

Single Manager Fund : ABN AMRO Candriam Global Sustainable High Yield Bonds

A subfund of the ABN AMRO Funds

Morningstar Category : Global High Yield Bond - EUR Hedged

Key information

► Net Asset Value	EUR 111.998
► AUM	EUR 905 million
► ISIN code	LU2041743266
► Duration	2.77
► Fund's average rating	BB-
► Average YTM	3.49
► Total number of holdings	156
► SFDR classification	Art. 8 – Beleggingsproduct

Fund profile

► A Single Manager Fund will delegate all its portfolio management activities to one manager, selected in accordance with severe qualitative and quantitative criteria. The Single Manager Fund is actively managed and having an opportunistic approach. ABN AMRO Investment Solutions has full daily transparency and risk control over the fund.

► ABN AMRO Investment Solutions has selected Candriam Investors Group for managing a global High Yield Sustainable mandate.

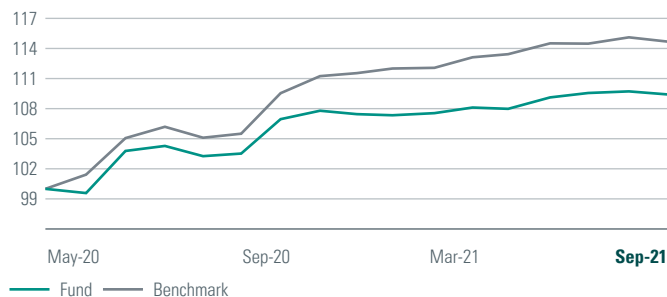


► The sub-fund aims to provide medium term capital growth with a diversified and actively managed portfolio of global sustainable high yield bonds, without any specific restriction on tracking error. The sub-fund will use a selection of securities complying with Environmental, Social and Governance (ESG) responsibility criteria. The portfolio will be composed of issuers that are either leading in ESG best practice or attractive due to their progression in ESG.

Fund facts

Share Class	Class AH
Inception date	14/05/2020
Registered legal form	Luxembourg SICAV
Income's allocation	Accumulation
Benchmark	Bloomberg Barclays Global High Yield Corporate EUR Hedged
Currency	EUR
Liquidity	Daily
Custodian	State Street Bank Luxembourg
Fund Administrator	State Street Bank Luxembourg
Max management fee	1.30%
Ongoing charges	1.19%
Max. Subscription fee	5.00%
Max. Redemption fee	1.00%
Minimum investment	100 €
Subscription/Redemptions	16:00 CET, D-1
Bloomberg ticker	ABHYBAE LX

Performances*



	Fund	Benchmark	Performance gap
1 month	-0.27%	-0.36%	0.09%
3 months	0.28%	0.16%	0.12%
Year to date	1.52%	3.10%	-1.59%
1 year	5.96%	9.13%	-3.17%
3 years	-	-	-
5 years	-	-	-
10 years	-	-	-
Since Inception	12.00%	19.22%	-7.23%
2020	-	-	-
2019	-	-	-
2018	-	-	-
2017	-	-	-
2016	-	-	-

* Past performance is not an indication of future performance. Performance is calculated net of fees except subscription fees.

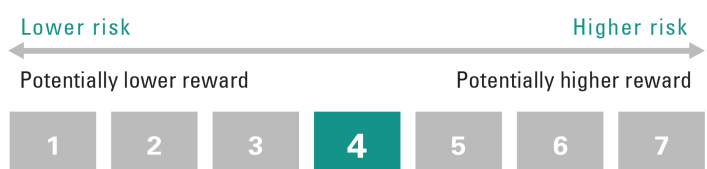
Risk ratios

	Fund		Benchmark	
	1 year	3 years	1 year	3 years
Volatility	2.82%	-	2.72%	-
Tracking error	0.91%	-	-	-
Sharpe Ratio	2.26	-	3.49	-

Volatility is a statistical measure of the dispersion of returns for a portfolio or market index. In most cases, the higher the volatility, the riskier.

Tracking Error is the standard deviation of the difference between the portfolio return and the desired investment benchmark return.

Sharpe Ratio is a ratio used to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.



Quarterly comment

The third quarter was marked by volatility. In July, government bonds rallied substantially, as a result of slower growth in China, the Delta variant spreading in Europe and weaker-than-expected economic numbers in the US. Risky assets - supported by lower rates and ultra-accommodative monetary policies - continued to rally in this environment. Still-strong fundamentals continued to improve over the month, supported by the reopening of economies and the associated pent-up demand. While most issuers maintained credit-friendly balance-sheet management, others switched to a more equity-friendly mode (dividend deals, share buyback programs or debt-funded M&A). In August, credit markets continued to rally as they remain supported by dovish central banks, vaccination roll out and reopening economies. In China, risky assets underperformed on uncertainties around the common prosperity policies being announced with very limited contagion to other regions. Fundamentals remained strong and continued to improve in August with Q2 numbers broadly in line with expectations. In September, risky assets were under pressure as headwinds continued to grow on the macro front. Markets witnessed a sharp rise in US rates on the back of FED more hawkish tone. The situation in China is still uncertain from the Evergrande fallout to the electricity shortage and puts the global recovery at risk. In Europe and in the US, energy prices are soaring and are adding to inflation fears that could hit both company margins and consumers sentiment. Finally as the COVID-19 situation continues to improve globally and as economies are reopening, central banks are getting closer every day from reducing their support. Over the quarter the Fund outperformed its index by 42bp. While the Energy sector rally continued to have a negative impact on the fund performance, our strong convictions on the Retailing and Automotive Sector had a positive one. The strategy also benefited from our holdings in defensive sectors like Telecommunication and Media. Moreover our cautious risk approach regarding Chinese issuers had a positive contribution of 0.48%. Over the quarter, we continued to focus on leading players with a strong pricing power and a proven ability to pass through inflation costs. We continue to manage our allocation to the most Covid sensitive sectors actively and like potential rising stars. We hold a constructive stance on European High Yield, where spreads remain relatively attractive in the current zero-rate environment. Over the medium term, we expect the asset class to be supported by solid fundamentals and the dispersion to increase as governments and central banks remove their extraordinary supports.

Rating breakdown

	Fund	Benchmark
BBB	0.84%	0.90%
Below BBB	93.16%	99.09%
Liquidity	6.00%	0.01%

Top holdings

Name	Sector	%
REPSOL INTL FINANCE 1% 31...	Industrial	1.98%
1011778 BC ULC / NEW RED FI...	Industrial	1.73%
ROYAL CARIBBEAN CRUISES LTD	Industrial	1.65%
CEMEX SA DE CV 7.375% 05/06...	Industrial	1.65%
SPRINT CORP 7.875 15/09/2023	Industrial	1.64%
BUILDERS FIRSTSOURCE INC 6...	Industrial	1.55%
VMED 02 UK FINAN 4.5% 15 ...	Industrial	1.52%
VICTORIA'S SECRET & CO 4.62...	Industrial	1.47%
ALCOA NEDERLAND HOLDING 5.5...	Industrial	1.44%
ARDAGH PKG FIN/HLDGS USA 5...	Industrial	1.42%
Total of 10 first positions		16.06%

Main movements

Label	Operation
EURO FX CURR FUT DEC21 XCME 20211213 EXPO	Sell
EURO FX CURR FUT DEC21 XCME 20211213 CASH EXPO	Sell
EURO FX CURR FUT SEP21 XCME 20210913 EXPO	Buy
EURO FX CURR FUT SEP21 XCME 20210913 CASH EXPO	Buy

Geographic breakdown

	Fund	Benchmark
United States	53.31%	56.28%
Spain	8.17%	1.94%
Netherlands	6.73%	2.66%
United Kingdom	5.23%	4.85%
Germany	4.35%	3.25%
Canada	3.23%	3.24%
Mexico	2.40%	0.52%
International	2.29%	1.71%
Italy	2.14%	4.37%
Liberia	1.65%	0.27%
Other	4.49%	20.91%
Liquidity	6.00%	0.01%

Sector breakdown

	Fund	Benchmark
Industrial	80.30%	80.69%
Other Bonds	12.89%	0.42%
Financial Institutions	5.55%	13.09%
Utility	1.26%	3.29%
Treasury Bonds	0.00%	2.51%

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