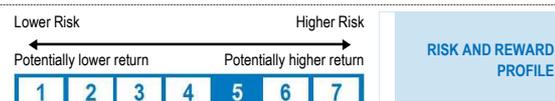




# CANDRIAM BONDS EMERGING DEBT LOCAL CURRENCIES

REPORTING 31|01|2022

Share Class: C (USD)



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.



**Julien Fabre**  
Fund Manager  
13 Years of experience

**Magda Branet**  
Deputy Head of Emerging Market Debt  
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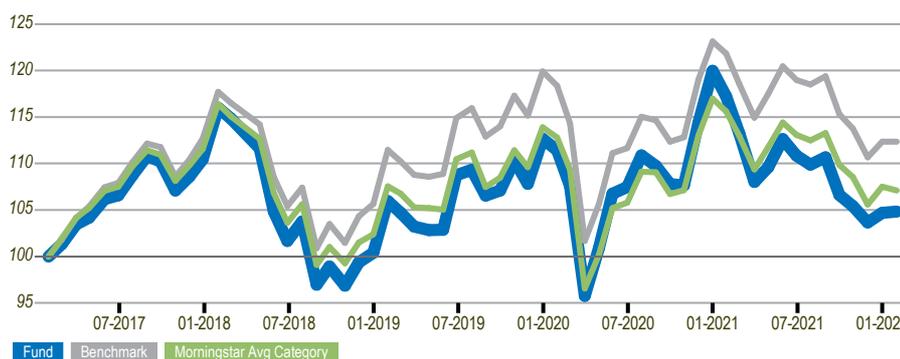
**Diliana Deltcheva**  
Head of Emerging Market Debt  
18

## INVESTMENT STRATEGY

Candriam Bonds Emerging Debt Local Currencies, a sub-fund of the Candriam Bonds sicav, invests principally in bonds and related securities issued by governments, public and semi-public sector entities, and private companies of emerging countries (Latin America, Asia, Eastern Europe, Africa and Middle East). Selected bonds are predominantly denominated in local currencies or incidentally in hard currencies (EUR, USD, GBP, JPY...). The fund may carry out foreign exchange transactions in the currencies of emerging countries, and may use currency, volatility, interest rate or credit derivatives for efficient portfolio management purposes (hedge, exposure, arbitrage). The investment horizon is 4 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 month	3 months	YTD	1 year	3 years	5 years
<b>Fund</b>	<b>0.2%</b>	<b>-0.5%</b>	<b>0.2%</b>	<b>-10.6%</b>	<b>-1.1%</b>	<b>4.8%</b>
Benchmark	-0.0%	-1.2%	-0.0%	-7.8%	0.8%	12.4%
	0.2%	0.7%	0.2%	-2.8%	-1.9%	-7.5%
	2021	2020	2019	2018	3 years annualized	5 years annualized
<b>Fund</b>	<b>-12.7%</b>	<b>6.5%</b>	<b>12.2%</b>	<b>-9.1%</b>	<b>-0.4%</b>	<b>1.0%</b>
Benchmark	-8.7%	2.7%	13.5%	-6.2%	0.3%	2.4%
	-4.0%	3.8%	-1.3%	-2.9%	-0.6%	-1.4%



(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	22/06/2011
Fund Domicile	Luxembourg
Fund Legal Form	SICAV
Benchmark	JPM GBI EM Global Diversified
Total net assets (M USD)	209.32
NAV per share cap.(USD) (C)	93.24
NAV per share dis.(USD) (D)	68.48
Fund Reference Currency	USD
NAV Calculation	Daily
Morningstar™ Category	EAA Fund Global Emerging Markets Bond - Local Currency
ISIN Code (C)	LU0616945522
ISIN Code (D)	LU0616945795
Ticker Bloomberg (C)	DBEDLCU LX Equity
Ticker Bloomberg (D)	DBEBCLI LX Equity
Latest Dividend Distributed	3.71 (2021-05-06)
Dealing Cut Off	D<12:00
Antidilution Mechanisms	Yes
Custodian Bank	CACEIS Bank, Luxembourg Branch
Management Company	Candriam Luxembourg

## STATISTICS

	Funds	Benchmark
Volatility	11.76%	10.97%
Tracking Error	2.46%	-
Sharpe Ratio	-0.04	0.02
Number of Issues	54	309
Number of Issuers	20	21
Modified Duration to Worst	5.52	5.11
Yield to Worst	9.70	6.16
Average Rating	B+	BB-
Average Spread	-0.75	-0.04
Credit sensitivity	0.50	0.08
Net IG exposure	100.89%	70.59%
Net HY Exposure	32.78%	19.67%

## ESG ASSESSMENT

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exclusion	Norm based	Positive selection	Integration

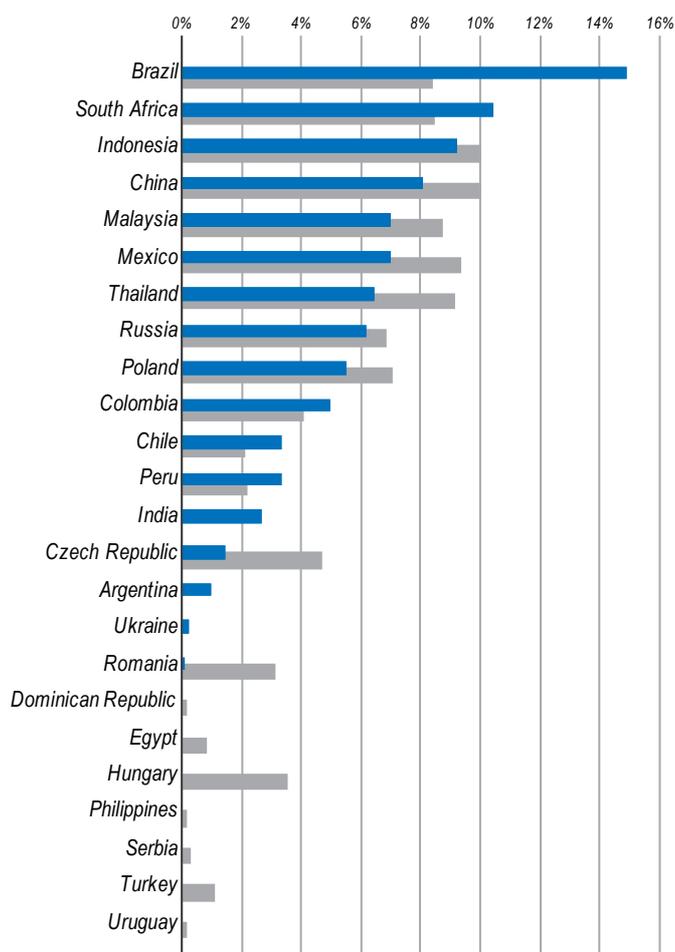
## FEES

<b>C</b>	1.00%	1.29%	-
<b>D</b>	1.00%	1.36%	-
Real Management Fee	Ongoing Charges	Performance Fees	

## TOP 10 ISSUERS

	% Fund	Country	% Active weight
1 INDONESIA TREASURY BOND	16.22	Indonesia	+15.22
2 ISHARES CHINA CNY BOND UCITS ETF	14.20	China	+14.20
3 REPUBLIC OF SOUTH AFRICA GOVERNMENT BOND	13.93	South Africa	+10.75
4 INTERNATIONAL BANK FOR RECONSTRUCTION &	13.77	India	+13.77
5 MALAYSIA GOVERNMENT BOND	12.38	Malaysia	+11.56
6 MEXICAN BONOS	12.32	Mexico	+9.92
7 THAILAND GOVERNMENT BOND	11.43	Thailand	+9.51
8 RUSSIAN FEDERAL BOND - OFZ	10.92	Russia	+9.19
9 REPUBLIC OF POLAND GOVERNMENT BOND	9.64	Poland	+9.31
10 BRAZIL NOTAS DO TESOURO NACIONAL SERIE F	8.47	Brazil	+6.79

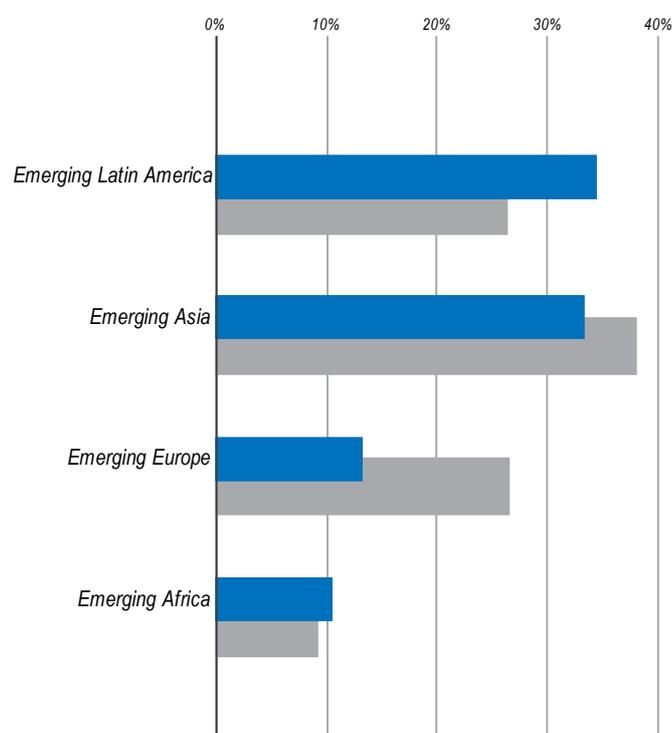
## ALLOCATION BY COUNTRY



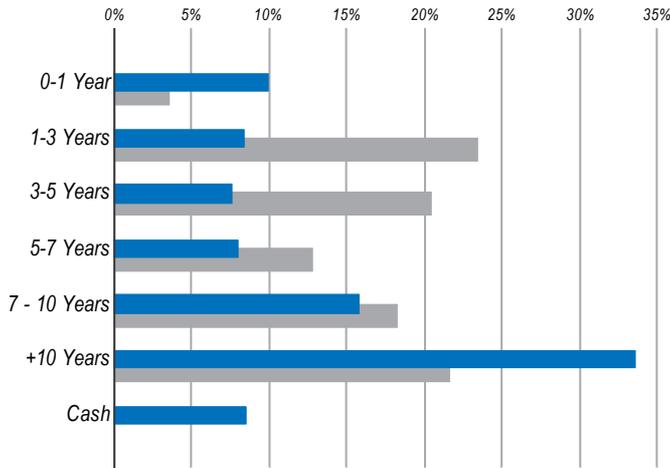
## PORTFOLIO COMPOSITION

	Hard Currencies	Local Currencies	Total Funds	% Benchmark
Corporate	2.53%	8.40%	10.93%	-
Sovereign	15.86%	64.37%	80.24%	100.00%

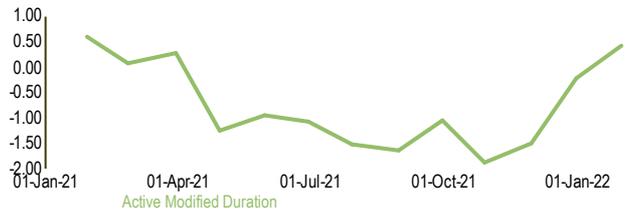
## REGION ALLOCATION



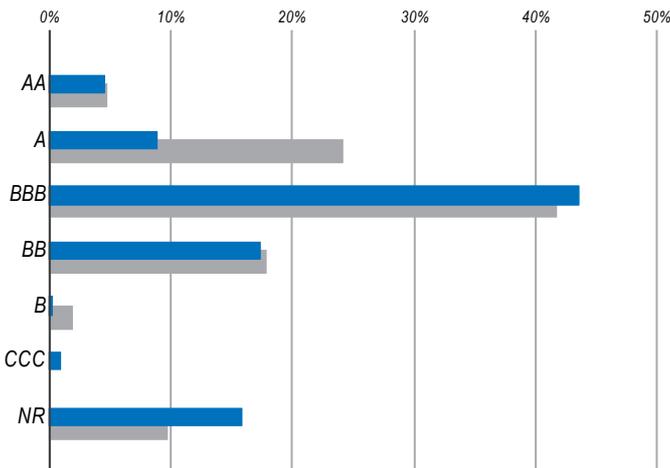
### MATURITY BREAKDOWN



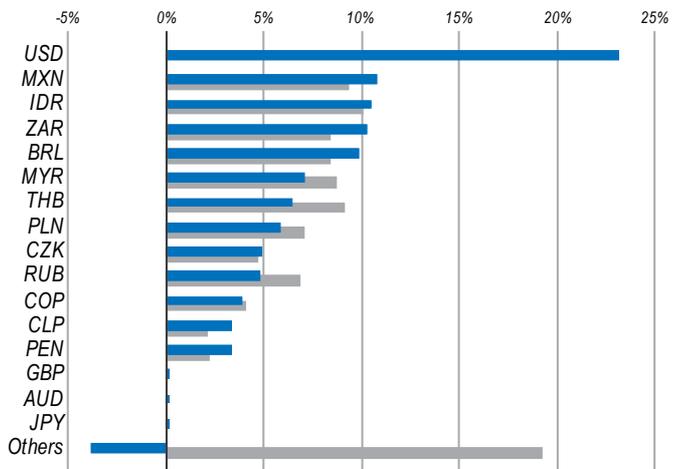
### EVOLUTION OF ACTIVE MODIFIED DURATION



### RATING ALLOCATION



### CURRENCY EXPOSURE



### SCR

#### SOLVENCY CAPITAL REQUIREMENT

**-7.67%**      **8.89%**

SCR Int Rates UP

SCR Int Rates DOWN

**-6.70%**      **-27.40%**      **-4.76%**

SCR Spread

SCR Currency

SCR Concentration

**33.04%**

**31.92%**

**31.36%**

Duration Liability 3Y

Duration Liability 7Y

Duration Liability 10Y

**-34.18%**

Market SCR

Legend Fund Benchmark

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## 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.

### RISK AND REWARD PROFILE

The Risk and Reward Profile is defined by the Synthetic Risk Reward Indicator (SRR1), 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.

### 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.

### 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.

### 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.