



# CANDRIAM BONDS CREDIT OPPORTUNITIES

REPORTING 28|02|2022

*Share Class: I (EUR)*



01.2022

OVERALL  
MORNINGSTAR RATING  
TM

Lower Risk Higher Risk

Potentially lower return Potentially higher return



RISK AND REWARD  
PROFILE

The risk level shown reflects the fund's historical volatility, completed where applicable by that of its reference framework. The volatility indicates the extent to which the value of the fund may fluctuate upwards or downwards.

- The indicated category may vary over time.
- The historical data give no indication of a future risk profile.
- The lowest category does not mean "risk-free".
- There is no guarantee or mechanism to protect the capital.



**THINK**  
BEFORE PRINTING

**CANDRIAM**  
A NEW YORK LIFE INVESTMENTS COMPANY



**Philippe Noyard**  
Global Head of Credit & Arbitrage  
33 Years of experience



**Patrick Zeenni**  
Head of Investment Grade & Credit Arbitrage / Deputy Global Head of Credit

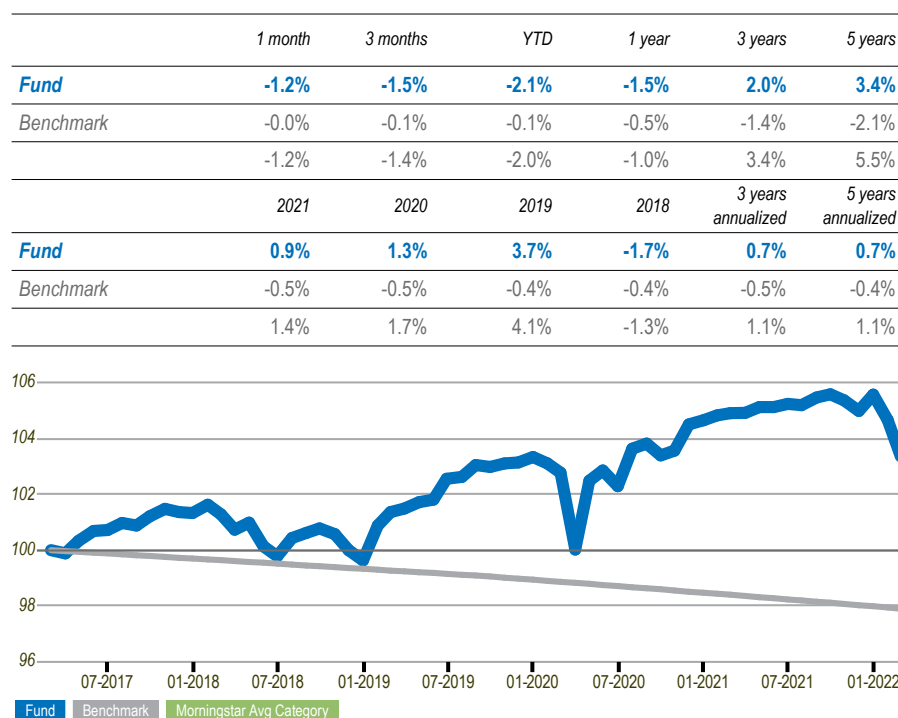


**Nicolas Jullien**  
Head of High Yield & Credit Arbitrage / Deputy Global Head of Credit

## INVESTMENT STRATEGY

Candriam Bonds Credit Opportunities is a sub-fund of the SICAV Candriam Bonds, a UCITS IV fund, which offers investors exposure to the private sector and the international bond market in order to benefit from the high-yield debt of companies with a high credit risk. The fund invests in bonds or derivative instruments (credit derivatives based on indices or individual names) issued by companies with a rating higher than B- / B3 according to one of the three main credit rating agencies. The fund may use exchange rates, volatility, interest rates or credit derivatives for the purpose of an efficient portfolio management (hedge, exposure). The investment horizon is 3 years. The fund is managed actively, with reference to the index mentioned on the section "characteristics". For further information about this index and its use, please consult the fund's key investor information document (KIID).

## PERFORMANCE (1)



(1) Past Performances shown on this page are not an indicator of future performances and are not constant over time. See important disclosures on performance under the section 'warning' in the 'Important Information' on page 4. NAVs are net of fees and are provided by the accounting department and the reference index by official providers.

## FUND CHARACTERISTICS

|                             |                                |
|-----------------------------|--------------------------------|
| Inception Date              | 21/10/2002                     |
| Fund Domicile               | Luxembourg                     |
| Fund Legal Form             | SICAV                          |
| Benchmark                   | ESTR Capi                      |
| Total net assets (M EUR)    | 1,496.75                       |
| NAV per share cap.(EUR) (C) | 230.18                         |
| Fund Reference Currency     | EUR                            |
| NAV Calculation             | Daily                          |
| Morningstar™ Category       |                                |
| ISIN Code (C)               | LU0151325312                   |
| Ticker Bloomberg (C)        | DEXHIS1 LX Equity              |
| Latest Dividend Distributed | -                              |
| Dealing Cut Off             | D<12:00                        |
| Antidilution Mechanisms     | Yes                            |
| Custodian Bank              | CACEIS Bank, Luxembourg Branch |
| Management Company          | Candriam Luxembourg            |

## STATISTICS

|                            | Feb-22  | Jan-22  |
|----------------------------|---------|---------|
| Volatility                 | 3.69%   | 3.66%   |
| Sharpe Ratio               | 0.31    | 0.47    |
| Number of Issues           | 102     | 107     |
| Number of Issuers          | 67      | 69      |
| Modified Duration to Worst | 1.42    | 1.03    |
| Yield to Worst             | 2.76    | 1.81    |
| Yield to Maturity          | 2.84%   | 1.91%   |
| Average Rating             | BB-     | BB-     |
| Credit sensitivity         | 2.63    | 1.74    |
| Net HY Exposure            | 80.51%  | 63.62%  |
| Net IG exposure            | -8.33%  | -9.03%  |
| Gross HY Exposure          | 114.63  | 130.73  |
| Gross IG Exposure          | 12.01   | 11.79   |
| Total Net Exposure         | 72.18%  | 54.58%  |
| Total Gross Exposure       | 126.64% | 142.51% |

## ESG ASSESSMENT

|           |            |                    |             |
|-----------|------------|--------------------|-------------|
|           |            |                    |             |
| Exclusion | Norm based | Positive selection | Integration |

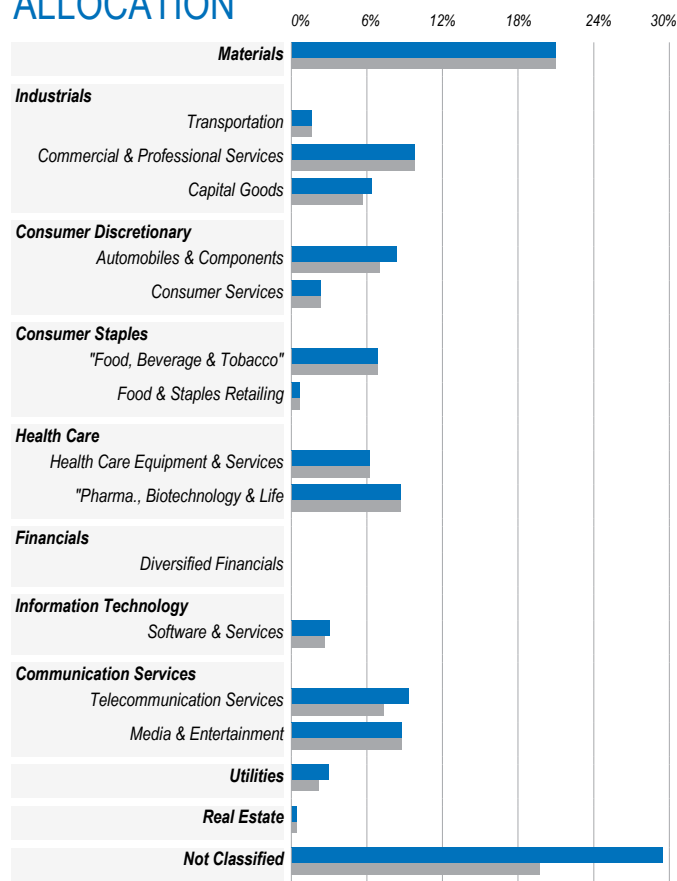
## FEES

|                     |                 |                               |
|---------------------|-----------------|-------------------------------|
| 0.50%               | 0.63%           | 20.00%<br>of perf > Objective |
| Real Management Fee | Ongoing Charges | Performance Fees              |

## TOP 10 ISSUERS

|    |  | % Fund | Sector                           | Country        |
|----|--|--------|----------------------------------|----------------|
| 1  | MARKIT ITRX SUBFIN                     | 4.92   | Sovereign                        | European Union |
| 2  | FAURECIA SE                            | 3.94   | Automobiles & Components         | France         |
| 3  | SILGAN HOLDINGS INC                    | 3.87   | Containers & Packaging           | United States  |
| 4  | IQVIA INC                              | 3.73   | Health Care Equipment & Services | United States  |
| 5  | DARLING GLOBAL FINANCE BV              | 3.73   | "Food, Beverage & Tobacco"       | United States  |
| 6  | PROGROUP AG                            | 3.55   | Sovereign                        | Germany        |
| 7  | GRIFOLS SA                             | 3.27   | Pharmaceuticals & Biotechnology  | Spain          |
| 8  | NETFLIX INC                            | 3.07   | Media                            | United States  |
| 9  | TECHEM VERWALTUNGSGESELLSCHAFT 675 MBH | 3.01   | Sovereign                        | Germany        |
| 10 | NEXI SPA                               | 2.91   | Software & Services              | Italy          |

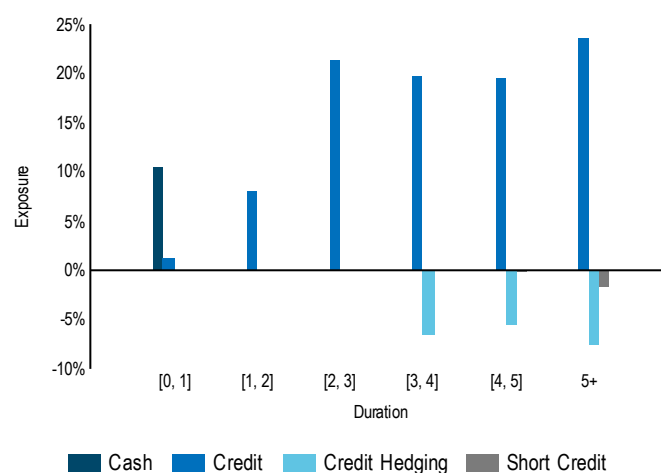
## SECTOR ALLOCATION



## PORTFOLIO ALLOCATION

|                       | Investment grade | High Yield | Total   |
|-----------------------|------------------|------------|---------|
| Short Duration Bucket | 10.45%           | 46.24%     | 56.69%  |
|                       | Credit           | 0.01%      | 46.25%  |
|                       | Cash             | -          | 10.44%  |
| Opportunistic Bucket  | -8.34%           | 34.27%     | 25.93%  |
|                       | Short Credit     | -          | -1.82%  |
|                       | Credit Hedging   | -12.14%    | -19.73% |
|                       | Credit           | 46.41%     | 47.49%  |
| Total                 | 2.11%            | 80.51%     | 82.62%  |

IR / Govies hedging -16.95%

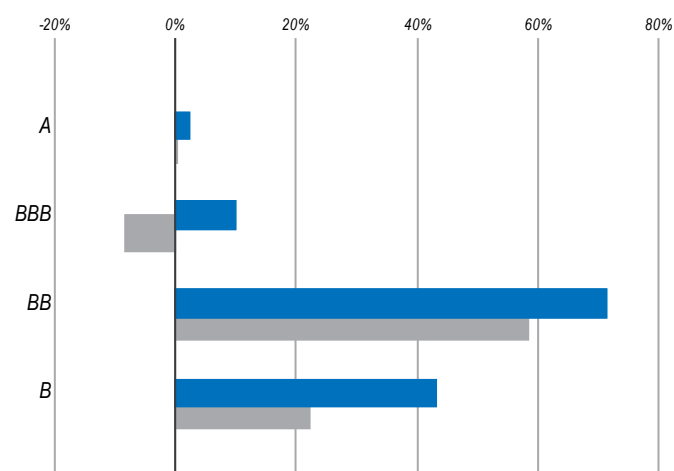


Legend

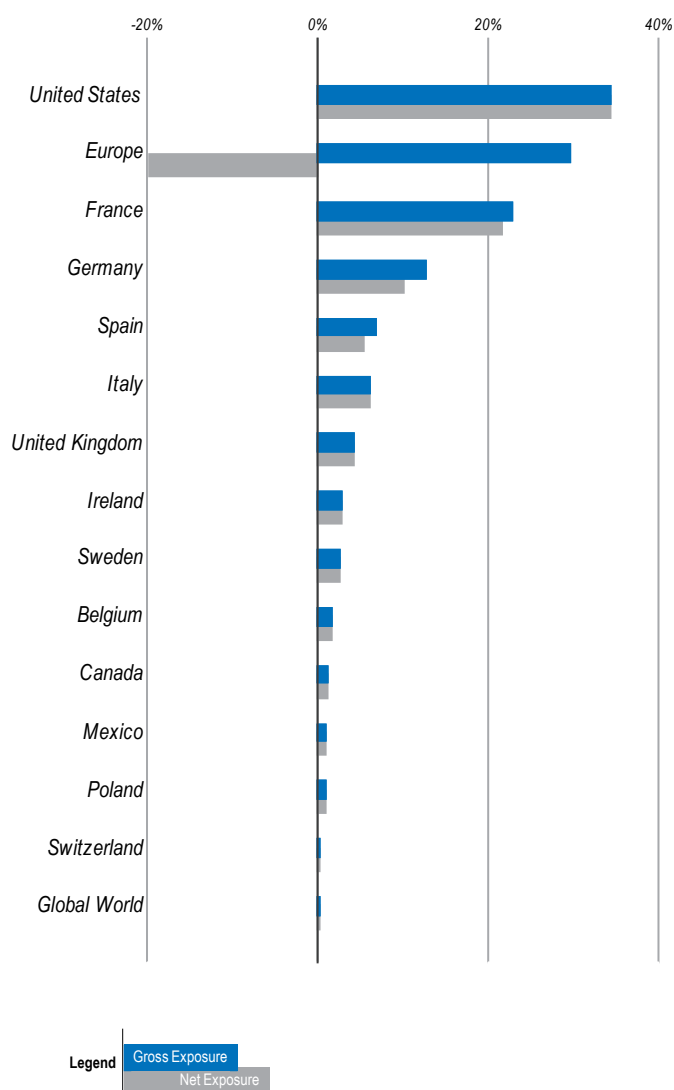
Gross Exposure

Net Exposure

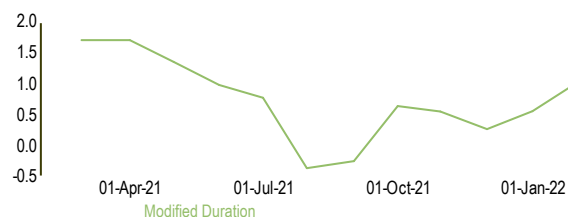
## RATING ALLOCATION



## ALLOCATION BY COUNTRY



## EVOLUTION OF MODIFIED DURATION



## REGION ALLOCATION

|                        | Gross Exposure | Net Exposure |
|------------------------|----------------|--------------|
| EMU                    | 52.76%         | 47.61%       |
| Europe Ex-EMU          | 6.85%          | 6.85%        |
| Pan-Europe             | 29.58%         | -19.73%      |
| North America          | 35.53%         | 35.53%       |
| Emerging Latin America | 1.03%          | 1.03%        |
| Global World           | 0.01%          | 0.01%        |
| Emerging Europe        | 0.89%          | 0.89%        |

## CURRENCY EXPOSURE

|     | Gross Exposure | Portfolio Weight |
|-----|----------------|------------------|
| EUR | 208.02%        | 99.90%           |
| USD | 16.26%         | 0.09%            |
| GBP | 0.01%          | 0.01%            |
| CHF | 0.00%          | 0.00%            |
| JPY | 0.00%          | 0.00%            |

## SCR

### SOLVENCY CAPITAL REQUIREMENT

|                       |  |                       |  |                        |  |
|-----------------------|--|-----------------------|--|------------------------|--|
| -0.82%                |  | 0.05%                 |  |                        |  |
| SCR Int Rates UP      |  | SCR Int Rates DOWN    |  |                        |  |
| <hr/>                 |  |                       |  |                        |  |
| -17.22%               |  | -0.03%                |  | -5.02%                 |  |
| SCR Spread            |  | SCR Currency          |  | SCR Concentration      |  |
| <hr/>                 |  |                       |  |                        |  |
| 18.14%                |  | 18.79%                |  | 19.25%                 |  |
| Duration Liability 3Y |  | Duration Liability 7Y |  | Duration Liability 10Y |  |
| <hr/>                 |  |                       |  |                        |  |
| -17.97%               |  |                       |  |                        |  |
| <hr/>                 |  |                       |  |                        |  |
| Market SCR            |  |                       |  |                        |  |

## IMPORTANT INFORMATION

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Candriam consistently recommends investors to consult via our website [www.candriam.com](http://www.candriam.com) the key information document, prospectus, and all other relevant information prior to investing in one of our funds. These documents are available either in English or in local languages for each country where the fund's marketing is approved.

## 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.

### (TOTAL) NET EXPOSURE

The Net Exposure is the percentage difference between a fund's long and short exposures. Net exposure is a measure of the extent to which a fund is exposed to market fluctuations.

### (TOTAL) GROSS EXPOSURE

The Gross Exposure refers to the absolute level of a fund's investments expressed as a percentage of the fund's total assets. It takes both a fund's long positions and short positions into account. Gross exposure is a measure that indicates a fund's total exposure to financial markets.

### 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-.

### GROSS HY EXPOSURE

The Gross High Yield Exposure refers to the absolute level of a fund's investments in high yield fixed income instruments, expressed as a percentage of the fund's total assets. It takes both a fund's long positions and short positions into account. Gross exposure is a measure that indicates a fund's total exposure to high yield fixed income instruments. An instrument is considered as a high yield instrument if its credit rating is below BBB-.

### GROSS IG EXPOSURE

The Gross Investment Grade Exposure refers to the absolute level of a fund's investments in investment grade fixed income instruments, expressed as a percentage of the fund's total assets. It takes both a fund's long positions and short positions into account. Gross exposure is a measure that indicates a fund's total exposure to investment grade fixed income instruments. 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.

### 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.

### 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.

### YIELD TO MATURITY

The Yield To Maturity (YTM) represents the yield to be received on all fixed income instruments in a fund in case all remain in the fund until the maturity date. The YTM for the fund is calculated as the weighted average YTM 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.

### 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.

### 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.

### 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.

### OCF

The Ongoing Charges Figure (OCF) informs the investor on the total annual cost of investing within the fund and is comprised of all annual charges & other payments.

### 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.

### RISK AND REWARD PROFILE

The Risk and Reward Profile is defined by the Synthetic Risk Reward Indicator (SRRI), a number on a scale from 1 to 7 based on the fund's volatility (regulatory measure). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available while a rating of 7 reflects higher risk but potentially higher rewards.

### 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.

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