



January 9, 2018

MBS Mantra Dec 2017 returns: -0.79% Net, -0.53% gross, 6.59% YTD, 1.7 Net Sharpe, 0.22 Beta

Happy New Year!

Please find attached the December 2017 Fact Sheet for our MBS Absolute Return Strategy. This can be accessed from our [website](#) as well.

Our December returns are -0.79% Net, -0.53% Gross, bringing our YTD net returns to 6.65%, and our Sharpe ratio since inception to 1.7. The overall portfolio total cashflow was strong, at 2.79%, up from 2.76% in October.

We sold a number of positions in December whose current returns were below our target, and replaced them with other purchases, achieving absolute holding period total returns ranging from 6.87% to 25.09%, and annualized returns from 4.95% to 8.22%.

The portfolio betas as well as correlations to our benchmarks remain low. However 12-mo Beta to the S&P remains on a negative trend, while 12-mo Beta to the Agg has been positive of late.

Some portfolio statistics for 2017:

Average monthly cashflow: 2.70%
High monthly cashflow: 3.37% Feb 2017
Low monthly cashflow: 2.20% Sep 2017
Purchases: 55 positions
Sales or Maturities: 22 positions
Current portfolio: 119 positions

Travel

We will be in London later this month for investor meetings. If you are interested in meeting there, please contact me via email.

Regards, Samir.

Samir Shah
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"Alpha Through Analysis"

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Please visit our website www.mbsmantrallc.com for important disclosures.

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