



MiraltaBank
Advanced Banking

Miralta Sequoia
March 2024



Miralta
Sequoia

Diversified Global
Fixed Income

Characteristics

- 100% Fixed Income
- Flexible Duration (0 -10), even negative
- Currency risk 0-100%
- Investment Grade (except 25%)
- Active management
- OECD (max 30% non-OECD)
- ESG criteria (article 8)

Investment objectives

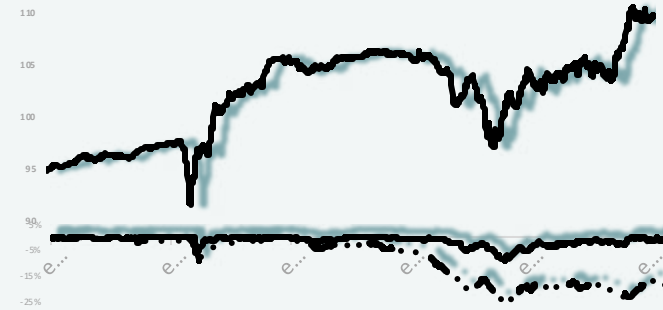
The objective is to maximise long-term profitability, with a particular emphasis on risk management.

We believe that the best way to achieve our objective is through active strategy and risk management, as well as rigorous analysis that allows us to exploit inefficiencies in the interest rate and credit markets.

Features

- Highly diversified portfolio (70-90 positions)
- In large leading companies
- Flexible and opportunistic approach
- Risk and volatility control
- Global macro with emphasis on *big-data*
- Allows for high portfolio turnover

Total return bond fund. Datos clase A -
LU2638558333



* Date 29/02/2024.

	Return			
	Year	Anual.	Vola.	Sharpe
2024	-0,44%		3,69%	-0,12
2023	9,33%		3,76%	2,48
2022	-4,96%		3,70%	-1,34
2021	0,49%		1,16%	0,42
2020	8,60%		3,93%	2,18
2019	2,48%		0,90%	2,75
From Enero 2019	15,68%	2,86%	3,03%	0,94

Track record – Sequoia

EXPANSIÓN

- Best Long Term Fixed Income Fund. 2023

[Expansión](#)

MORNINGSTAR

- Best 3 and 5-year fund annualized Diversified Fixed Income EUR
- Top 5 2022-2021 Diversified Fixed Income EUR
- Best 2020 Diversified Fixed Income fund EUR
- Best Sharpe 3 and 5-year ratio

[MORNINGSTAR](#)

CITYWIRE

- Best Fixed Income Manager – Euro. 2023
- Best Fixed Income Manager – Euro. 2022
- Top 2/2000 international managers.March 2023

[CITYWIRE](#) **AAA**
[CITYWIRE](#) **PLATINUM**

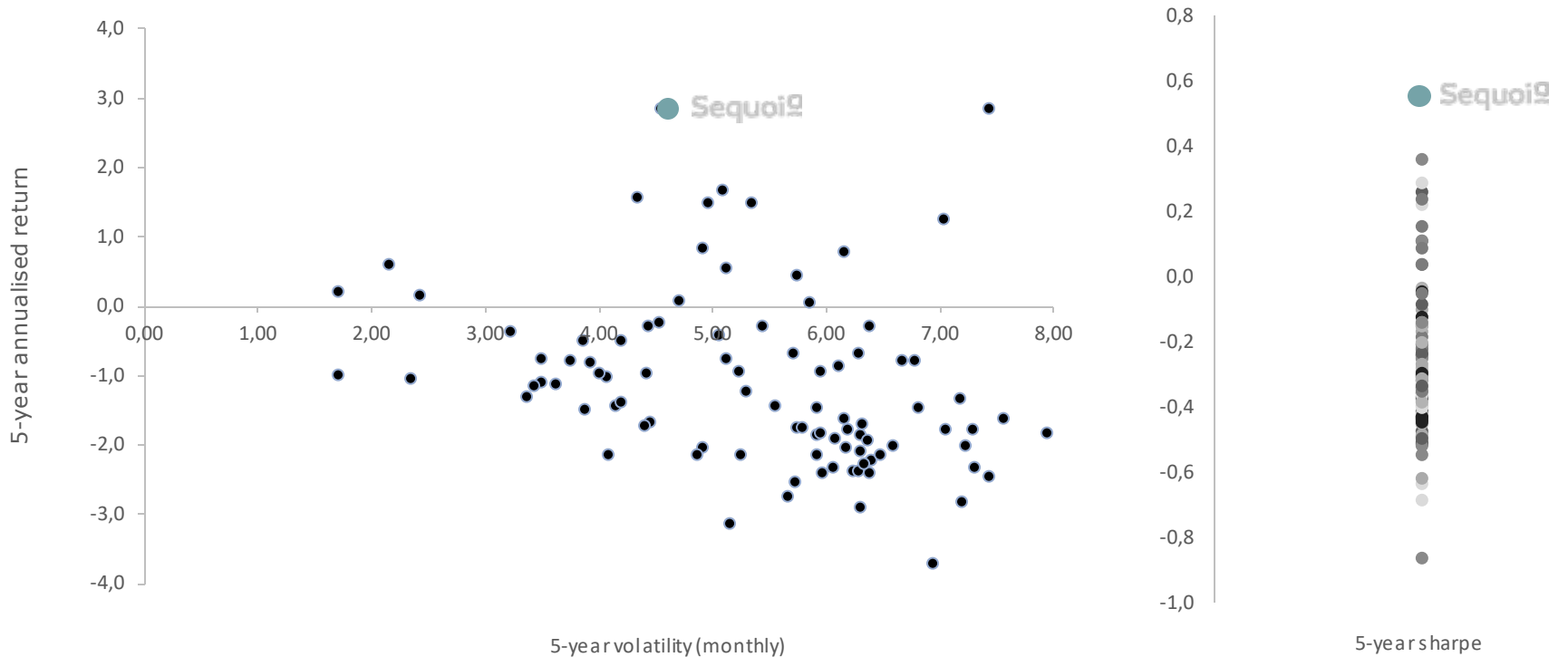


Comparative vs Morningstar category



Sequoia

Diversified Fixed Income EUR. Class data A – ES0173368004



* Data of 29/02/2024

Impact Investment

95% ESG Initiative signatories



Environmental

59%



Society

67%



Governance

67%



Portfolio

65%



Key information

TIR **5,59%**

Duration **4,98**

Rating **BBB+**

Number of positions **141**

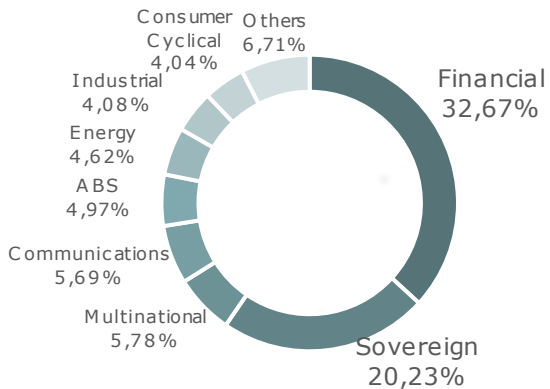
Liquidity **16,1%**

Number of issuers **97**

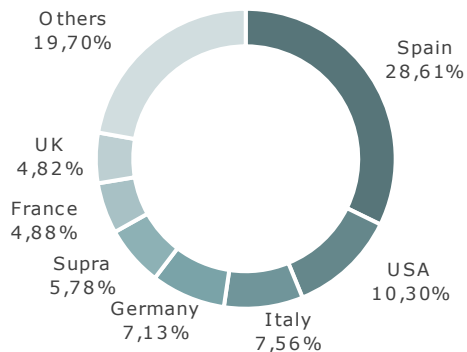
*SCR **7,11%**

* SCR = Solvency Capital Requirement

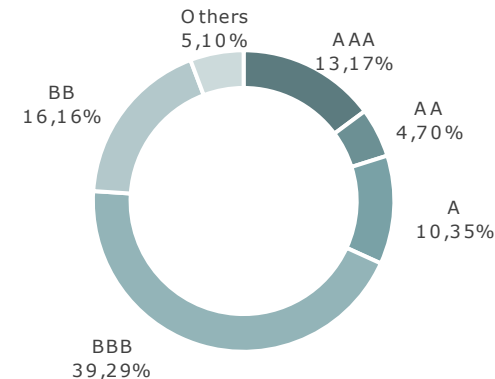
Sectors



Countries



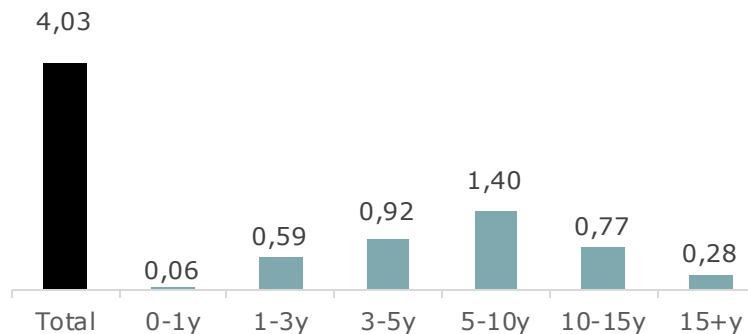
Credit rating



Higher positions

BTPS 0.1 05/15/33	2,92%
SPGBEI 0.7 11/30/33	2,30%
TII 0 1/4 02/15/50	2,05%
LRESM 1 3/4 07/22/26	1,48%
ISPIM 7.778 06/20/54 REGS	1,41%
TII 1 1/8 01/15/33	1,32%
IBRD 0 09/30/52	1,25%
TII 1 1/2 02/15/53	1,23%
TDAC 9 B	1,22%
IBRD 0 05/26/37	1,18%

Risk Curve



Diversified quality bond portfolio

More than 90 issuers and 100 benchmarks



Portfolio

8,6% Inflation

2,2% EUR Frontier Gov

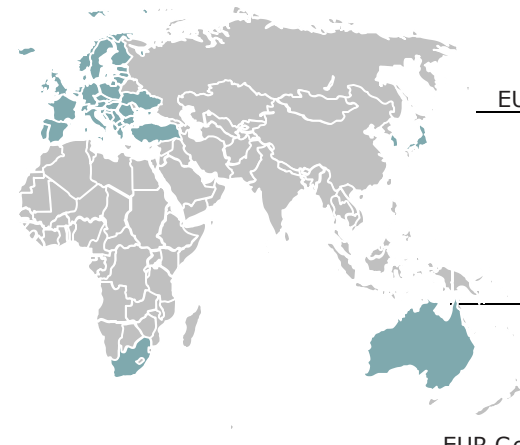
6,1% EM & zc AAA

6,1% EUR Credit IG

3,8% EUR Convert

4,4% EUR Reits & Socimis

6,4% Duration



EUR Senior Financials 15,4%

EUR Cocos 6,8%

EUR LT2 5,4%

EUR Corp Hybrid 6,1%

USD Corporates 2,3%

Spanish RMBS 6,0%

countries in which sequoia invests

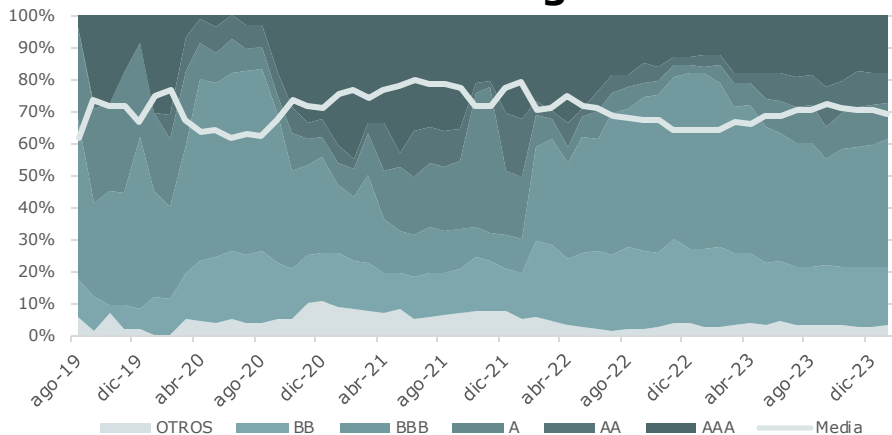
Data of 29/02/2023

Evolution of the main value

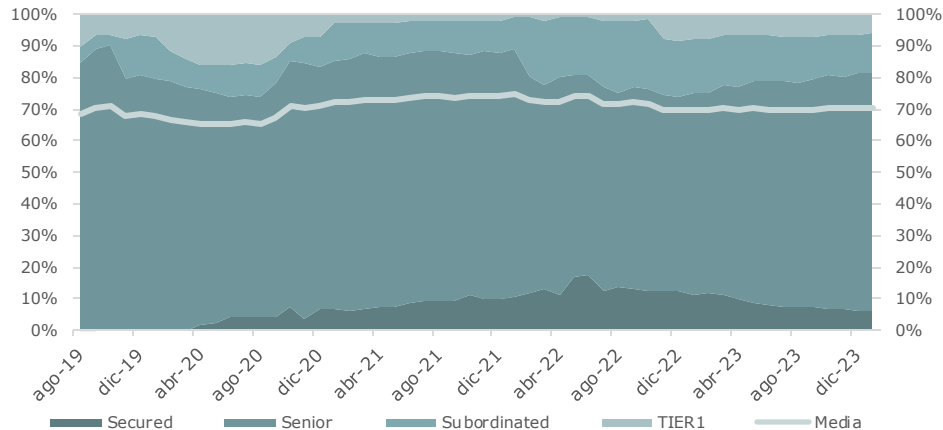


Sequoia

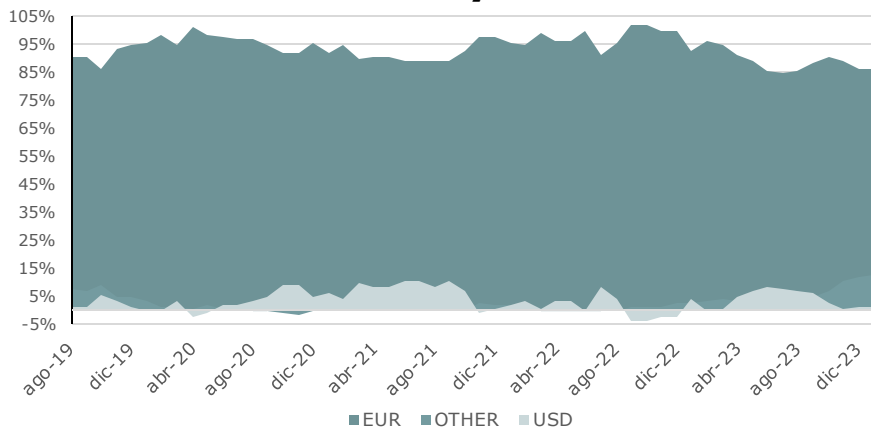
Rating



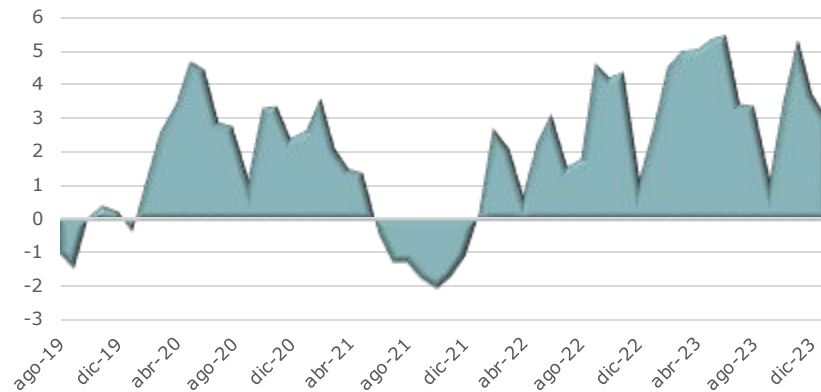
Credit Quality



Country Risk



Duration



* Datos a 29/02/2024.

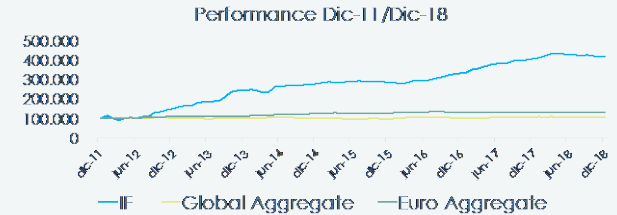


Ignacio Fuertes
@ifuertes_rm

Founding partner and CIO at @miraltabank. Miralta Sequoia Manager

Engineer by background, Ignacio has more than 20 years of experience in capital markets and trading. Ignacio started his career at Merrill Lynch in London. Later, he joined Vega Asset Management, as head of the trading department and trader of the Vega Global fund. Prior to founding Miraltabank, he was a manager at the alternative asset management company Próxima Alfa.

Track record – Ignacio Fuertes



- **Citywire - AAA**
- **Citywire- Ignacio Fuertes** Best Fixed Income Manager for 2nd consecutive year in the Euro category with Miralta Sequoia FI 2023 fund
- **Citywire- Ignacio Fuertes** Best Fixed Income Manager – Euro 2022
- **Citywire** – Top 2/2000 managers Mar. 2023.

What's going on

“Years of unconventional monetary policy and increased regulatory pressure have turned high-risk episodes into high-probability ones..”

Ignacio Fuertes – fund manager



Macro environment

2024- Urgent to wait

Narrative, Situation, Strategy

Narrative - From Minsky to Goldilocks

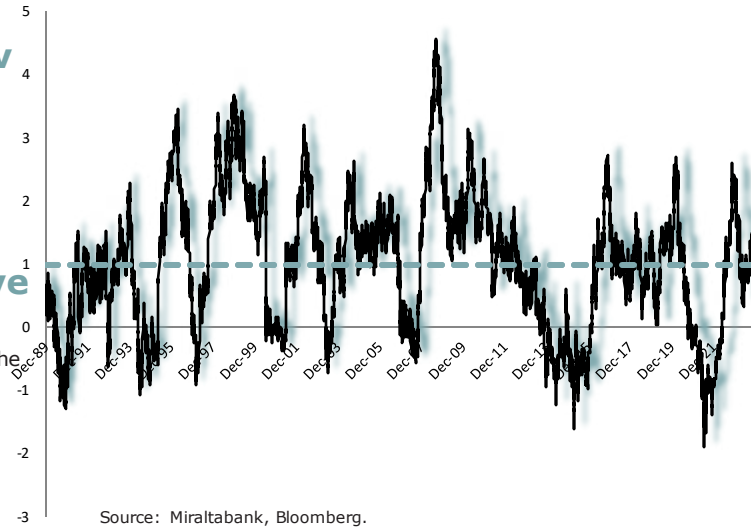
- From Banking Crisis(MM) to Goldilocks and Higher for Longer, Again
- Consumer resilience, the economy and the labor market
- Disinflation in a new, more inflationary geopolitical context
- Curve discounts declines June 24

Situation - Less credit, more expensive

- Situation - Less credit, more expensive
- Credit-intensive sectors & low-quality companies will suffer especially in the credit-intensive sectors. Negative positioning has been reduced
- Negative positioning has been reduced
- End of Fed hike cycle (+ regulation & - credit)
- Asymmetric and opposing bond and equity payouts
- Worrying fiscal situation and penalizing future growth (vs. elections)
- Lack of global liquidity prevents sustainable rallies

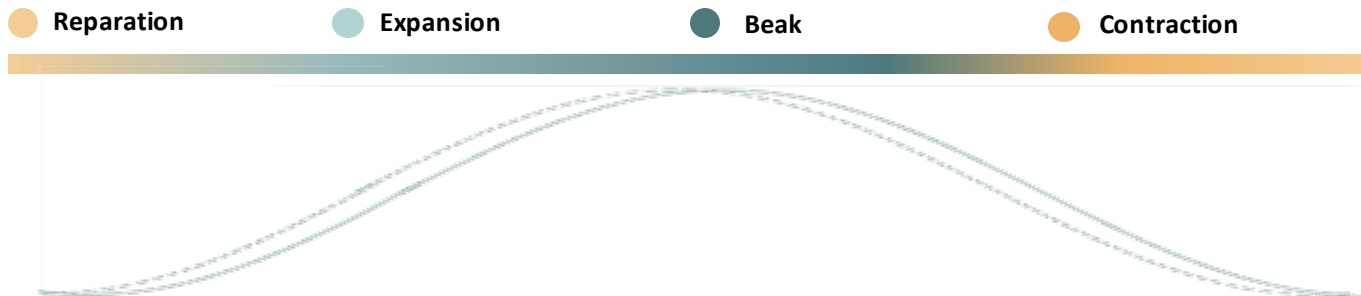
Strategy - Less is more

- Fixed income: convexity, treasuries and quality - Buying dips
- Curve: From bearish to bullish steepening
- Equities: -==+ (oil, credit, insulin, ai,...) - Sell rallies
- Neutralize USD exposure





Credit Cycle vs. Business Cycle

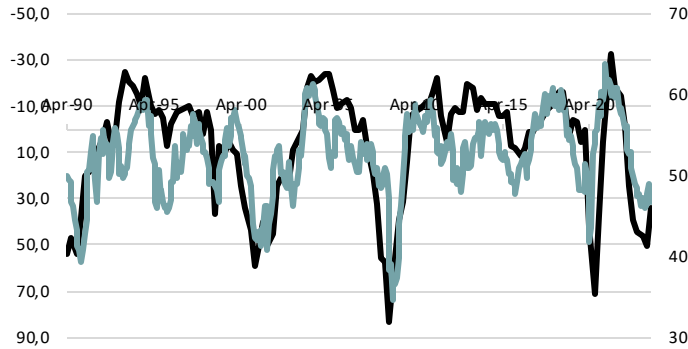


	Reparation	Expansion	Peak	Contraction
Macro				
Monetary policy	Expansive	Expansive	Neutral	Restrictive
Growth	Moderate	Growing	Stagnant	Decreasing
Inflation	Casualty	Growing	High	Decreasing
Financial conditions	Expansive	Expansive	Neutral	Restrictive
Economic Perception	Pessimistic	Goldilocks	Overheated	Refusal
Financial Repression	Yes	Yes	No	No
Credit				
Interest Rate	Low	Increasing	High	Decreasing
Non-Payment Rates	Low	Very low	Increasing	High
Expectations of Non-Payment	High	Decreasing	Very low	Increasing
Access to Credit	Improving	Easy	Very easy	Difficult
Indebtedness	Low	Increasing	Elevated	Decreasing
Assets				
Real Valuations	Attractive	Increasing	Very expensive	Collapsing
Credit Spreads	High	Decreasing	Very low	Shooting
Expected Returns	High	Decreasing	Very low	High
Correlations	Low	Increasing	High	Decreasing
Investors/Portfolios				
Liquidity	Increasing	Loud	Decreasing	Minimum
Leverage	Very low	Growing	Maximum	Collapsing
Investment Portfolio Bias	Defensive & Long Vol	High Beta	High Beta & Short Gamma	Denial/Panic Defensive
Expectations & Narrative	Incredulity	Optimistic	Euphoria	Increasing
Risk Perception	Very High	Decreasing	Very low	Down
Ratios de Sharpe	Minimum	Increasing	Maximum	

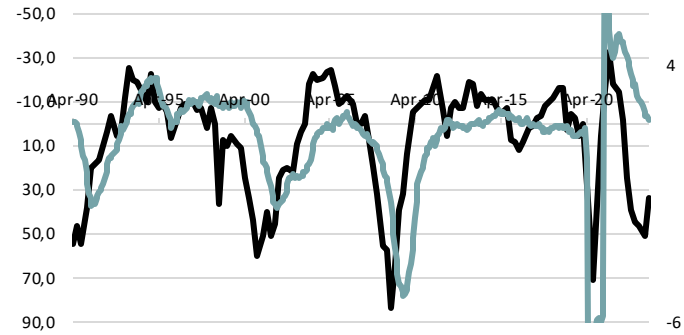
Credit vs Economic Cycle

USA, Europe, China and Japan EEUU, Europa, China y Japón

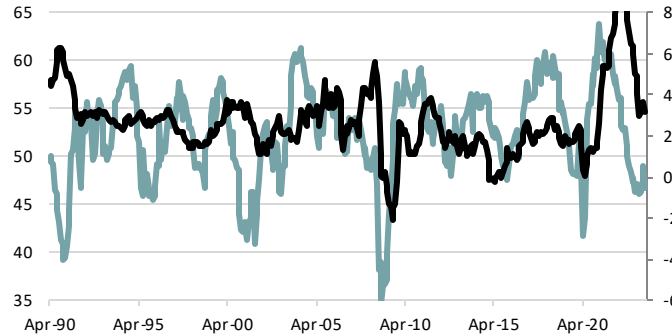
ISM vs % Banks Tightening



Non Farm yoy% vs % Banks Tightening



ISM vs CPI



Source: Miraltabank, Bloomberg.



Importance of Global Liquidity

USA, Europe, China and Japan

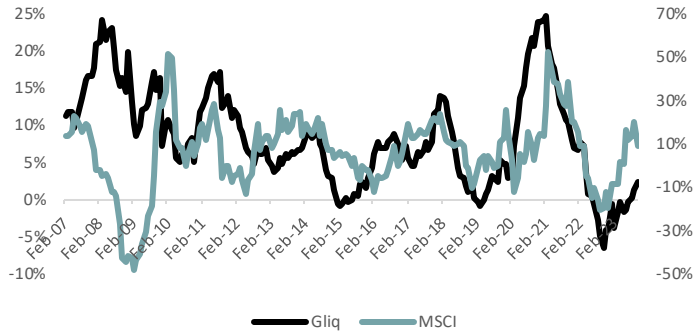


Source: Miralbank, Bloomberg.

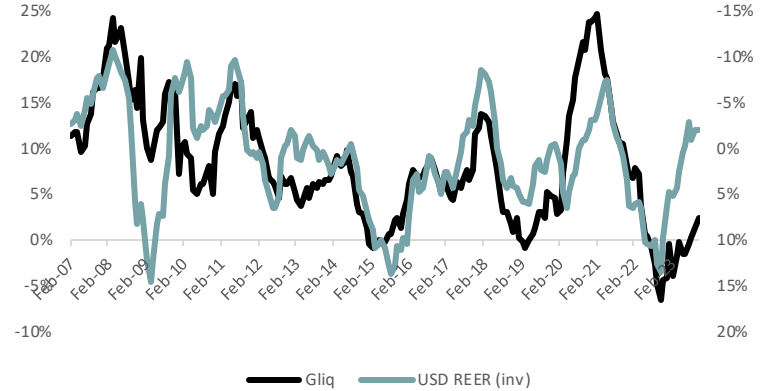
△ Global Liquidity

Impact of Liquidity on Assets

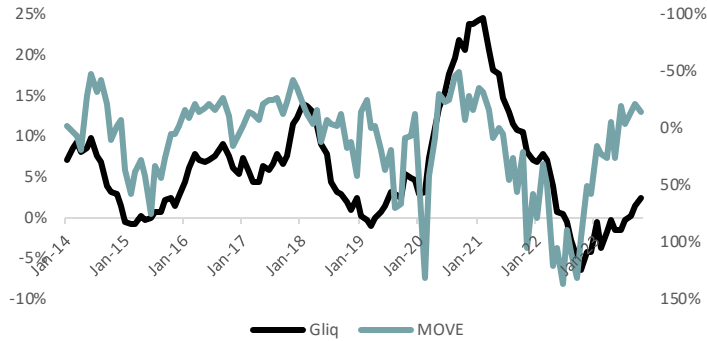
Global Liquidity vs MSCI World %YoY



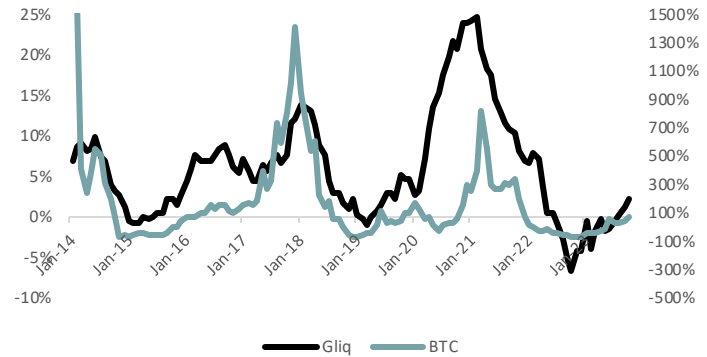
Global Liquidity vs USD REER (inv) %YoY



Global Liquidity vs MOVE %YoY



Global Liquidity vs BTC %YoY



Source Miraltabank, Bloomberg.



Δ Global Liquidity

An unprecedented contraction



Source: Miraltabank, Bloomberg.



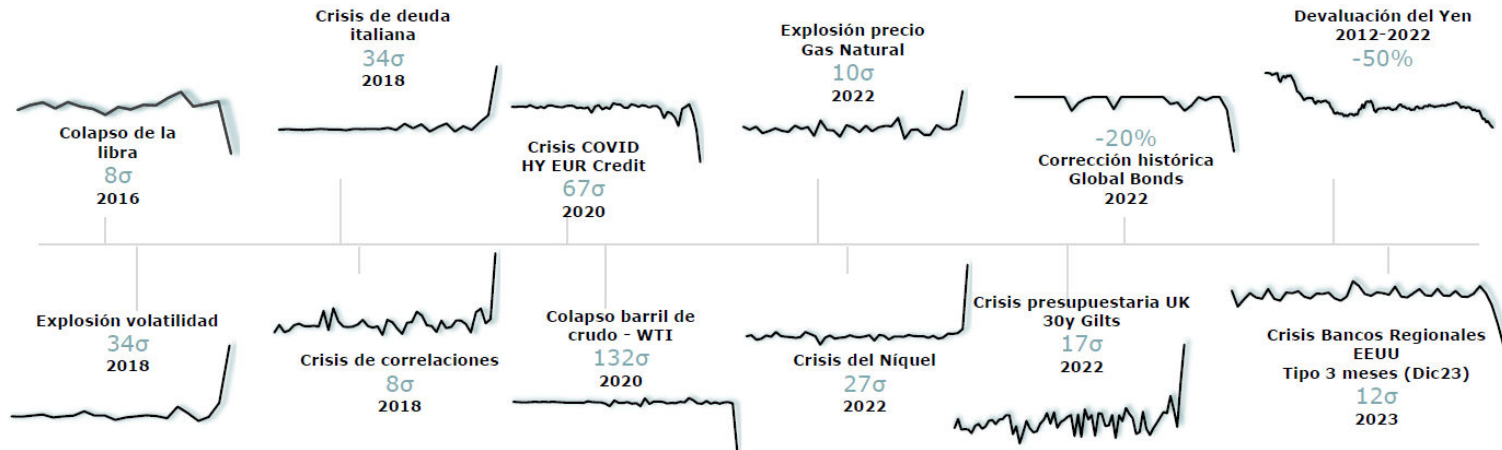
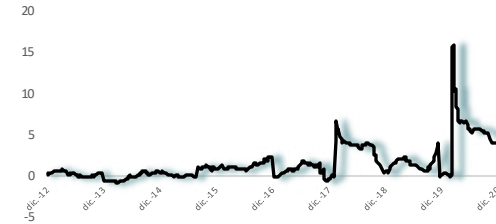
Let's remember that we are facing a new normal

HIGH-RISK SCENARIOS = HIGH-PROBABILITY SCENARIOS

Explosive Cocktail

- **Normalization of unconventional monetary policies:** Motivates an "artificial" rise in valuations.
- **Increased regulatory pressure (Volcker, Mifid II, Solvency II, Basel III, etc.):** Drains liquidity from financial markets.
- **Removal of the BC Put.**

Curtosis S&P500





No two crises are the same...



No two crisis are the same

Risk Management Specialist

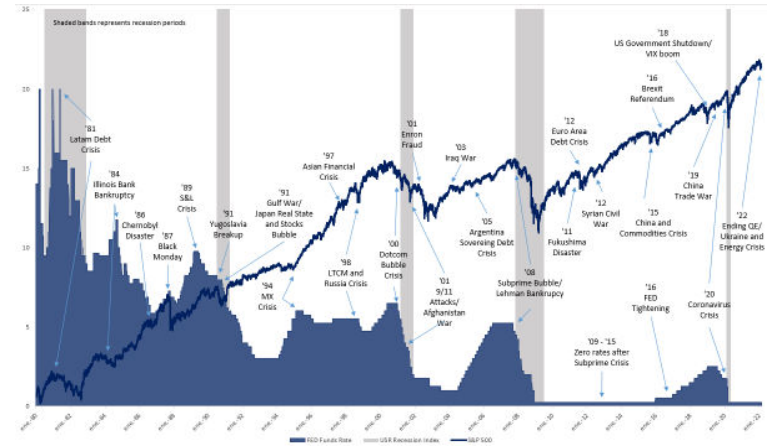


More than 40 years managing crises

- 5 Recessions
- 8 Rate Hike Cycles
- 6 Banking/Sovereign Crises
- 8 S&P500 corrections > 20%
- 7 Armed Conflicts/ Natural Disasters/ Pandemics
- 3 Asset bubbles
- 2 portfolios divested > 10bn EUR

It's not at odds with Good results

- All Morningstar 5-Star Funds
- Narwhal : Best Fund 2020 - RV Cap. Grande Blend (Morningstar)
- Sequoia:
 - Best Fund 2020 - Diversified RF EUR (Morningstar)
 - Top 5 2021 - Diversified RF EUR (Morningstar)
 - Top 10 2022 - Diversified RF EUR (Morningstar)
 - Highest 3-Year Profitability - Diversified RF EUR (Morningstar)
 - Highest 3-Year Sharpe - Diversified RF EUR (Morningstar)



Source: Miralatabank, Bloomberg.



No two crises are the same...

But they all have something in common

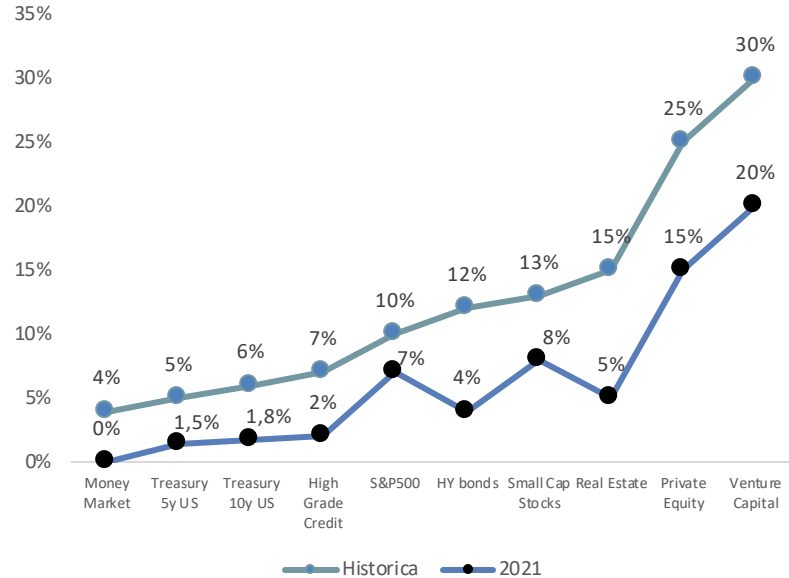
Market characteristics with high levels of risk



Risk vs Risk Perception

- Very high real valuations (extreme PE)
- Expected Returns on Low Quality Assets
- Credit spreads at minimums – low dispersions
 - Scarce arbitrage opportunities
 - Inadequately remunerated risk and illiquidity
- Ultra-expansionary financial conditions
- Default rates at historic lows
- Very cheap credit
- Leverage at highs
- Liquidity level in portfolios at minimum
- Portfolios with high beta biases
- Short gamma strategies (volume selling, rating reduction, etc.)
- Overpositioning
- Portfolio effect (diversification/correlations) very high
- Strong inflows into risky assets
- Sharpe ratios of portfolios at highs (extrapolate to the present)
- Call skewed
- Optimistic narrative (BC will perpetuate Goldilocks)
- Very Low Risk Perception (FOMO)

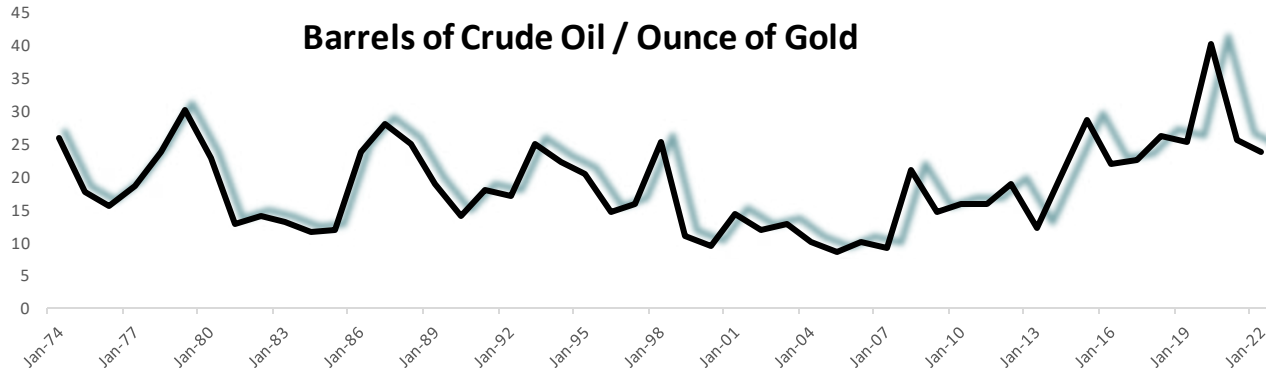
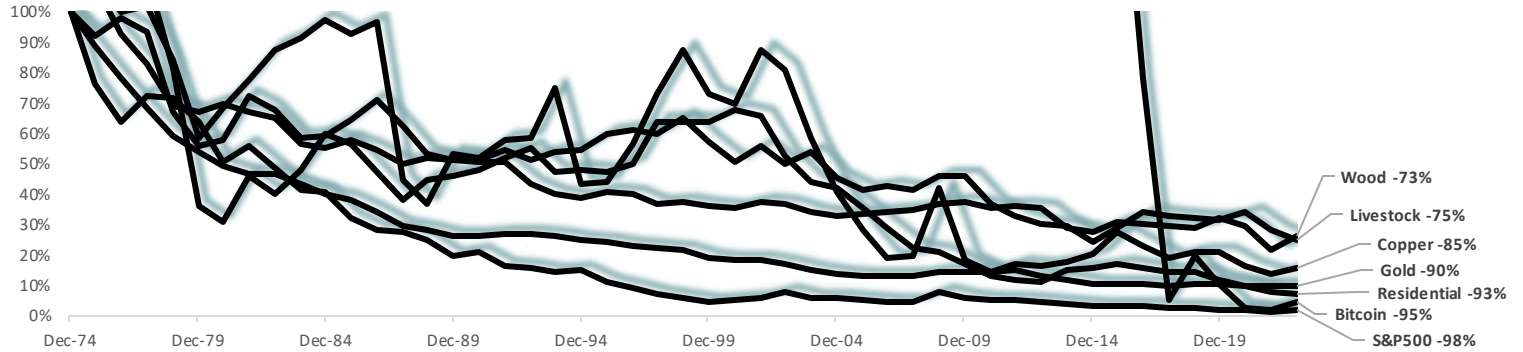
Historical Returns on Financial Assets



Fuente: Miraltabank, Bloomberg.

Whit only one consequence...

The long-term devaluation of fiat money



Source: Miralbank, Saint Louis Federal Reserve, Bloomberg.



Investment Process

Our process

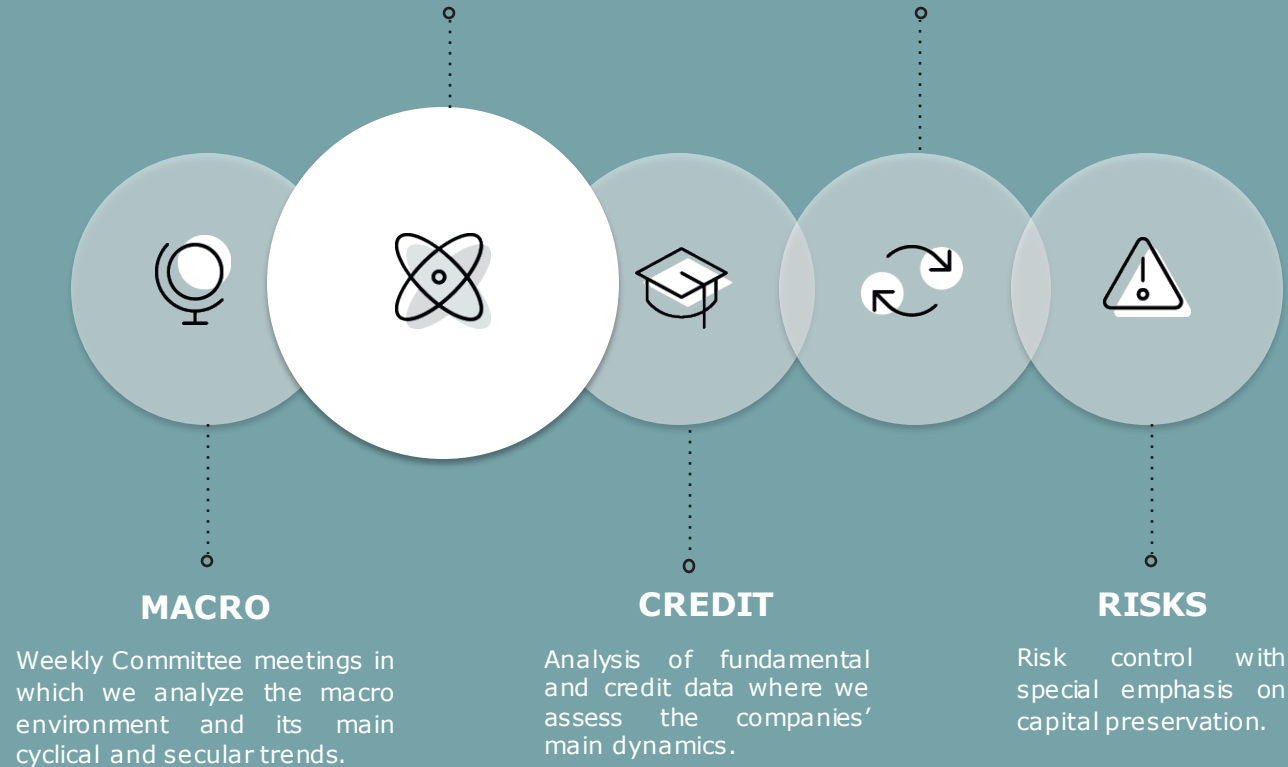
Global macro with a technological emphasis.

TECHNOLOGY & BIG DATA

Pentagon as cornerstone of our quantitative and relative value analysis.

ACTIVE MANAGEMENT

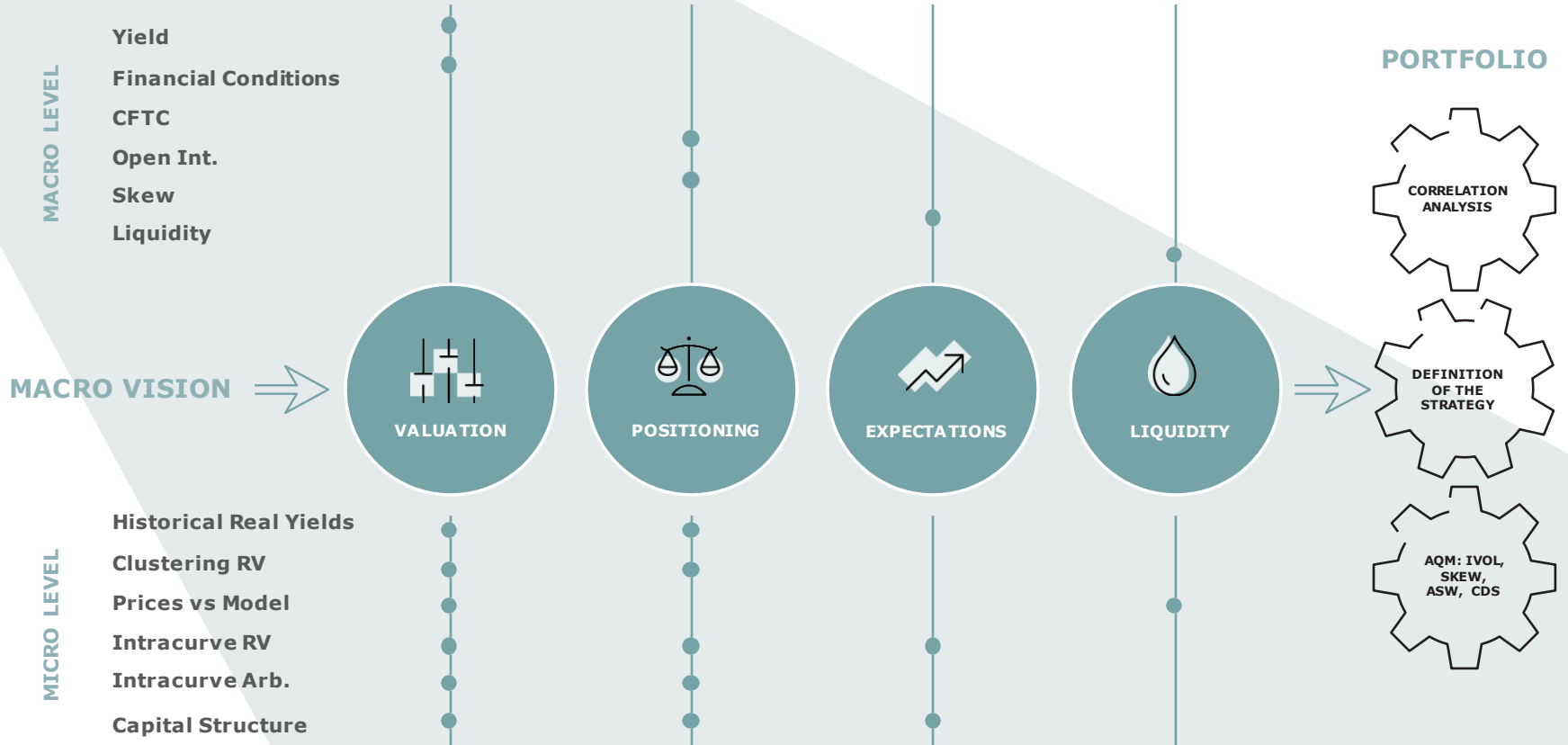
Monetization of investment positions and strategies.



Four Key pillar



Investment
Process





MiraltaBank Overview

MiraltaBank

Advanced Banking

Specialists in interest rates and credit.

/ EXPERIENCE. INDEPENDENCE. SOLVENCY /

Founded in 2010 by a team of professionals with long experience in some of the top international investment banks and asset management companies.

Over
40 years

experience in asset management in the main global markets and entities.

Over
380M euros

Of discretionary management in Fixed Income strategies.

Over
1,000M euros

Management and advisory services in fixed income strategies.

Over
1,100M euros

Of assets under management and advice.

68

Employees.

21M euros

Of capital: we are one of the leading independent funds with the best solvency ratio at a national level.

100%

private capital: total independence.

Timeline

Becomes a **securities firm**.
Incorporation of regulatory advice services for insurance companies and building societies.

The firm launches **VERSA**, a portfolio management service that combines the most advanced technology with the managers' experience.



Emilio Botín O'Shea, José Rodríguez and Ignacio Fuertes **founded the firm**. Ángel Fernández Pola joins later.

Registration of Rentamarkets Investment Managers with the CNMV.
The firm begins its assets management business and for the first time its institutional experience is made available to private investors.
The **online broker, two investment funds and a range of discretionary portfolios** are launched.

Miraltabank receives banking licence from the ECB and Bank of Spain.
Expands its business lines, it relaunches its online brokerage service under the name of Bisontrade. Initiates a new line of asset based lending services to SMEs.

Philosophy of MiraltaBank

A d v a n c e d B a n k i n g

RISK MANAGEMENT SPECIALISTS

As investors, we look for proper returns for the risks to which our capital is exposed (regulatory, liquidity, credit, macro, etc). This is why we take a flexible, opportunistic approach, which enables us to benefit from different environments. Risk and perception of risk are not the same, and do not normally occur at the same time.

HUMAN CAPITAL

This is why we have a multidisciplinary team who are well-known for their excellent track record, with an extensive knowledge of capital structure, and an outstanding capacity for original thinking. We do not buy research from others.



WE BELIEVE IN TECHNOLOGY

In a data-based world, technology must play a fundamental role in the investment process. This is why we have been integrating it into our work for over a decade, with the exclusive aim of improving the cognitive capacities of our managers.

CO-INVESTMENT

We invest the partners' and the firm's capital in our funds, which means that our interests are perfectly aligned with those of our investors.

Management Team



Emilio Botín O'Shea
Partner and Chairman

- Extensive experience of more than 30 years in financial markets and risk management.
- Prior to Miralta, Founding Partner, Chairman and majority shareholder of hedge fund manager Vega Asset Management (VAM), which became a leader in global alternative macro management in Europe with over \$13 billion under management.
- From 1989 to 2005, he was a member of the Board of the Banco Santander, where he also worked as Deputy Director-General and Head of Treasury and Financial Markets. He was Vice-President of Structured Products at the American Investment Bank Bankers Trust. Emilio has an Honors Degree in Business Administration and Economics from Brown University (USA).



José Rodríguez
Partner and CEO

- 40 years experience in global financial markets, specializing in proprietary trading and management.
- Managed the first fixed income hedge fund in Spain in the 1990s, when he was working at the Treasury Dept in Banesto. He was also Portfolio Manager of the Global Macro fund for Vega Asset Management.
- Worked as Head of Trading at the Banco Santander, Bankers Trust and Banesto, and was Deputy Director General of Próxima Alfa, the second-largest hedge fund firm in Spain until its sale in 2008 with almost 3,000 million dollars of assets under management.



Ignacio Fuertes
Partner and CIO

- With 20 years experience in capital markets and trading, Ignacio began his career in the Institutional Fixed Income Department at Merrill Lynch Capital Markets in London.
- Worked at Vega Asset Management as Head of Trading and as a trader for the Vega Global Macro Fund. Later he became a manager at the Accurate Global Asset Fund, an investment vehicle based on algorithmic strategies at Próxima Alfa management.
- Ignacio has a BSc in Systems Engineering at Richmond University, and a masters degree by the IEB in Asset Management.



Ángel Fernández-Pola
Partner and Director of Institutional Business

- With 30 years experience in the international financial sector, Ángel has spent most of his career at the Grupo Santander, as Managing Director of Fixed Income in the global wholesale banking division. He also developed the Debt and Capitals Market at the Grupo Arcano.
- Ángel obtained an MBA from the IESE and an International MBA from the ESDEN Business School, as well as a Master in e-Business from the IE in Madrid.

Technical Data

Fund Name:	Miralta Sequoia, FI
CNMV registry number:	5209
ISIN Code:	A Class: LU2638558333
Fund category:	International fixed income
investment objective:	Long term capital appreciation
Address:	Pza. Manuel Gómez Moreno, 2, Ed. Alfredo Mahou 17-A, Madrid
Divisa:	Euro
Management fee A:	1,05% / 7% Success fee
Deposit fee:	0,10%-0,075% (based on equity)
Minimum investment:	A Class : 1 participation
NAV Frequency :	Daily
Liquidation:	D+1
Management company :	Miralta Asset Management, SGIIC
Depository:	Caceis Bank Spain, SA
Audit:	Deloitte, SL

The logo for MiraltaBank, featuring the word "MiraltaBank" in a white, sans-serif font. The letter "a" in "Bank" is stylized with a circular cutout. The background is a teal-tinted landscape of mountains and a forest.

MiraltaBank

Advanced Banking

Disclaimer

Nature of this material:

This document only contains the presentation of our Fund. All potential investors must inspect the Fund Prospectus, the "Key Information for the Investor" document and the periodic reports from the Fund, all of which are available at www.miraltabank.com. The aforementioned statutory information may also be consulted on the website of the Spanish Stock Exchange Commission (CNMV). This material should in no way be considered as an offer, recommendation, advice, financial analysis, invitation to invest, or in any way be understood as a basis for taking investment decisions.

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