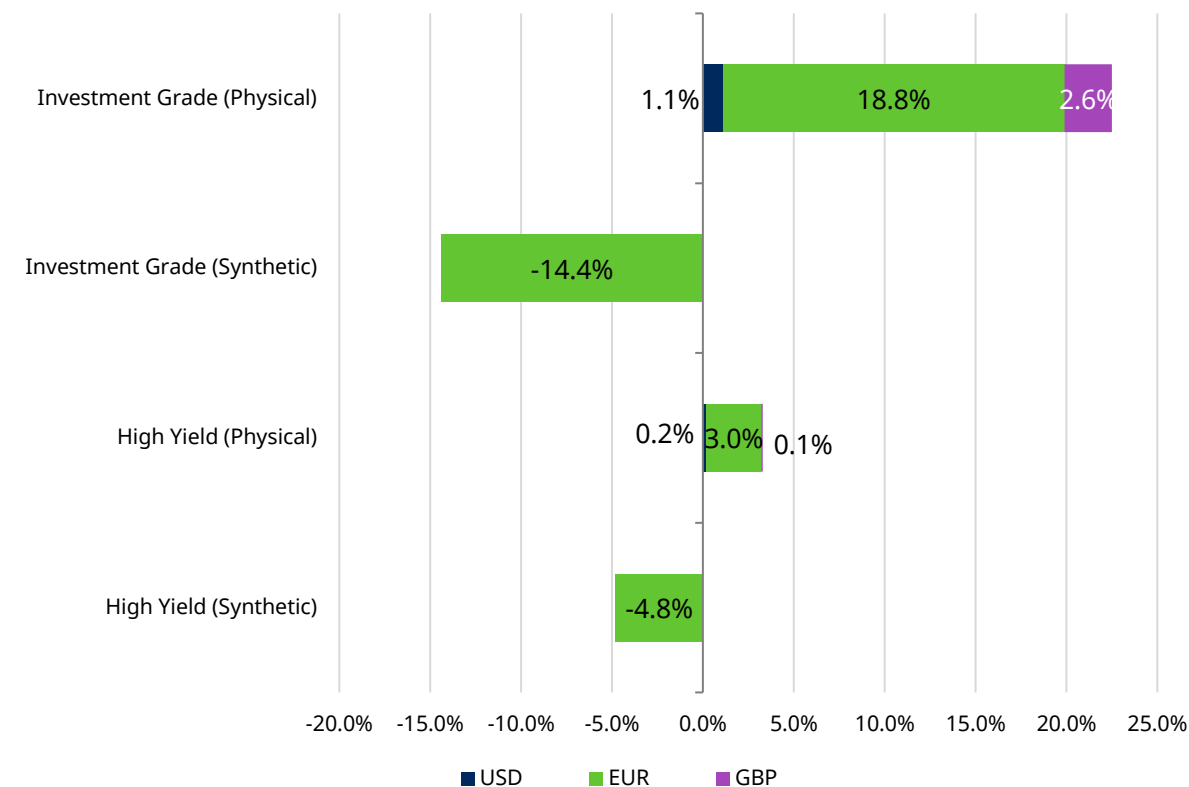
# Schroder Sustainable Bond

## Portfolio characteristics as at 30 December 2022

### Active currency (% market value)



### Active corporate exposure (% market value)



Source: Schroders, Aladdin® by Blackrock, data as of 30 December 2022.

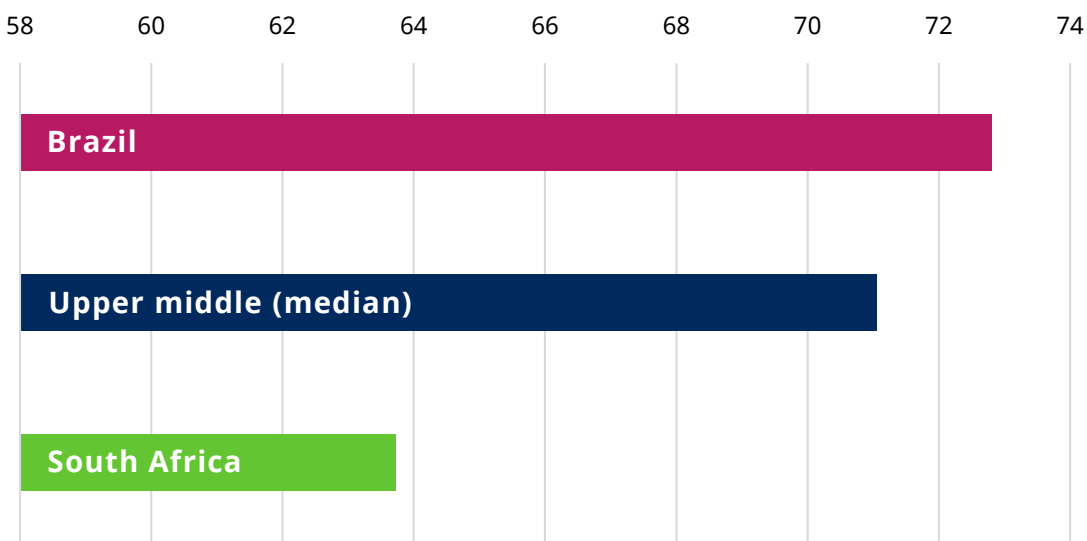
Portfolio refers to Schroder Sustainable Bond. Exclusions: Active currency exposure <0.1%. Corporate exposure includes exposure obtained through cash bonds and credit default swaps, % notional exposure displayed for credit default swaps excluding cash offset. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

# UN Sustainable Development Goals

## Country specific example

### Upper middle-income bracket: Brazil vs South Africa

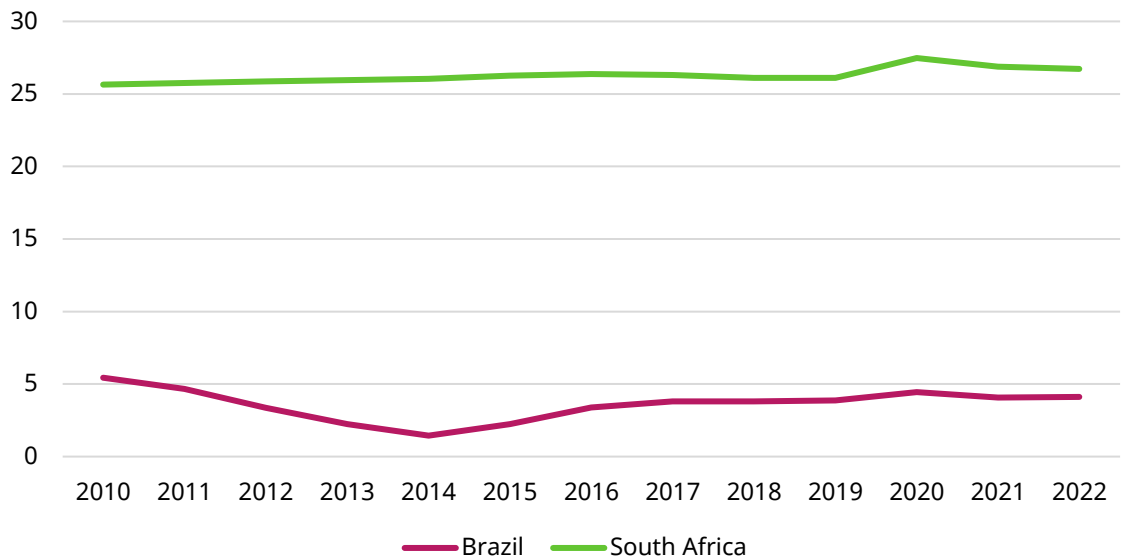
UN SDG aggregate achievement score (out of 100)



- Brazil meets the aggregate SDG achievement score for inclusion
- South Africa lags the median for the Upper Middle income bracket

### SDG 1. No Poverty – South Africa lags peers

Related Goal: Poverty headcount ratio at \$1.90/day\*

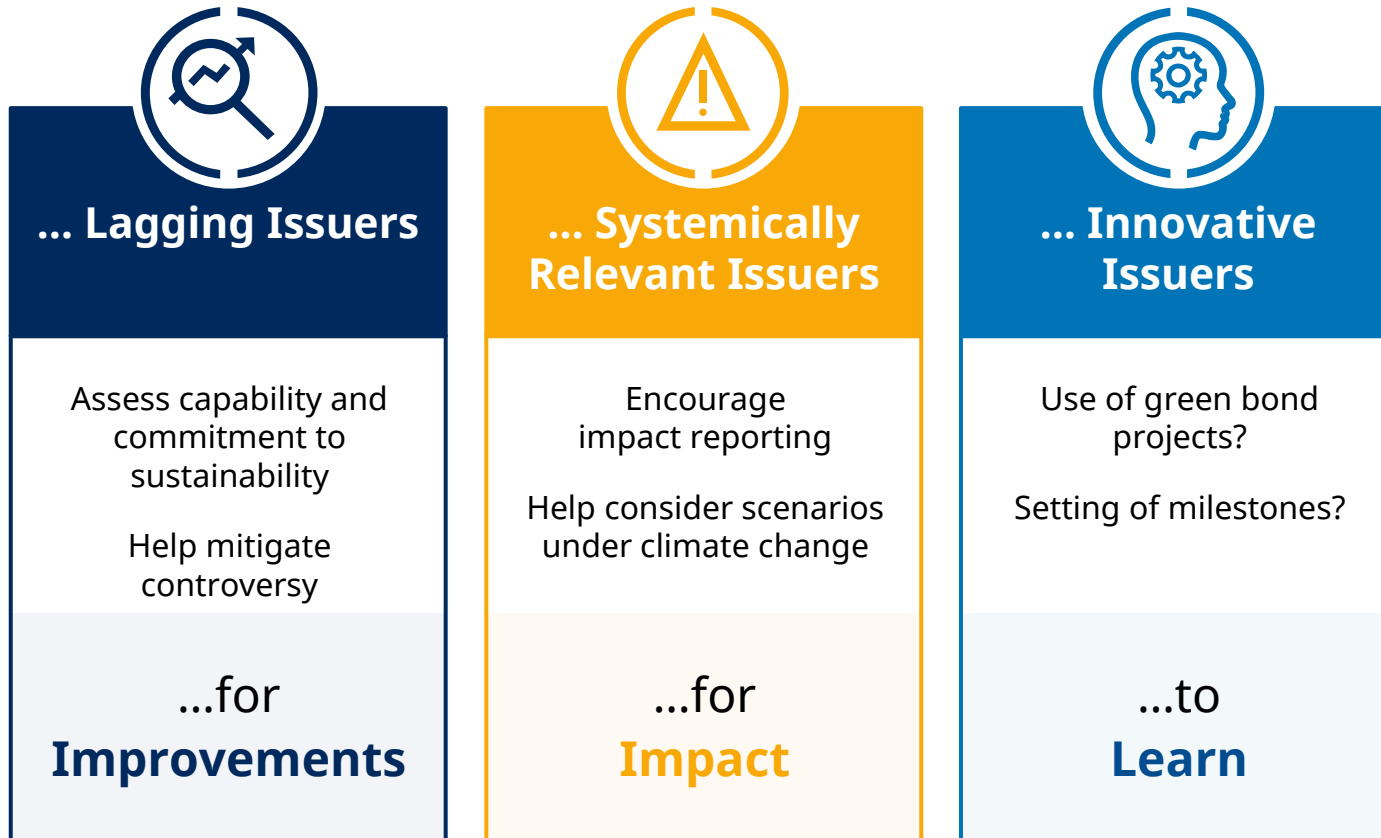


- Out of the 17 UN SDG's South Africa particularly lags in terms of SDG 1, 'No poverty'
- Greater percentage of population living under the poverty threshold compared to peers

Source: Schroders / United Nations / Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung foundation, as at December 2022. \*Estimated percentage of the population that is living under the poverty threshold of US\$1.90 a day. Estimated using historical estimates of the income distribution, projections of population changes by age and educational attainment, and GDP projections. The long-term objective for this indicator is a value of 0.

# Engagement

We aim to engage with...



Source: Schroders.

## Encouraging positive change

- Increasing transparency, communication and commitment through investment
- Dialogue at every opportunity – including follow-up to assess outcome
- Working together with other Schroders global investment teams

# Schroder Absolute Return Bond and Schroder Sustainable Bond

## Fund conversion to Schroder Sustainable Bond on 28 February 2022

### Investment objective<sup>1</sup>

The Fund aims to provide income and capital growth in excess of the ICE BofA Sterling 3-Month Government Bill index plus 2.5% (after fees have been deducted) over any three to five year period, by investing directly in fixed and floating rate securities issued by governments, government agencies and companies worldwide which meet the Investment Manager's sustainability criteria.

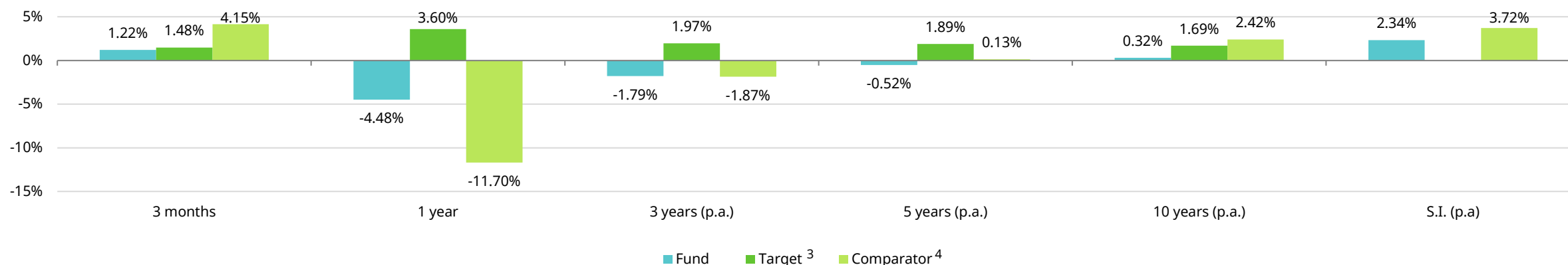
### Schroder Sustainable Bond

Total assets £106 m

### Guidelines<sup>2</sup>

- Nominal portfolio duration: -3 to +8 years
- Inflation duration: -6 to +6 years
- Country exposure: -4 to +8 years
- Yield curve exposure: -6 to +8 years
- Minimum 60% in Investment Grade
- Maximum 20% non-base currency exposure
- Maximum 15% in securities with no MSCI ESG rating or rated B, CCC, or D
- Derivatives: allowed and used to hedge and obtain active risk in the fund. Derivatives used include: interest rate futures, interest rate swaps, credit default swaps and currency forwards

### Schroder Sustainable Bond Z Acc vs. Benchmark\*



Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.

Source: Schroders as of 30 December 2022. <sup>1</sup>Targets are performance-dependent and there are no guarantees they will be achieved. <sup>2</sup>This is not a complete set of fund rules and represents the typical internal, non-mandatory limits under which the fund is managed. Please note that such limits may be deviated from and are subject to change without notice. Schroder Absolute Return Bond Fund changed its name to Schroder Sustainable Bond Fund, as of March 2022. In connection with this change, the investment objective, investment policy and benchmark of the fund were updated. The past performance shown represents the return of the fund. \*The benchmarks of the fund have changed since the fund's inception. These benchmarks were: LIBOR 3mth GBP from September 2003 to June 2021. The benchmark from July 2021 until February 2022 was ICE BofA Sterling 3-Month Government Bill Index plus 1%. The current benchmark, which is ICE BofA Sterling 3-Month Government Bill index plus 2.5%, is shown since that Performance is shown for the named share class on a NAV-to-NAV basis, net income reinvested, net of ongoing charges. <sup>3</sup>Target: ICE BofA Sterling 3-Month Government Bill index plus 2.5. <sup>4</sup>Comparator: Investment Association Sterling Strategic Bond sector average return.



# Schroder Sustainable Bond

Discrete 10-year performance. The Schroder Absolute Return Fund changed its name to Schroder Sustainable Bond Fund on 28 February 2022.

Past performance is not a guide to future performance and may not be repeated. The return may increase or decrease as a result of currency fluctuations. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Schroder Sustainable Bond<sup>1</sup></b>	-4.48	-0.39	-0.43	5.05	-2.09	1.23	3.15	-3.00	2.73	1.87
<b>Benchmark<sup>2</sup></b>	3.60	1.04	1.30	1.82	1.73	1.35	1.50	1.57	1.54	1.51

## What are the risks?

**ABS and MBS risk:** The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

**Sustainable Investing Risk:** The fund applies sustainability criteria in its selection of investments. This investment focus may limit the fund's exposure to companies, industries or sectors and the fund may forego investment opportunities that do not align with its sustainability criteria. The fund may underperform other funds that do not seek to invest based on such criteria. As investors may differ in their views of what constitutes sustainability, the fund may invest in companies that do not reflect the values of any particular investor.

**Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.

**Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

Schroders: Performance is shown for the named share class on a NAV-to-NAV basis, net income reinvested, net of ongoing charges (%) in GBP.

<sup>1</sup>Schroder Absolute Return Bond Fund changed its name to Schroder Sustainable Bond Fund, as of March 2022. In connection with this change, the investment objective, investment policy and benchmark of the fund were updated. The past performance shown represents the return of the fund. <sup>2</sup>The benchmarks of the fund have changed since the fund's inception. These benchmarks were: LIBOR 3mth GBP from September 2003 to June 2021. The benchmark from July 2021 until February 2022 was ICE BofA Sterling 3-Month Government Bill Index plus 1%. The current benchmark, which is ICE BofA Sterling 3-Month Government Bill index plus 2.5%, is shown since then. Performance is shown for the named share class on a NAV-to-NAV basis, net income reinvested, net of ongoing charges.

# Schroder Sustainable Bond

## Risk considerations continued.

**Operational risk:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

**Performance risk:** Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

**IBOR:** The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

**Derivatives risk:** Derivatives may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

# Outlook

## Summary of our views – Q1 2023



### Duration and Curves

Bias to long duration due to a combination of disinflationary pressure and slowing economic data. US growth is particularly vulnerable to 'catching down' with the rest of the world.

Steeper curves in the US (based on maturing rate cycle and softer inflation) and the UK (given overly aggressive front-end pricing and significant net supply at the long end).



### Markets

Long US cross-market as spot inflation reaches its peak. Long Canada, Sweden and the UK, given growth concerns from housing markets that are overleveraged and in the process of correcting.

Short core Europe as we expect core inflation to continue to rise from here, with the ECB responding accordingly.



### Inflation

Evidence of headline inflation having peaked in the US and Eurozone, warranting short breakeven positions. Our expectation is for the US to lead a disinflationary trend, driven by an easing of core price pressures.



### Credit and EM

The outlook for credit is mixed: should benefit from a reduction of bond volatility but there are headwinds from weaker economic data. Generally a preference for investment grade credit and more neutral on high yield

Selectively bullish on local currency EMD as central banks reach terminal rates.



### Currency

While global growth is expected to weaken overall, the relative dynamics as China starts to improve and Europe passes through the worst of its energy crisis favour a weaker USD.

Commodity producers stand to benefit from a rebound in Chinese growth. EM FX is also likely to have a tailwind from falling bond volatility.

# Outlook

## Summary of views Q1 2023



**A disinflationary window opens – led by the US**

Goods disinflation leads to near-term improvement in inflation outlook, especially in the US – but inflation falls more slowly in H2 due to ‘stickier’ services



Long US duration outright / long US versus Germany  
Long EMD (local)  
US curve steepeners  
Short US breakevens  
Short EUR 10y10y breakevens  
FX: Long EM  
Credit: long IG / neutral HY

**1**




**US growth ‘catching down’ with the rest of the world**

‘Hard’ activity data not yet fully reflecting weakness in ‘soft’ leading indicators.  
From here, more scope for growth in the US to disappoint, relative to Europe

Long US duration outright  
US curve steepeners  
Short US breakevens  
Short EUR 10y10y breakevens  
FX: Short USD, CAD vs JPY, EUR, CHF  
Credit: short IG / short HY

**2**



**Cross-market divergence as hiking cycles mature**

As hiking cycles mature, greater differentiation between countries in terms of further rate rises. Central banks will be more dovish where inflation has peaked and consumers are overleveraged

Long Canada outright; long US, Sweden and UK vs EU; short France vs US; short Italy vs Germany  
UK curve steepeners; short Germany / France asset swap  
FX: Short NZD, GBP, SEK, CAD vs USD, EUR

**3**



**China rapidly re-opens**

China continues to open up faster than expected: a turnaround in China’s economy is positive for growth across Asia, and for commodity producers



FX: Selective longs in Asian and commodity currencies

**4**



# Important information

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