

PrivilEdge – NN IP Euro Credit (EUR) M Fact Sheet (marketing document)

High Conviction • Fixed Income

31 January 2021

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	30 November 2017
Currency of Fund	EUR
Currency of share class	EUR
Fund manager	NN Investment Partners B.V.
Net assets (all classes)	EUR 275.48 million
Liquidity (sub./red.)	Daily, 15:00
Swinging Single Pricing	Yes
Min. investment	EUR 3'000
Management fee	0.60%
Distribution fee	0.00%
FROC	0.20%
TER max (30 September 2020)	0.80%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES	Class A	Class D
ISIN	LU1711564911	LU1711565058
Bloomberg	PNIEEMA LX	PNIEEMD LX
NAV	EUR 10.68	EUR 10.44

FISCAL INFORMATION

Last dividend paid (30.11.2020)	EUR 0.07
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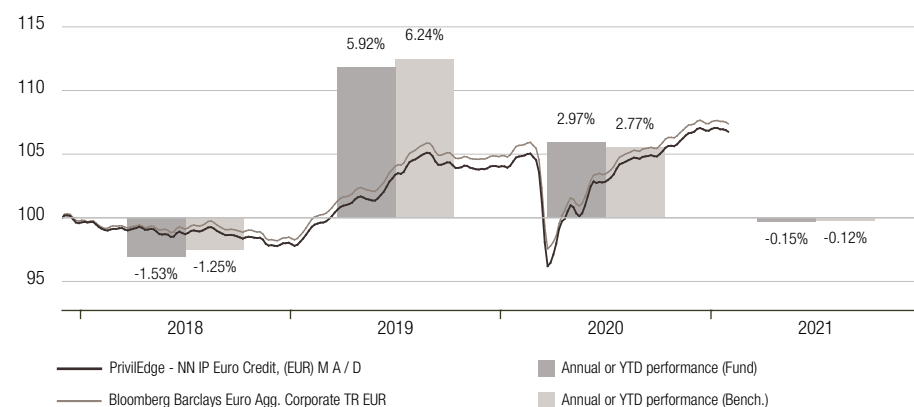
RATINGS

Morningstar Rating	★★★★★
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HIGHLIGHTS

PrivilEdge – NN IP Euro Credit is an actively managed long-only Euro investment grade credit strategy. It is managed by NN Investment Partners, the asset management arm of NN Group that was separated from the ING Bank in 2014. The fund seeks to consistently and repeatedly outperform the Bloomberg Barclays Euro Aggregate Corporate TR EUR Index and to deliver an average annualized information ratio of 0.5 over three years (gross of fees). The PMs exploit multiple sources of alpha and market inefficiencies thanks to a thorough fundamental credit research and detailed top-down views that rely on a fundamental, collaborative and research intensive investment process. Five dedicated credit analysts and four PMs design the portfolio's top-down allocation based on four dimensions and 11 "key calls" that are translated into appropriate risk budgets in terms of Duration Time Spread. Then, the PMs use the fundamental credit research's output to populate the various buckets and build a diversified portfolio of about 300 issues from more than 150 issuers. The fund exhibits no currency risk (maximum 20% invested in non-EUR credit bonds are hedged back to EUR) and limits its active duration to +/- 1 year versus the benchmark.

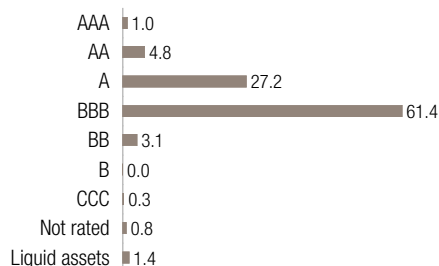
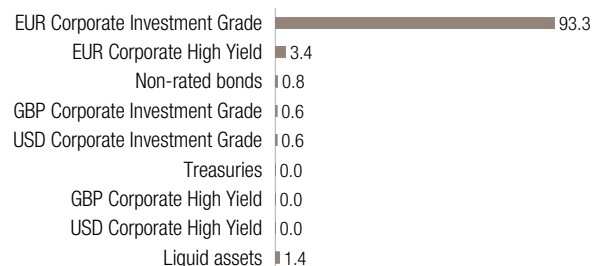
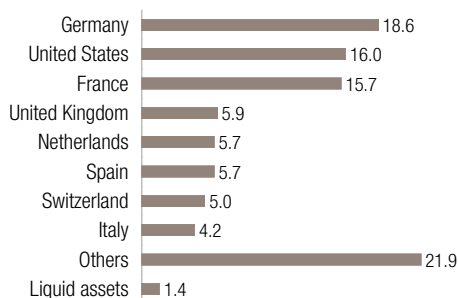
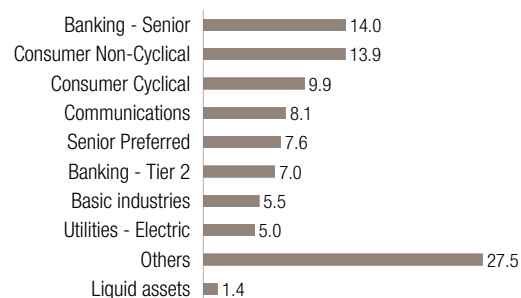
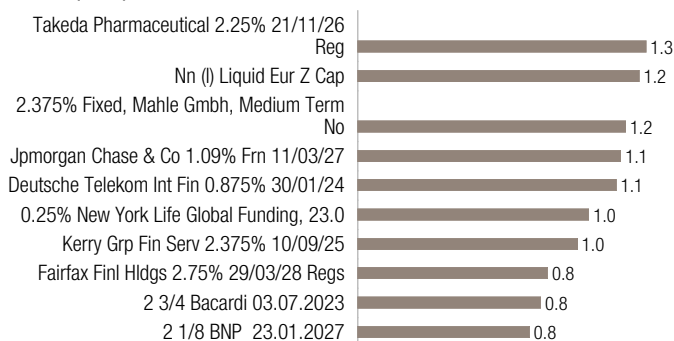
NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Nov 30, 2017 - Jan 31, 2021



NET PERFORMANCE IN EUR	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	-0.15%	-0.12%	-	-
1 month	-0.15%	-0.12%	-	-
3 months	1.13%	1.08%	-	-
1 year	1.75%	1.48%	-	-
3 years	7.50%	7.98%	2.43%	2.58%
Total return (since 30.11.2017)	6.76%	7.38%	2.08%	2.26%

STATISTICS 30.11.2017 - 31.01.2021	Fund	Bench.
Annualised volatility	5.35%	5.01%
Sharpe ratio	0.47	0.54
Max. drawdown	-7.83%	-7.34%
Correlation		0.997
Tracking error		0.50%

	Fund
Average rating	BBB+
Effective duration	5.30
Modified duration	5.30
Yield to maturity	0.57%
Number of positions	442
Number of issuers	215
Spread duration	5.21
Option adjusted spread (OAS)	81

CREDIT RATINGS (IN %)**ASSETS (IN %)****COUNTRIES (IN %)****SECTORS (IN %)****TOP 10 (IN %)**

MONTHLY RETURNS IN %	2017		2018		2019		2020		2021	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January			-0.3	-0.3	1.0	1.1	1.0	1.2	-0.2	-0.1
February			-0.1	-0.0	0.6	0.7	-0.4	-0.4		
March			-0.1	-0.1	1.4	1.4	-7.2	-6.8		
April			0.0	0.0	0.7	0.7	4.4	3.7		
May			-0.5	-0.2	-0.2	-0.2	0.1	0.2		
June			-0.0	-0.0	1.6	1.6	1.3	1.3		
July			0.2	0.3	1.4	1.4	1.5	1.5		
August			-0.0	0.0	0.6	0.6	0.2	0.2		
September			-0.3	-0.3	-0.8	-0.8	0.3	0.3		
October			-0.2	-0.2	-0.1	-0.2	0.7	0.8		
November			-0.6	-0.6	-0.3	-0.3	1.1	1.0		
December	-0.4	-0.3	0.2	0.2	-0.1	-0.1	0.2	0.2		
Year	-0.4	-0.3	-1.5	-1.3	5.9	6.2	3.0	2.8	-0.2	-0.1

PARTICULAR RISKS

The following risks may be materially relevant but may not always be adequately captured by the synthetic risk indicator and may cause additional loss:

- **Credit risk:** A significant level of investment in debt securities or risky securities implies that the risk of, or actual, default may have a material impact on performance. The likelihood of this depends on the credit-worthiness of the issuers.
- **Liquidity risk:** Where a significant level of investment is made in financial instruments that may under certain circumstances have a relatively low level of liquidity, there is a

GLOSSARY

Credit Ratings: The credit ratings breakdown mentioned for convertible funds is a blend of ratings performed internally as well as ratings provided by external sources.

Risk and Reward Profile: This indicator (SRRI) represents the annualized historical volatility of the Sub-Fund over a 5-year period. Where there are less than 5 years worth of data, missing returns are simulated using an appropriate benchmark. The SRRI may change over time and should not be used as an indicator of future risk or returns. Even the lowest risk classification does not imply that the Sub-Fund is risk-free or that capital is necessarily guaranteed or protected.

Total Expense Ratio (TER): The total fees involved in managing and operating a fund. The TER included the annual management fee and other charges, for example legal, admin, and audit costs (source: annual audited reports or semi annual non audited reports). The Total Expense Ratio (TER) is calculated twice per year and is subject to change between calculation dates.

Volatility: A statistical measure of the fluctuations of a security's price. It can also be used to describe fluctuations in a particular market. High volatility is an indication of higher risk.

Sharpe Ratio: A measure of risk-adjusted performance. The higher the ratio, the better risk-adjusted performance has been.

Drawdown: A draw down is usually quoted as the percentage between the peak and trough of an investment during a specific period. It can help to compare an investment's possible reward to its risk.

Correlation: Correlation is a measure of how securities or asset classes move in relation to each other. Highly correlated investments tend to move up and down together while investments with low correlation tend to perform in different ways in different market conditions, providing investors with diversification benefits. Correlation is measured between 1 (perfect correlation) and -1 (perfect opposite correlation). A correlation coefficient of 0 suggests there is no correlation.

Tracking Error: A measure of how closely an investment portfolio follows the index against

material risk that the fund will not be able to transact at advantageous times or prices. This could reduce the fund's returns.

- **Risks linked to the use of derivatives and financial techniques:** Derivatives and other financial techniques used substantially to obtain, increase or reduce exposure to assets may be difficult to value, may generate leverage, and may not yield the anticipated results. All of this could be detrimental to fund performance.

which it is benchmarked.

Bond Floor: The lowest value that convertible bonds can fall to, given the present value of the remaining future cash flows and principal repayment. The bond floor is the value at which the convertible option becomes worthless because the underlying stock price has fallen substantially below the conversion value.

Delta: The ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative.

Premium: If a fixed-income security (bond) is purchased at a premium, existing interest rates are lower than the coupon rate. Investors pay a premium for an investment that will return an amount greater than existing interest rates.

Yield to Maturity: The rate of return anticipated on a bond if it is held until the maturity date.

Coupon: The interest rate stated on a bond when it's issued.

Modified Duration: This formula is used to determine the effect that a 100-basis-point (1%) change in interest rates will have on the price of a bond.

Average Duration: The average modified duration of the portfolio expressed in years.

Expected Loss: Annual average expected loss to the portfolio expressed in percent.

Attachment Point: The modelled probability of a negative portfolio return in any given year.

FROC (Fixed Rate of Operational Costs): The Operational Costs cover expenses directly incurred by the Company ("Direct Costs") and those resulting from the activities carried out by the Management Company on behalf of the Company ("Fund Servicing Costs").

Swinging Single Pricing (SSP): SSP is an adjustment to the NAV per share in consideration of subscription and redemption activity on a dealing day. For more information, please refer to Section 15.1 "Net Asset Value Determination" of the Sub-Fund Prospectus, which can be found at www.loim.com.

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