



This is a marketing communication. Please refer to the prospectus of the funds and to the key information document before making any investment decision.

The quality of the ranking, award or label obtained by the fund or the management company depends on the quality of the issuing institution and the ranking, award or label does not guarantee the future results of the fund or the management company.

REPORTING 29|03|2024

# Candriam Bonds Emerging Debt Local Currencies

Share Class: C (USD)

MORNINGSTAR RATING OVERALL™: ★★★★★  
02.2024

## Risk indicator



The summary risk indicator ("SRI") is an indicator with a rating ranging from 1 to 7 and corresponds to increasing levels of risk and return. The methodology for calculating this regulatory indicator is available in the KID. The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

- The SRI assumes you keep the product for 4 years.
- The actual risk can vary significantly if you cash in at an early stage and you may get less back.
- This product does not include any protection from future market performance. Please refer to the "Risk" section of the prospectus for more details



**Richard Briggs**

Senior Fund Manager – EMD

**Diliiana Deltcheva**

Head of Emerging Market Debt

\*Years of experience

## Investment strategy

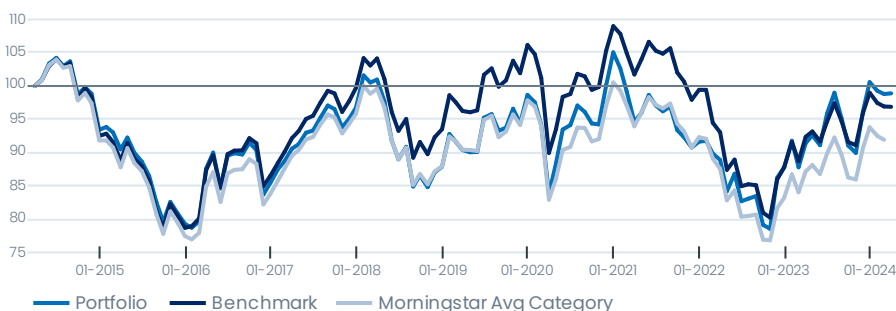
Candriam Bonds Emerging Debt Local Currencies (hereafter "the fund"), a sub-fund of the Candriam Bonds sicav, aims to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the local currencies, and to outperform the benchmark. The fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the fund. The Fund promotes, among other characteristics, environmental and/or social characteristics without however having a sustainable investment objective. The investment horizon is 4 years. The fund is actively managed and the investment process implies referring to a benchmark index. For further information on the risks or the benchmark and its use, please consult the fund's key information document (KID).

## Performance

Past Performances does not predict future returns. See important disclosures on performance under the section 'warning' in the 'Important Information' on page 5. NAVs are net of fees and are provided by the accounting department and the reference index by official providers.

	1M	3M	YTD	1Y	3Y	5Y	10Y	SI
<b>Fund</b>	<b>0.1%</b>	<b>-1.7%</b>	<b>-1.7%</b>	<b>8.2%</b>	<b>4.5%</b>	<b>9.4%</b>	<b>-1.1%</b>	<b>-</b>
Benchmark	-0.0%	-2.1%	-2.1%	4.9%	-4.7%	0.7%	-3.1%	-
	<b>0.1%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>3.3%</b>	<b>9.3%</b>	<b>8.7%</b>	<b>2.0%</b>	<b>-</b>

	2023	2022	2021	2020	3 Y annualized	5 Y annualized	10 Y annualized	SI
<b>Fund</b>	<b>14.5%</b>	<b>-4.2%</b>	<b>-12.7%</b>	<b>6.5%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>-0.1%</b>	<b>-</b>
Benchmark	12.7%	-11.7%	-8.7%	2.7%	-1.6%	0.1%	-0.3%	-
	<b>1.8%</b>	<b>7.5%</b>	<b>-4.0%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>1.7%</b>	<b>0.2%</b>	<b>-</b>



\*Material change occurred over the period – cfr page 5 for more details

This graph represents the synthetic net asset value of the fund. It is provided for information and illustrative purposes only. The synthetic net asset value is obtained by a recalculation of the values of the fund's assets by leveling out the effect of securities transactions (split, coupon, dividend distribution...) in order to reflect the real performance of the fund share or unit. Data may be rounded for convenience. Data expressed in a currency other than that of the investor's country of residence is subject to exchange rate fluctuations, with a positive or negative impact. Gross performance may be impacted by commissions, fees and other expenses.

Morningstar, an investment research firm that compiles and analyzes fund, stock, and general market data, designed the "Morningstar Category Averages", (MCA), to represent the average return of funds within their category over time. The MCA are equal-weighted category returns: the calculation is the average of the returns for all the funds in the Morningstar Category in which the fund is placed. More information on the various Morningstar Categories and the "MCA" can be found on the webpage of Morningstar, also accessible via the following links: Morningstar Category Average methodology and Morningstar Categories. The MCA is solely provided for informational purpose and is not the benchmark of the fund mentioned in the prospectus and KID.

## Fund characteristics

Inception Date	<b>22/06/2011</b>
Fund Domicile	<b>Luxembourg</b>
Fund Legal Form	<b>SICAV</b>
Benchmark	<b>J.P. Morgan GBI-EM Global Diversified (Total Return)</b>
SFDR Category	<b>Article 8</b>
Total net assets (M USD)	<b>302.15</b>
NAV per share cap.(USD) (C)	<b>100.43</b>
NAV per share dis.(USD) (D)	<b>68.60</b>
Fund Reference Currency	<b>USD</b>
NAV Calculation	<b>Daily</b>
Morningstar™ Category	<b>EAA Fund Global Emerging Markets Bond – Local Currency</b>
ISIN Code (C)	<b>LU0616945522</b>
ISIN Code (D)	<b>LU0616945795</b>
Ticker Bloomberg (C)	<b>DBEDLCU LX Equity</b>
Ticker Bloomberg (D)	<b>DBEBCLU LX Equity</b>
Latest Dividend Distributed	<b>1.56 (2023-05-05)</b>
Dealing Cut Off	<b>D&lt;12:00</b>
Antidilution Mechanisms	<b>Yes</b>
Custodian Bank	<b>CACEIS Bank, Luxembourg Branch</b>
Management Company	<b>CANDRIAM</b>

## Statistics

based on weekly data over 3 years (1 year if too little history)

	<b>Funds</b>	<b>Benchmark</b>
Volatility	<b>10.54%</b>	9.87%
Tracking Error	<b>3.79%</b>	-
Sharpe Ratio	<b>-0.12</b>	-0.44
Number of Issues	<b>64</b>	335
Number of Issuers	<b>31</b>	18
Modified Duration to Worst	<b>4.94</b>	5.04
Yield to Worst	<b>6.46</b>	6.62
Average Rating	<b>BB+</b>	BBB-
Average Spread	<b>65.67</b>	-
Credit sensitivity	<b>0.87</b>	-
Net IG exposure	<b>59.44%</b>	79.43%
Net HY Exposure	<b>26.06%</b>	19.52%

## ESG Assessment

Exclusion	Norm based	Positive selection	Integration

## Costs\*

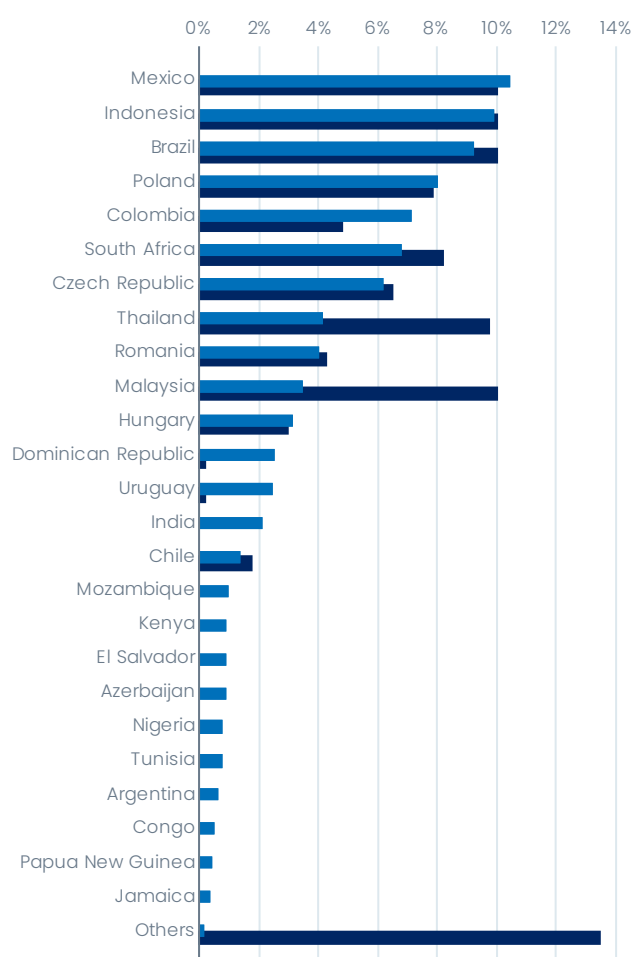
<b>C 1.10%</b>	<b>1.48%</b>	<b>-</b>
<b>D 1.10%</b>	<b>1.56%</b>	
Real Management Fee	Ongoing costs	Performance Fees

\*cfr. the glossary for more information

## Top 10 Issuers

		% Fund	Country	% Active weight
1	UNITED MEXICAN STATES	10.45	Mexico	+0.45
2	REPUBLIC OF POLAND	7.00	Poland	-0.89
3	FEDERATIVE REPUBLIC OF BRAZIL	6.83	Brazil	+1.72
4	REPUBLIC OF SOUTH AFRICA	6.77	South Africa	-1.45
5	CZECH REPUBLIC	6.19	Czech Republic	-0.29
6	REPUBLIC OF INDONESIA	6.11	Indonesia	-3.09
7	REPUBLIC OF COLOMBIA	4.86	Colombia	+0.07
8	KINGDOM OF THAILAND	4.15	Thailand	-5.63
9	ROMANIA	4.00	Romania	-0.27
10	FEDERATION OF MALAYSIA	3.46	Malaysia	-2.21

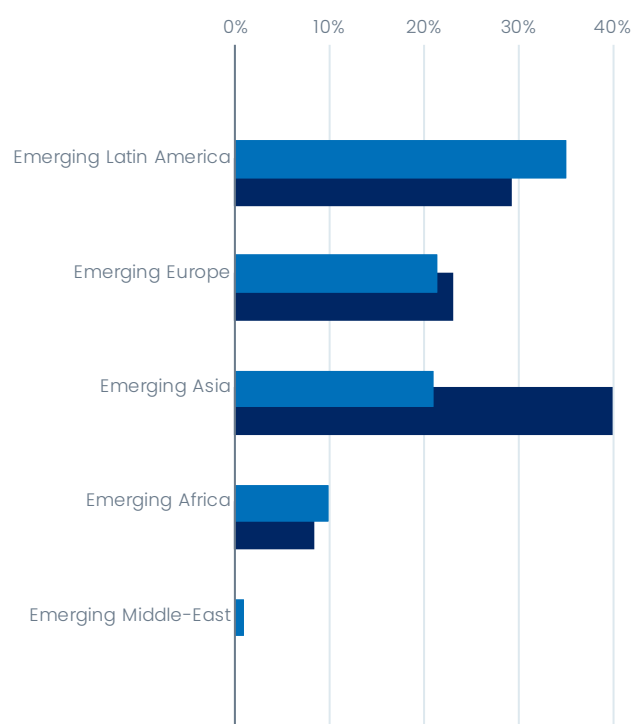
## Allocation by Country



## Portfolio Composition

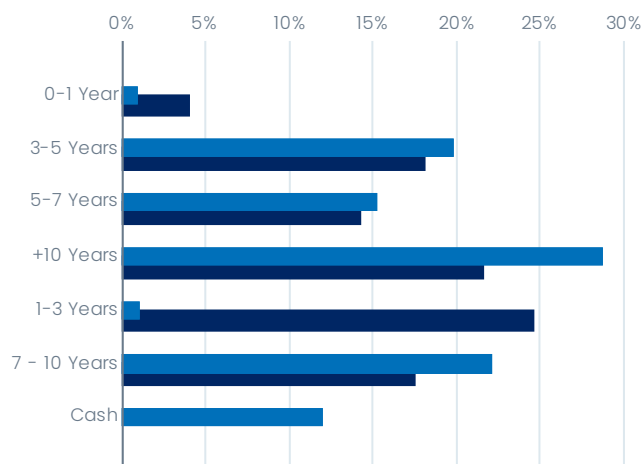
	Hard Currencies	Local Currencies	Total Funds	% Benchmark
Sovereign	16.26%	64.96%	81.22%	100.00%
Corporate	-	1.59%	1.59%	-
Quasi-Sovereign	-	4.74%	4.74%	-

## Region Allocation

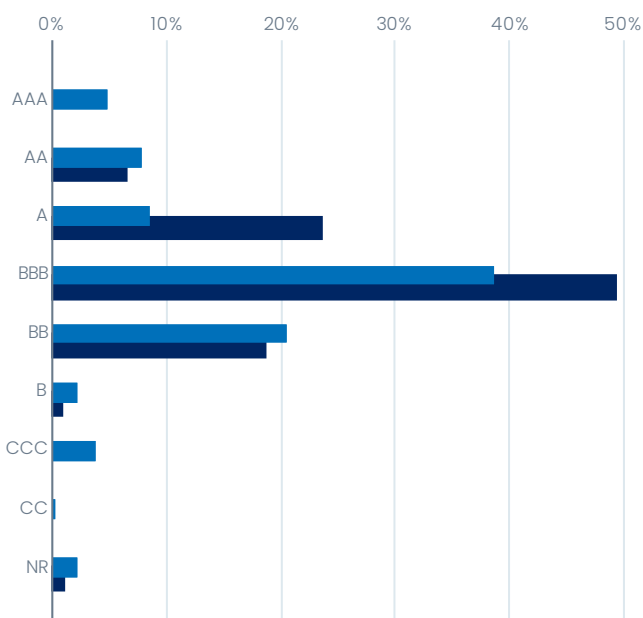


 Fund  
 Benchmark

## Maturity Breakdown

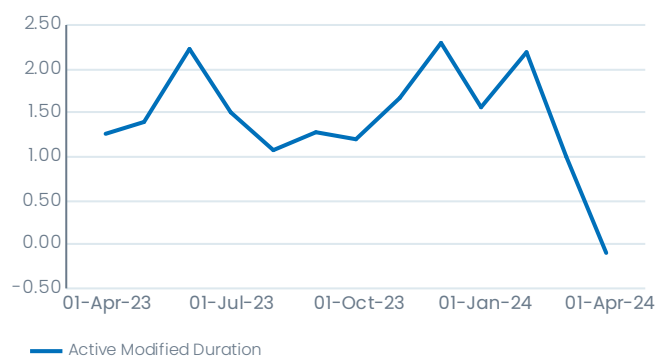


## Rating Allocation

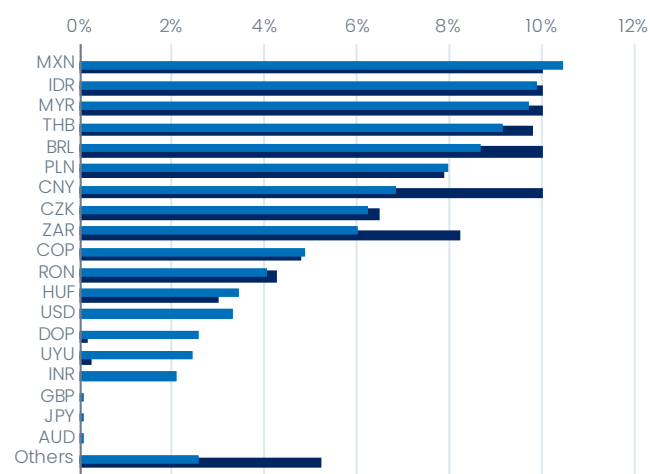


 Fund  
 Benchmark

## Evolution of Active modified duration



## Currency Exposure



## SCR

### Solvency Capital Requirement

<b>-13.36%</b>		<b>14.48%</b>
SCR Int Rates UP		SCR Int Rates DOWN
<b>-8.65%</b>	<b>-25.03%</b>	<b>-3.90%</b>
SCR Spread	SCR Currency	SCR Concentration
<b>31.52%</b>	<b>30.26%</b>	<b>29.65%</b>
Duration Liability 3Y	Duration Liability 7Y	Duration Liability 10Y
<b>-34.21%</b>		
Market SCR		

## Important Information

**This is a marketing communication. Please refer to the prospectus of the funds and to the key information document before making any investment decision.** This marketing communication does not constitute an offer to buy or sell financial instruments, nor does it represent an investment recommendation or confirm any kind of transaction, except where expressly agreed. Although Candriam selects carefully the data and sources within this document, errors or omissions cannot be excluded a priori. Candriam cannot be held liable for any direct or indirect losses as a result of the use of this document. The intellectual property rights of Candriam must be respected at all times, contents of this document may not be reproduced without prior written approval.

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In respect to money market funds, please be aware that an investment in a fund is different from an investment in deposits and that the investment's principal is capable of fluctuation. The fund does not rely on external support for guaranteeing its liquidity or stabilizing its NAV per unit or share. The risk of loss of the principal is borne by the investor.

Candriam consistently recommends investors to consult via our website <https://www.candriam.com> the key information document, prospectus, and all other relevant information prior to investing in one of our funds,

including the net asset value ("NAV") of the funds. Investor rights and complaints procedure, are accessible on Candriam's dedicated regulatory webpages <https://www.candriam.com/en/professional/legal-information/regulatory-information/>. This information is available either in English or in local languages for each country where the fund's marketing is approved.

According to the applicable laws and regulations, Candriam may decide to terminate the arrangements made for the marketing of a relevant fund at any time. Information on sustainability-related aspects: the information on sustainability-related aspects contained in this communication are available on Candriam webpage <https://www.candriam.com/en/professional/sfd/>. The decision to invest in the promoted product should take into account all the characteristics or objectives of the promoted product as described in its prospectus, or in the information documents which are to be disclosed to investors in accordance with the applicable law.

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**Specific information for investors in France:** the appointed representative and paying agent in France is CACEIS Bank, Luxembourg Branch, sis 1-3, place

Valhubert, 75013 Paris, France. The prospectus, the key information document, the articles of association or as applicable the management rules as well as the annual and semi-annual reports, each in paper form, are made available free of charge at the representative and paying agent in France.

**Specific information for investors in Spain:** Candriam Luxembourg Sucursal en España has its registered office at C/ Pedro Teixeira, 8, Edif. Iberia Mart I, planta 4, 28020 Madrid and is registered with the Comisión Nacional del Mercado de Valores (CNMV) as an European Economic Area management company with a branch.

**Specific information for investors in Austria:** The appointed Paying and Information Agent in Austria is Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria. The prospectus, the Key Information Document (KID) relating to the portfolios of the Fund, the Articles, the audited annual accounts, the semi-annual accounts as well as the issuance and redemption prices are available in Austria free of charge (in the German language) at the Austrian Paying and Information Agent.



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## Material Change

\* As of 01/09/2012, the fund has changed investment policy.

# Glossary

## EXPOSURE

The Exposure of a fund is expressed as a percentage of total portfolio holdings, taking into account the leverage of derivative instruments. It represents the amount an investor can lose from the risks unique to a particular investment.

## NET HY EXPOSURE

The Net High Yield Exposure is the percentage difference between a fund's long and short exposures to high yield fixed income instruments, including derivatives. An instrument is considered as a high yield instrument if its credit rating is below BBB-.

## NET IG EXPOSURE

The Net Investment Grade Exposure is the percentage difference between a fund's long and short exposures to investment grade fixed income instruments, including derivatives. An instrument is considered as an investment grade instrument if its credit rating is above or equal to BBB-.

## VOLATILITY\*

The Volatility is the statistical measure of dispersion of returns for a fund around the mean. A higher volatility means that a fund's value can potentially be spread out over a larger range of values and makes the fund a riskier investment.

## THE SUMMARY RISK INDICATOR

The summary risk indicator ("SRI") is an indicator with a rating ranging from 1 to 7 and corresponds to increasing levels of risk and return. The methodology for calculating this regulatory indicator is available in the KID. The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

## TRACKING ERROR\*

The Tracking Error is a statistical measure of dispersion of the excess returns of the fund around the mean, making it the volatility of the difference between the fund's return and its reference index return. A higher tracking error indicates a higher deviation from the reference index.

## SHARPE RATIO\*

The Sharpe Ratio measures the level of compensation an investment in the fund offered for the risk taken. It is calculated by subtracting the risk-free rate from the return of the fund and dividing that result by the volatility. The higher the Sharpe ratio the better, a negative ratio has no significance other than that the fund underperformed the risk-free rate.

## AVERAGE RATING

The Average Rating is calculated using the Weighted Average Rating Factor (WARF) and is a measure to indicate the credit quality of the fund. The measure aggregates the credit ratings of the fund's holdings into a single rating.

\* based on weekly data over 3 Years (1 year if too little history)

## RISK-FREE RATE

The Risk-Free Rate is the market return on an asset that is considered to have no (or negligible) risk. It will be used for the calculation of risk adjusted returns (e.g. Sharpe Ratio) and it will always be a rate in the performance calculation currency. The most common used rates will be ESTER for EUR denominated performances and FED Fund Rate for USD denominated performances.

## MODIFIED DURATION TO WORST

The Modified Duration is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in interest rates. The Modified Duration to Worst is calculated taking into account the call date for callable bonds and the scenario that would provide the worst yield to the holders of fixed income instruments. The Modified Duration to Worst for the fund is calculated as the weighted average MDTW of all underlying fixed income instruments.

## YIELD TO WORST

The Yield To Worst (YTW) is the lowest potential yield that can be received on all fixed income instruments in a fund without the issuers actually defaulting. It represents the lowest of all yields computed at each call date for callable bonds. The YTW for the fund is calculated as the weighted average YTW of all underlying fixed income instruments.

## CREDIT SENSITIVITY

The Credit Sensitivity is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in credit spread. The credit sensitivity for the fund is calculated as the weighted average credit sensitivity of all underlying fixed income instruments.

## AVERAGE SPREAD

The Average Spread for the fund is the weighted average Option-Adjusted Spread (OAS) for all underlying fixed income instruments. The OAS refers to the difference or spread between the fixed income instrument's yield and the swap rate with the same maturity, using a dynamic pricing model that accounts for embedded options.

## RATING

A (credit) Rating is a quantified assessment of the creditworthiness of a borrower. Rating in this report refer to the 2nd best rating, a daily calculated, standardized rating. It is calculated on instrument level, using ratings from 3 worldwide renowned rating agencies. It is the 2nd best rating, unless no more than one rating from one agency exists. NR indicated that none of the rating agencies issued a rating on the instrument.

## NUMBER OF ISSUERS

The Number of Issuers represents the total number of companies in position.

## NUMBER OF ISSUES

The Number of Issues represents the total number of instruments in position.

## REAL MANAGEMENT FEES

The Real Management Fee is the actual percentage charge deducted from the fund's average net assets.

## OCG

Ongoing charges represent all operating and management costs invoiced to the UCI net of retrocessions.

## PERFORMANCE FEE

The Performance Fee refers to a charge on any returns that the Fund achieves above the reference index. Please refer to the Prospectus for further information.

## HARD CURRENCIES VS. LOCAL CURRENCIES

Hard Currencies refer to money that is issued by a nation that is seen as politically and economically stable. Hard currencies are widely accepted around the world as a form of payment for goods and services and may be preferred over the Local Currency, also called domestic currencies. The currencies typically seen as hard currencies are the USD, EUR, JPY, GBP, CHF, CAD and AUD.

## ESG ASSESSMENT – EXCLUSION

The Exclusion filter refers to the exclusion of companies involved in harmful or controversial activities. Involvement is assessed using activity-specific revenue-based threshold levels.

## ESG ASSESSMENT – NORMS-BASED

The Norms-Based analysis excludes companies which are in violation of the 10 principles of the United Nations Global Compact (UNGC). These principles cover 4 main categories: Human Rights, Labour Rights, Environment and Anti-Corruption.

## ESG ASSESSMENT – POSITIVE SELECTION

The Positive selection analysis is inclusive, not exclusive. It includes only the companies with the best ESG score, obtained by evaluating their ability to manage the sustainable development issues based on a combination of specific factors material to each sector.

## ESG ASSESSMENT – INTEGRATION

The Integration of ESG factors into investment decisions consists of integrating specific extra-financial factors into the financial valuation or credit assessment of securities. The factors used are selected based on their materiality in the given asset class.