



FAIRTREE



Perhaps some credit in portfolios

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May 2026

Values-driven Investing

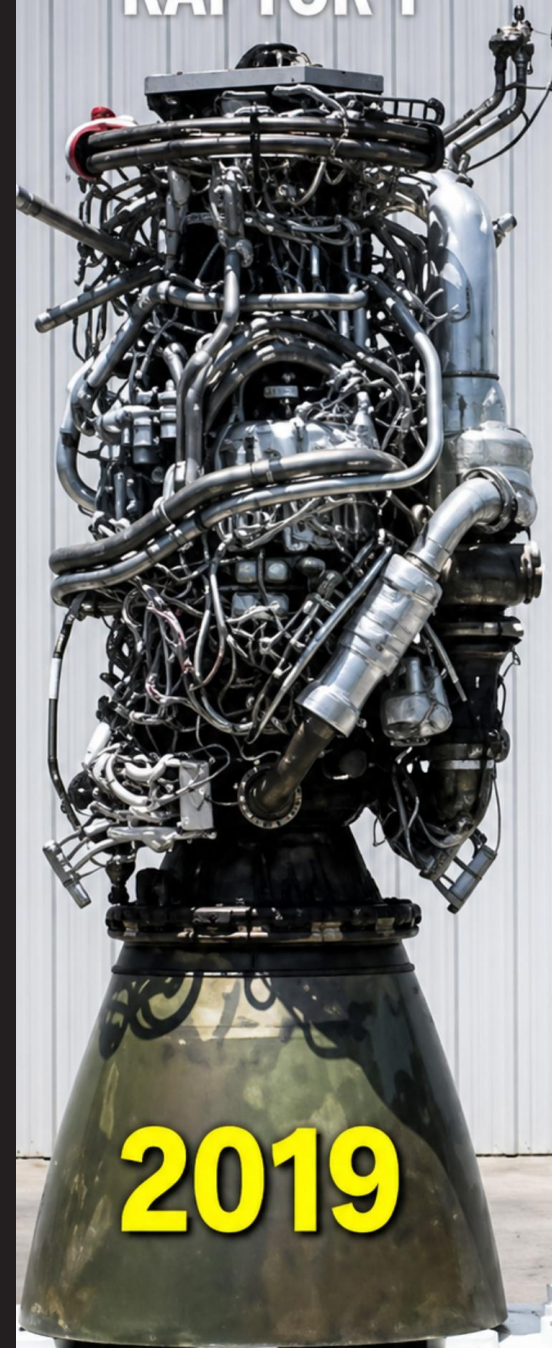


The evolution of knowledge is toward simplicity, not complexity.

- L Ron Hubbard



RAPTOR 1



2019

RAPTOR 3



2024



Contents

This time it will be different (again)

Returns

Risk

Correlations

Conclusions









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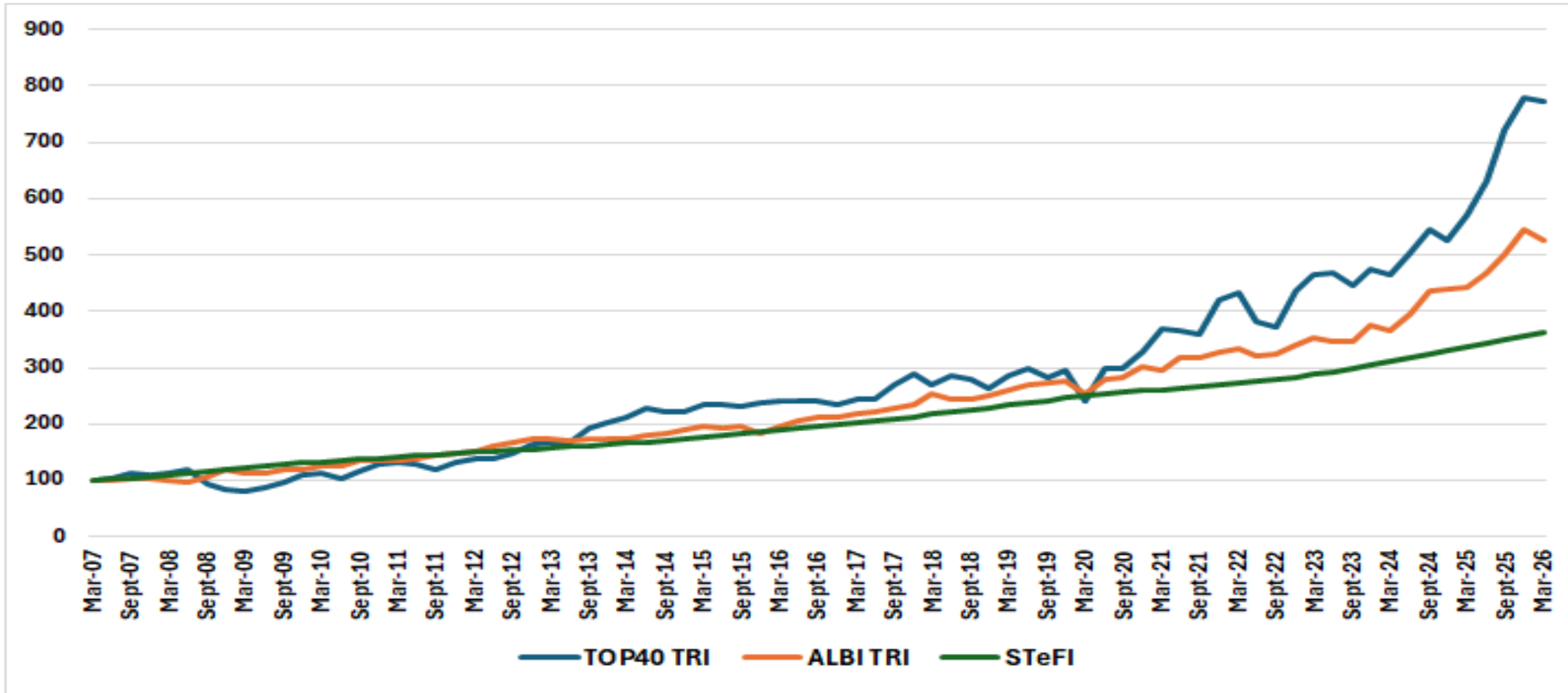
Returns

Risk

Correlations

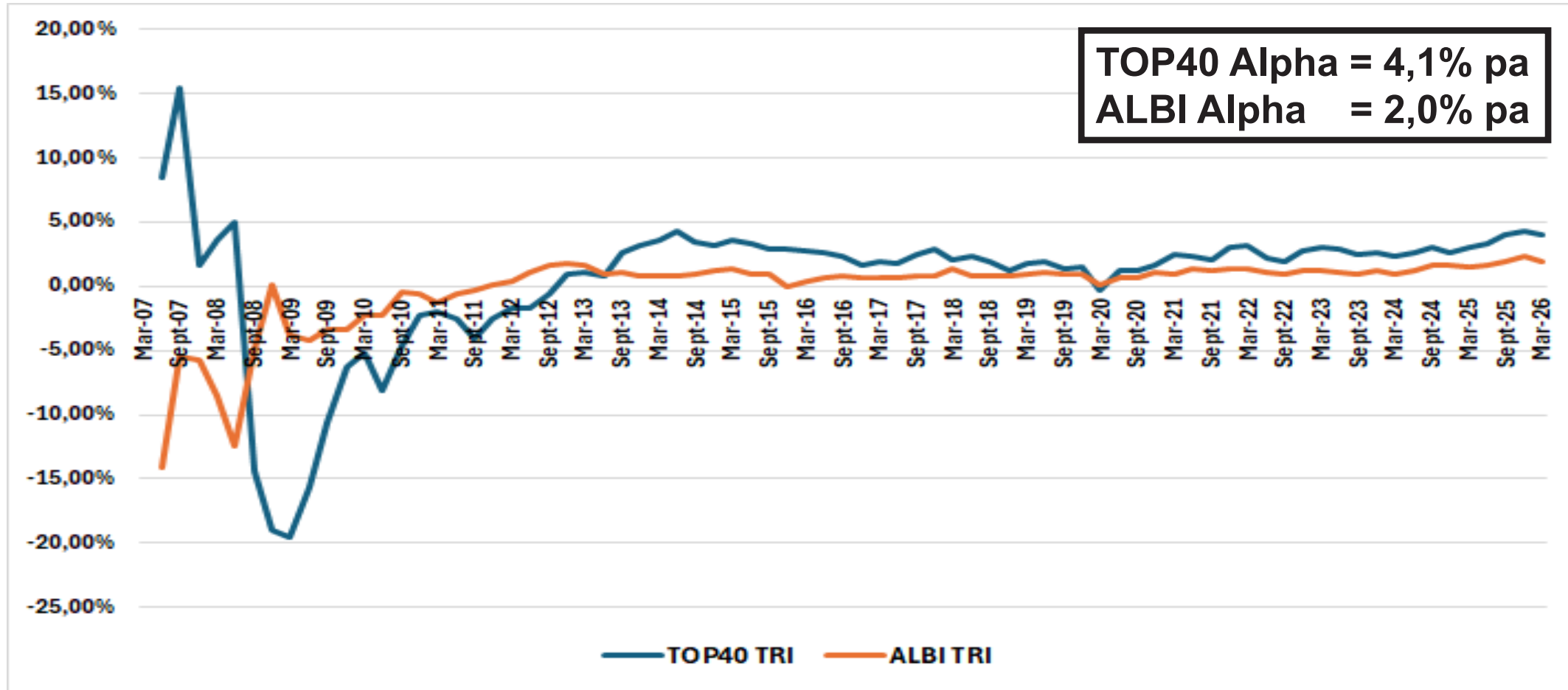
Conclusions

SA Risk Assets have performed well...

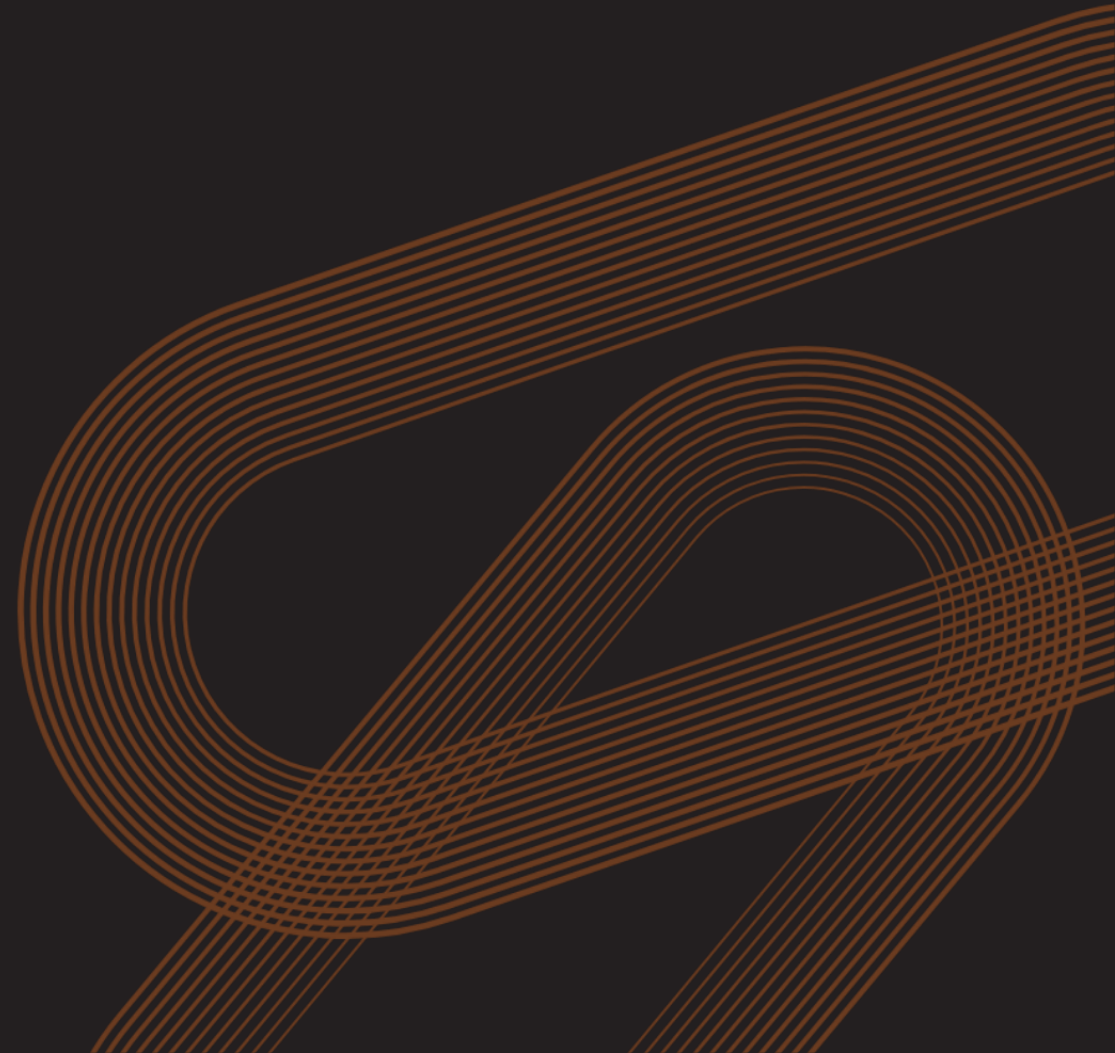


Source: Bloomberg

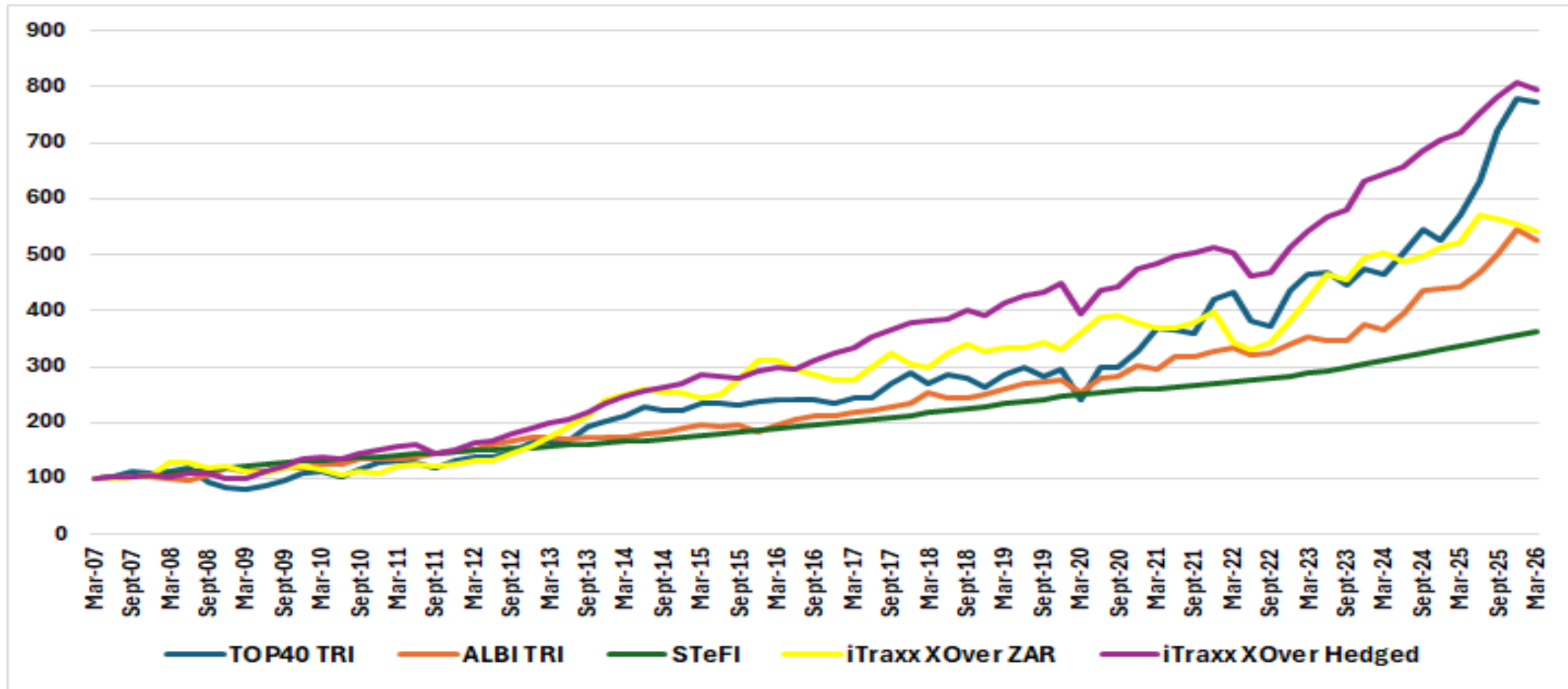
Average Annualised Excess Returns to STeFI (Alpha)



**I thought this
was supposed to
be about credit...**

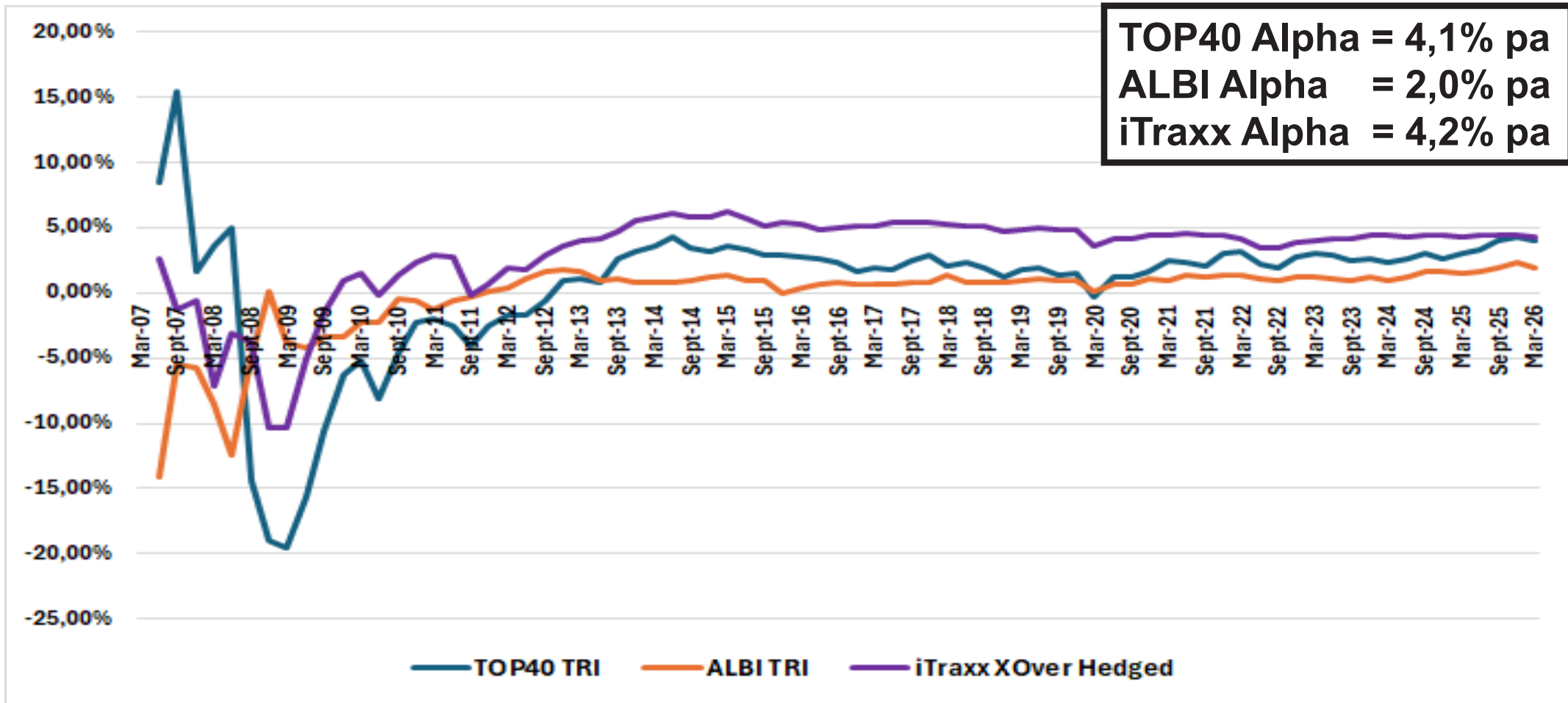


Introducing some Credit...iTraxx XOver



Source: Bloomberg

Average Annualised Excess Return to STeFI (Alpha)





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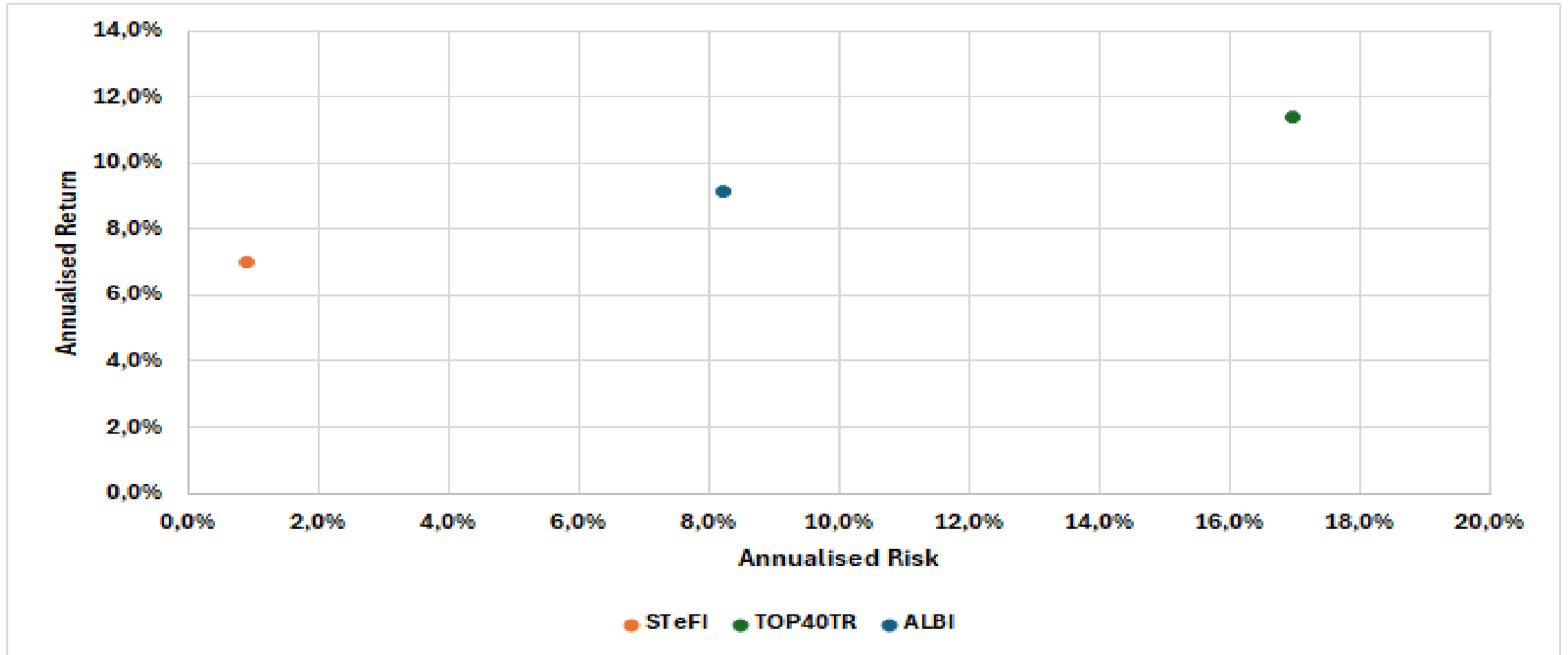
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Risk

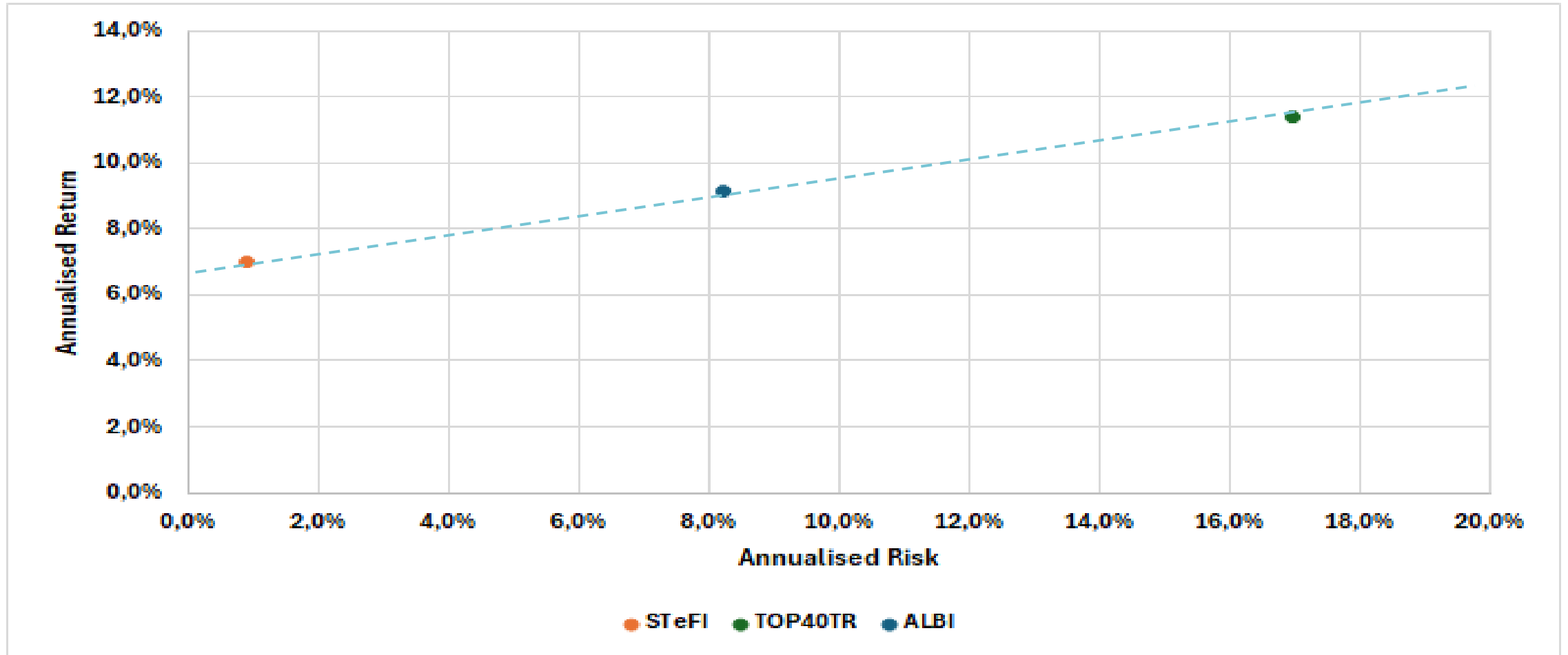
Correlations

Conclusions

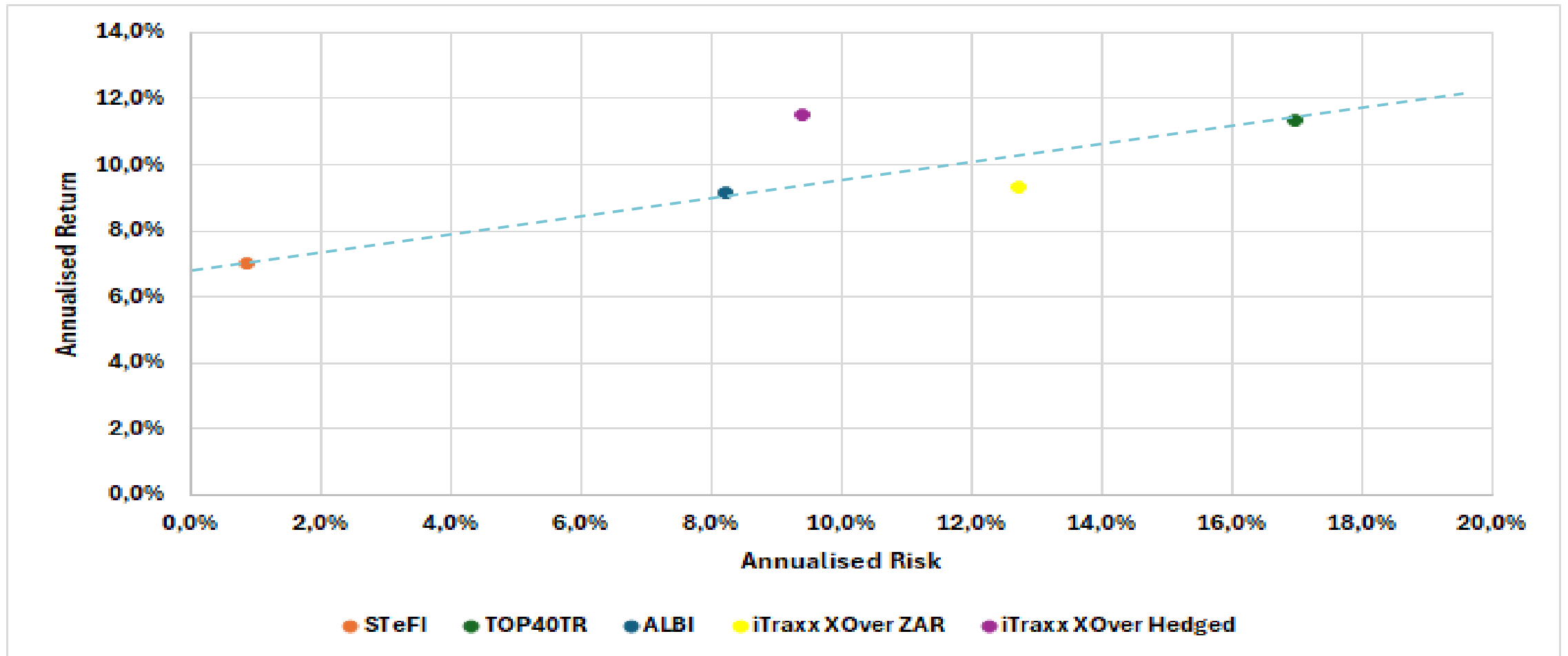
SA Risk Assets have performed well...



Dial up risk... Dial up return



Introduce credit... excess return per unit of risk





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This time it will be different (again)

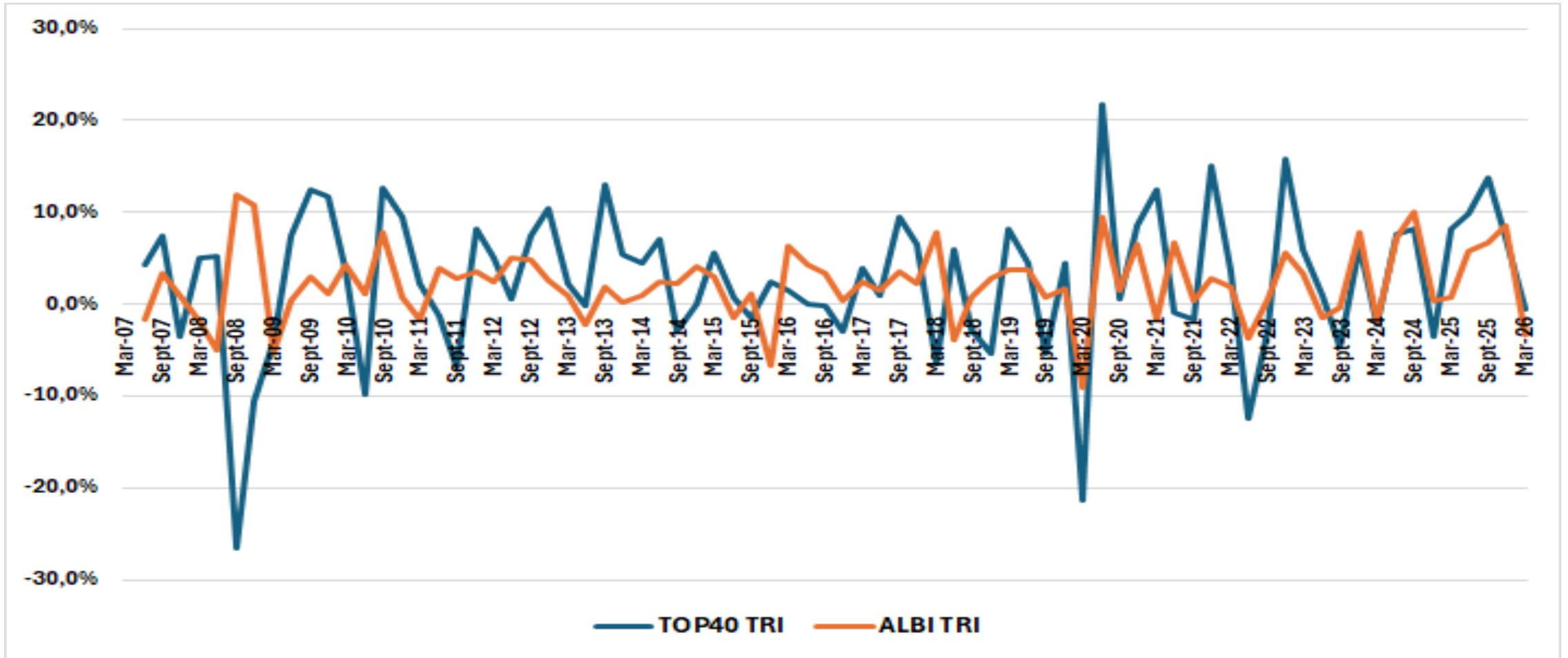
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Risk

Correlations

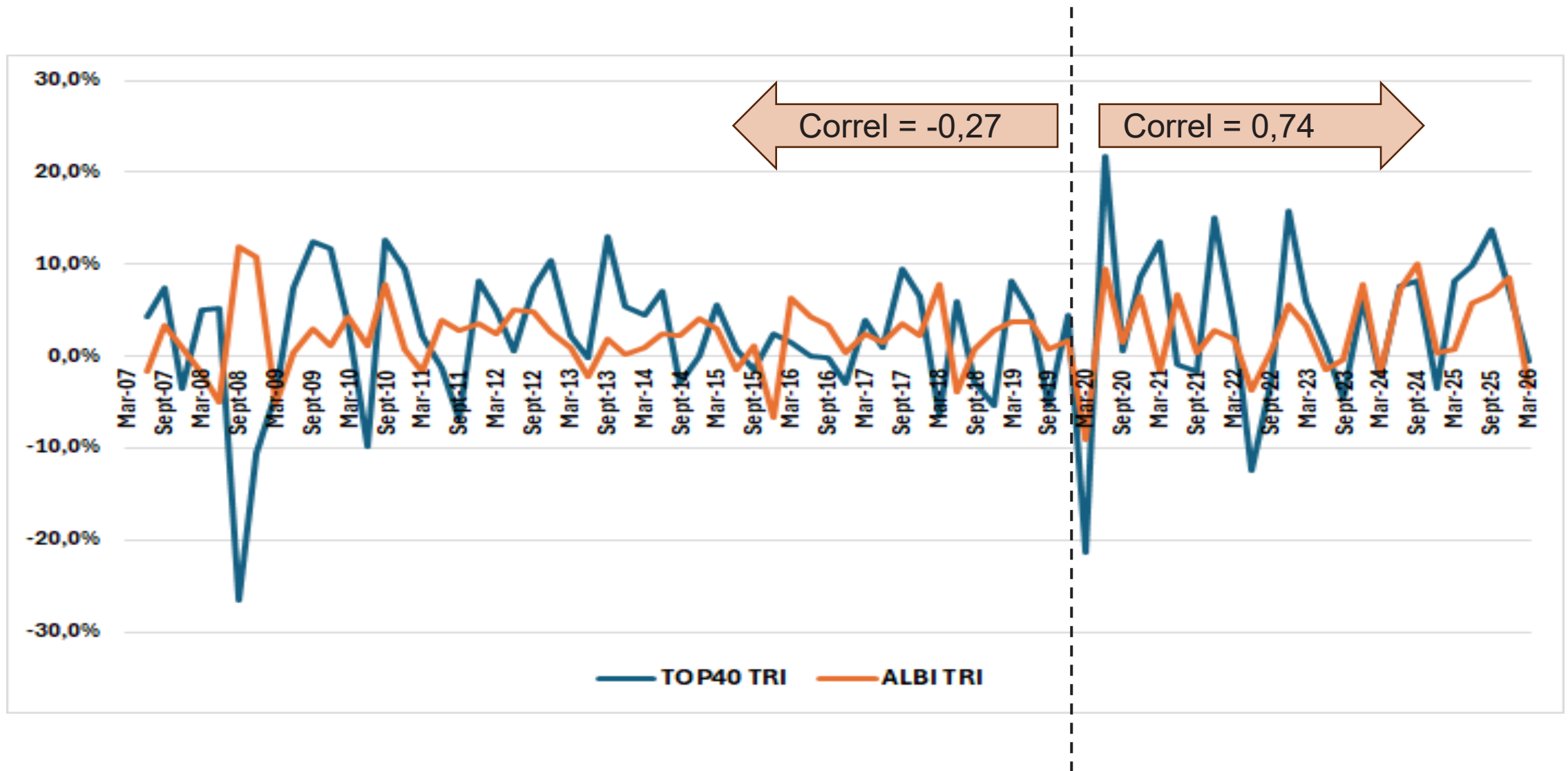
Conclusions

Risk does come with uncertainty...

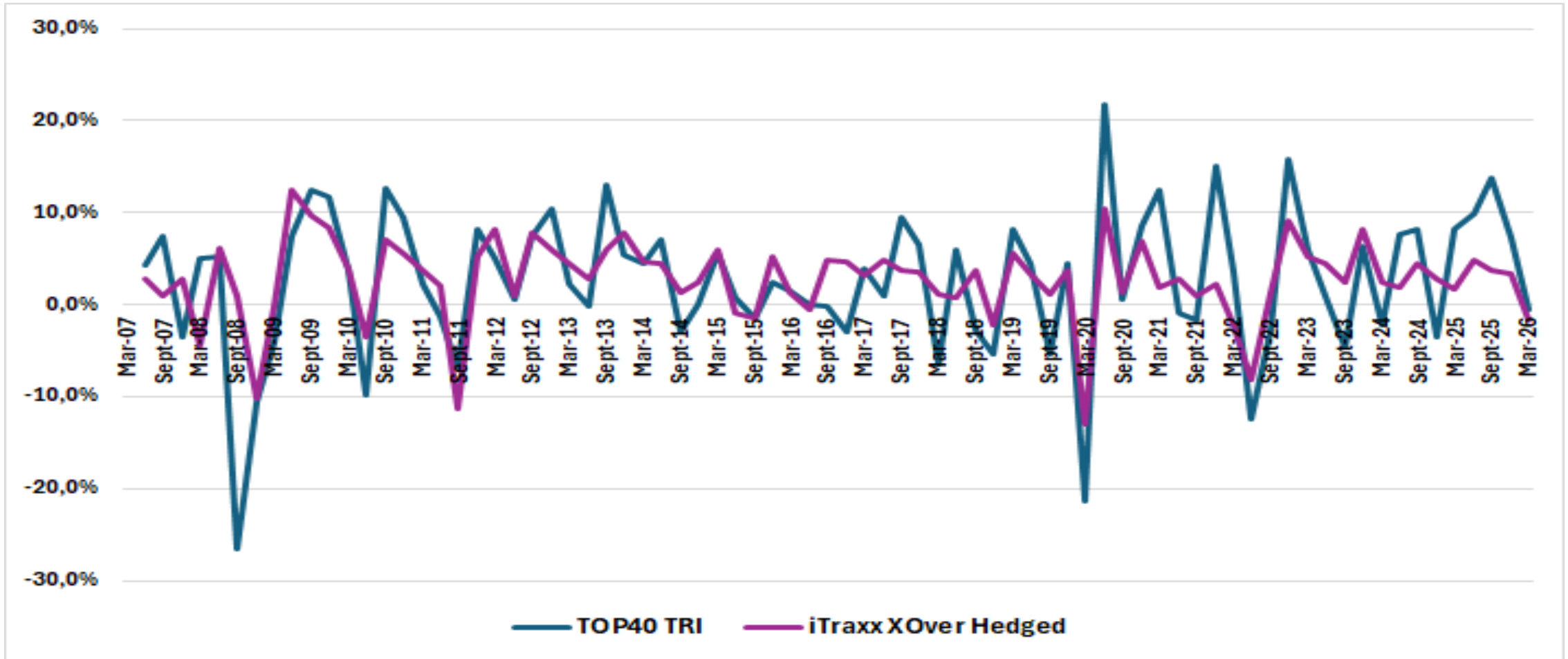


Source: Bloomberg

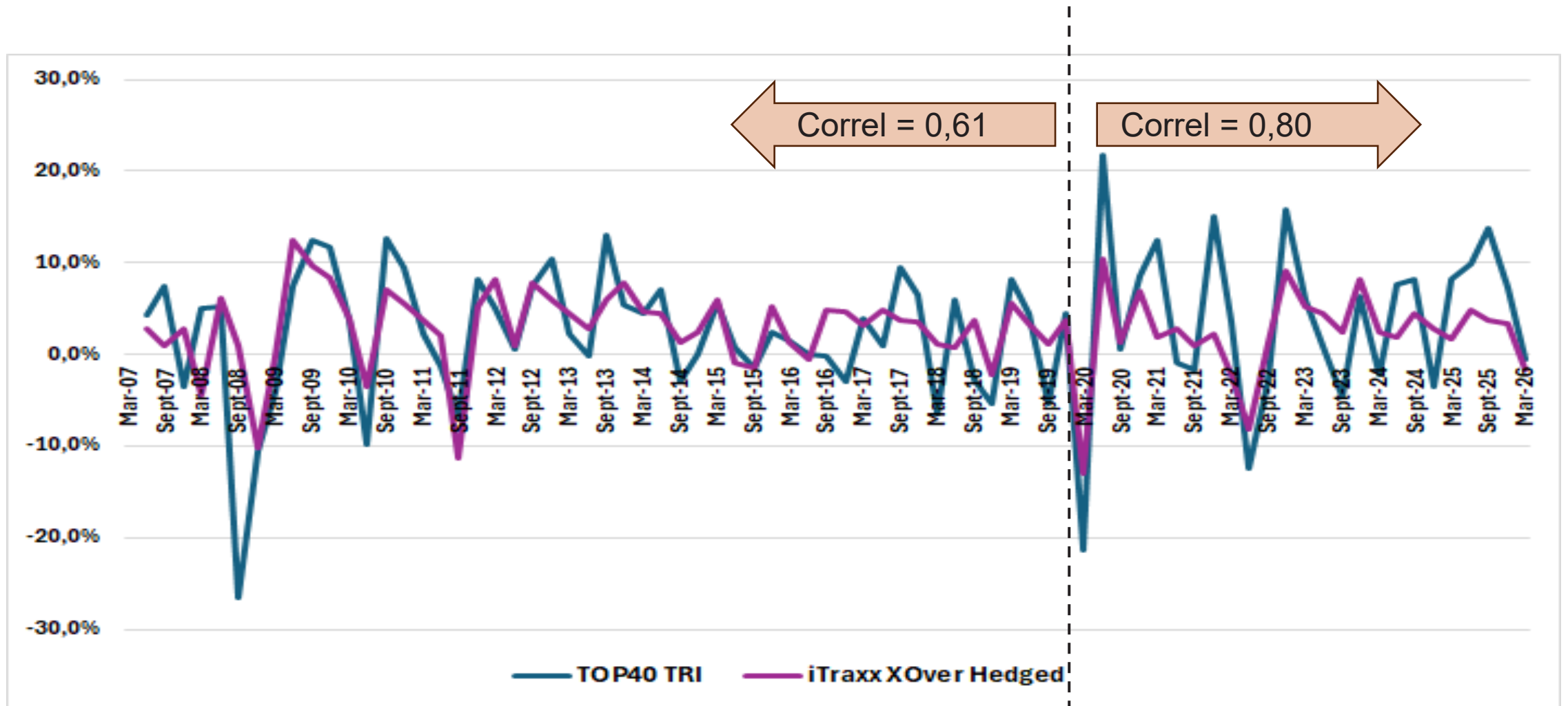
Even Correlation itself comes with uncertainty...



Perhaps a bit more stable...



Credit Correlation to TOP40 less variable





Contents

This time it will be different (again)

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Conclusions

- This time it will be different (yet again)
- **Credit** as an asset class **has performed better** than one may have thought
- Credit shows **greater risk adjusted return**
- Credit quarterly **return correlation to TOP40** shows **higher levels of stability**
- Results in **more stable portfolios**
- Keep things simple, **have credit investments in portfolios**





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Thank you!

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