

Fund Fact Sheet

28/02/2022

Asset Class

Bonds Emerging Markets Hard Currencies

Fund Characteristics

AUM	\$ 54,8 mn
Launch date	16/11/2015
Oldest share class (B)	LU1305479401
Turnover (2021) *	26%
Reference currency	USD
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European Passport	Yes
Countries of registration	AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, SE, SG, PT

Fund Manager

In 2001, after an initial series of experiences at financial institutions including BNY Mellon and Brown Brothers Harriman, **Jean-Philippe Donge** joined BLI – Banque de Luxembourg Investments as a corporate bond financial analyst. Winner of a number of awards for his fund management, Jean-Philippe is currently in charge of bond market management and research. Emerging markets account for a significant proportion of the management methodology. His many years of experience, from sovereign debt to impact investing, have given Jean-Philippe an in-depth knowledge of the different categories of assets associated with these markets. This expertise is backed by a dedicated research team and the generation of convictions to feed into the construction of bond portfolios. In addition to microfinance and impact investing in general, the team and the methodology established by Jean-Philippe are also designed to provide an optimum response to sustainable development objectives. Jean-Philippe has an Engineering degree from the Université Catholique de Louvain.

Management Company

BLI - Banque de Luxembourg Investments
16, boulevard Royal
L-2449 Luxembourg
Tel: (+352) 26 26 99 - 1
www.bli.lu

Dealing & Administrator Details

European Fund Administration (EFA)	
Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily**
Cut-off time	12:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily**
NAV publication	www.fundinfo.com

* min (purchases, sales) / average of net assets

** Luxembourg banking business day

*** "B" Shares

Investment Objective

BL-Bond Emerging Markets Sustainable seeks to achieve income and capital gain with moderate volatility. The fund invests primarily in bonds with a fixed or variable interest rate of sovereign, quasi-sovereign and parastatal issuers in emerging countries. To a lesser extent, the fund invests in bonds of corporate issuers in emerging countries.

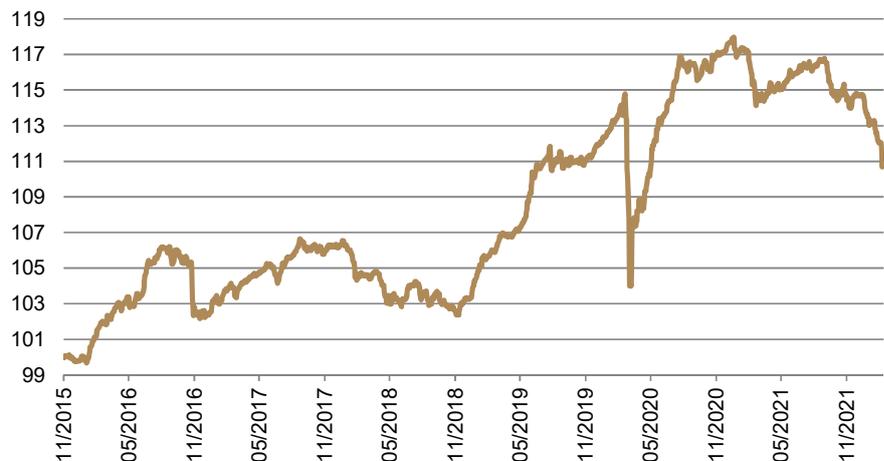
The portfolio manager's fundamental analysis for the selection of bonds is based on different criteria depending on the issuer. For sovereign issuers, the manager takes into account technical criteria and criteria relating to sovereign risk, such as the balance of payments, macroeconomic data or the countries' observed momentum. For investments in bonds from private issuers, the manager predominantly takes into account criteria such as liquidity, solvency or operational risk. For both investment categories, the fund manager integrates ESG factors using a scoring system.

The fund seeks to generate a direct impact through investments in green bonds and microfinance issues.

The overarching principle of the fund's investment strategy is to seek issuers with good or improving credit quality and to avoid issuers with deteriorating credit metrics.

Key Facts

- Low- β exposure to EMD
- Portfolio managed from the perspective of US Dollar-based investors
- Portfolio consisting of 40 to 60 bonds
 - Sovereign, Supranational & Corporate Issuers
 - Predominantly issued in USD with opportunistic investments in other currencies
- Portfolio composition independent of any benchmark
- Medium to long-term investment horizon
- Use of futures possible to optimize portfolio duration and credit risks.
- Integration of ESG factors in sovereign and corporate credit research



Performance	YTD	2021	2020	2019	2018
Fund (B shares)	-3,4%	-2,7%	5,2%	8,5%	-2,8%

Performance	1 month	3 months	6 months	1 year	3 years
Fund (B shares)	-2,0%	-2,9%	-5,0%	-3,9%	4,6%

Quantitative Analysis***	1 year	3 years
Annualised Performance	-3,9%	1,5%
Annualised Volatility	2,5%	4,8%
α vs JPM EMBI GD	-1,6%	0,7%
β vs JPM EMBI GD	0,33	0,38
R^2 vs JPM EMBI GD	89,7%	91,8%

Current Portfolio

28/02/2022

Summary Statistics

Average Yield to Maturity	1,8%
Modified Duration	3,5
Average Maturity	4,1 years
Average Rating (BLI)	BBB
Weight of Top 10 Holdings	27,1%
Number of holdings	51

Top Holdings

Republic Of Panama 9,375% 1-4-2029	3,2%
Inversiones CMPC 4,375% 04-04-27	2,9%
Poland 3,25% 06-04-26	2,9%
State Of Qatar 9,75% 15-6-2030	2,8%
ENN Energy Holdings 2,625% 17-09-30	2,7%
Saudi Electricity 2,413% 17-09-30	2,7%
Uruguay 4,5% 14-08-24	2,7%
Chile 2,45% 31-01-31	2,6%
Vietnam 4,8% 19-11-2024	2,4%
Korea Hydro & Nuclear Power 3,75% 25-07-	2,4%

New Investments in February

Republic Of Kazakhstan 6,5% 21-7-2045	0,6%
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Investments sold in February

Russia 4,75% 27-05-26	1,1%
Morocco 4,25% 11-12-2022	0,5%

Asset Allocation

Emerging Markets Government Bonds	68,2%
EEMEA	25,8%
Central Asia	2,0%
Asia Pacific	13,3%
Latin America	27,1%
Emerging Markets Corporate Bonds	20,5%
Utilities	10,9%
Supranational Bonds	0,0%
Microfinance	1,0%
Cash	10,3%
Bond Types	
ESG Optimisation	64,5%
Government Bonds	63,2%
Corporate Bonds	1,4%
Liquid Impact	24,2%
Government Bonds	5,1%
Corporate Bonds	19,1%
Alternative Impact	1,0%
Cash	10,3%

Maturity Breakdown

Cash	10,3%
<1 Years	17,3%
1-3 Years	33,3%
3-5 Years	17,8%
5-7 Years	4,5%
7-10 Years	5,9%
>10 Years	11,1%

Currency Breakdown

USD	100,0%
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Regional Allocation

EEMEA	30,3%
Central Asia	2,0%
Asia Pacific	25,0%
Latin America	31,4%
Microfinance	1,0%
Cash	10,3%

Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt fee	On-going Charges	SRR1	ISIN	Bloomberg Ticker
Retail	No	No	A	USD	No	Dis	0,60%	0,96%	3	LU1305479310	BLBEMAU LX
Retail	No	No	B	USD	No	Cap	0,60%	0,96%	3	LU1305479401	BLBEMDB LX
Institutional	No	Yes	BI	USD	No	Cap	0,30%	0,62%	3	LU1484145211	BLBEMBI LX

Management Report

28/02/2022

In the last quarter of 2021, emerging markets suffered both from the new direction of travel announced for European and American monetary policies and from the arrival of the new omicron variant. On the first point, it was the rise in inflation particularly evident on energy prices that led to a notable revision of US monetary policy. The Federal Reserve is ramping up the pace of its asset purchases in order to begin raising its key interest rate in 2022 as inflation is expected to be higher than expected in the US. In emerging markets, where in some cases inflation is close to double digits (10.7% and 21.3% respectively in Brazil and Turkey in November), the monetary authorities had already started to raise interest rates. In terms of economic activity, the purchasing managers' indices (PMIs) show a mixed picture. Across emerging market countries overall, the PMIs remain relatively stable or even improving in the last few weeks leading up to November 2021, with the exception of Brazil, China and Indonesia, where they have fallen sharply. The markets reflected these conditions. The main market indices fell in the fourth quarter of 2021. For example, the JPMorgan EMBI Global Diversified fell by 0.4%, while its euro equivalent, the Euro EMBI Global Diversified, fell by 1.31% over the same period. From September to November, spreads diverged by almost 40 basis points before easing again in the last month of the year. The EMBI Global Diversified index spread closed the quarter at 368.55 basis points compared to 356.82 basis points in September.

Over the coming weeks and months, we expect less inflationary pressure and a more controlled health environment. The Federal Reserve and its pace of interest rate hikes will continue to determine the direction for emerging market debt. On the inflation front, we expect the data to stabilise with one or two exceptions, which will allow emerging market countries to delay raising interest rates. However, we think that political concerns, e.g. Russia, and a faster than expected normalisation of US monetary policy could be a source of instability for the markets.

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28/02/2022

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Specific Information for Switzerland:

Legal documentation of the fund may be obtained, free of charge, at the offices of the Swiss representative, CACEIS (Switzerland) S.A., 7-9, Chemin de Précossy, CH-1260 Nyon, Switzerland, in accordance with the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 ("CISA").

The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland to act as paying agent for Switzerland.

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