

November 2019

MAINFIRST EMERGING MARKETS CORPORATE BOND FUND BALANCED

MAINFIRST



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MAINFIRST GROUP

Values and corporate culture



MULTI-BOUTIQUE, COMBINING THE BEST OF TWO WORLDS:

- Freedom and responsibility for our highly experienced fund managers in implementing their independent and strictly style-consistent products.
- Professional and international platform with highly disciplined risk management.

CURRENTLY 10 MUTUAL FUNDS, AS WELL AS SPECIAL MANDATES

15 EXPERIENCED FUND MANAGERS FOR EQUITIES, EMERGING MARKETS, BONDS, AND MULTI ASSET

ACTIVE MANAGEMENT WITH STRONG ALPHA ORIENTATION

Approx. EUR
5 BN
ASSETS UNDER MANAGEMENT

A large yellow circle is positioned on the right side of the slide. Inside the circle, the number '5' is written in a large, white, sans-serif font. To the right of the '5', the text 'BN ASSETS UNDER MANAGEMENT' is written in a bold, black, sans-serif font. Above this text, 'Approx. EUR' is written in a smaller, black, sans-serif font.

WHY INVEST IN EM CORPORATE HIGH YIELD BONDS?

HIGH RUNNING YIELD AND AN OPTIMAL RISK/RETURN PROFILE

In a low interest rate environment, investments in **Emerging Markets High Yield (HY) corporate bonds** offer a **very attractive risk-adjusted return potential**.

Low interest rate sensitivity, due to **high credit spread** and **short duration**.

SOLID EM FUNDAMENTALS AND CONTINUATION OF THE COMMODITY CYCLE

Fundamentals for Emerging Markets **have improved** over the last couple of years due to **'forced deleveraging'**.

We are now in the **third year since the turnaround of the commodity cycle** (February 2016) – a commodity cycle can last 5 to 7 years.

ATTRACTIVE VALUATIONS AND STABLE EM HY 'CARRY'/ TIME RETURN

Valuations of EM corporate bonds are still **attractive**. In 2019, **duration was the main driver for outperformance of Investment Grade (IG)** - we expect this to change in 2020.

The average **'EM HY Carry'** is **above 7%** in USD (JPM CEMBI HY).

EM HIGH YIELD VS. US HIGH YIELD

Default rates of EM HY corporates are **significantly lower** than those of **US HY corporates**.

On average, EM corporates have a **lower leverage** (Net Debt/EBITDA) **than US HY**.

EM HY offers investors a **large diversification over all axis** (regions, countries and sectors).

INVESTMENT TEAM



DOROTHEA FRÖHLICH



Dorothea Fröhlich has worked as a portfolio manager at MainFirst since 2012 and is responsible for investments from emerging countries for the MainFirst Emerging Markets Corporate Bond Fund Balanced and the MainFirst Emerging Markets Credit Opportunities Fund. Prior to this, Dorothea Fröhlich worked for Clariden Leu from 2010, where she oversaw various emerging markets bond funds as co-fund manager and senior credit analyst. Previous positions were at IFC Metropool in Moscow as an analyst and salesperson, at UBS in Zurich, where she most recently served as deputy director in equity derivatives, and as a salesperson in the area of structuring. Dorothea Fröhlich graduated from the University of Geneva with an MA in Economics & Finance and an MSc in Economics and is a Chartered Financial Analyst (CFA).



THOMAS RUTZ



Thomas Rutz has been a portfolio manager at MainFirst Asset Management since September 2012 and is responsible for Emerging Market Debt. Previously, Thomas was Head of the Emerging Markets Department at Clariden Leu, leading the Emerging Markets Bond, Equity and Currency Teams with Asset under Management of over 1 Billion Euros. He was the manager of the CL Local Currencies EMMA Funds and co-manager of the CL Emerging Markets Bond Fund and the CL Emerging Markets Investment Grade since December 2008. In his function as Head Emerging Markets, Thomas was responsible for the banks Emerging Markets Investment Strategy and was a member of the Currency Strategy Committee and the Asset and Liability Committee. Thomas joined Clariden Leu in 2003 as a senior foreign exchange and interest rate trader and became responsible for foreign exchange and economic research in 2006. Prior to that, he spent 6 years at ABB Capital B.V./ ABB World Treasury Center in Zurich and Singapore, where he acted as deputy chief trader and managed a team of proprietary traders. He also worked for two years as chief dealer capital markets at the Bank of Bermuda Ltd., Hamilton. From 1985 to 1994, Thomas held various proprietary trading related positions at UBS in Zurich, London, New York, Chicago and Hong Kong. Thomas holds an MBA in Financial Services & Insurance (MBA-FSI) from the University of St. Gallen and Vlerick Business School.

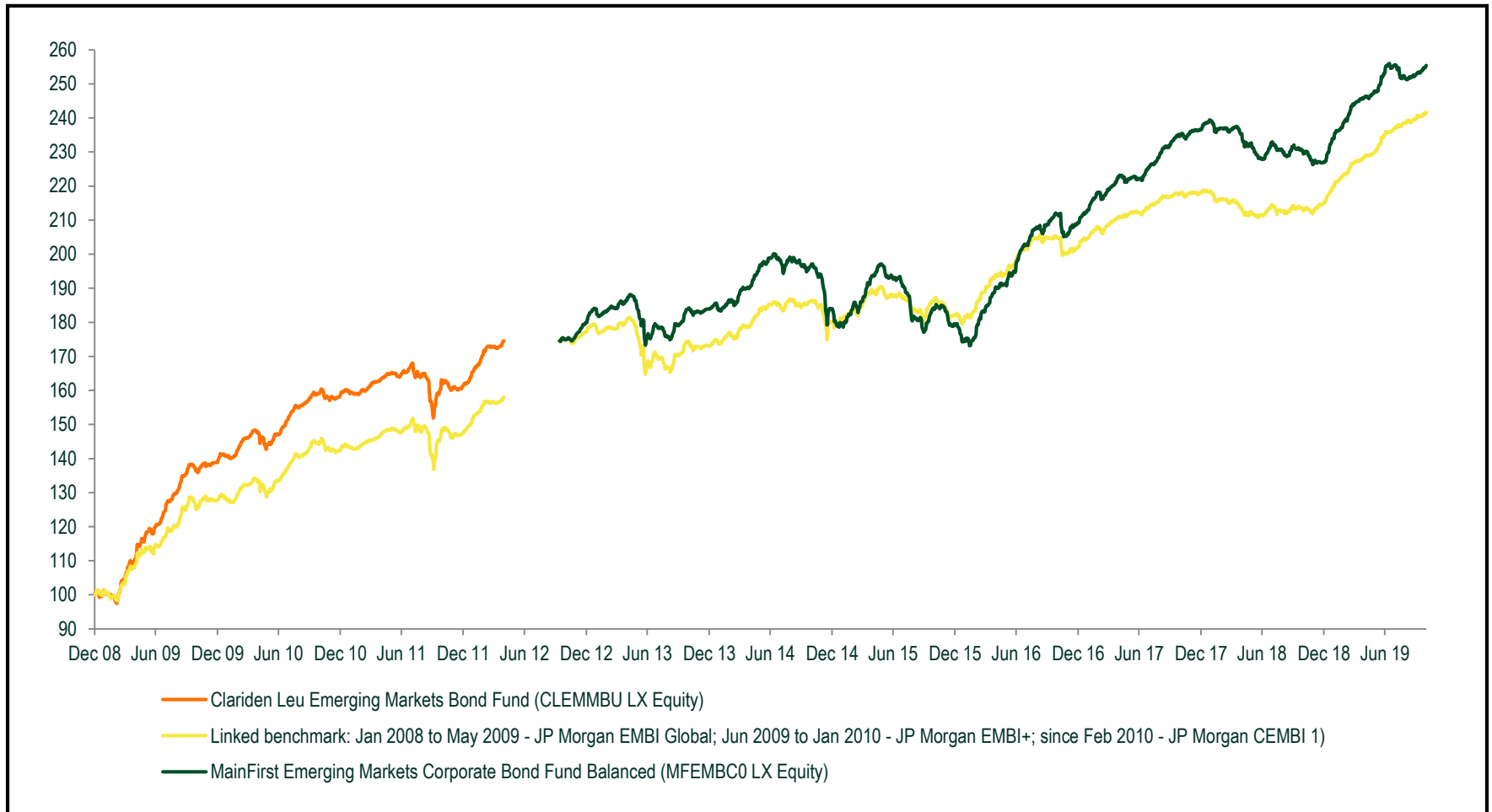


DIMITRIOS NTEVENTZIS

Dimitrios Nteventzis has been a portfolio manager at MainFirst Asset Management since August 2017 and works in the Emerging Market Debt team. Prior to that, Dimitrios worked as a junior research analyst at the EEMEA Cross Asset Strategy & Economics team, for Bank of America Merrill Lynch London. Furthermore, he has worked in a variety of roles in the banking industry including sales & trading at Bank of America Merrill Lynch and private banking at J.P. Morgan, Geneva. Dimitrios holds an M.A. in Banking and Finance from the University of St.Gallen and is currently a Ph.D. candidate in Economics and Finance at the University of St.Gallen.

TRACK RECORD AT CLARIDEN LEU AND MAINFIRST

(2009 – 2019)



1) JPM EMBI Global, changed to JPM EMBI+ on Jun 1, 2009, changed to JPM CEMBI on Feb 1, 2010
Source: JP Morgan, MainFirst, Clariden Leu, Credit Suisse, Bloomberg; 31st October 2019

KEY POINTS

WEAKENING DOLLAR IN 2020:

- We see the dollar being overbought at current levels and we expect some weakening going forward.

CONTINUATION OF COMMODITY CYCLE:

- Despite the increased volatility in the oil sector, we see most commodity markets being in a balanced state and believe that the commodity cycle will continue.
- We believe that most of the volatility in oil is due to political/geopolitical reasons and therefore believe that it's unlikely to become a structural oil bear market.

ATTRACTIVE VALUATION:

- At current levels EM corporates are still attractively valued.
- EM HY spreads have potential to tighten in 2020 after a year of HY underperformance vs. IG.
- JP Morgan CEMBI HY Index credit spread is trading close to the YTD high at 500 basis points.

RELATIVE VALUE OF EM HIGH YIELD VS. US HIGH YIELD

- EM HY corporate default rates are lower than those of US HY corporates.
- US HY vs. EM HY default rate gap has widened to 2%.
- EM HY corporates have a lower leverage (Net debt/EBITDA) than US HY corporates.
- Strong EBITDA generation and a more conservative CAPEX strategy than in the previous cycle for EM High Yield.

ACTIVE VS. PASSIVE:

- Relatively under-researched universe and highly concentrated among specific countries and sectors can offer very interesting investment opportunities.
- Opportunity to diversify with investments in Frontier Markets and second tier names.

EQUITY RISK REDUCTION WITH EM CREDIT:

- We see EM credit as an excellent candidate for portfolio diversification and equity risk reduction.
- Given the prevailing low and increasing rates environment, diversification through government debt is becoming more costly.
- A portfolio of 60% world equity and 40% EM credit achieves a higher Sharpe-Ratio and decreases volatility and max-drawdown.

MACROECONOMIC AND POLITICAL ANALYSIS

Regional & country analysis

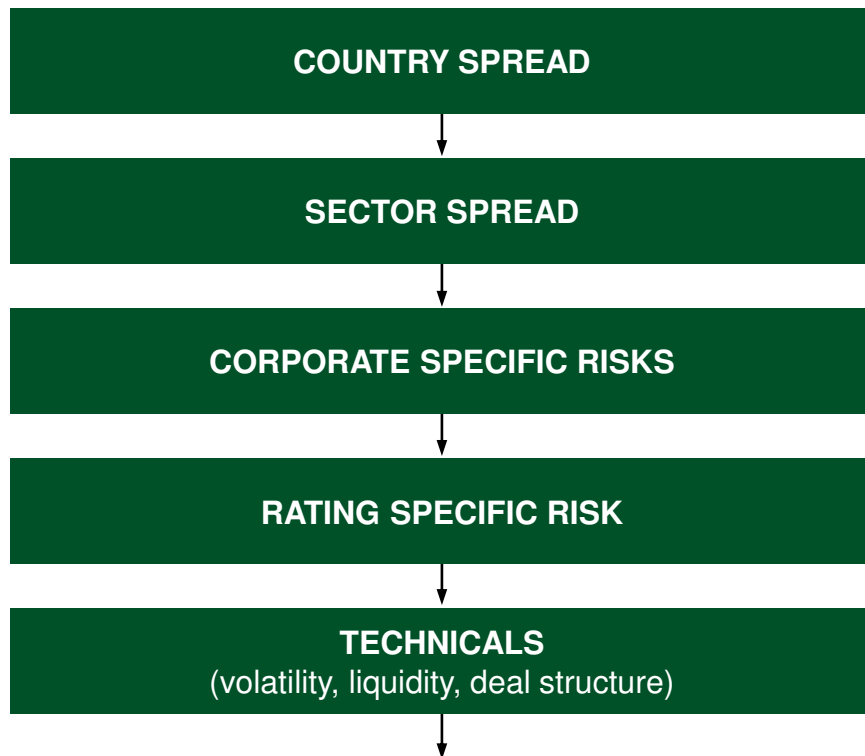
- **TO DETERMINE THE PERCENTUAL WEIGHT OF** each country within the portfolio. It is based on a fundamental macroeconomic analysis combined with monitoring and continuous assessment of the political environment.
- **CURRENT ECONOMIC DYNAMICS AS THE BASIS FOR COUNTRY WEIGHTING.**
The commonly used emerging market indices calculate the country weightings according to outstanding debt. For this reason, we do not consider tracking the benchmark to be sensible and instead base the country weightings on the current economic momentum.
- **STRICT INTERNAL GUIDELINES** support optimal diversification.
- **COUNTRY RESEARCH ANALYSTS:**
 - Dorothea Fröhlich: Central Eastern Europe, Middle East & Africa and Latin America
 - Thomas Rutz: Asia
 - Dimitrios Nteventzis: Asia and Latin America

ON THE BASIS OF OUR MACROECONOMIC AND POLITICAL ANALYSES, WE DETERMINE OUR CURRENT WEIGHTING FOR EACH COUNTRY.

These will be discussed at the monthly meeting of the emerging markets investment strategy committee.

DECOMPOSITION OF THE CREDIT SPREAD

5-STEP ANALYSIS TO FIND RELATIVE VALUE



RELATIVE VALUE (UPSIDE POTENTIAL)

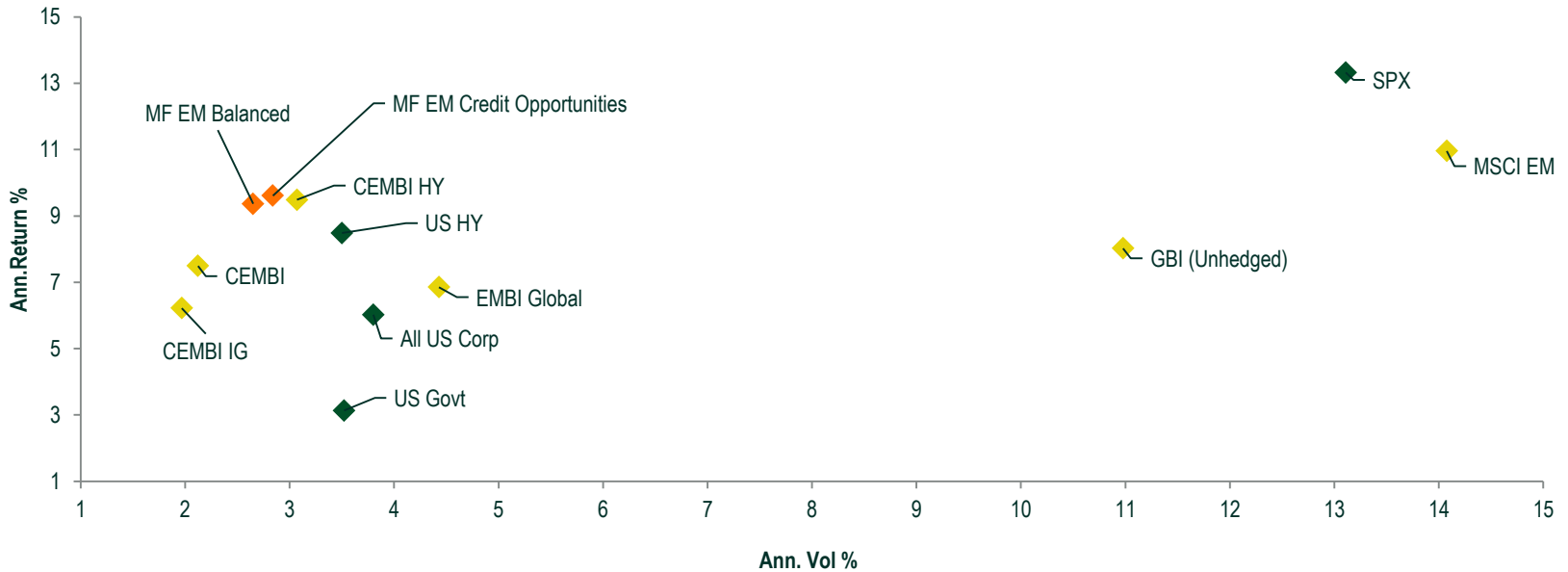
TASKS OF THE PORTFOLIO MANAGEMENT TEAM

- Macroeconomic outlook & political environment
- **Question:** What does the current and historical country spread look like in comparison?
- Average country spread is implying the target for over- or underweight
- **Question:** Where are we currently in the economic cycle and how much spread is therefore justified?
- Average sector spread in comparison to historical data
- **Question:** Can we find accounting differences by intensively studying and evaluating corporate results?
- Analysis of the balance sheet (study of key figures)
- Strategy and implementation, management, ownership (equity)
- Regular updates and conference calls with management
- Sustainability/ethics, corporate approach to ESG
- **Question:** Is there any positive surprise potential?
- Objective quality control by comparison of ratings from the different rating agencies and measuring them against our own rating expectations
- **Question:** Does the investor get compensated for technicals?
- Size of the issue, daily volume, volatility, covenants

WE ARE ACTIVELY SEARCHING FOR CREDIT SPREAD PERFORMANCE POTENTIAL

RISK-RETURN PROFILE

RETURN VS. VOLATILITY (January 2016 to October 2019)



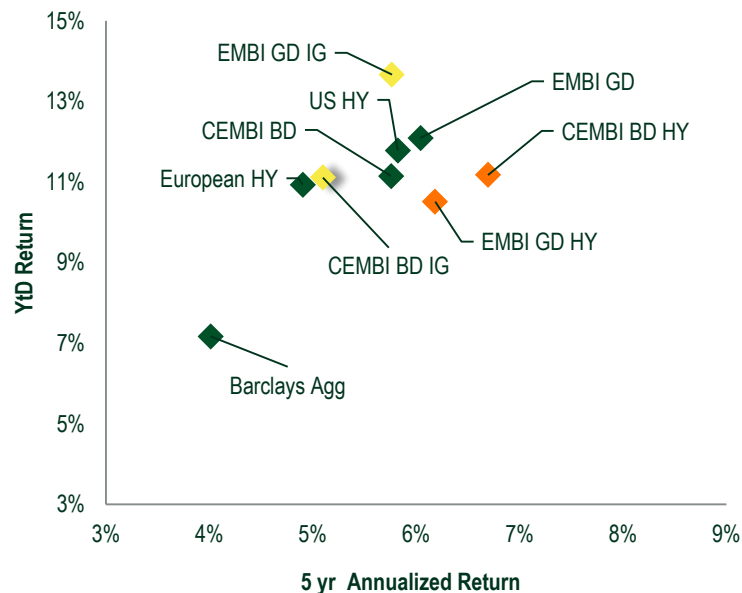
COMMENTS

- EM assets have generated significantly better risk-adjusted returns compared to the developed market counterparts. An investor who would have stayed out of the EM ecosystem would have significantly under-performed the market.
- EM corporates, in particular, have generated better risk-adjusted returns for the last 3 years, compared to similar traditional asset classes like US corporates and US/EU HY.
- Over the last 3 years, the MainFirst funds have outperformed their benchmarks by 150 - 250 basis points.

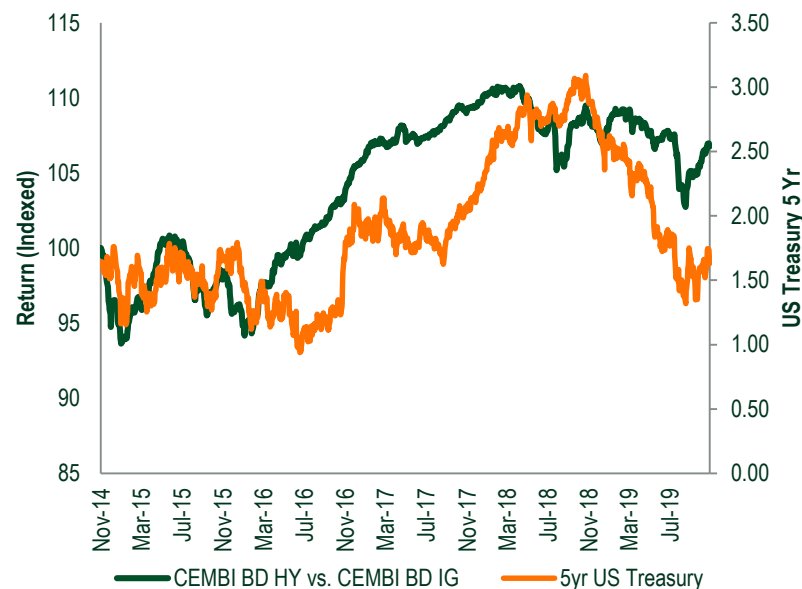
Source: MainFirst, Bloomberg, JP Morgan, BofA ML; 31st October 2019

PERFORMANCE INVESTMENT GRADE VS. HIGH YIELD

IG had a strong year due to declining rates



HY is deemed to outperform next year

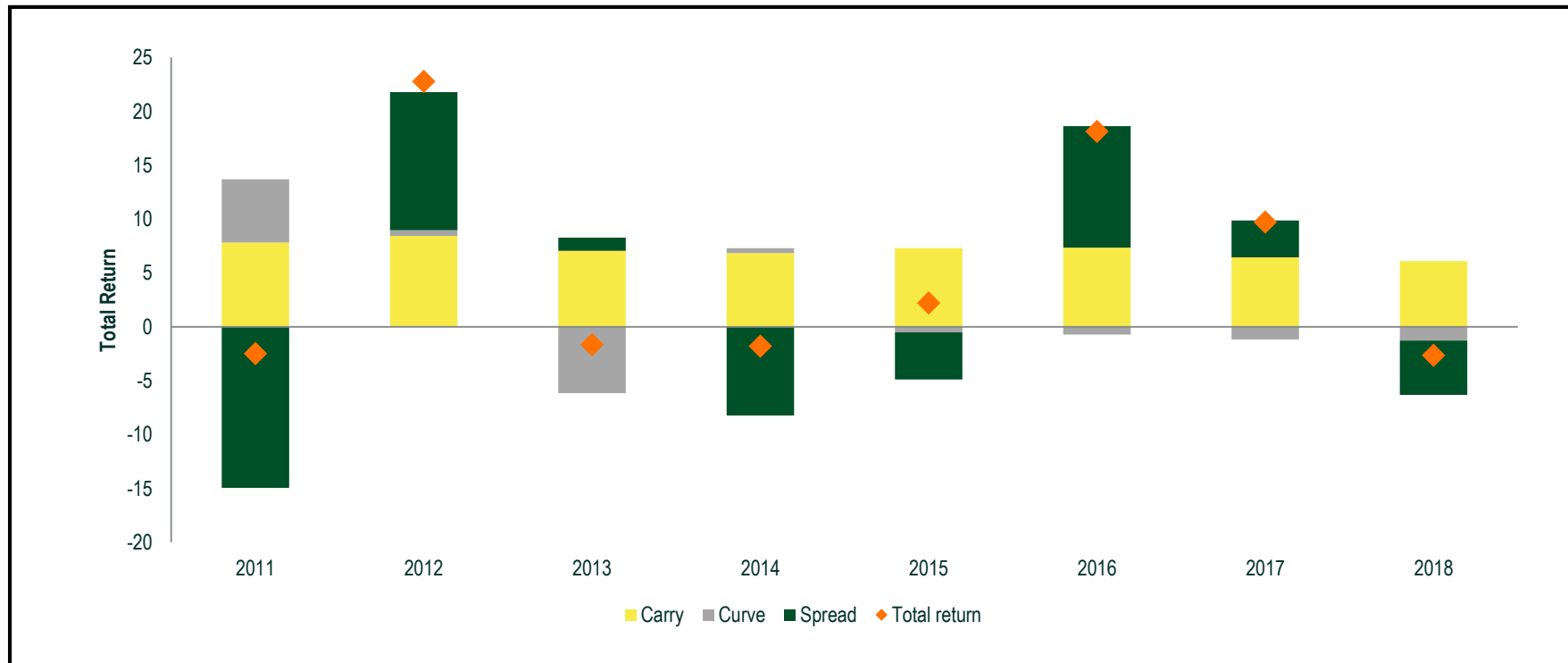


COMMENTS

- This year, IG has performed much better than historical standards, due to declining US rates.
- Given a mildly constructive outlook for next year, where rates have found a bottom, HY is deemed to outperform IG.

Source: MainFirst, BofA ML, Bloomberg; 31st October 2019

CEMBI HY PERFORMANCE ATTRIBUTION – ‘CARRY’



COMMENTS

- An EM HY investor has been well compensated for his “time” through an average carry of ~7.20 since 2011.
- While the spread component is the most volatile, carry plays an integral role.
- We think that given these characteristics, the EM credit universe is an excellent investment opportunity for long-term strategic investors.

Note: We estimate carry as the current yield of the J.P. Morgan CEMBI HY Index. The spread and curve components are estimated from the spread (Z-Spread) and yield (UST 5 yr) differential multiplied by the average modified duration of the index for the given year.

Source: MainFirst, Bloomberg; 31st December 2018

TOP 20 EM CORPORATE ISSUERS 2019 (YTD)

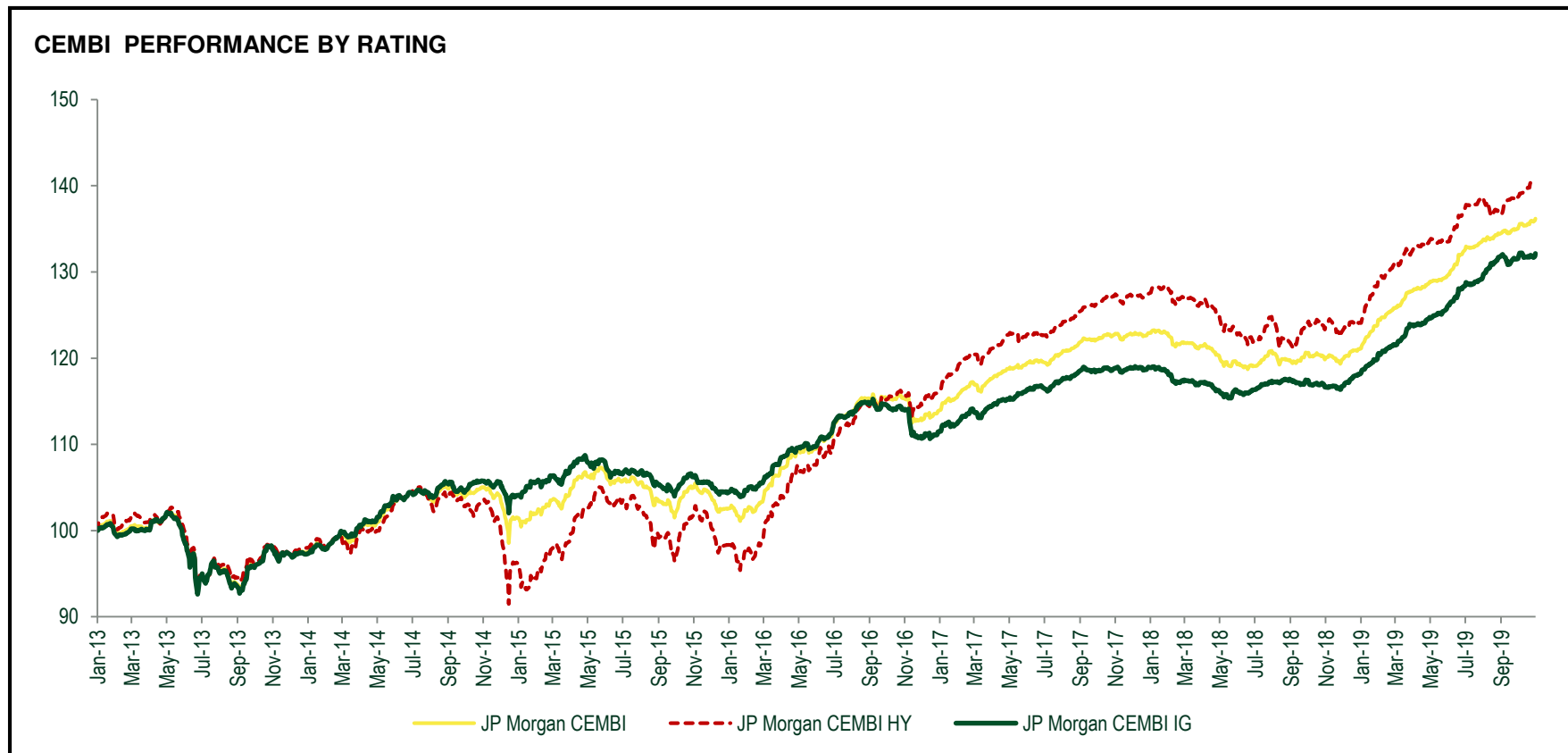
Rank	Ticker	Bond Name	Most Recent Pricing	Country	Region	Sector	YTD Issuance (USD/EUR)	YTD Issuance (All Currency)	Issuer	Cumulative
1	ARAMCO	SAUDI ARABIAN OIL COMPANY	09/04/2019	SAUDI ARABIA	EEMEA	Oil Comp-Integrated	12,000	12,000	4.1%	4.1%
2	PEMEX	PETROLEOS MEXICANOS	12/09/2019	MEXICO	Latam	Oil Comp-Integrated	7,500	7,500	2.6%	6.7%
3	ICBCAS	ICBC	10/09/2019	CHINA	ASIA	Commer Banks Non-US	6,565	8,125	2.2%	8.9%
4	TENCNT	TENCENT HOLDINGS	03/04/2019	CHINA	ASIA	Internet Applic Sftwr	6,000	6,000	2.1%	11.0%
5	EVERRE	EVERGRANDE REAL ESTATE	15/04/2019	CHINA	ASIA	Real Estate	4,975	4,975	1.7%	12.7%
6	COGARD	COUNTRY GARDEN HOLDINGS	10/09/2019	CHINA	ASIA	Real Estate	3,400	3,400	1.2%	13.9%
7	AMXLMM	AMERICA MOVIL	19/06/2019	MEXICO	LATAM	Cellular Telecom	3,370	3,370	1.2%	15.0%
8	FABUH	FIRST ABU DHABI BANK	25/07/2019	UAE	EEMEA	Invest Mgmt/Advis Serv	3,300	3,447	1.1%	16.1%
9	CDEL	CODELCO	23/09/2019	CHILE	Latam	Non-Ferrous Metals	3,300	3,300	1.1%	17.3%
10	ISDB	ISLAMIC DEVELOPMENT BANK	25/09/2019	EM MULTIN.	EEMEA	Supranational Bank	3,000	3,000	1.0%	18.3%
11	PETBRA	PETROBRAS	12/03/2019	BRAZIL	LATAM	Oil Comp-Integrated	3,000	3,000	1.0%	19.3%
12	CKHH	CK HUTCHISON HOLDINGS	03/09/2019	HONG KONG	ASIA	Retail-Drug Store	2,750	2,750	0.9%	20.3%
13	SUNAC	SUNAC CHINA HOLDINGS	11/06/2019	CHINA	ASIA	Real Estate	2,750	2,750	0.9%	21.2%
14	KDB	KOREA DEVELOPMENT BANK	23/09/2019	KOREA	ASIA	Special Purpose Banks	2,565	2,565	0.9%	22.1%
15	JBSSBZ	JBS USA	23/07/2019	BRAZIL	Latam	Pastoral&Agricultural	2,500	2,500	0.9%	23.0%
16	GZRFP	R&F PROPERTIES	04/07/2019	CHINA	ASIA	Real Estate	2,500	2,500	0.9%	23.8%
17	BCHINA	BANK OF CHINA	10/04/2019	CHINA	ASIA	Commer Banks Non-US	2,480	3,935	0.8%	24.7%
18	HAOHUA	CHINA NATIONAL CHEMICAL	12/06/2019	CHINA	ASIA	Chemicals-Diversified	2,300	2,300	0.8%	25.4%
19	DPWDU	DP WORLD CRESCENT LTD	24/09/2019	UAE	EEMEA	Whsing&Harbor Trans	2,300	2,300	0.8%	26.2%
20	CAF	CORP ANDINA DE FOMENTO	06/02/2019	EM MULTIN.	LATAM	Supranational Bank	2,105	2,105	0.7%	27.0%

COMMENTS

- YTD the Top 20 EM corporate issuers have absorbed 27%, or USD 78bn, of total new issuance.
- Active managers who concentrate on middle- to smaller sized companies (second tier names) can add significant value.
- BY the end of August 2019, Top 100 EM corporate issuers contributed about 1/3 of the total new issue volume in 2019.

Source: MainFirst, Bloomberg, BofA ML; 31st August 2019

CEMBI-PERFORMANCE

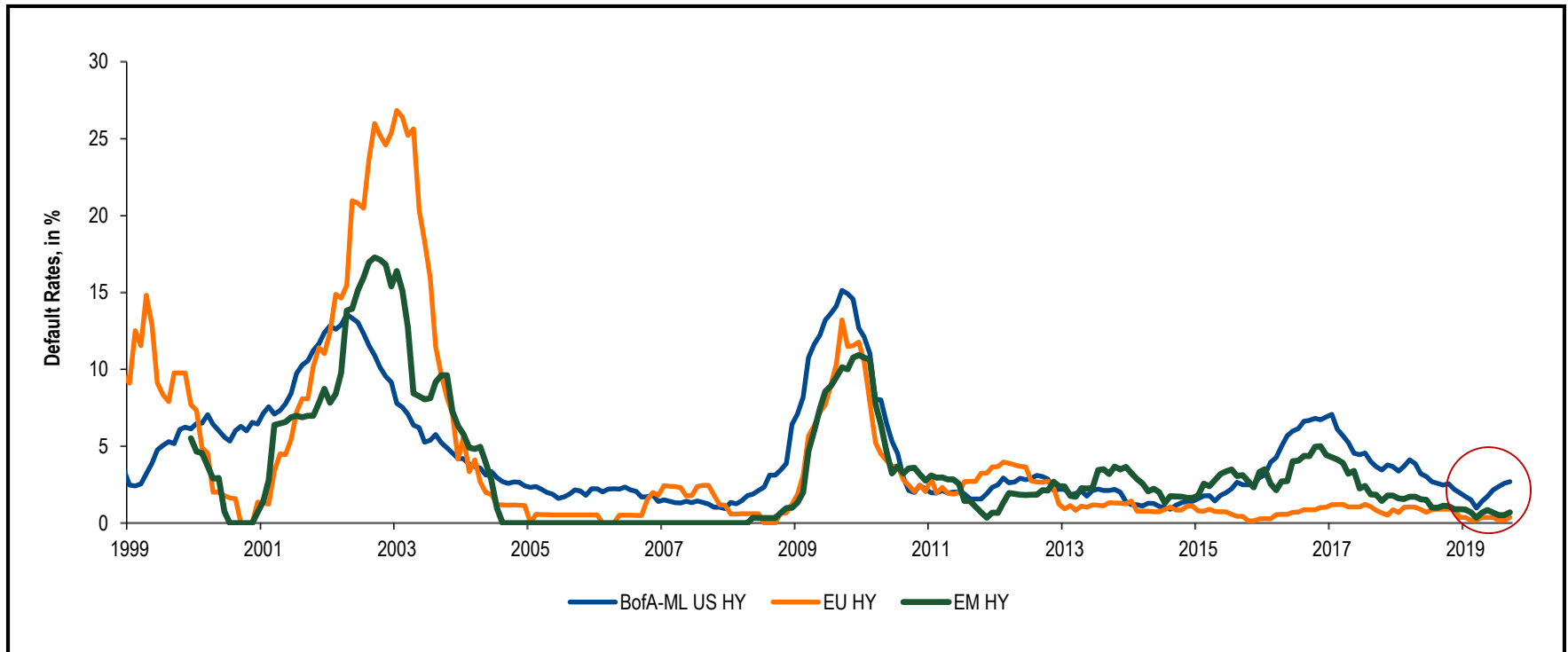


COMMENTS

- CEMBI HY outperformance started in February 2016

Source: MainFirst, JP Morgan, Bloomberg; CEMBI Rating; 31st October 2019

WIDENING OF THE US-EM HY DEFAULT GAP TO 2%

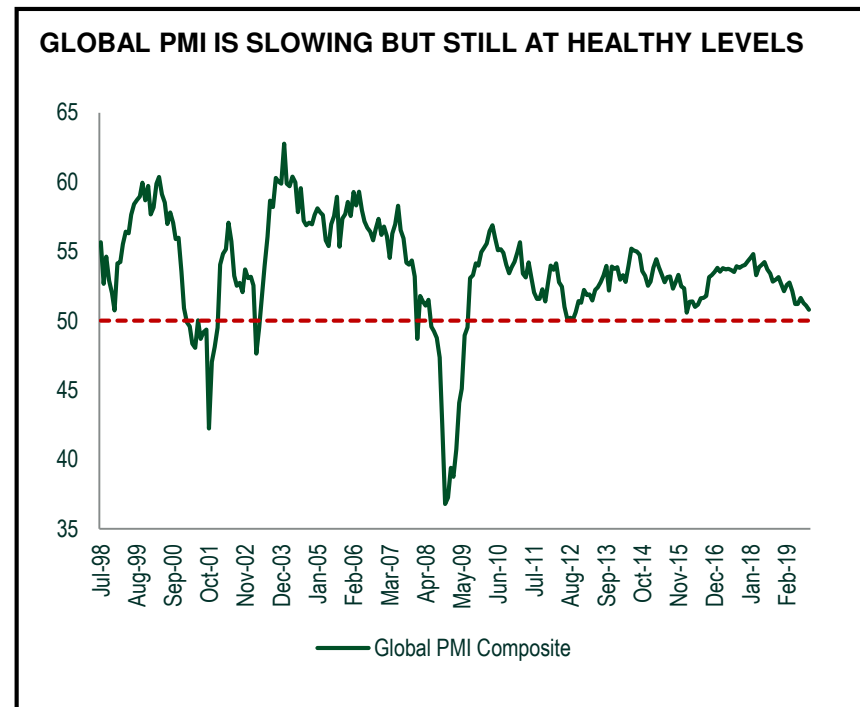
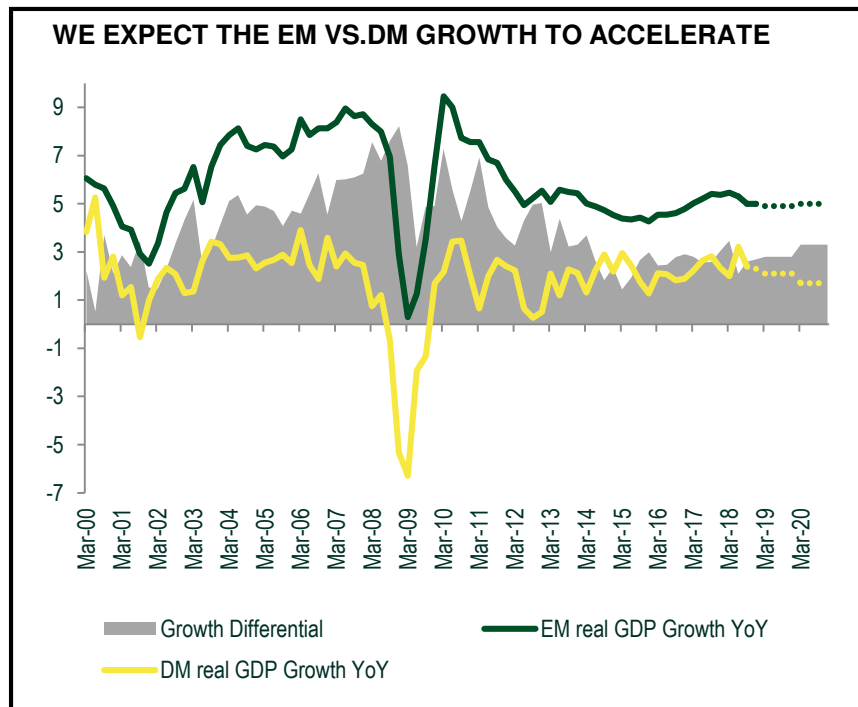


COMMENTS

- Default rates for EM corporate HY fell to 0.7%. They are currently 2% below US HY!
- One year ago, the default rate stood at 1.1%, and the long-term average is 3.4%.
- In the meantime, default rates in US HY rose from 2.5% to 2.7%. The long-term average is 4.4%.
- The gap between EM HY and US HY can be possibly explained by the trade war and expectations for a lower US GDP growth in the future.

Source: MainFirst, Bloomberg, BofA ML: 30th September 2019

GLOBAL BUSINESS CYCLE

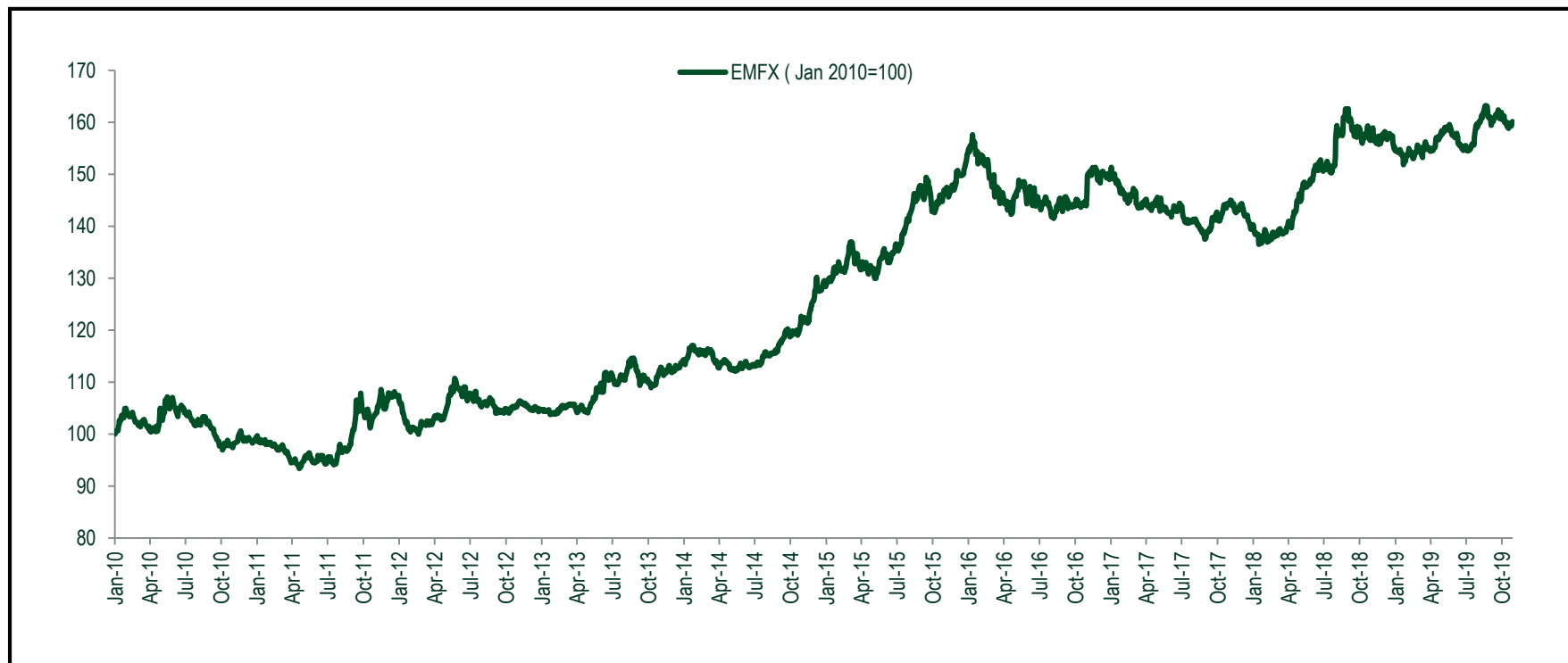


COMMENTS

- Our view is that, despite slowing, the global economy is still in a healthy state and we see no recession in the next 12 - 18 months.
- Our base case scenario is of the continuation of the current business cycle but with weaker global growth closer to trend and with EM growth increasing compared to DM.
- We expect positive developments on the trade front between US and China and that the Chinese measures of easing will start affecting the real economy at the beginning of H2-2019.

Source: MainFirst, BofA ML, Bloomberg; 31st October 2019

USD TO WEAKEN IN 2020



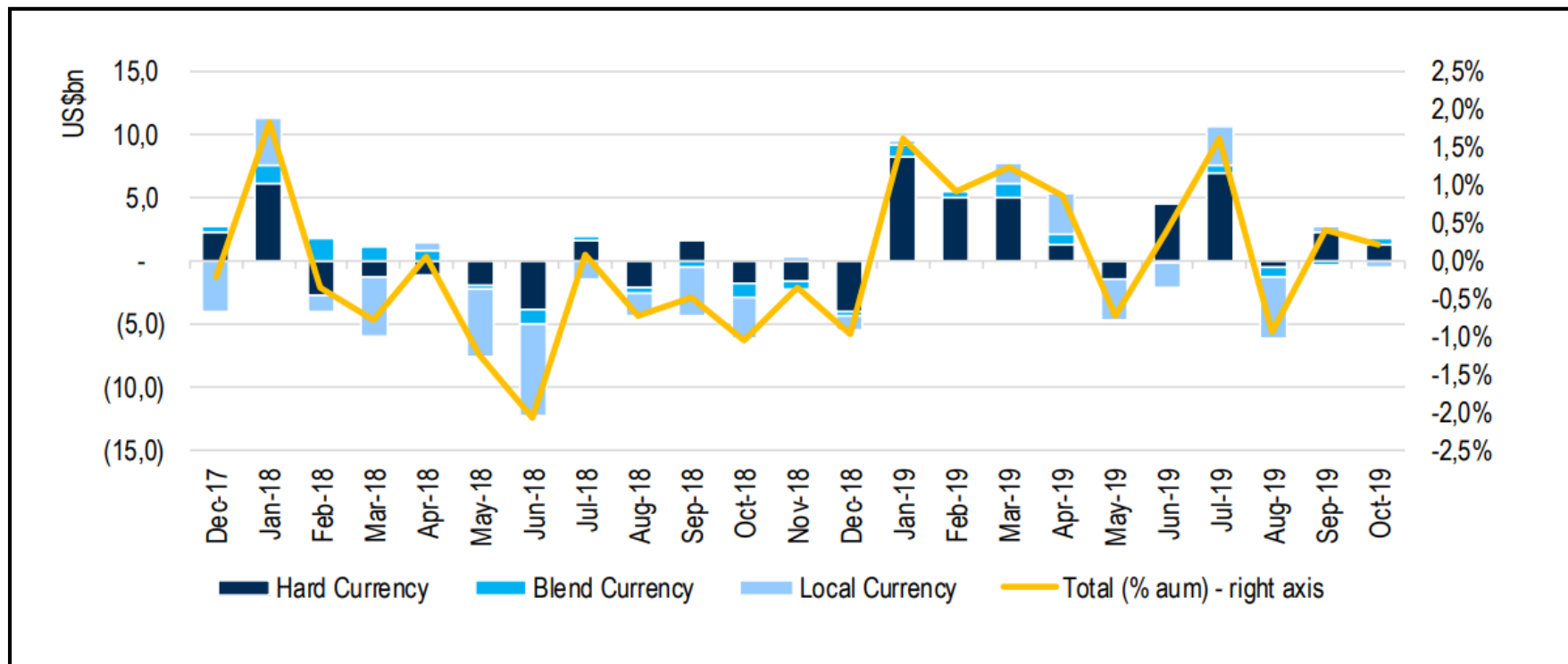
COMMENTS

- EM FX depreciated significantly in 2018 (~ 14%) and is back to levels last seen at the beginning of 2016.
- We see the dollar as particularly expensive at current levels and believe that it will significantly weaken in 2020 as the global economy rebalances away from the 2018 US-led growth.

Source: MainFirst, Bloomberg, JP Morgan; 31st October 2019

Note: We use the J.P. Morgan Emerging Market Currency Index. The composition of the index is: 8.3% - TRY, RUB, HUF, ZAR and 11.1% - MXN, CLP, CNH, INR, SGD

MONTHLY EM FUND FLOWS



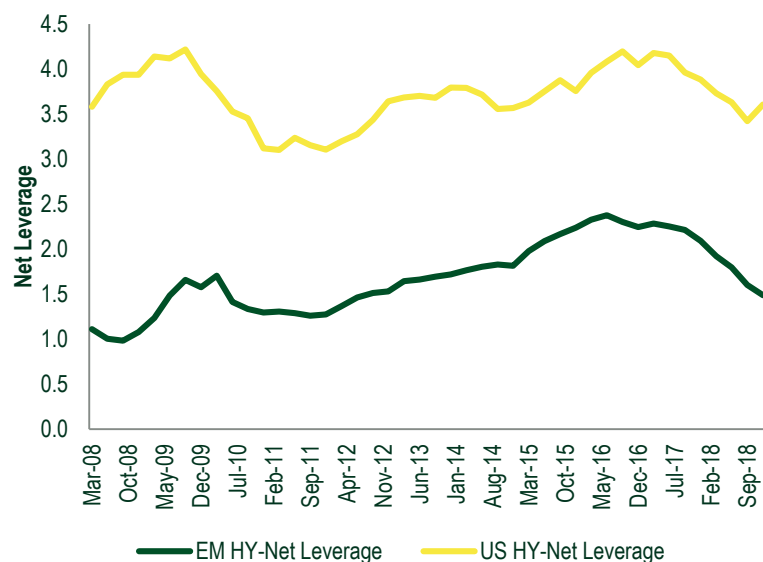
COMMENTS

- EM funds report inflow again.
- Fund flows into EM Hard Currency strongly positive this year with 2019 YTD @ 32.16bn (vs. -11.79bn 2018).
- Total flows for YTD 2019 @ 33.47bn (vs. -36.13bn 2018).

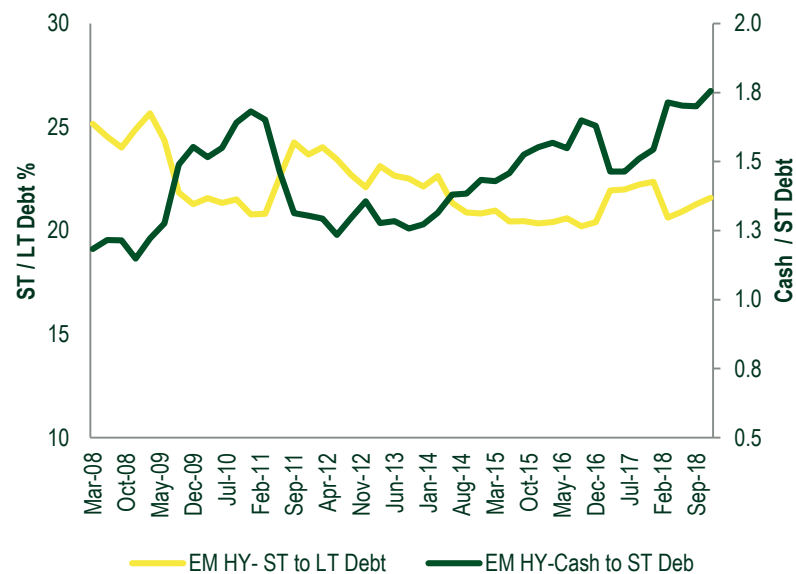
Source: EPFT/ BTG Pactual; 31st October 2019

FUNDAMENTALS CHECK-UP

EM HY VS. US HY NET LEVERAGE



LIQUIDITY CAN CUSHION DOWNSIDE RISK

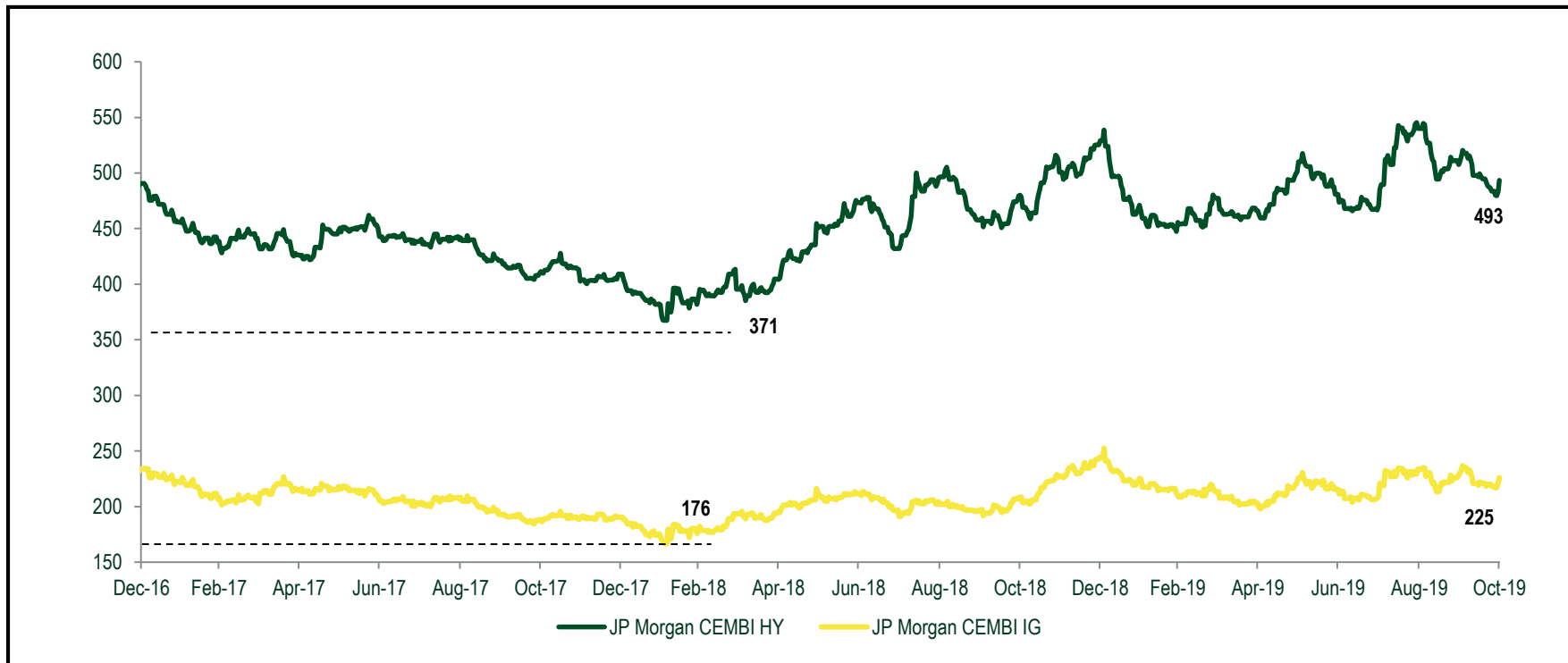


COMMENTS

- EM corporates continued their deleveraging process in 2018, widening the gap vs. their US peers.
- Deleveraging has been achieved through high EBITDA growth (27% yoy in 2018) and conservative CAPEX strategies (5% yoy in 2018).
- Liquidity in terms of Cash/ST Debt has been the highest over the last 10 years, increasing EM resiliency.

Source: MainFirst, BofA ML, Bloomberg; 31st October 2019

VALUATION (JP MORGAN CEMBI)

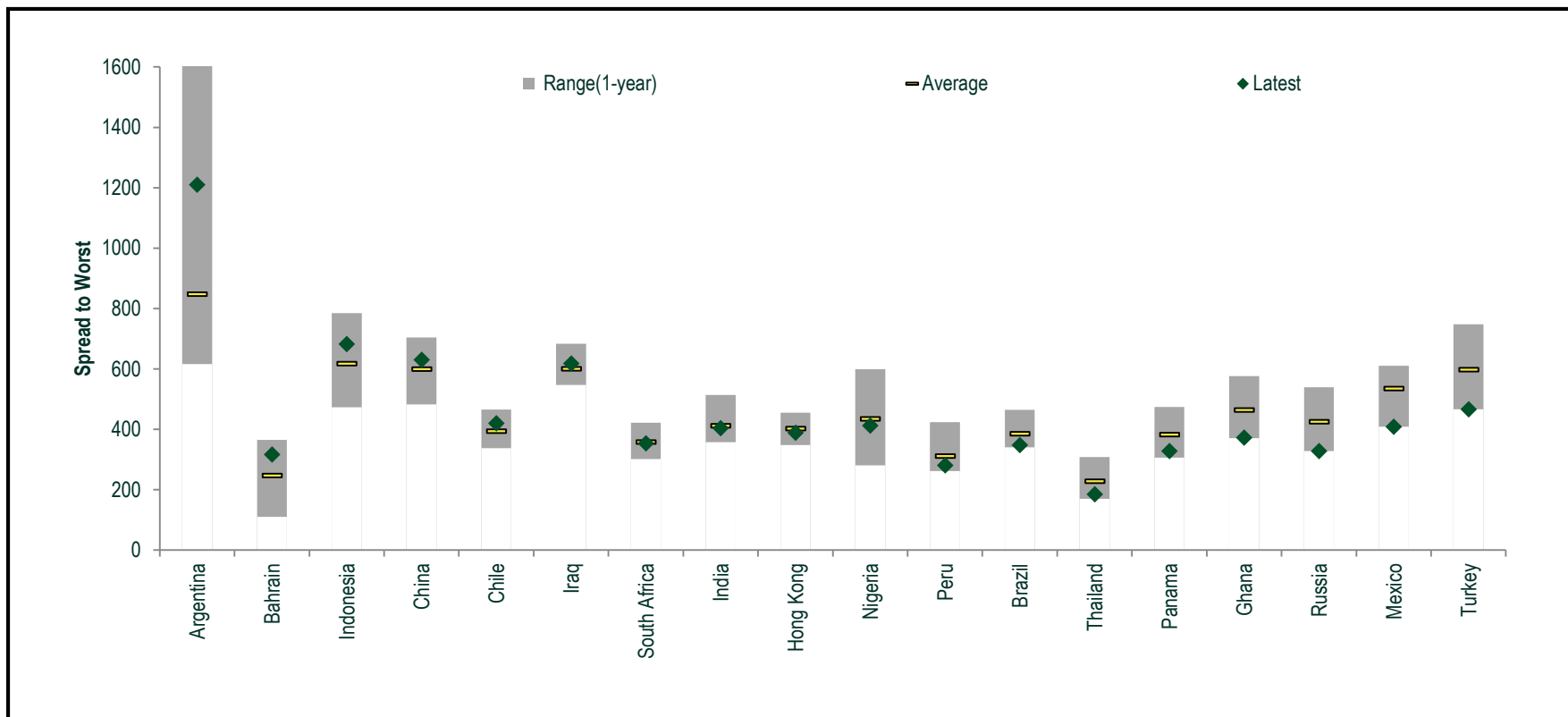


COMMENTS

- CEMBI HY Z-Spread is back at levels last seen at the end of 2016 and 2018 (close to 500 basis points).
- We see the Z-Spread at 4230 - 450 basis points by the end of Q2 2020.

Source: MainFirst, Bloomberg; 31st October 2019

VALUATION (COUNTRIES)



COMMENTS

- We see great opportunities in the HY space of Asian credit and particularly in HY issuers from China and Indonesia.
- What we see in our universe is that even quality companies with solid business plans and diversified income streams have been punished harshly, giving the potential of double-digit returns.

Source: MainFirst, Bloomberg; 31st October 2019

METICULOUS METHOD OF OPERATING YIELDS SUCCESS

- **GLOBAL INVESTMENT UNIVERSE** – hard currency corporate debtors from emerging market countries or corporates with high exposure to emerging market countries.
- **RELATIVE VALUE INVESTING.**
- **“BALANCED” STRATEGY** with a minimum average rating of BB and a maximum of 55% in high yield.
- **NOT A BENCHMARK-TRACKER.**
- **ACTIVE AND OPPORTUNISTIC INVESTMENT STYLE** based on the convictions of team members, a rigorous risk management framework and clear investment guidelines.
- **DIVERSIFICATION ACROSS MULTIPLE LAYERS:** regions, countries, sectors, ratings (AAA – NR), technical factors (liquidity, duration and volatility).
- **HARD CURRENCY INVESTMENTS** (base currency USD) – hedged share classes in EUR, CHF.
- Additional diversification possible through investments in **CONVERTIBLE BONDS** (up to a maximum of 8%).
- **MAXIMUM WEIGHT** of any single issuer is 3% of the fund to guarantee diversification.
- Investments are made on **CONSENSUS DECISIONS** (veto right).

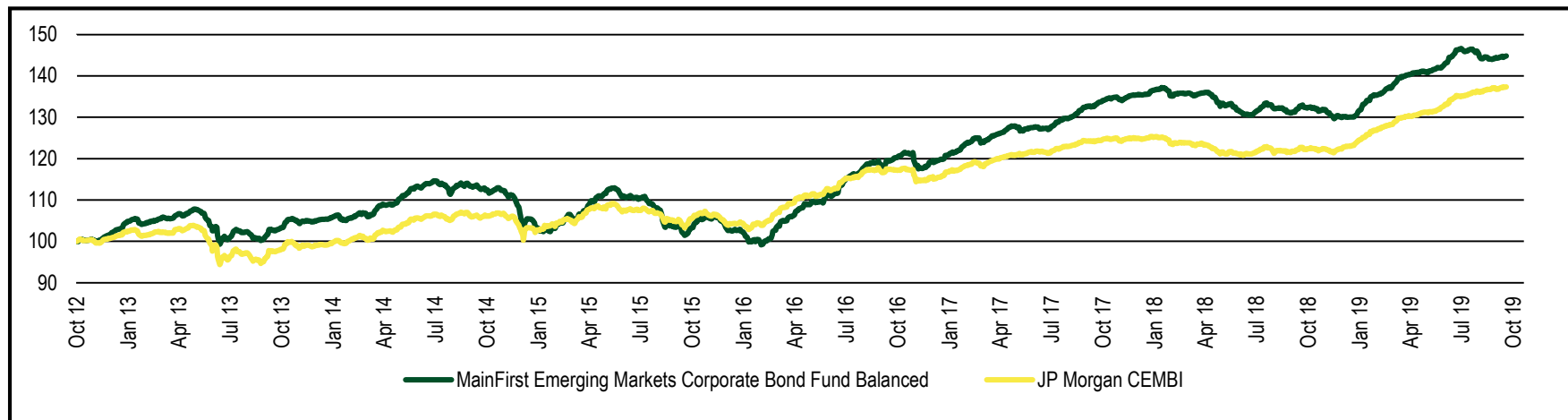
RISK MANAGEMENT

Country-, Sector- and other Limits

Maximum Weight	Limit
20 %	Brazil, China, Hong Kong, Mexico, Russia
10 %	Argentina, Chile, Columbia, India, Indonesia, Korea, Peru, Philippines, Qatar, South Africa, Turkey, United Arab Emirates
5 %	Kazakhstan, Malaysia, Nigeria, Poland, Singapore, Thailand, Ukraine, Venezuela, all other countries
25 %	By Sector
8 %	Convertible
3 %	Single Issuer
55%	High Yield Allocation
Minimum Average Rating	BB

PERFORMANCE VS. BENCHMARK

(JP MORGAN CEMBI)



	Fund	Benchmark	Alpha
October	1.09%	0.88%	0.21%
YTD	12.56%	12.49%	0.07%
2018	-4.10%	-1.50%	-2.60%
2017	13.10%	7.90%	5.20%
1 year	11.33%	13.62%	-2.29%
3 years	20.59%	18.00%	2.59%
5 years	29.60%	29.66%	-0.06%
Since inception	46.36%	38.51%	7.85%
Annual. volatility	2.06%	1.60%	
Information ratio	0.41	-	-
Sharpe ratio	1.71	1.62	-

Euro Fund Award

Morningstar Rating

★★★★

Source: MainFirst, JP Morgan, Bloomberg; 31st October 2019

KEY FIGURES

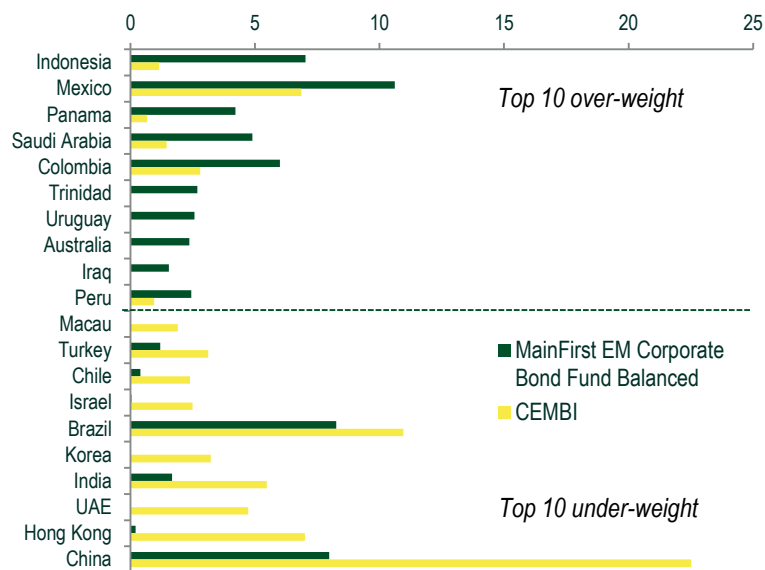
	Fund	Benchmark
Yield to worst	7.35% 1)	4.30%
Modified Duration	5.06	4.82
Average Maturity	6.64	8.39
Average Rating	BB	BBB-
Countries	42	46
Holdings	146	638
Credit Spread	570	273
Balance - Investment Grade (IG) vs. High Yield (HY)	48 IG/ 52 HY	59 IG/ 41 HY
Cash	1.55%	0.00%

1) NAV-hedged currency tranches in CHF and EUR are available. All data excluding cash, except Average Rating

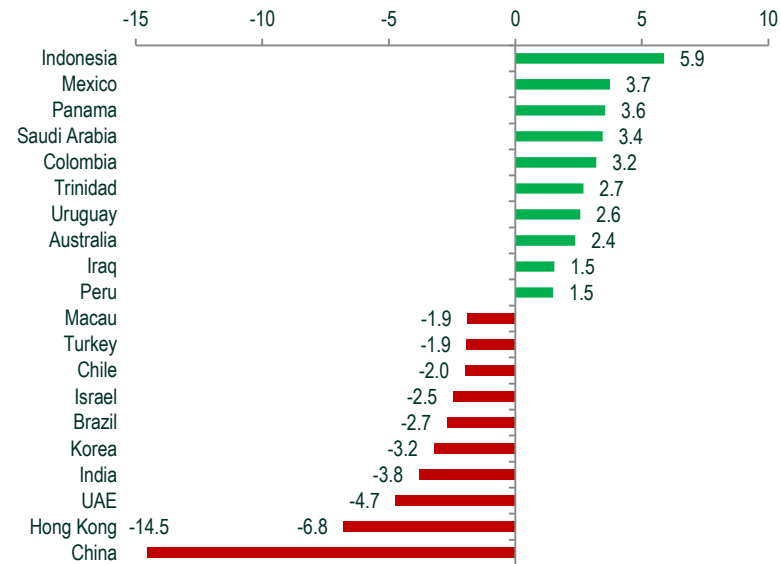
Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

PORTFOLIO

MAINFIRST BALANCED PORTFOLIO WEIGHTS VS. CEMBI



TOP 10 OVER-/UNDERWEIGHT



COMMENTS

- We currently see most attractive valuations and potential for outperformance in Asia.
- In Latin America, we favour Mexico and Colombia.
- We recently reduced our exposure to Brazil, as the positive impact of pension reform is already discounted and valuations are now tight.
- In the CEEMEA region, we like Russia and Saudi Arabia.
- Frontier Markets exposures add additional value and diversification to the portfolio.

Source: MainFirst, JP Morgan, Bloomberg; 31st October 2019

RATING ALLOCATION

	Fund	JP Morgan CEMBI
AA or higher	1.48% 1)	1.29%
A	0.68%	19.22%
BBB / CEMBI Investment Grade	46.30%	38.59%
BB	9.16%	17.89%
B	34.94%	13.40%
Lower or not rated	4.87%	2.16%
Non-rated (NR)	2.53%	7.46%

1) Cash reported as AA

Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

SECTOR ALLOCATION

	Fund	JP Morgan CEMBI
Financials	16.35%	30.26%
Oil & Gas	13.91%	11.15%
Infrastructure	11.59%	2.87%
Utilities	8.96%	7.13%
Real Estate	8.84%	10.32%
Industrials	8.00%	6.37%
Metals & Mining	6.46%	6.89%
TMT	5.49%	11.86%
Consumer	4.22%	8.53%
Transport	4.14%	1.11%
Diversified	2.81%	2.00%
Supranational	2.81%	0.00%
Sovereign	2.49%	0.00%
Pulp & Paper	2.42%	1.51%

All data including cash

Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

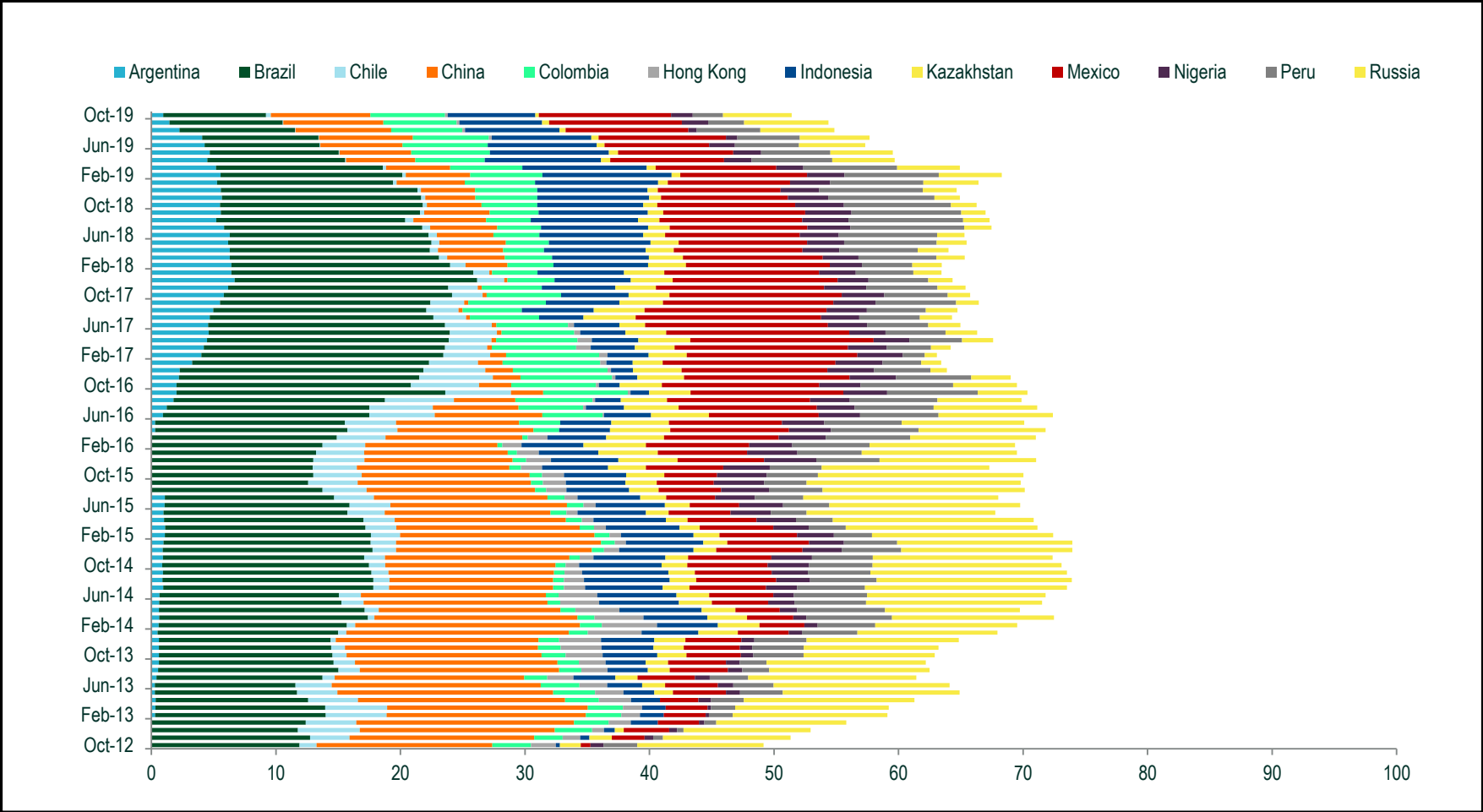
TOP 10 HOLDINGS

Issuer	S&P / Moody's / Fitch		Weight	Sector	Country
ACWA POWER MGMT INVST	BB+	Baa3	2.83%	Infrastructure	Saudi Arabia
ACI AIRPORT SUDAMERICA S	BBB		2.57%	Infrastructure	Uruguay
GLOBAL BANK CORPORATION	BBB-		2.42%	Financials	Panama
ADANI ABBOT POINT TERMIN	BBB-		2.36%	Transport	Australia
SASOL FINANCING USA LLC	BBB-	Baa3	2.33%	Industrials	South Africa
LLPL CAPITAL PTE LTD		Baa3	2.30%	Utilities	Indonesia
COMETA ENERGIA SA		Baa3	2.28%	Utilities	Mexico
KUWAIT PROJECTS CO	BBB-	Baa3	2.12%	Diversified	Kuwait
TRINIDAD GEN UNLTD	BBB-		2.02%	Utilities	Trinidad
COUNTRY GARDEN HLDGS			1.99%	Real Estate	China
TOTAL			23.22%		

All data including cash

Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

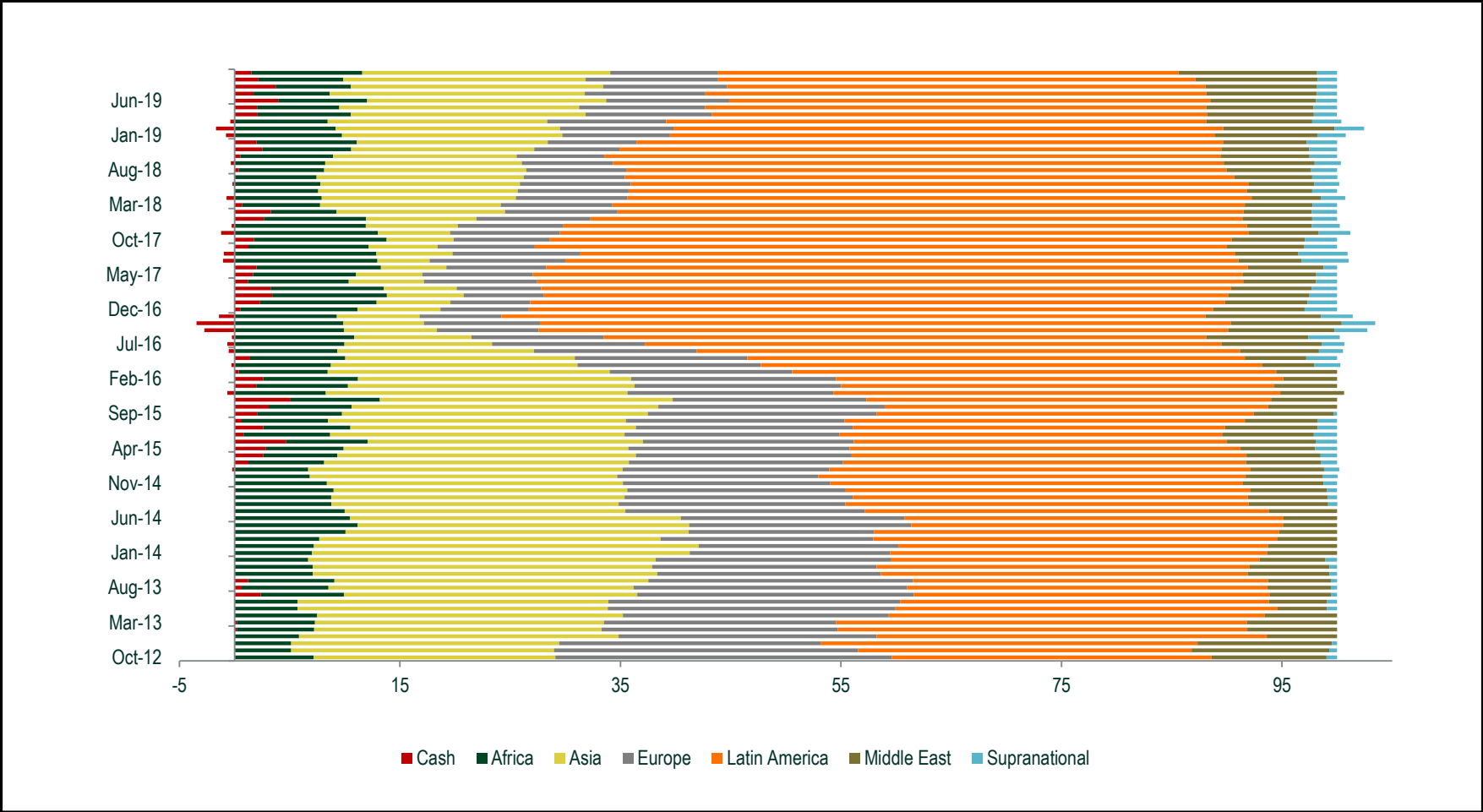
HISTORICAL COUNTRY ALLOCATIONS (MONTHLY)



All data including cash

Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

HISTORICAL REGIONAL ALLOCATIONS (MONTHLY)



All data including cash

Source: JP Morgan, MainFirst, Bloomberg; 31st October 2019

STRATEGY AND OUTLOOK

EM MACRO

- Tug of war between global slowdown and trade war and central banks.
- On balance, we expect EM credit to profit from the hunt for yield.
- Next year's outperformance will mainly come from the credit spread, and to a lesser extent from duration.
- According to our information, many investors still own cash which has not yet been put to work.
- On aggregate, commodity markets are balanced and base metals have already corrected significantly.

PORTFOLIO

- We see most attractive valuations and potential for outperformance in Asia.
- In Latin America, we favour Mexico and Colombia.
- We recently reduced our exposure to Brazil as the positive impact of the pension reform is already discounted and valuations are now tight.
- In the CEEMEA region, we like Russia and Saudi Arabia.
- Frontier Markets have been performing nicely and helped to reduce volatility.
- Credit spread in the portfolio is double that of the index, at 570 basis points (fund) vs. 273 basis points (benchmark)
- Current yield in our portfolios is very attractive, sitting at 7.35% (YTW).

FUND DATA

Fund Data	Share Class A	Share Class A1	Share Class A2	Share Class C	Share Class C1	Share Class C2
ISIN	LU0816909013	LU0816909286	LU0816909369	LU0816909955	LU0816910292	LU0816910375
WKN	A1J5H6	A1J5H7	A1J5H8	A1J5JC	A1J5JD	A1J5JE
Security number	19825152	19825165	19825168	19756055	19756854	19757146
Bloomberg	MFEMBA0 LX Equity	MFEMBA1 LX Equity	MFEMBA2 LX Equity	MFEMBC0 LX Equity	MFEMBC1 LX Equity	MFEMBC2 LX Equity
Min. subscription	2,500 USD	2,500 CHF	2,500 EUR	500,000 USD	500,000 CHF	500,000 EUR
Management fee	1.2 % p. a.	1.2 % p. a.	1.2 % p. a.	0.8 % p. a.	0.8 % p. a.	0.8 % p. a.
Dividend policy	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating
Investment objective	Outperformance vs. JP Morgan CEMBI					
Investment universe	Hard currency corporate bonds from emerging market countries or connected to the emerging markets.					
Fund volume	USD 438m					
Inception date	12th October 2012					
Business year	1st January – 31st December					
Cut-off time	12:00 PM					
Fund manager	Dorothea Fröhlich, Thomas Rutz, Dimitrios Nteventzis					
Management company	MainFirst Affiliated Fund Managers S.A.					
Registered for sale in	AT, BE, CH, DE, ES, FI, FR, GB, IT, LI, LU, NL, NO, SE					

SUMMARY

WHY EMERGING MARKET HIGH YIELD?

- Continuation of commodity cycle
- ‘The carry’ - time return
- Very attractive valuations in HY
- Outstanding risk/return profile

WHY MAINFIRST?

- Multi-boutique – combining the best of two worlds
- Team with proven track record and strong expertise in EM corporates
- ‘Early movers’ - contrarian approach
- Diversification across multiple layers, maximum weight per single issuer 3%
- Active and opportunistic with strong alpha orientation
- Off-benchmark with strong regional and sector over- /underweights
- Excellent trading and execution capabilities

WHY NOW?

- Investing over a cycle is the best fit for this asset class, strategic allocation min. 3 - 5 years
- More ‘carry’ to pick up over time (time return)
- Still a very compelling credit spread performance potential

**CHARACTER.
FOR MORE
PERFORMANCE.**

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