

Fund Details

ISIN	LU1284738314
Domicile	Luxembourg
Currency	EUR
Asset Class	Fixed Income
Management Fee	0.65% p.a.
Ongoing Charge as of December 30, 2022	0.89% p.a.
AUM, as of December 30, 2022 (USD, mn)	131.24

Figure 1: Country Allocation, December 2022

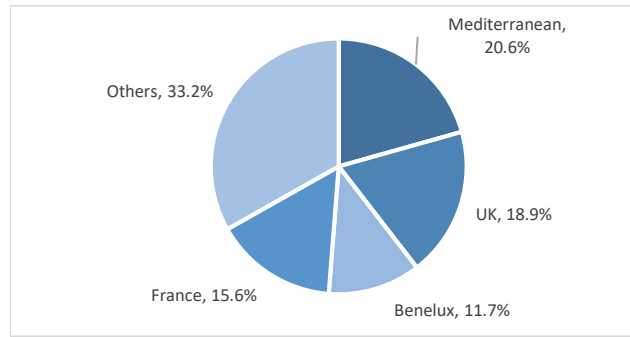
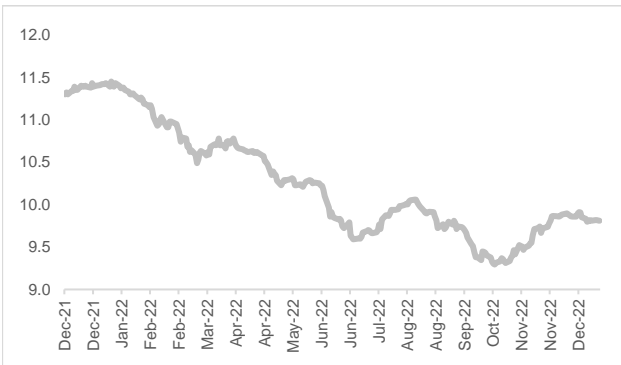


Figure 2: Fund's 1-year Performance (USD)



Source: Figure 1 – Fund's Factsheet (31 Dec 2022), Figure 2 – Morningstar (30 Dec 2022)

Fund Management

FIL Investment Management (Luxembourg) S.A. is a private investment manager, owned as a subsidiary by Fidelity International. Fidelity International manages USD706.3bn of total client assets across Asia Pacific, Europe, the Middle East, and South America and caters to more than 2.52 million clients as of December 31, 2020.

Fund

Investment Objective: The fund aims to provide a high level of current income and capital growth. The type of debt securities in which the fund will primarily invest will be subject to high risk and will not be required to meet a minimum rating standard. Most but not all will be rated for creditworthiness by an internationally recognized rating agency.

Investment Process: Andrei Gorodilov and James Durance jointly manage the fund, with Peter Khan as Co-Portfolio Manager. The team adopts a bottom-up, fundamental approach to build the universe. The investment process includes,

- **Research:** It is based on Fundamental credit research and Quantitative research, incorporating Traders insights and ESG data.
- **Decision Making:** Decision making for Credit selection, country and sector allocation is the outcome of a constant communication between the different teams involved in the idea generation step.
- **Portfolio construction:** Assessing risk of the overall portfolio and sizing positions and monitoring the portfolio on an ongoing basis. The in-house proprietary portfolio management system known as Fund Manager Workbench (FMW) is used to calculate and budget risk.
- **Implementation:** Transactions are directed by the portfolio manager through a global trading platform and implemented by a group of specialist traders in conjunction with the Portfolio Services Group (PSG).
- **Monitoring and Review:** Portfolio risks and positions are monitored and reviewed daily primarily via our proprietary FMW tool

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

- The fund will invest at least 70% in high-yielding, sub investment grade bonds of issuers that have their head office or the main part of their activity in Western, Central and Eastern Europe (including Russia).
- The fund will invest at least 50% of its net assets in securities that maintain sustainable characteristics.
- The fund adheres to the firm-wide exclusion list which includes but is not limited to, cluster munitions and anti-personnel landmines.
- Less than 30% of the fund's total net assets will be invested in hybrids and Cocos, with less than 20% of the total net assets to be invested in Cocos.
- The fund can invest in bonds issued by governments, companies and other bodies
- The types of bonds in which the fund will mainly invest will be subject to high risk and will not be required to meet a minimum rating standard
- The fund has the freedom to invest outside its principal geographies, market sectors, industries or asset classes
- The fund may invest in assets directly or achieve exposure indirectly through other eligible means including derivatives



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