MMG Fixed-Income Fund

MMG ASSET MANAGEMENT

31/10/2020 www.mmgbank.com

FUND INFORMATION

Please see end of document for important disclosures

Fund details

Domicile:	Republic of Panama
Fund rating:	paAA- (PCR)
Type of fund:	Closed-end
Inception date:	05/09/2008
Assets	174,550,373
Net assets:	174,545,256
Issuers:	112
Holdings:	154
Fund manager: (1)	MMG AM
Brokerage: (2)	MMG Bank Corp
Registry payment:	MMG Bank Corp
Listing:	BVP
Custodian:	Latinclear
Minimum subscription:	$1,000
Subscriptions:	Daily
Redemptions: (3)	Monthly
Ongoing charges: (4)	1.07%

Share class

	Class B
NAV:	9.8605
ISIN:	PAL3261791B3
Currency:	USD
Dividends:	Paid monthly

Risk profile

Currency risk	No
Effective duration: (9)	4.51 years
Maturity: (10)	9.12 years
Local rating:	A
Intl rating:	BB+

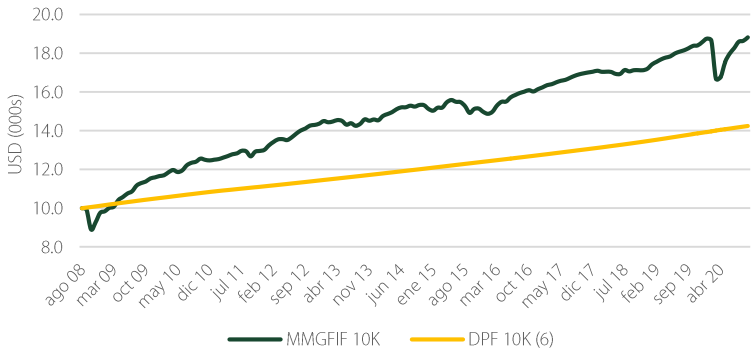
Distribution history

Month	Dividend	Ann Yield
31/10/2020	0.0387	4.71%
30/09/2020	0.0392	4.80%
31/08/2020	0.0416	5.08%

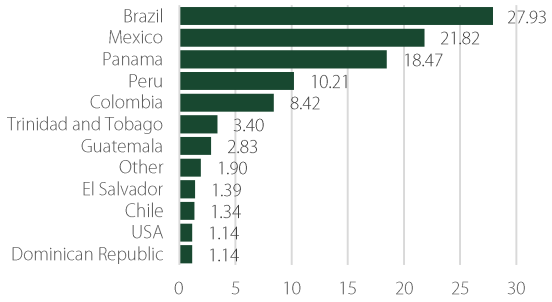
Historical performance (5)

	2015	2016	2017	2018	2019	Year-to-Date	1M	1Y	3Y	5Y	Since incep. ann.
Total return (%)	**-1.01**	**7.86**	**5.56**	**0.92**	**7.98**	**1.32**	**0.97**	**2.39**	**3.52**	**4.47**	**5.33**
Distribution return (%)	5.36	5.54	5.48	5.63	5.68	4.39	0.39	5.35			
Capital return (%)	-6.37	2.31	0.08	-4.71	2.30	-3.06	0.58	-2.96			

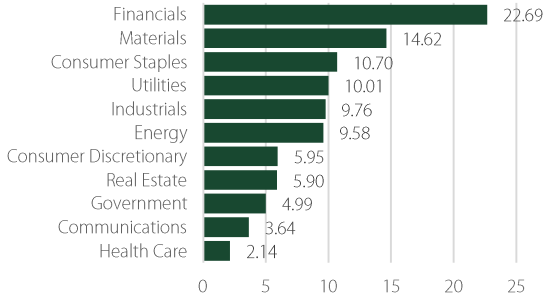
Growth of $10,000 reinvesting dividends



Country diversification (7)



Sector allocation



Top exposure (8)

	%
Marfrig Global Foods S.A.	2.66
BBVA Bancomer, S.A.	2.59
Corporacion de Finanzas del Pais, S.A.	2.40
Banco Aliado, S.A.	2.33
Unifin Financiera, S. A. B. de C. V.	2.20
Petróleo Brasileiro S.A.	2.20
Rede D'Or São Luiz S.A.	2.14
Trust 1401	1.86
Fideicomiso Ena Este, Fi	1.82
Braskem S.A.	1.77

Top 10 issuers represent 21.98% of the portfolio.

Objective and strategy

- MMG Fixed Income Fund is a diversified, fixed-income and hybrid capital, US-dollar-denominated fund that invests in securities whose country of risk is in Latin America and the Caribbean.
- The fund's objective is to obtain a superior net return to traditional short-term banking products and to pay a monthly dividend.
- Our investment process focuses on the fund's total return, while maintaining a low-volatility profile. We established investment guidelines that allow us to maintain a diversified portfolio and minimize credit and interest rate risk.
- Given Panama's stable and international capital markets and our expertise in the local economy, we placed the country at the core of our investment process. Although we favor a bottom-up approach, we monitor macroeconomic conditions of all the countries/sectors we operate in and position the portfolio accordingly.

Credit quality

	%
AAA	1.14
AA+, AA, AA-	0.00
A+, A, A-	1.18
BBB+, BBB, BBB-	13.29
BB+, BB, BB-	54.85
B+, B, B-	10.26
CCC+ or less	1.33
Local Rating	16.86
NR	1.09

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Disclaimer

Important risks:

The fund is actively managed and its characteristics can vary. The fixed income securities in which the fund invests can vary in price depending on the market conditions. Among the risks of fixed income investments there exists the risk of an increase in interest rates and credit risk. Normally, when interest rates increase, the price in fixed income securities proportionally decreases. On the other hand, credit risk refers to the possibility that the bond Issuer is not able to pay the interest or initial investment creating a financial loss to the fund and consequently to the investor. Although the fund only invests in fixed income securities that are issued in US dollars, international investments imply specific risks, including but not limited to monetary fluctuations, lack of liquidity, and volatility of the investment. These types of risks are present on emerging markets investments. High Yield Bonds are more prone to fluctuations in price and the risk of the issuer not being able to repay the debt. The interested investors should consult the informative prospectus that is available in the offices of MMG Bank Corporation. This factsheet does not represent an investment recommendation in the fund.

Other:

1) Regulated by the Securities Market Superintendency of Panama. Licensed to act as Investment Manager.
2) Regulated and supervised by the Superintendency of Banks of Panama and the Securities and Exchange Commission of Panama. Licensed to act as Brokerage House.
3) Redemptions are at the issuer's discretion.
4) Ongoing Charges include expenses incurred for the fund's operation and are deducted from the assets of the fund over the period. It includes fees paid for investment management, custodian fees, and applicable taxes. The management fee is 1% and subject to a 7% sales tax.
5) Past performance is no guarantee of future results. The risks inherent in investing in the fund are detailed in the offering memorandum and prospectus. Annual returns are shown in USD, net of fees, and as of 31st December. Total return includes both changes in share price and distribution payments.
6) Calculated using average rate published by the Panamanian Banking Superintendency for the given period.
7) The fund may invest in developed markets for liquidity management.
8) For entity concentration, we consider the issuer for equity securities and the ultimate obligor for credit securities.
9) Weighted duration refers to the sum of all fixed-income instrument's duration multiplied by its weight in the portfolio. Duration refers to the sensitivity of a debt instrument's price to a change in interest rates.
10) Weighted maturity refers to the sum of all fixed-income instrument's time left to maturity in years multiplied by its weight in the portfolio.