

Institutional Liquidity Tools: The Infrastructure Behind Portfolio Performance

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INFRASTRUCTURE OF REPO & FX SWAPS – USE CASES

1 Idle Cash Deployment

Idle cash can earn secured yield instead of sitting unproductive

- Reverse repo typically pays more than short-term EU or US gov. bills
- Flexible tenors – week to months
- Collateral choice – Treasuries, Agencies, Supras, Corporates.

2 Short-term Portfolio Funding

Enhance flexibility without losing performance

- Temporarily repo out bonds to free liquidity for tactical ideas
- Core portfolio continues to earn coupon while cash is reused

3 Treasury & Liquidity Management

Think of REPO & SWAP as your internal central bank

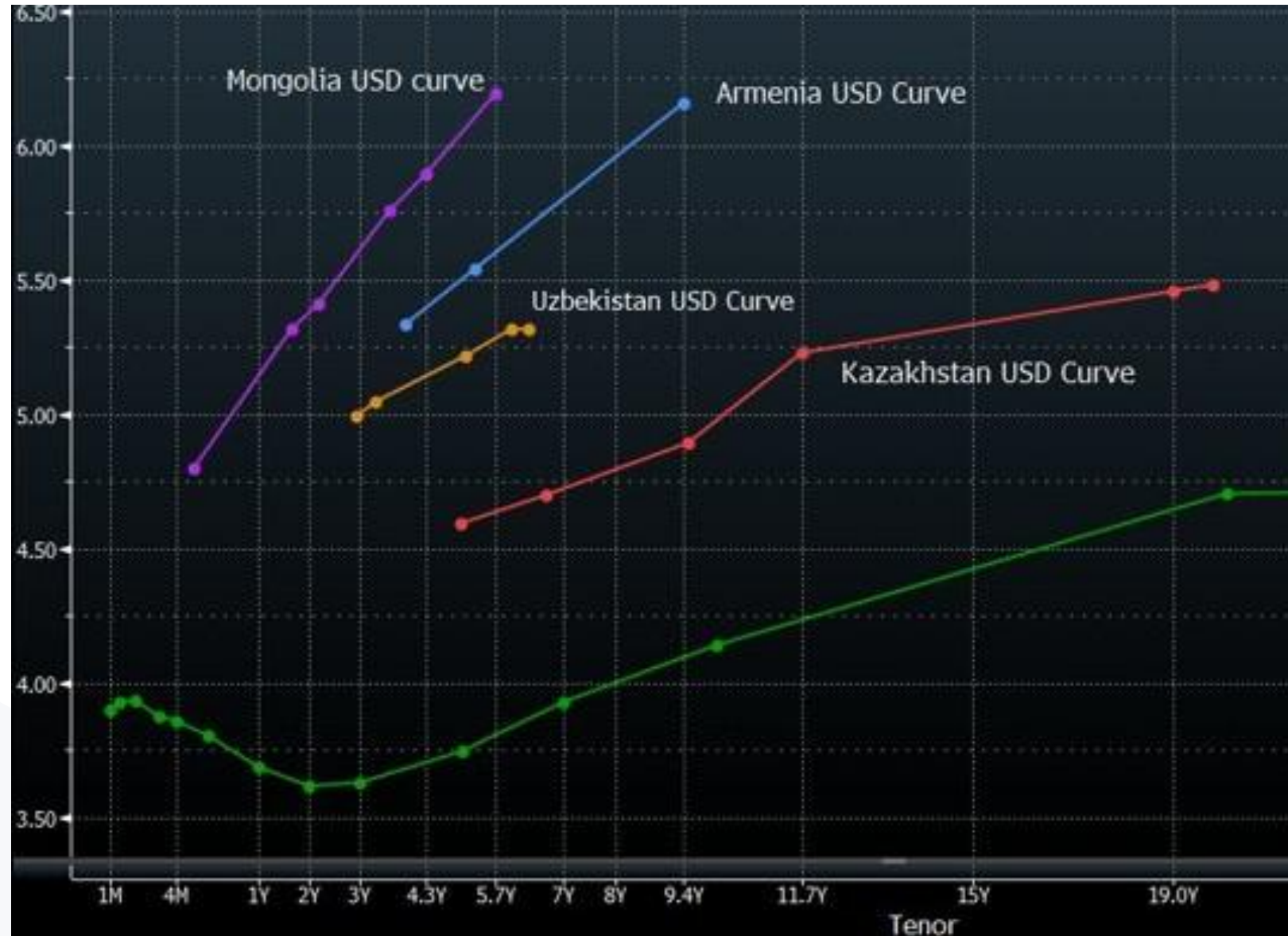
- REPO and FX SWAPs are daily treasury instruments, not speculative tools
- Match currency cash flows, bridge funding gaps, and smooth settlements

4 Spreads & CDS-Style Strategies

Infrastructure based strategies

- Structured carry and credit capturing trades.
- Provide secured funding, cross-currency access, and collateral mobility

USD YIELD CURVES: US Treasuries vs CIS, Mongolia



CREDIT SPREAD OPPORTUNITY (ARMENIA EXAMPLE)

Leg	Instrument	Yield / Rate	Action	Comment
Short	US Treasury 5Y	-3.70 %	Sell / Pay yield	Benchmark
Long	ARMENIA 31s (USD)**	+5.48 %	Buy / Receive yield	EM credit premium
Funding	Repo SOFR +0.0 %	+4.30 %	Receive SOFR on cash	Fully collateralized

Result

- Spread captured \approx **+1.78 %**
- No direct base rate exposure — only **credit spread** risk
- Practical way to **add alpha without CDS capability**

CURVE FLATTENER TRADE (MONGOLIA 2027 VS. 2031)

A DV01-neutral structure to capture **flattening** of the **Mongolia USD sovereign curve**.

Short: MONGOL 3½ 07/07/2027 — price 97.64%, yield 5.30%, Repo rate **4.50 % (SOFR + 50 bp)**, haircut **+10 % (to client)**

Long: MONGOL 4.45 07/07/2031 — price 93.50%, yield 6.20%, Repo rate **5.75 % (SOFR + 175 bp)**, haircut **-20 % (posted)**

The trade is fully repo-funded, DV01= 0 ; only the **haircut differential (~ USD 0.6 m)** represents real equity usage.

Leg / Position	Nominal (USD m)	Net Cash Flow (USD m)	6 M Carry (USD k)	Curve ±50 bp P/L (USD k)	Comment
Short MONGOL 3½ 07/07/2027	10.0	+ 0.976	- 61		Releases cash (10 % haircut credit)
Long MONGOL 4.45 07/07/2031	8.5	- 1.589	+ 64		Consumes cash (20 % haircut posted)
Net position / Equity used	—	- 0.613 m	≈ +3 (flat)	± 574 k	Capital requirement ≈ USD 0.6 m

Key Takeaway

- Carry-flat, DV01-neutral, curve-pure exposure to Mongolian USD curve shape.
- Self-funded: only ≈ 0.6 m USD equity required.
- Every ± 50 bp change in curve slope → ± 574 k USD P/L.

FOOD FOR THOUGHT: EXTENSIONS & CREDIT CHOICES

Same infrastructure - REPO + SWAP - endless applications

1. US Credit Carry: Repo vs UST → Buy BBB– US Corp → 150–250bp spread
2. Cross-Currency Corp Swap: EUR↔USD swap → Buy EUR IG bond → 80-150bp pickup
3. EM Sovereigns: USD/EUR repo → Armenia, Uzbekistan, Mongolia → 250-400bp
4. Funding Flexibility: Any funding/asset → Choose best risk-adjusted idea

The story ends with your credit-risk appetite.

REALITY: MARKET ACCESS & COUNTERPARTY INFRASTRUCTURE

Instrument / Line Type	Access from Big Banks	Typical Condition	Comment
Custody / Settlement	★★★★★	Volume-based	Common, fully automated
Prime Brokerage	★★★★☆	Margin-linked	For larger trading clients
FX Derivatives (ISDA)	★★★☆☆	Only with collateral & flows	Hard for small brokers
Repo (GMRA)	★★★☆☆	Granted only after other business performs	Very hard to get (balance-sheet impact)

RÖMER CAPITAL: YOUR ACCESS POINT TO INSTITUTIONAL LIQUIDITY

Market Access Problem



Tier-1 institutions are not interested in small tickets & country risks: most of **regional brokers cannot access repo or derivatives directly**



Established US & UK **providers have legacy issues:** complex processes, slow decision making, long response time, bureaucracy

Our Solution: Market's Plumbing to Your Fingertips



Our Clients enjoy comprehensive and agile service:

- ✓ **Trusted counterparty** under institutional documentation
- ✓ **REPO funding** between buy-side portfolios and big banks
- ✓ **Structured credit and FX carry trades**
- ✓ Secured **multi-currency financing**



Our rich capabilities are ready for Your business:

- ✓ **Repo Financing Lines (GMRA)** – Up to USD 1 billion
Top-tier global institutions
- ✓ **Derivatives Access (ISDA/CSA)** – Multi-currency
Leading swap dealers
- ✓ **Custody & Settlement** – DVP/PB channels
Regional and Global custodians
- ✓ **Execution & Treasury Ops** – Direct dealing desks
Major banks

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