

MAINFIRST - EMERGING MARKETS CORPORATE BOND FUND BALANCED (C)

Factsheet as of
31 October 2019

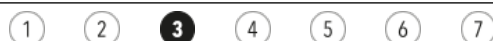
ISIN LU0816909955 | WKN A1J5JC

For professional investors only.

INVESTMENT UNIVERSE AND INVESTMENT OBJECTIVE

The investment objective of the sub-fund is to generate long-term capital growth and high returns. The sub-fund invests primarily in hard currency bonds (including zero-coupon bonds), short-term debt securities and similar debt instruments, using a balanced investment strategy designed to maintain a rating of at least BB for the sub-fund as a whole. These financial instruments are issued or guaranteed primarily by corporate borrowers domiciled in emerging markets or by sovereign borrowers in emerging economies: particularly central banks and government authorities. Our investment managers employ a high-conviction, active investment strategy supported by a reliable risk management framework.

SRRI (Synthetic Risk and Reward Indicator)²⁾



SRRI scale of 1 (lowest risk) to 7 (highest risk); Risk 1 does not mean a risk-free investment. This indicator may change over time.

AWARDS³⁾

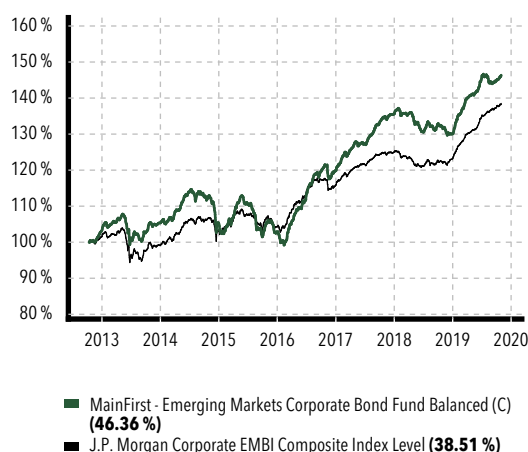
Morningstar Rating™ **★★★★**

Morningstar® Category
Global Emerging Markets Corporate Bond

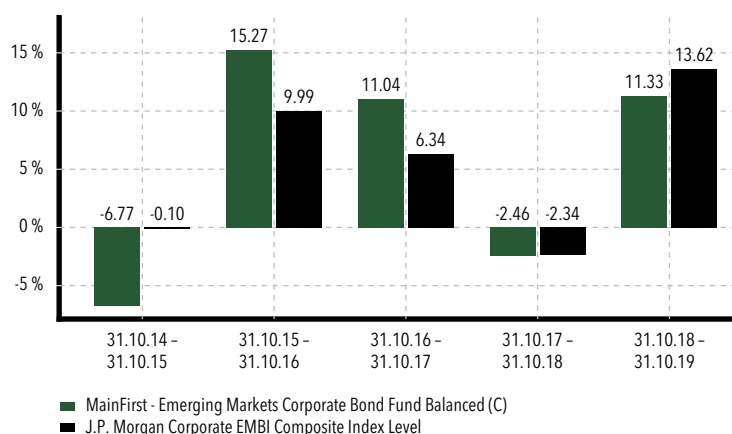
Citywire Rating **Citywire A Rated**



PERFORMANCE SINCE INCEPTION IN USD (IN %)^{1) 2) 4)}



ANNUAL PERFORMANCE IN USD (IN %)^{1) 4)}



CUMULATIVE AND ANNUALIZED PERFORMANCE IN USD⁴⁾

	CUMULATIVE PERFORMANCE (in %)						ANNUALIZED PERFORMANCE (in %)		
	MTD	YTD	1 Year	3 Years	5 Years	since Inception	3 Years	5 Years	since Inception
MainFirst - Emerging Markets Corporate Bond Fund Balanced (C)	+1.09	+12.56	+11.33	+20.59	+29.60	+46.36	+6.44	+5.32	+5.55
J.P. Morgan Corporate EMBI Composite Index Level	+0.88	+12.49	+13.62	+18.00	+29.66	+38.51	+5.67	+5.33	+4.73

Historical performance is not an indicator for current or future performance. The performance data does not take into account the issue and redemption of the commissions and costs charged per unit.

TOP 10 POSITIONS^{4) 5)}

Name	Country	Sector	Assets
5.950% ACWA POWER MGMT INVST	Saudi Arabia	Infrastructure	2.83 %
6.875% ACI AIRPORT SUDAMERICA S	Uruguay	Infrastructure	2.57 %
5.250% GLOBAL BANK CORPORATION	Panama	Financial	2.42 %
4.450% ADANI ABBOT POINT TERMIN	Australia	Transport	2.36 %
6.500% SASOL FINANCING USA LLC	South Africa	Industrial	2.33 %
6.875% LLPL CAPITAL PTE LTD	Indonesia	Utilities	2.30 %
6.375% COMETA ENERGIA SA	Mexico	Utilities	2.28 %
4.500% KUWAIT PROJECTS CO SPC L	Kuwait	Diversified	2.12 %
5.250% TRINIDAD GEN UNLTD	Trinidad and Tobago	Utilities	2.02 %
7.250% COUNTRY GARDEN HLDGS	China	Real Estate	1.99 %
Assets in Top 10 Holdings in %			23.22 %

KEY FIGURES (31.10.2019)⁴⁾

	Fund	Benchmark
3 Years		
Volatility	2.30 %	1.99 %
Tracking Error	1.59 %	
Sharpe Ratio	2.99	
Information Ratio	1.05	
Modified Duration	5.06	4.82
Ø Rating	BB	BBB-
Yield to Worst	7.35	4.30
Ø Maturity	6.64	8.39
Number of securities	146	638

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MARKET COMMENTARY

Sentiment on the global financial markets improved significantly in October. Agreement on a partial deal between the US and China raised hopes of faster growth momentum next year. Other than that, the news from our markets largely matched expectations and there were no nasty surprises: Alberto Fernández won the presidential elections in Argentina, Brazil's long-awaited pension reform was approved by Congress, Ecuador's President Moreno partially implemented a reduction in subsidies, while Turkey achieved a withdrawal of the Kurdish YPG from Syria without facing consequences.

Against this backdrop, corporate bonds from emerging-market countries enjoyed steady net inflows again (totalling USD 1.6 billion) while issuance volume also reached another monthly record at USD 50 billion, with a net figure of USD 7.5 billion.

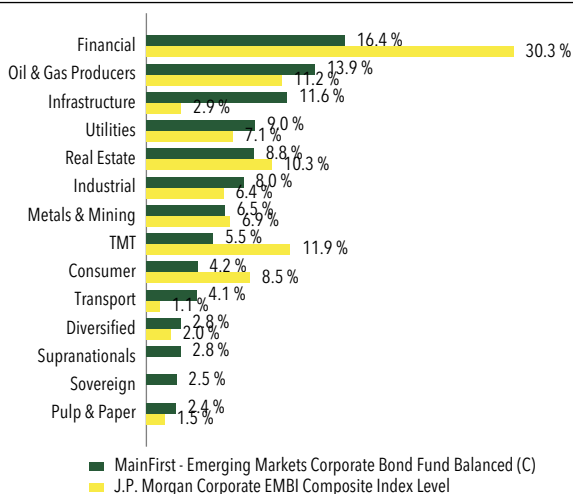
MainFirst Emerging Markets Corporate Bond Fund Balanced posted a gain of 1.09%, outperforming the benchmark index (+0.88%). Mexico and Russia remained the biggest drivers at country level. Other than that, the result was heavily influenced by the choice of securities.

We were highly active in October: First, we used the strong market to reduce tail risks; we sold Petra Diamonds and Digicel, and reduced Mongolian Mining, Nostrum and USJ. In each of these stocks, we think the balance-sheet risk is greater than that currently priced in. Second, we sold a number of our larger holdings where the target return had been achieved; they include VEB,

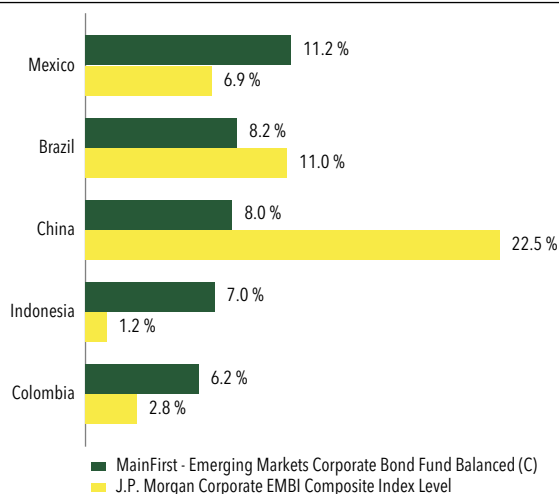
JSL, Concord New Energy, Raizen, Geo Capital and Seplat. On the other hand, we continued to expand our positions in KIPCO, China Future Land, GTE and Sawit Sumberma. The primary market likewise offered a host of interesting opportunities, particularly in the high-yield segment: we invested in Russia's Sovcombank as well as Home Credit and Finance Bank. In Trinidad and Tobago we purchased the 51% state-owned telecommunications firm TCSTT. TCSTT is at the end of an investment cycle and therefore has high net leverage of 5.6x net debt/EBITDA. We expect the balance sheet to improve sharply over the next couple of years, and believe a high spread performance is therefore possible.

The increasingly optimistic global growth outlook has up to now been reflected in a spread-tightening in the BB sector. On the other hand, there is still little evidence of strong conviction in lower rating categories. Accordingly, we think there is potential for a rally in this area in particular. One potential trigger could be China's achievement of a phased reduction in tariffs in the initial deal with the US, planned for the year-end. Yet despite all the optimism, we do not necessarily expect a smooth outcome to the negotiations given that the more difficult topics – such as China's subsidy policy – are not included in phase 1. Tail-risk management therefore remains a major focal point within the portfolio. In regional terms, we regard Asia as the most attractive market and intend to continue investing there.

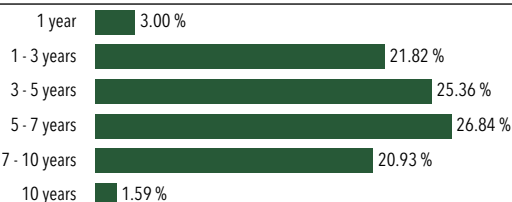
SECTOR ALLOCATION ⁴⁾⁵⁾



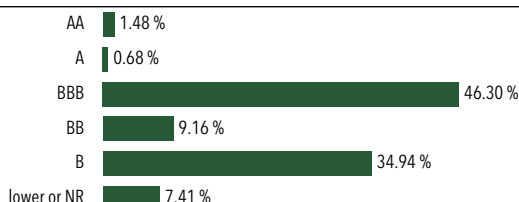
COUNTRIES ⁴⁾



DURATION ⁴⁾



RATINGS ⁴⁾



KEY DATA

Management Company	MainFirst Affiliated Fund Managers S.A.	NAV (31.10.19)	146.36 USD	Benchmark	J.P. Morgan Corporate EMBI Composite Index Level
Phone	+352 276 912 10	Asset Manager	MainFirst Affiliated Fund Managers (Switzerland) AG	ISIN	LU0816909955
Email	info-lux@mainfirst-invest.com	Portfolio Manager	Thomas Rutz, Dorothea Fröhlich & Dimitrios Nteventzis	WKN	A1J5JC
Website	www.mainfirst-fundmanagers.com	Fund Size (31.10.19)	438.43 million USD	Minimum Initial Investment	500,000.00 USD
Business Development	MainFirst Affiliated Fund Managers (Deutschland) GmbH	Domicile	Luxembourg	Management fee p.a. (effective)	0.80%
Business Development Contact	fonds@mainfirst-invest.com	Currency	USD	Entry Charge (max)	up to 5.00%
Inception Date	12 October 2012	UCITS	Yes	Performance Fee (max)	up to 0.00%
Investment horizon	Emerging market countries	Utilisation of income	Reinvesting	TER (28.12.2018)	1.08%
Redemption fee	0.00%			Fiscal Year-End	31 December

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FOOTNOTES

- 1) Past performance cannot be taken as a guarantee of future performance.
 - 2) The performance is calculated in USD and according to the BVI method, taking into account all costs and fees with the exception of the entry charge.
 - 3) Source: Key Investor Information Documents.
 - 4) Source: own calculations MainFirst.
 - 5) Sectors based on J.P. Morgan CEMBI classification.
- *) Morningstar Rating for Funds: Morningstar rates mutual funds and ETFs from 1 to 5 stars based on how well they've performed (after adjusting for risk and accounting for sales charges) in comparison to similar funds and ETFs. http://www.morningstar.com/invGLOSSARY/morningstar_rating_for_funds.aspx
- Citywire: Fund Manager Rating for Dorothea Fröhlich and Thomas Rutz. Citywire Ratings are re-

warded for risk adjusted outperformance and meeting specific criteria. More information on how Ratings are calculated: <http://citywire.co.uk/wealth-manager/news/ratings-faq/a703353>

Euro Fund Awards: In 2019, the MainFirst Emerging Markets Corporate Bond Fund Balanced was presented with a Euro Fund Award in the category "Emerging Market Bonds" for the periods of three years and five years. With the Euro Fund Awards, Finanzen Verlag GmbH honours the best funds of the year in Germany. Awards are given to the three funds with the best performance over one, three, five, ten and twenty years in each fund category.

Lipper Fund Awards: In 2018, the MainFirst - Emerging Markets Corporate Bond Fund Balanced was presented with a Lipper Fund Award in the "Bond Emerging Markets Global Corporates" category for the period of five years (for Europe, Germany, France, Netherlands, Nordics, Switzerland und UK) as well as for three years (for Nordics). The Lipper Fund Awards recognise funds able to deliver a consistently strong risk-adjusted performance in relation to the funds in their group. The Lipper Fund Awards belong to Thomson Reuters Awards for Excellence and are awarded in recognition of exceptional performance. <http://www.lipperfundawards.com/Default.aspx>

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