

## Fund Fact Sheet

28/02/2022

### Asset Class

Bonds Emerging Markets Hard Currencies

### Fund Characteristics

AUM	€ 235,0 mn
Launch date	31/03/2014
Oldest share class (B)	LU1008595214
Turnover (2021) *	26%
Reference currency	EUR
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

Following his Master's degree in Business Engineering from the Louvain School of Management in Belgium, **Jean-Philippe Donge** joined Banque de Luxembourg's Asset Management department in 2001, which evolved into BLI-Banque de Luxembourg Investments in 2005.

After three years as a financial analyst, Jean-Philippe was promoted to the function of fund manager and took over the management of BL-Global Bond.

At present, he is responsible for the bond fund range of BL SICAV.

### Management Company

BLI - Banque de Luxembourg Investments  
16, boulevard Royal  
L-2449 Luxembourg  
Tel: (+352) 26 26 99 - 1  
[www.bli.lu](http://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	<a href="http://www.fundinfo.com">www.fundinfo.com</a>

### Investment Objective

BL-Bond Emerging Markets Euro 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.

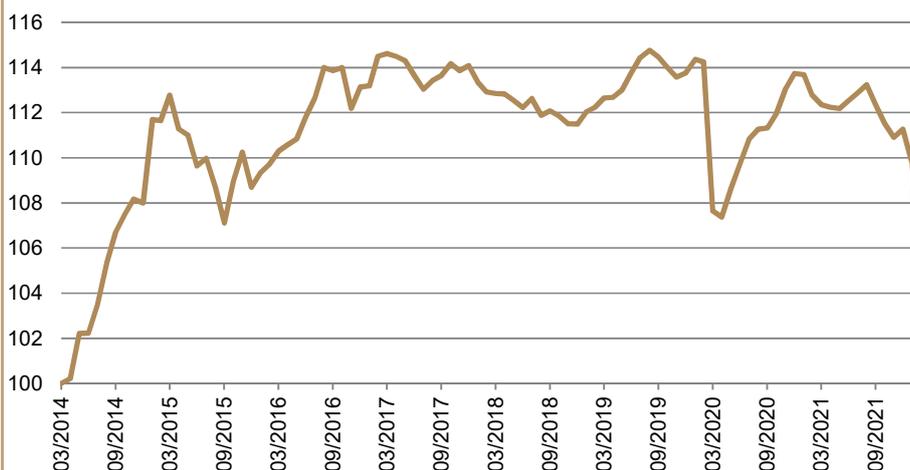
The portfolio manager's fundamental analysis for the selection of bonds is based on different criteria depending on the issuer. For sovereign issuers, the manager takes into account technical criteria and criteria relating to sovereign risk, such as the balance of payments, macroeconomic data or the countries' observed momentum.

For investments in bonds from private issuers, the manager predominantly takes into account criteria such as liquidity, solvency or operational risk.

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

- Portfolio managed from the perspective of Euro-based investors
- Portfolio consisting of 50 to 70 bonds
  - Sovereign, Supranational & Corporate Issuers
  - predominantly issued in Euro with opportunistic investments in USD and local currencies
- Portfolio composition independent of any benchmark
- Medium to long-term investment horizon
- Use of futures possible to optimize portfolio duration and credit risks.
- FX risks against the fund reference currency (EUR) are systematically neutralised.



Performance	YTD	2021	2020	2019	2018	2017
Fund (B shares)	-6,0%	-2,2%	0,0%	2,0%	-2,3%	0,8%

Performance	1 month	3 months	6 months	1 year	3 years
Fund (B shares)	-4,7%	-5,7%	-7,6%	-7,3%	-6,8%

	1 year	3 years
Annualised Performance***	-7,3%	-2,3%
Annualised Volatility***	3,1%	3,1%

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

\*\* Luxembourg banking business day

\*\*\* "B" Shares

**Current Portfolio**

28/02/2022

**Summary Statistics**

Average Yield to Maturity	2,1%
Modified Duration	4,7
Average Maturity	5,2 years
Average Rating (BLI)	BBB
Weight of Top 10 Holdings	21,8%
Number of holdings	78

**Top Holdings**

Peru 3,75% 01-03-2030	2,4%
Bulgaria 3% 21-03-28	2,4%
Croatia 2,7% 15-06-28	2,3%
Corp Nacl Del Cobre De Chile 2,25% 09-07-	2,2%
Peru 2,75% 30-01-2026	2,2%
North Macedonia 2,75% 18-1-2025	2,1%
Senegal 4,75% 13-03-28	2,1%
Philippines 0,875% 17-05-27	2,1%
Romania 2,125% 07-03-28	2,0%
Indonesia 3,75% 14-06-28	1,9%

**New Investments in February**

Romania 2,125% 07-03-28	2,0%
Kasachstan 1,5% 30-09-34	0,6%

**Investments sold in February**

Romania 2,875% 26-05-28	2,2%
Russian Federation 5,1% 28-03-35	0,4%

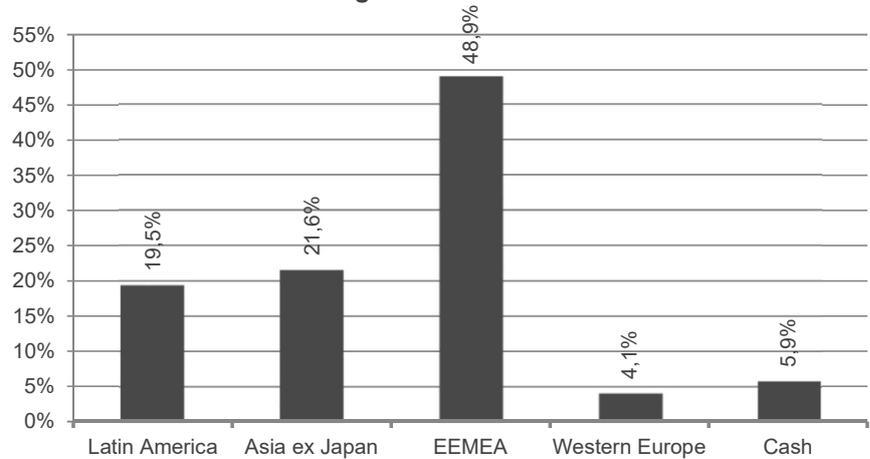
**Currency allocation**

EUR	99,7%
USD	0,3%

**Asset Allocation**

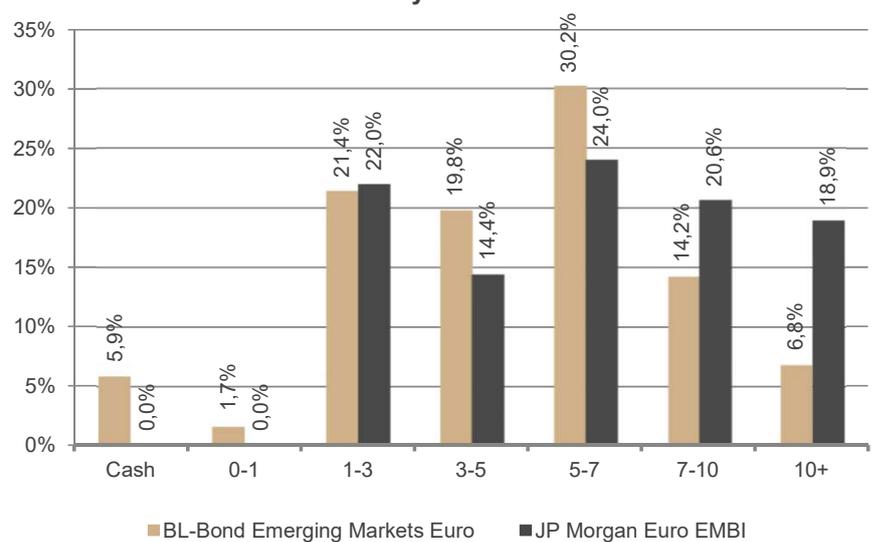
Bonds DM Corporates (IG, Hard Currencies)	5,4%
Bonds DM Corporates (IG, Hard Currencies)	0,0%
Bonds DM Sovereigns; IG; USD	0,0%
Bonds DM Sovereigns; IG; EUR	0,0%
Bonds EM Corporates; HY; EUR	1,7%
Bonds EM Corporates; HY; USD	0,0%
Bonds EM Corporates; IG; EUR	17,6%
Bonds EM Corporates; IG; USD	2,0%
Bonds EM Government Agency; HY; USD	1,7%
Bonds EM Government Agency; IG; EUR	1,7%
Bonds EM Sovereigns; HY; EUR	13,1%
Bonds EM Sovereigns; HY; USD	3,1%
Bonds EM Sovereigns; IG; EUR	38,6%
Bonds EM Sovereigns; IG; USD	1,0%
Green Bonds EM Corporates (IG, Hard Curr	6,7%
Green Bonds EM Sovereigns; IG; Eur	1,4%
Cash	5,9%

**Regional Allocation**



■ Asset Allocation

**Maturity Allocation**



■ BL-Bond Emerging Markets Euro ■ JP Morgan Euro EMBI

The market index (JP Morgan Euro EMBI) is shown in the allocation charts for illustration purposes only and it should under no circumstances be considered as an indication of a specific investment style or strategy. Investors are also invited to consult the performance chart disclosed in the key investor information document of the sub-fund.

Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt fee	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	<b>A</b>	EUR	No	Dis	0,60%	0,79%	3	LU1008595057	BLEMDAE LX
Retail	No	No	<b>B</b>	EUR	No	Cap	0,60%	0,79%	3	LU1008595214	BLEMDBE LX
Institutional	No	Yes	<b>BI</b>	EUR	No	Cap	0,30%	0,44%	3	LU1484144750	BLEMBI LX

## Management Report

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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 in 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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The prospectus, the articles of incorporation, the annual and semi-annual reports of BL as well as the key investor information document (KIID) of the sub-fund are available on [www.bli.lu](http://www.bli.lu) or upon request from BLI. The KIIDs are available in French, English and in any other official language of registration of BL.

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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. The present document may be distributed to Swiss qualified investors.

### **Specific Information for France:**

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