BYRON CAPITAL PARTNERS

Byron Capital Partners Ltd

Advisory • Alternatives • International Asset Management

Best Performing Fixed Income Fund over a 3 year period
Byron Fixed Income Alpha Fund
(Byron Capital Partners Ltd)

Let's Discuss

Financial Repression, that's to say the punishment of savers through continued ultralow short term and long term interest rates in the western world is forcing investors to find solutions for "earning above benchmark returns without taking significant duration, credit quality and liquidity risk". With short-term interest rates in the developed world likely remaining low and even negative for the foreseeable future, particularly in Europe, a premium will be put on the ability to generate positive returns from global bond portfolios.

Let's Discuss

So what does that mean exactly?

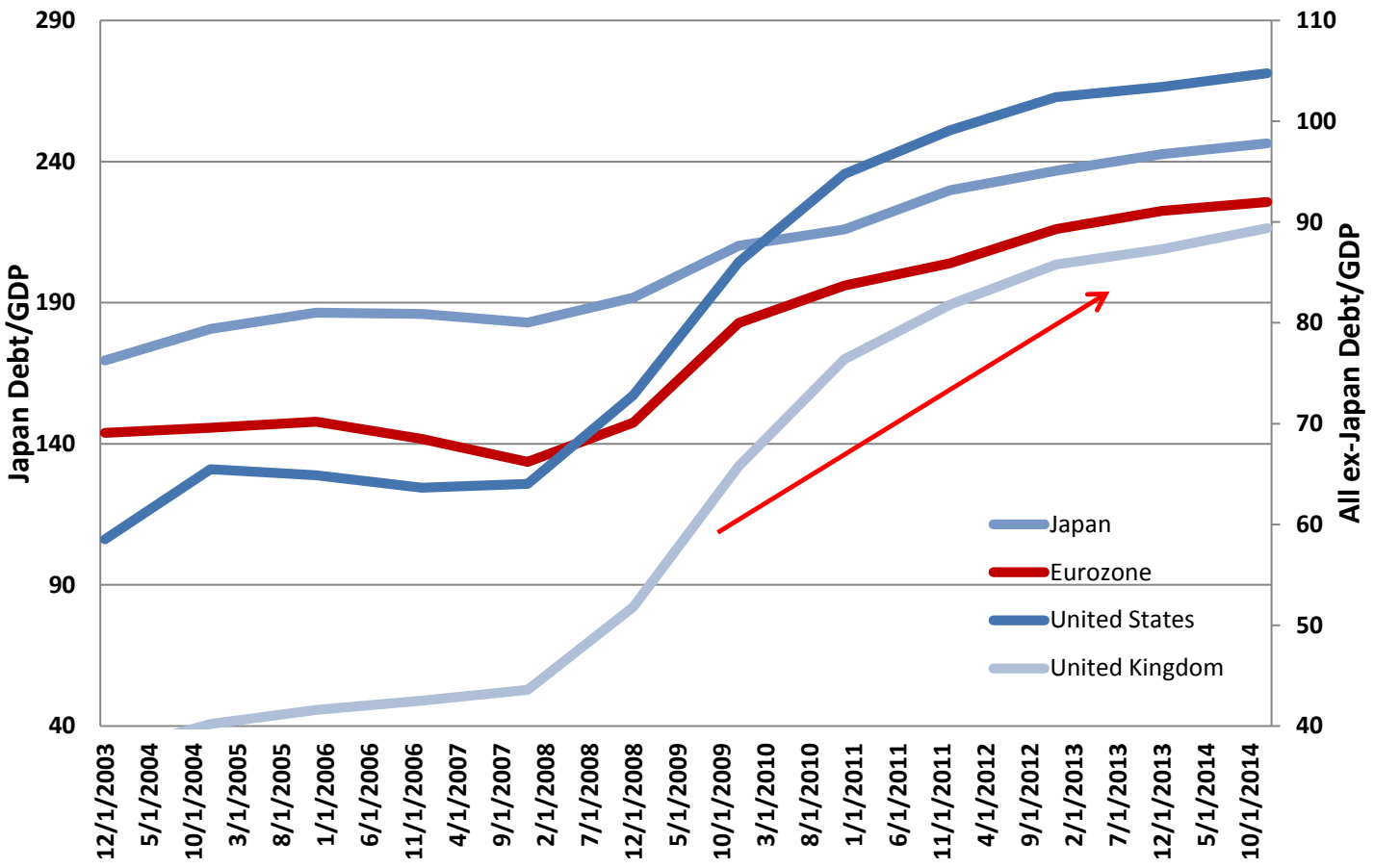
The World – A quick update

- We had a financial crisis.
- We're still having a financial crisis.
- A depression has so far been avoided.
- The solution to avoiding a depression was to use cheap money to solve a crisis which was caused by giving money too cheaply to people who would struggle to pay it back.
- US Debt is now @ $17 Trillion.
- ECB has pledged to do whatever it takes.
- Japan is Japan.
- 10 year commodity cycle appears to be at an end.

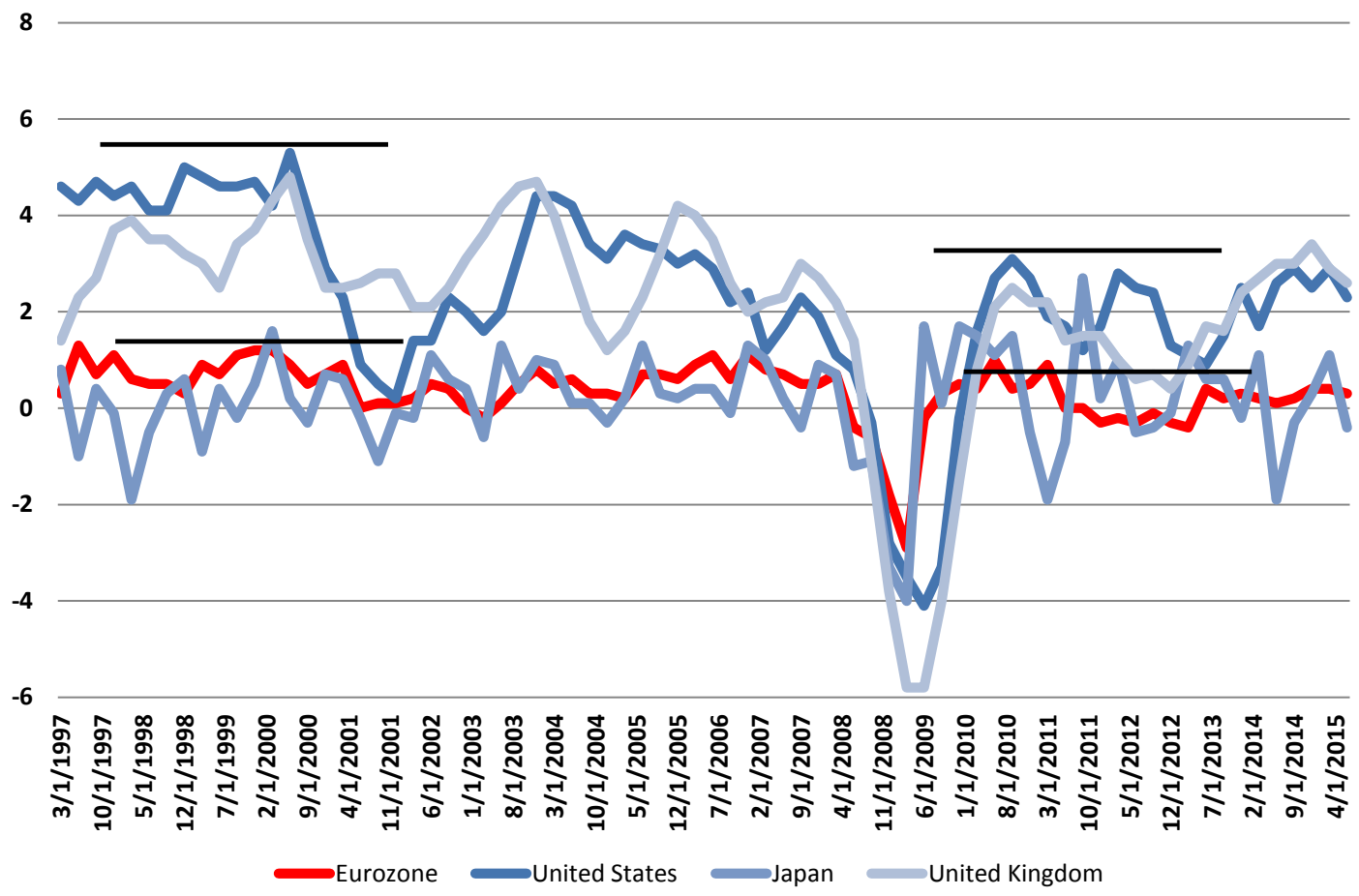
- Small Issue – The cost of the crisis – who pays ?

  - Socialise losses.
  Or
  - Get someone else to pay.

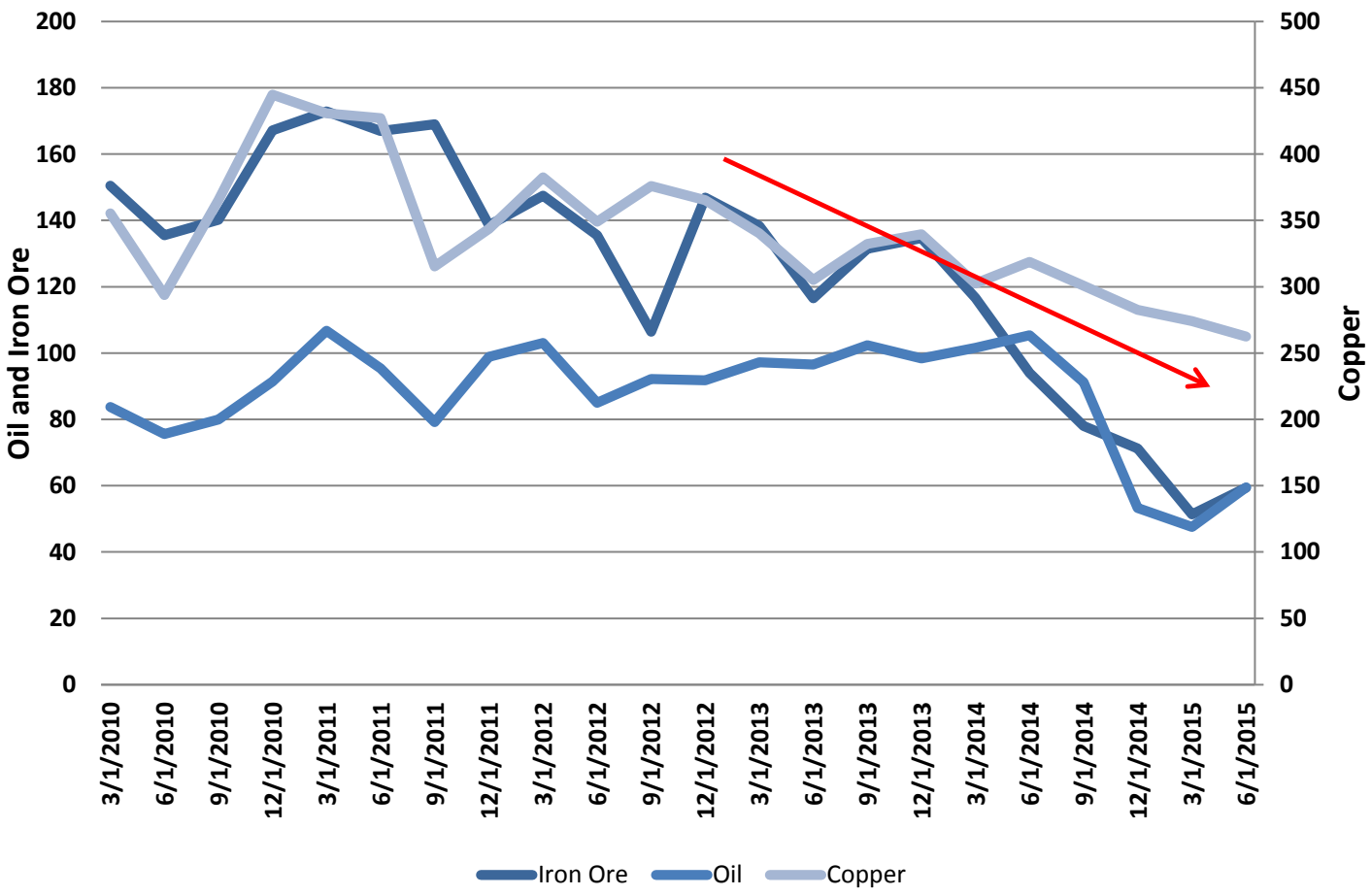
Developed Markets Debt as % GDP



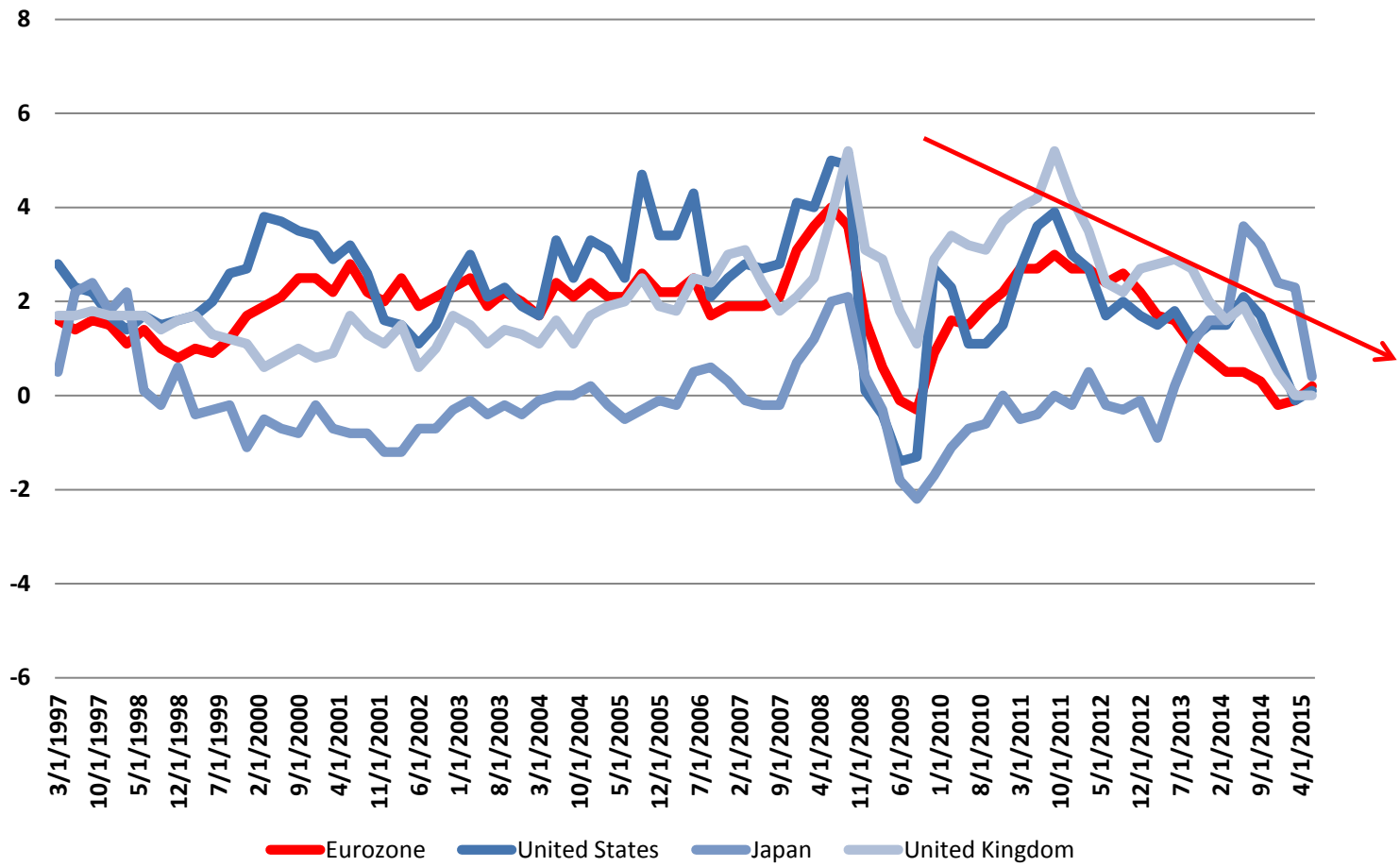
Developed Markets Growth Rates



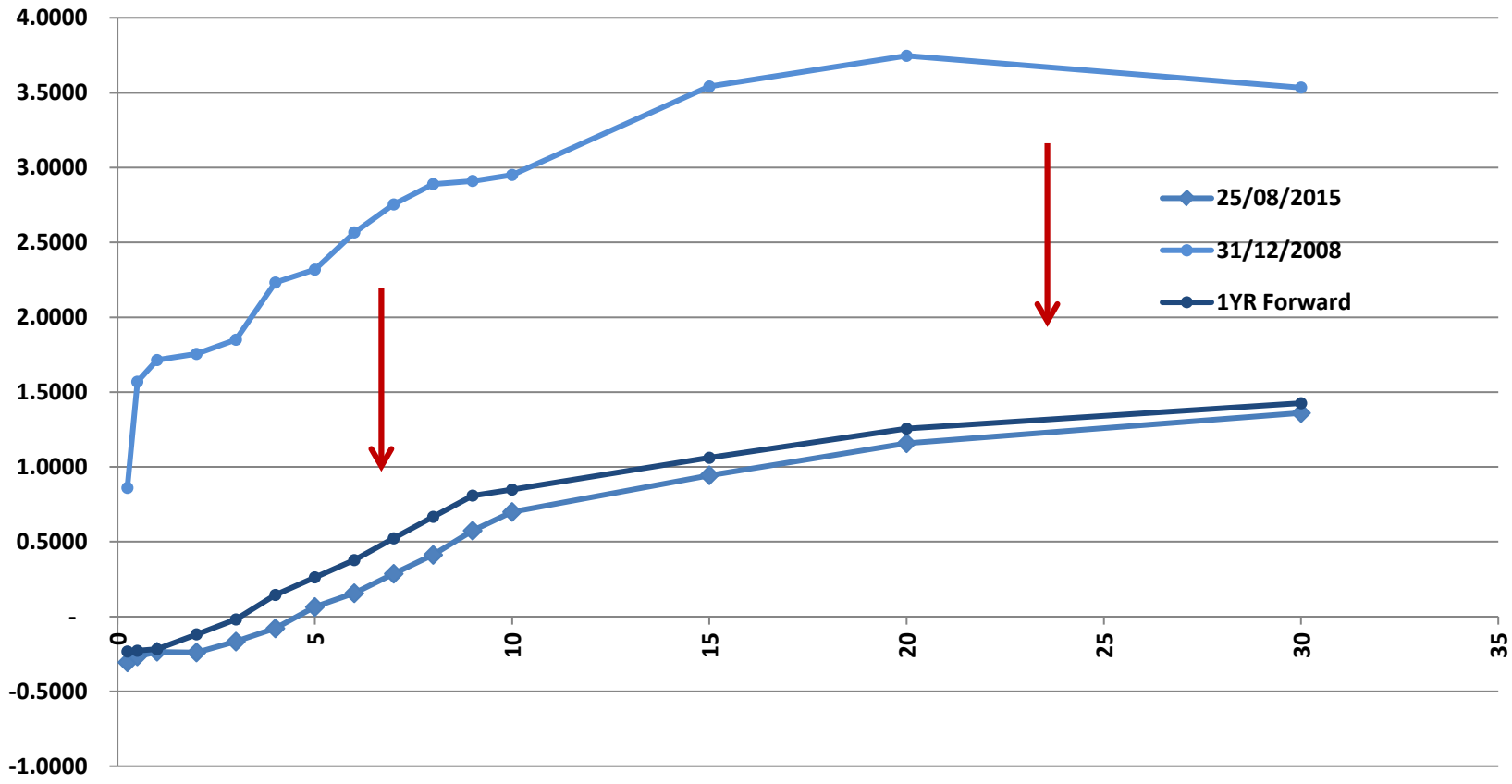
Commodities Slide



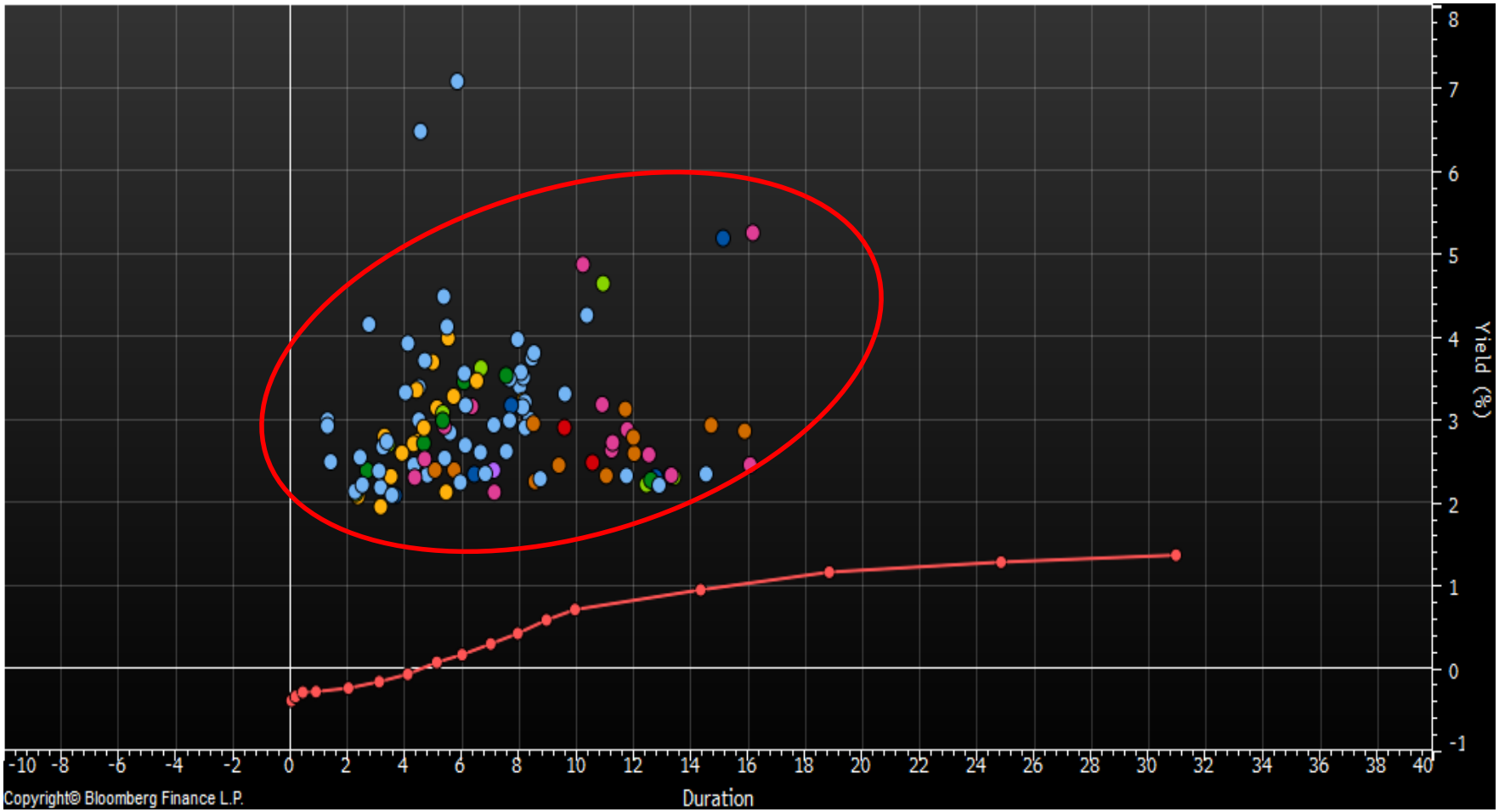
Developed Markets Inflation Rates



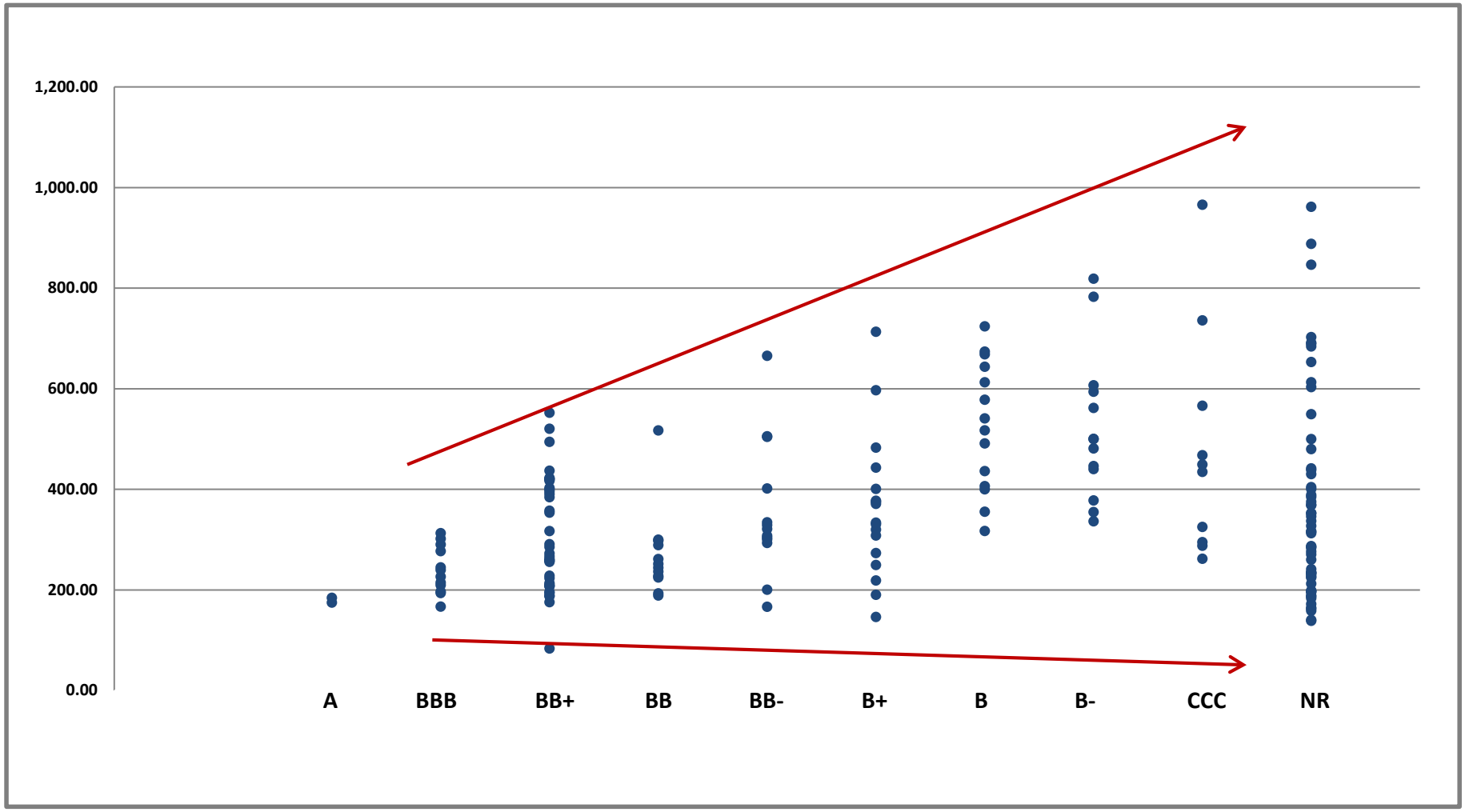
German Government Yield Curves



Corporate Credit can Compensate for the Lost Yield of Govvies (dots represent AAA-BB liquid EUR corporate universe yields 2-7%)



As you move down the Credit Quality Spectrum inefficiencies and the possibility of Alpha Generation increase



Bluechip Absolute Return Bond Funds in Europe

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