

Fund Details

ISIN	LU0144746764
Domicile	Luxembourg
Currency	USD
Asset Class	Fixed Income
Modified Duration	8.60
Yield to Worst	7.81%
Ongoing Charges	0.68%
Management Fee	0.55% per annum
AUM, as of Aug 31, 2020 (USD, mn)	2,076.54

Figure 1: Sector Allocation, August 2020

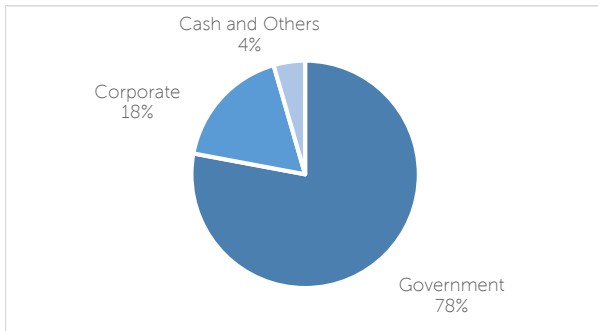
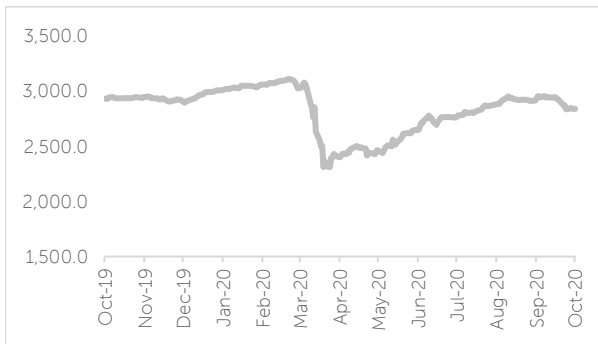


Figure 2: Fund's 1 year Performance (USD)



Source: Figure 1 – Morningstar Fund Details (31 Aug 2020), Figure 2 – Factset (05 Oct 2020)

Fund Management

Candriam, subsidiary of New York Life Investments, is a European asset manager with EUR128 billion of assets under management as of end-June 2020. By asset class, Candriam invests majorly in asset allocation strategy (38%), followed by fixed income and money market (33%), equity (21%) and absolute performance strategies (8%). It provides investment solutions to a diverse client base across 20 countries.

Fund

Investment Objective: The Candriam Bonds Emerging Markets Fund invests with the objective to outperform its index, the JP Morgan Emerging Market Bond Index Global Diversified, by 1.25% per annum gross of fees, with an internal risk limit of a maximum ex-ante tracking error target of 5.00%. The Fund is actively managed to deliver superior risk-adjusted returns in both up and down markets relative to the benchmark.

Investment Process: The Emerging Market Debt Team employs a comprehensive investment process, involving:

- Sovereign Creditworthiness Analysis: Risk analysis and categorization of all countries from emerging market debt universe based on their risk profile followed by qualitative analysis of each country's financial and non-financial drivers with respect to politics, real and external sector, monetary and fiscal policy
- Relative Country Allocation: Identification of cross-country opportunities within comparable risk categories
- Instrument Selection: Selecting relative value opportunities at instrument level based on,
 - Cross Currency – EUR vs USD or local currency-denominated vs hard currency-denominated issues
 - Cross Issuer – Quasi-sovereign and Corporate versus Sovereign Issuers
 - Cross Maturity – Longer versus shorter duration issues

Investment Parameters: The key investment parameters of the Fund are,

- The internal investment guidelines of the Fund limit the off-index exposure to a total of 15% of market value.
- The portfolio may include off-index emerging market sovereign, quasi-sovereign and corporate issuers. The out of index allocation may include exposure to sovereign issuers like Slovenia or Middle Eastern issuers that are formally out of index but that can be defined as being part of the emerging market universe for historical or market technical reasons and serve to widen the opportunity set. The out of index allocation covers all pure corporate EM issuers as well that are not 100% owned or guaranteed quasi-sovereign issuers
- The Fund may make use of derivative instruments traded on exchanges or over-the-counter markets for hedging, adhering to the following limits:
 - The credit/index derivative exposure cannot exceed 20% of NAV
 - The combined exposure to single name CDS cannot exceed 10% of NAV
 - The Interest Rate Futures exposure cannot exceed 100% of NAV

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Sources: 1. Fund's Prospectus, Factsheet and RFP, 2. Fund's Website, 3. Factset