

# DPAM L Bonds Emerging Markets Sustainable

Local currency

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# Agenda



## Why

Strategy  
Highlights

Portfolio  
Characteristics

Outlook &  
Positioning

Appendix



# DPAM



**Active  
Asset Manager**



**Sustainable  
Actor**



**Research  
Driven**



DPAM is part of the Indosuez group. With its origins in **1871**, DPAM advances to thrive, aiming for long-term outperformance



Sustained dedication to **responsible investment** since 2001. Active ownership and ESG integration across asset classes and themes



**Experienced management teams** supported by an in-house buy side research team



**Performance-driven active management**, centralized in Brussels



**Proprietary** fundamental and quantitative research provided by in-house credit, equity, ESG and SRI analyst teams



**Client-driven**, creating long-term partnerships with our customers, with an international network of 8 local offices across Europe



# Sustainability in Emerging Markets



## Long-term Growth

Foundation for a positive economic development in a sustainable way.



## Climate Impact

Countries, like enterprises, are facing major revolutions and disruptive events like climate change, urbanization, resources scarcity.



## Sustainable Development Goals

SDGs require lots of investment for countries' sustainable development. Government bonds are also part of this trend.



## High Quality Approach

High quality governing institutions and social rest are keys for sustainable growth and stable economic environment.



## Democratic Values

Exclusion of countries that do not meet minimum democratic requirements. Based on the classifications of the International NGO Freedom House ("not free") and The Economist Intelligence Unit ("authoritarian regime")



# 9

# SFDR Positioning

The Sub-fund has a sustainable investment objective according to SFDR. More product-specific ESG information can be found on <https://www.funds.dpaminvestments.com>

## SFDR Positioning:

Linking existing processes with regulatory concepts & frameworks

### Responsible investment



ESG integration



Active ownership



Basic negative screening



Normative Screening



Negative Behaviour Screening

Inclusion in investment decisions (PAI)

Influencing behaviour

Exclusions based on activity

Compliance with global standards

Exclusion of severe controversial behaviour (min. social & gov. safeguards)

### Transition • Sustainable • Impact investment



Extensive negative screening



Positive screening Best in class



Sustainability Themes



Impact Framework

Extensive exclusions based on activity

Best in class, best approach Scorecards (PAI)

In-Depth Qualitative Analysis

GIIN based proprietary impact



### Sustainability risks





# Investment Essentials

Meeting Clients' needs for Yield, Return and Alpha in a Sustainable and Responsible Way



## Investment Beliefs

- Sustainability creates alpha
- Benchmark agnostic
- High diversification and long-term value
- Active management and fundamental research
- Frontier Markets Opportunity



## Performance Excellence

- Consistent alpha generation
- Outstanding risk-return profile
- Favorable peer group performance
- Strong downside protection in weak markets



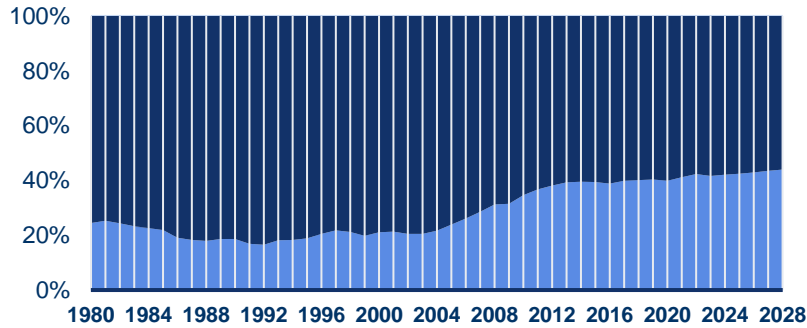
## Sustainability Excellence

- SFDR Article 9
- Unique investment process and sustainability factors
- Credibility of sustainability approach externally validated
- Sustainability commitment at DPAM

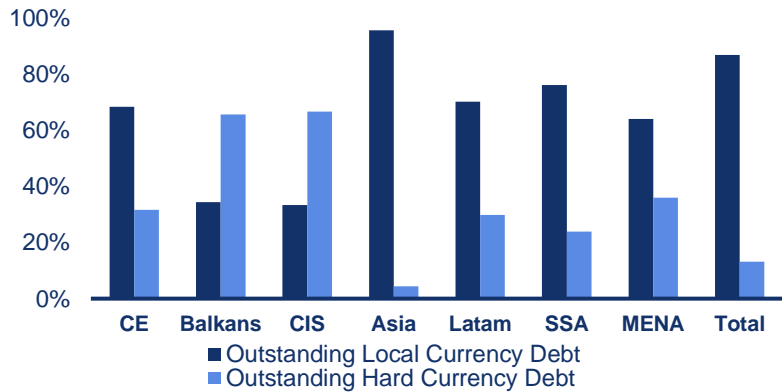


# EM Debt Market Structure

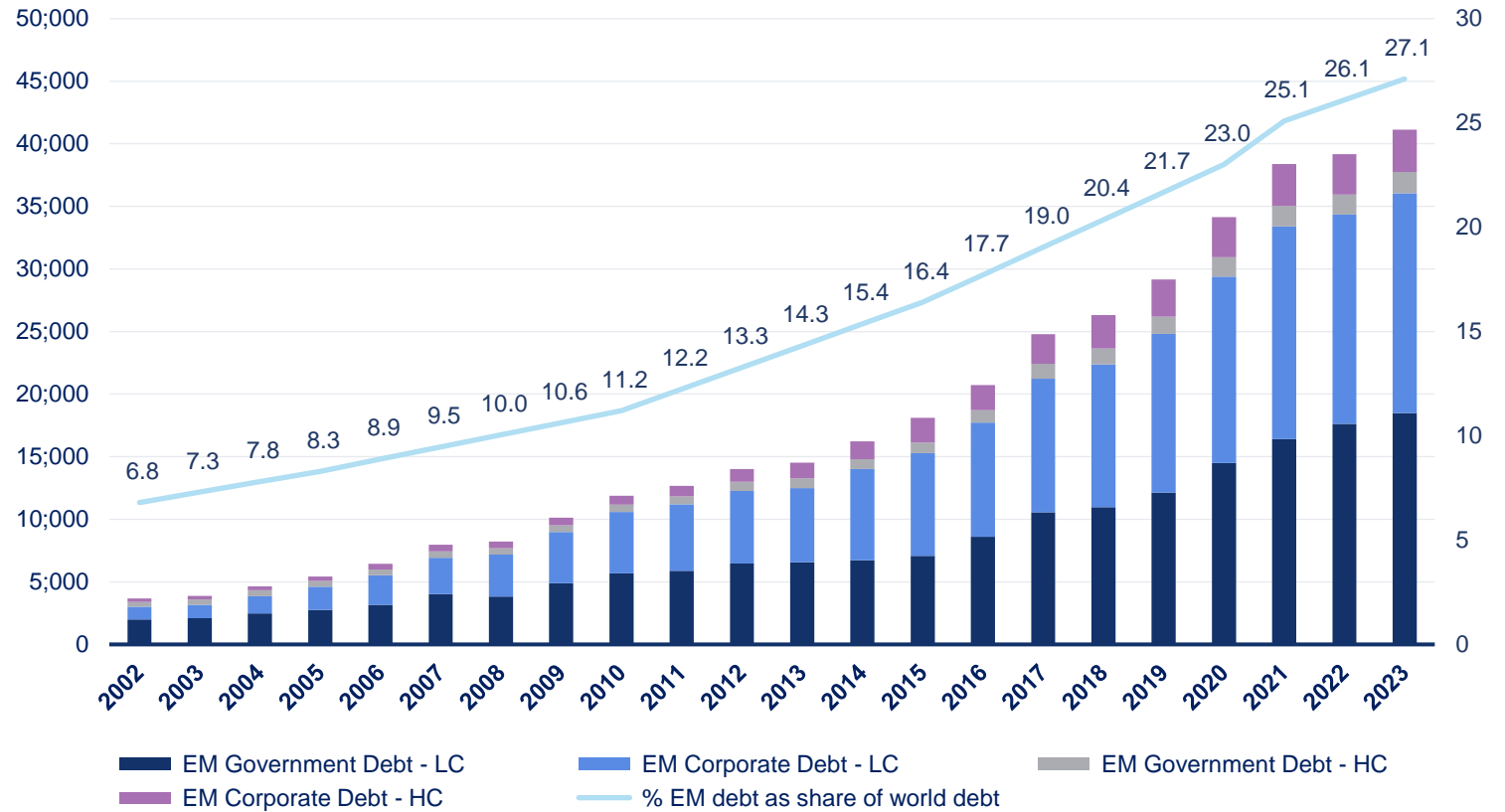
A Large and Diversified Investment Universe



■ Advanced economies  
 ■ Emerging market and developing economies



■ Outstanding Local Currency Debt  
 ■ Outstanding Hard Currency Debt



■ EM Government Debt - LC      ■ EM Corporate Debt - LC      ■ EM Government Debt - HC  
 ■ EM Corporate Debt - HC      — % EM debt as share of world debt

Source: DPAM, Bofa, IMF, April 2024





# “It’s the Carry”

In the Long Run, the Carry is Realized



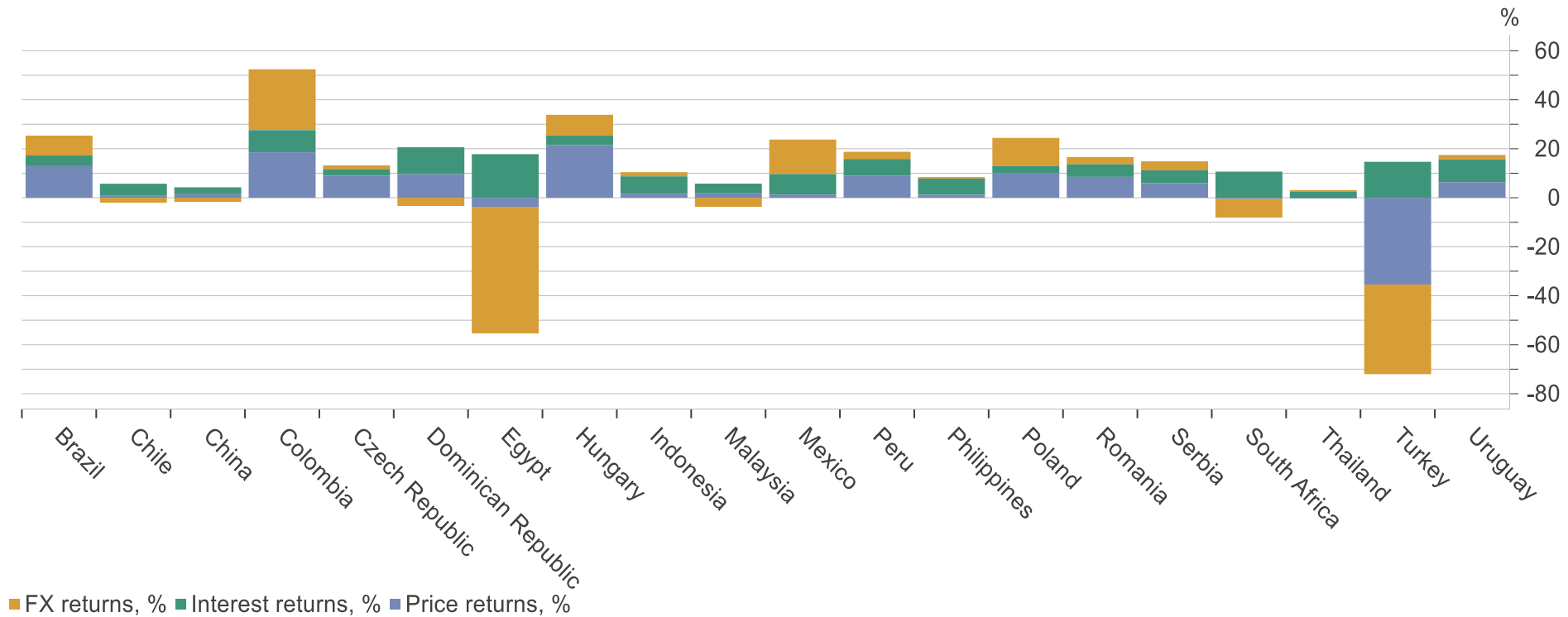
Source: DPAM, JP Morgan, January 2<sup>nd</sup>, 2024



# High Dispersion of Returns

Potential for Adding Value Through Active Management

## High dispersion of returns



DPAM, Bloomberg, JP Morgan, Macrobond, Performance since %, 30/12/2022 - 29/12/2023

# Agenda



Why

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Portfolio  
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Outlook &  
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Appendix



# Investment Objective



Offer investors exposure, through an **actively** managed portfolio, to debt securities issued or guaranteed by **emerging countries**, selected based on **sustainable development criteria**.



The sub-fund has a **sustainable investment objective** according to SFDR.



**Sustainability approach** is based on the following threefold commitment: (1) defend fundamental rights, (2) not to finance controversial activities that could affect the long-term reputation of investments and (3) to promote best practices and best efforts with regard to sustainability.



# Investment Process

**01**

**Sustainability  
Analysis**

**02**

**Fundamental  
Analysis**

**03**

**Portfolio  
Construction**



01

# Sustainability Analysis

Pioneer in Country  
Sustainability Ranking



## Sustainability at the heart of the model

The first stage will rank emerging and (frontier) countries based on objective criteria, from timely and objective data, by independent bodies such as the WHO, World Bank, UN Development Program, on four dimensions of sustainability.

**Democracy** (political rights & civil rights) is at the very heart of the model. The source is NGO Freedom House who ranks countries in 3 groups: free, partially free and not free. The notion "electoral democracy" is key. Countries considered « **Not Free** » by Freedom House AND confirmed as « **Authoritarian** » in the Democracy Index from the Economist are **excluded** from the investable universe.



01

# Investment Process

ESG at the Heart of the Investment Process



Eligible Investment Universe



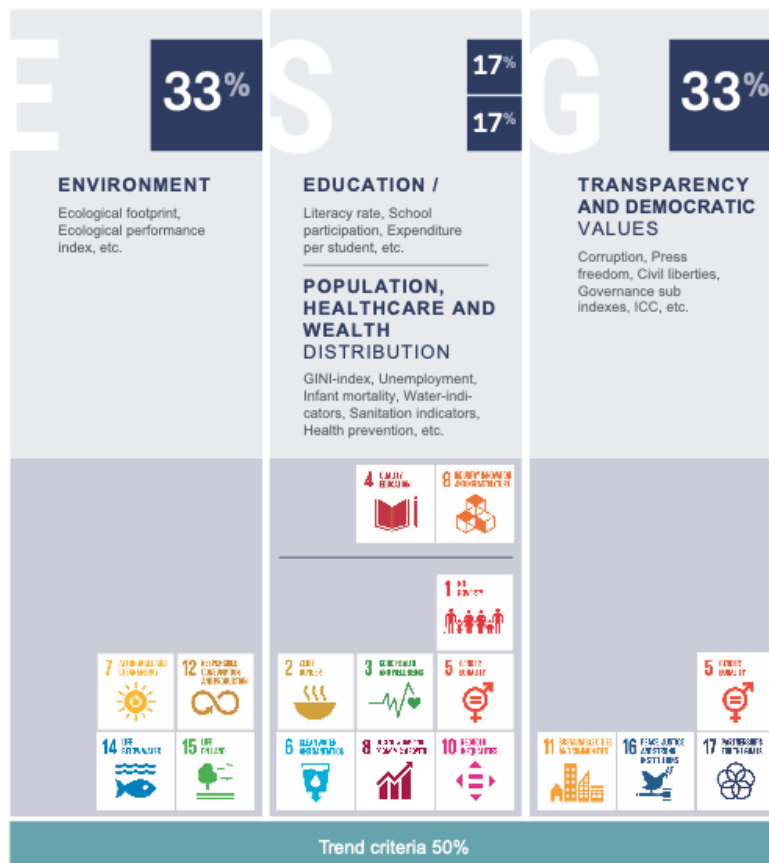
Portfolio Construction



01

# EM Sustainability Pillars

A Balanced Scorecard, Review Driven Ranking Based on +50 Key Criteria



The country model which originally consisted of 5 pillars, has been brought back to 4 pillars, the ‘Economics’ pillar having been absorbed by the pillars ‘Education/Innovation’ and ‘Population, healthcare and wealth’, This implies it remains present in the new model, for about 2.69%.





# EM Sustainability Ranking

An Investable Universe Based on Sustainability

Top quartile countries				Second and third quartile countries				Second and third quartile countries				Bottom quartile countries				Excluded	
	#	H1 24	H1 23		#	H1 24	H1 23		#	H1 24	H1 23		#	H1 24	H1 23		H1 24
Czech Republic	1	76	68	Jamaica	22	62	49	Philippines	36	57	51	Zambia	50	53	50	Qatar	63
South Korea	2	74	66	Brazil	23	61	61	Turkey	37	57	54	El Salvador	51	53	53	United Arab Emirates	62
Uruguay	3	73	65	Malaysia	24	61	57	Kuwait	38	57	51	Morocco	52	53	50	China	55
Chile	4	72	68	Botswana	25	61	58	Sri Lanka	39	57	56	Tanzania	53	52	49	Jordan	55
Poland	5	71	65	Bahamas	26	60	55	Suriname	40	57	56	Guatemala	54	52	50	Saudi Arabia	55
Singapore	6	71	65	Ecuador	27	60	56	Malawi	41	56	52	India	55	51	46	Bahrain	55
Costa Rica	7	70	63	Peru	28	59	56	Indonesia	42	56	51	Trinidad and Tobago	56	51	43	Kazakhstan	55
Hungary	8	70	66	Colombia	29	59	59	Tunisia	43	56	55	Benin	57	50	46	Vietnam	54
Romania	9	68	62	Paraguay	30	59	51	Kenya	44	56	48	Honduras	58	49	50	Belarus	53
Israel	10	68	62	Serbia	31	59	56	Bolivia	45	55	54	Mozambique	59	46	44	Gabon	52
Albania	11	67	61	South Africa	32	59	51	Ukraine	46	55	55	Lebanon	60	45	46	Oman	52
Bulgaria	12	67	60	Mexico	33	58	56	Bangladesh	47	54	52	Uganda	61	43	45	Rwanda	51
Namibia*	13	66	55	Ghana	34	58	54	Côte d'Ivoire	48	54	47	Papua New Guinea	62	42	40	Russia	51
Argentina	14	65	55	Mongolia	35	57	50	Senegal	49	54	50	Angola	63	41	37	Egypt	51
Panama	15	65	58									Pakistan	64	40	40	Azerbaijan	50
Montenegro	16	64	57									Nigeria	65	40	41	Cameroon	43
Armenia	17	64	54									Taiwan	66	-100		Ethiopia	42
Georgia	18	63	56													Venezuela	40
Dominican Republic	19	63	51													Iraq	40
Macedonia	20	63	56														
Thailand	21	63	55														

Source: DPAM, May 2024  
 Countries with insufficient data receive a score of -99 and are Q4



# Fixed Income Sustainable Advisory Board

Diversification is Most Probably  
“Market’s only Free Lunch”

## The role of the FISAB

- To select the sustainable criteria which fulfil the preliminary requirements and are the most relevant in the framework of sustainability assessment of the universe.
- To determine the weights attributed to each indicator.
- To critically and accurately review the model and the ranking to ensure continuous improvement.
- To validate the list of eligible countries.



# FISAB

## Advisory Board

### Fixed Income Sustainable Advisory Board (FISAB)



**Ophélie Mortier**  
Chief Sustainable  
Investment Officer

22 '05



**Ives Hup**  
Global Key Accounts

37 '04



**Céline Boulenger, PhD**  
Macro Economist BDP

06 '19



### External Members

**François Gemenne**  
Professor at Sciences Po (Paris)  
& ULB (Brussels)

**Jan Schaerlaekens**  
Deputy at Brussels Parliament

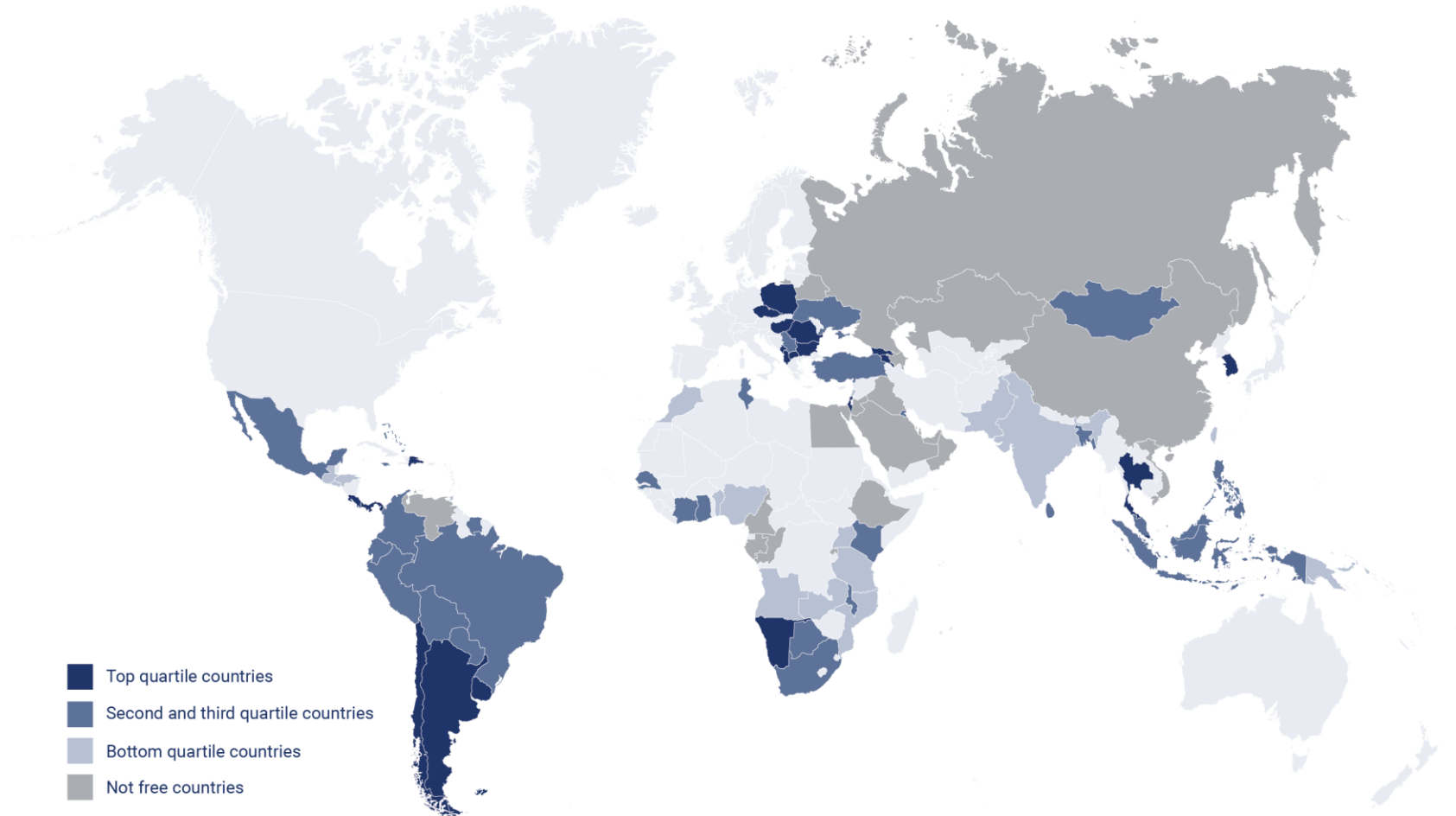
**Thomas Bauler**  
Assistant Professor at  
ULB-IGEAT (Brussels)

**Aleksandar Rankovic, PhD**  
Lecturer at Sciences Po (Paris)  
Institute for Sustainable Development  
and International Relations (IDDRI)



# The World is so Much Larger than Benchmarks

Diversification is Most Probably “Market’s only Free Lunch”



- Top quartile countries
- Second and third quartile countries
- Bottom quartile countries
- Not free countries

Source: DPAM, May 2024



# Diversification is Key

Diversification is Most Probably “Market’s only Free Lunch”

	BRAZIL REAL	COLOMBIAN PESO	MEXICAN PESO	POLISH ZLOTY	INDONESIAN RUPIAH	MALAYSIAN RINGGIT	SOUTH KOREAN WON	SOUTH AFRICAN RAND	URUGUAY PESO	Dominican Repub. Peso	Ghana Cedi	ZAMBIAN KWACHA	PAKISTANI RUPEE
BRAZIL REAL		0.52	0.53	0.36	0.29	0.22	0.31	0.49	0.47	-0.10	-0.04	0.07	-0.01
COLOMBIAN PESO	0.52		0.55	0.39	0.39	0.37	0.34	0.47	0.37	-0.15	0.05	-0.01	0.04
MEXICAN PESO	0.53	0.55		0.55	0.52	0.33	0.35	0.59	0.48	-0.15	-0.06	0.09	0.08
POLISH ZLOTY	0.36	0.39	0.55		0.47	0.50	0.48	0.54	0.31	-0.24	-0.01	0.04	-0.02
INDONESIAN RUPIAH	0.29	0.39	0.52	0.47		0.44	0.32	0.44	0.31	-0.23	0.05	0.12	0.07
MALAYSIAN RINGGIT	0.22	0.37	0.33	0.50	0.44		0.62	0.38	0.20	-0.21	0.04	-0.01	0.03
SOUTH KOREAN WON	0.31	0.34	0.35	0.48	0.32	0.62		0.43	0.20	-0.17	0.01	-0.07	0.02
SOUTH AFRICAN RAND	0.49	0.47	0.59	0.54	0.44	0.38	0.43		0.35	-0.15	-0.07	0.03	0.07
URUGUAY PESO	0.47	0.37	0.48	0.31	0.31	0.20	0.20	0.35		-0.06	0.03	0.09	-0.03
Dominican Repub. Peso	-0.10	-0.15	-0.15	-0.24	-0.23	-0.21	-0.17	-0.15	-0.06		-0.07	0.06	-0.04
Ghana Cedi	-0.04	0.05	-0.06	-0.01	0.05	0.04	0.01	-0.07	0.03	-0.07		-0.03	-0.06
ZAMBIAN KWACHA	0.07	-0.01	0.09	0.04	0.12	-0.01	-0.07	0.03	0.09	0.06	-0.03		0.04
PAKISTANI RUPEE	-0.01	0.04	0.08	-0.02	0.07	0.03	0.02	0.07	-0.03	-0.04	-0.06	0.04	

Source: Bloomberg, DPAM, 27/09/2019 to 27/09/2023, weekly rolling data, Base Currency USD



# 02

## Fundamental Analysis



Fundamental analysis of the economic, political, interest rate and financial health outlook coupled with a comprehensive risk assessment. Equally key will be market liquidity and general risk appetite. The result is an **unconstrained investment view** on Emerging Markets. We try to find the **sweet spot balancing risk mitigation from sufficient diversification with the attractive cost-benefit profile of a targeted conviction portfolio.**



# 02

## Fundamental Analysis

Top-Down and Bottom-Up  
Coupled with a  
Comprehensive Risk Analysis

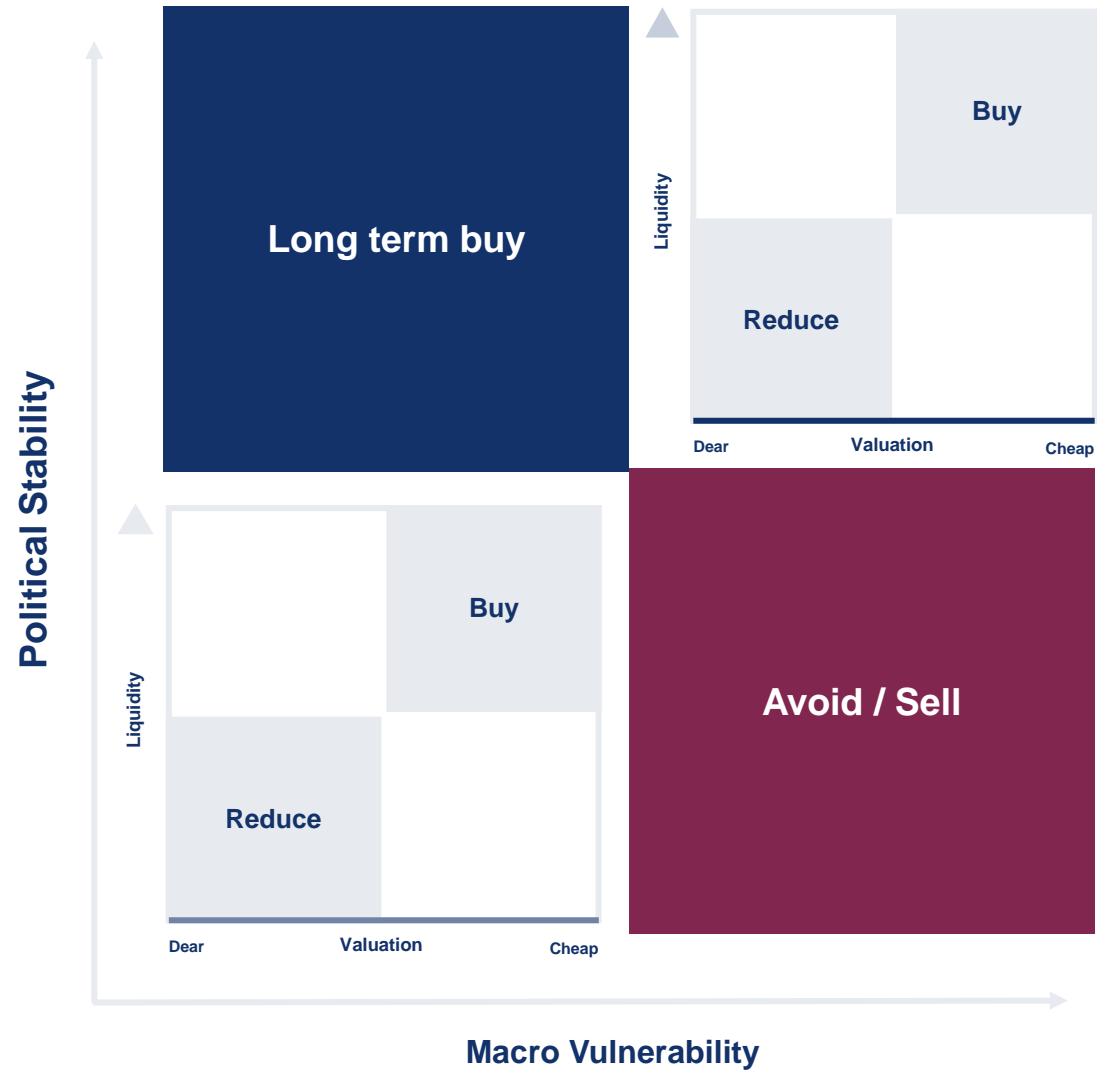




# 02

## Fundamental Analysis

Conviction Portfolio Based on Bottom-up Macro- and Political Risk Analysis





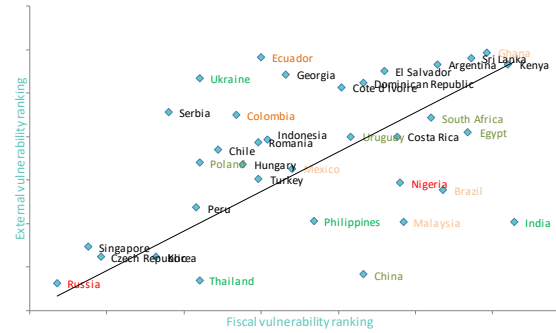


# Country Analysis

## Bottom-Up Approach

Country	Fiscal score	GG balance 2019	GG primary balance 2019	GG debt/GDP 2019	GG debt Revenue 2019	Int exp/Rev 2019
Singapore	1.79	18.79	10.83	37.09	114.60	0.13
Russia	1.08	1.59	2.49	15.05	42.00	2.50
Czech Republic	0.72	4.06	0.83	31.21	74.13	1.84
Korea	0.53	4.06	0.86	37.11	161.91	3.49
Serbia	0.52	4.10	2.00	51.52	124.74	4.60
Thailand	0.45	0.58	0.43	36.53	171.20	4.75
Peru	0.43	1.82	-0.53	27.36	138.70	6.57
Poland	0.37	1.25	10.52	50.37	122.33	4.30
Ukraine	0.36	1.10	1.46	45.13	117.47	9.27
Chile	0.37	1.57	-1.67	28.27	120.98	3.83
Malaysia	-0.30	-3.38	-1.24	61.81	321.93	11.16
Nigeria	-0.34	-4.37	-2.20	26.67	333.07	27.18
South Africa	-0.37	-6.00	-1.90	63.28	212.62	13.78
Brazil	-0.50	-6.91	-1.27	78.32	201.85	14.54
Argentina	-0.61	-8.29	-0.27	94.75	278.68	14.77
Ghana	-0.83	-6.43	-1.23	63.88	384.91	31.33
India	-0.87	-7.51	-2.80	69.86	344.15	23.65
Kenya	-0.88	-7.85	-3.90	62.35	349.56	22.13
Egypt	-1.18	-8.04	1.62	85.29	422.29	47.81
Sri Lanka	-1.42	-11.52	0.49	84.95	653.63	46.19

Country	Score External sector	CAB 2019	Basic Balance 2019	Gross sav xternal D/GDP 2019	Ext int. payment/ exports 2019	Net sav. FX positions/GDP 2019
Singapore	1.1	15.62	24.13	0.56	4.59	-75.41
Thailand	0.7	6.32	5.56	6.68	0.71	-40.64
Russia	0.6	4.93	4.28	4.48	1.50	-28.99
Korea	0.5	3.65	2.13	6.88	1.07	-24.07
China	0.4	1.37	1.65	1.90	2.39	-22.91
Czech Republic	0.4	0.32	1.60	15.58	1.20	-50.24
Malaysia	0.4	3.45	4.37	19.11	1.90	-26.84
India	0.3	-1.94	0.29	3.37	2.69	-9.55
Philippines	0.2	-1.25	1.97	12.39	2.33	-10.61
Nigeria	0.1	-1.63	-3.78	14.09	2.29	-4.45
Ukraine	-0.3	-2.96	0.93	32.50	6.34	19.04
Cote d'Ivoire	-0.3	-4.37	-2.45	32.41	5.99	14.73
Colombia	-0.3	-4.61	-2.41	24.77	10.72	-2.30
Georgia	-0.3	-5.73	0.26	36.76	5.28	14.42
Ghana	-0.3	-2.81	1.68	38.81	6.63	22.24
Kenya	-0.4	-4.34	-2.48	32.14	8.00	21.92
El Salvador	-0.4	-3.68	1.32	34.78	3.64	56.97
Sri Lanka	-0.4	-2.22	-1.20	41.51	7.06	31.32
Ecuador	-0.5	-0.78	0.83	36.76	10.70	49.06
Argentina	-1.0	-1.37	0.27	49.93	21.20	59.24



Country	10Y nominal yields	Z score	Real 10y yields - Current	Real 10y Z - score	Real 10y - 0Y forecast	Term premium Z/y0y	Term premium Z - score	Cost of hedge - 2%	Hedged yield
South Africa	9.44	1.28	5.34	3.01	5.99	4.27	3.32	4.13	5.31
Malaysia	2.89	-2.94	5.79	3.42	3.33	0.58	0.25	2.14	0.76
Indonesia	7.13	-0.17	4.84	1.50	4.07	1.47	1.51	3.11	3.98
Brazil	6.99	-1.90	5.05	-0.30	4.43	3.21	1.82	1.69	3.25
Thailand	1.25	-2.05	4.69	2.60	2.35	0.72	-0.17	0.32	0.93
Colombia	6.50	-0.96	3.65	0.19	3.10	3.03	-0.74	3.29	3.21
Mexico	5.99	-0.59	3.15	0.58	3.09	1.17	0.03	5.18	0.81
Israel	0.66	-1.67	2.23	0.49	0.96	0.61	-2.38	-0.57	1.23
Peru	3.89	-1.74	2.21	-0.82	2.09	2.93	1.72	1.25	2.64
Romania	3.91	-0.67	1.65	-0.43	1.31	0.51	-1.18	2.66	1.25
South Korea	1.37	-0.17	1.67	0.71	0.67	0.58	0.45	0.08	1.29
Singapore	0.87	-2.78	1.57	0.45	1.17	0.59	-0.94	0.18	0.69
Turkey	11.68	0.13	0.29	0.38	1.18	2.70	1.27	32.68	1.00
Philippines	3.27	-1.97	1.17	-0.54	1.07	0.64	-1.91	2.28	0.99
USA	0.71	-2.76	0.61	0.05	-0.09	0.51	-1.00		
India	5.82	-2.51	-0.02	-0.64	1.02	1.48	3.52	4.39	1.43
Hungary	2.31	-1.05	0.11	-0.98	-0.69	1.18	-0.30	0.40	1.91
Chile	2.48	-2.17	-0.32	-1.09	-0.62	2.24	2.48	0.00	1.43
Germany	-0.40	-1.37	-1.00	-0.67	-0.80	0.26	-1.84		
Poland	1.43	-1.81	-1.47	-2.42	-1.62	1.21	0.17	0.22	1.21
Czech Republic	0.88	-0.83	-2.02	-1.77	-1.72	0.87	-0.48	0.03	0.84

Currency	FX Score	Deviation from REER 10y average	Real rate	Growth 2020	CAB 2020	Months of FX Reserves/imp orts
SGD	0.35	-3.0%	0.70	-5.7%	15.00	5.47
CNY	0.34	5.1%	1.35	1.7%	0.50	13.90
RUB	0.32	-13.1%	2.10	-4.8%	0.55	13.85
BRL	0.28	-85.2%	-0.25	-6.0%	-1.15	12.92
MYR	0.24	-10.5%	2.50	-2.8%	1.35	5.04
KRW	0.22	-2.0%	0.00	-0.5%	3.90	7.16
INR	0.14	3.0%	-0.80	4.2%	-0.90	7.44
IDR	0.13	-1.4%	1.59	0.3%	-2.20	6.05
MKN	0.08	-21.1%	2.60	-7.7%	-0.40	3.97
THB	0.05	4.2%	1.60	-5.4%	3.50	8.48
COP	0.04	-19.8%	-0.60	-13.8%	-4.00	7.49
CLP	0.00	-12.2%	-1.55	-1.0%	-0.80	4.37
TRY	0.00	-28.8%	-2.25	-4.0%	-1.00	4.75
ZAR	-0.02	-19.4%	0.30	-6.3%	-1.60	4.61
HUF	-0.07	-8.3%	-2.10	-4.4%	-0.80	2.71
PHP	-0.07	7.0%	0.55	-2.7%	-0.50	7.43
PLN	-0.10	-4.2%	-2.95	-3.8%	-0.20	3.83
CHX	-0.15	0.5%	-2.35	-6.8%	-1.00	8.24
PEN	-0.18	7.5%	-1.95	-8.0%	-2.20	10.67
RON	-0.20	0.0%	-0.85	-5.0%	-3.50	4.13
ARS	-0.28	-26.1%	-7.10	-7.4%	-0.15	5.29


Currency	Momentum 200 DMA	RSI 14d	Deviation from REER 1y average	Deviation from REER 10y average	Carry/Vol	Real rate	Cost of hedge
IDR	1.6%	39.00	-0.7%	-1.4%	89%	1.50	11.11
CLP	-1.7%	52.59	-3.2%	-12.2%	0%	-2.58	0.00
PHP	1.5%	44.43	3.8%	7.0%	46%	0.55	2.28
RON	1.2%	41.04	1.1%	0.0%	38%	-0.85	2.82
HUF	0.6%	38.58	-2.7%	-8.3%	4%	-2.02	0.40
PLN	0.1%	41.55	-2.2%	-4.2%	2%	-2.95	0.22
KRW	-1.1%	45.28	-1.6%	-2.0%	1%	0.00	0.06
CZK	0.0%	37.36	-3.1%	0.5%	0%	-2.38	0.03
SGD	-0.4%	38.58	-1.2%	-3.0%	4%	0.70	0.18
CNY	-0.5%	45.58	0.6%	5.1%	41%	1.35	1.88
THB	0.2%	22.68	-3.9%	4.2%	6%	1.60	0.32
COP	-4.7%	49.52	-4.8%	-19.8%	21%	-0.65	3.29
MYR	-1.4%	41.55	-4.1%	-10.5%	26%	2.50	1.64
PEN	-3.2%	68.05	3.8%	7.5%	18%	-1.53	1.25
RUB	-3.0%	40.75	-5.2%	-13.1%	33%	2.10	4.58
INR	-4.4%	55.25	-1.2%	3.0%	67%	-0.80	4.40
MXN	-7.4%	45.33	-12.2%	-21.1%	31%	2.60	5.18
BRL	-13.9%	49.13	-21.3%	-35.2%	8%	-0.25	1.69
ZAR	-8.3%	44.69	-11.8%	-19.4%	24%	0.30	4.13
TRY	-10.6%	54.55	-6.9%	-28.8%	78%	-2.25	12.54
ARS	-12.1%	92.84	6.2%	-26.1%	406%	-7.10	61.74

Source: FitchConnect, IMF, Worldbank, Datastream, Bloomberg, DPAM



# Fundamental Analysis

## Conviction Portfolio Based on Bottom-Up Macro- and Political Risk Analysis

BRAZIL	
	
Luiz Inacio Lula da Silva (2022)	
Population (MM)	227.55
GDP per capita (USD MM)	8,918
<b>DPAM CREDIT SCORE</b>	
Economic Score	4.0
Institutional Score	7.0
Fiscal Score	8.1
External Score	1.5
<b>Overall Score/Rank</b>	<b>5.2 / 27</b>
<b>DPAM ESG SCORE</b>	
ESG score	60.86
ESG Rank	11
ESG Quartile	1
Rating	Ba2/BB-/BB
Last Update	11/09/2023

ECONOMIC STRENGTH
Largest economy in Latam, most diversified in the region
Extremely credible central bank. High level of international reserves. For instance, they warned on fiscal policy after the Lula victory, giving a more hawkish statement and willingness to look at the effects on inflation expectations. Expect to be careful on the timing of the first rate cut.
BOP improving on strong exports (China re-opening, grain crop) and slowing imports on lower consumer demand
Strong capital and liquidity ratios in the banking sector
Cheap and abundant green energy will continue to attract investment

POLITICAL STRENGTH
Lula is creating volatility, Haddad does the opposite
Transition PEC approved (145 BN or 1.5% of GDP) spending outside the spending cap, but less than asked for. Also it implies a new spending cap to be proposed and voted by August.
Haddad serves as an anchor, leading to a more pragmatic approach with an eye on the fiscal situation
Under the new fiscal framework, expenditure will be allowed to rise annually by up to 70 per cent of the preceding year's increase in government income. Within this, spending must grow annually by a minimum of 0.6 per cent above inflation, up to a maximum of 2.5 per cent.

OPPORTUNITIES
Favourable Term of Trade (ToT) and bullish outlook for commodities are supportive for BRL
Very low hard-currency denominated government debt (4.0%) and low foreign investor participation (9.4%)
Haddad proposes to increase revenues by R\$ 190bn, while reducing expenses by R\$50bn. Reversal of tax exemptions to large non-financial companies, tax credit system review.
Haddad proposal aims at eliminating the primary deficit over the next three years. 2023 -2.2%/2024 0% / 2025 0.5% and 2026 1%. Going forward, extra spending will only be possible when there is extra revenue. He has won an important victory with the partial suspension of gasoline tax subsidies.
The idea is that, while estimating revenue growth for the following year, the government already has the cap for the increase in expenses, regardless of whether the primary goal is attained. However, part of the expenses, such as health and education outlays and the minimum wage adjustment do not comply with the rule of growing below revenues. Bill on transfer prices, use of regional tax credits and reversal of tax breaks have already passed.
Trade surplus has had a structural shift up since COVID (USD 8bn in April 23) but exports in mining and agriculture hide Brazil's persistent manufacturing and services deficits. Oil exports are rising year by year.
The government proposes replacing five taxes, grouping them together to form a dual value-added tax (VAT), comprising Contribution on Goods and Services ("CBS") under the jurisdiction of the federal Government, and a tax on Goods and Services ("TBS"), shared among states. The bill also creates a Selective Tax ("IS") for products that are detrimental to household health and the environment, which will be defined by complementary law.

VALUATION
Attractive carry-to-vol and real 10y rates
Deep and liquid local bond market, including ILB bonds
Probably one of the countries that is the furthest ahead in its monetary tightening process, resulting in a positive real-benchmark rate.

ECONOMIC WEAKNESS
PEC 55, approved in 2016 (Temer) freezes public spending for two decades, allowing healthcare, pension, infrastructure and defense expenditures only to rise with the rate of inflation. However, 95% of the budget is ringfenced and continuous attempts are made to bypass the cap (e.g. precatores)
Interests on outstanding debt outpace nominal GDP growth for years, resulting in a 'debt snowball effect'. Debt servicing costs are high, with interest/revenues at 20.1% and rising. Debt/GDP at 83-84% in 2023.
The PEC transition bill approved in Congress allows 2% of GDP of above cap spending, significantly weakening fiscal results in 2023
The 3.00% inflation target (2y ahead) is de-anchoring recently.
Vulnerability on weak Chinese economy (agricultural commodities) but oil exports increase and will continue to increase
Nominal growth pumped up revenues but is also used as denominator for public debt.

POLITICAL WEAKNESS
Fragmented congress with a majority of conservatives in both Senate and House of Representatives, makes reforms more difficult.
Government is pushing for large, above cap spending - Congress moderated proposal, but not as much as expected.
AUXILIO BRAZIL above cap spending (145BLN) -> MADE IT EASIER GOING FORWARD via Complementary Law Project (simple majority) <-> Constitutional Amendment
Lula has not hidden his dissatisfaction with Roberto Campos Neto's management at the Central bank. He wants to change the current inflation target (3.25% in 2023 and 3.00% in 2025)
Lula is discussing changes to the pricing of Petrobras (extension of fuel limits till H2 will cost 53BN or 0.6% of GDP)
Discussion of minimum wages ongoing
Political interference at state banks
The administration can eliminate the budget deficit without increasing taxes. Revenue collection goals are too optimistic and criticise the absence of any meaningful reduction in spending.

THREATS
Deforestation is a national security risk for Brazil. Hydro electricity generation accounts for 64% of Brazil's electricity. Rainfall in the Amazon changes upon deforestation, affecting water supplies. Urban productivity increases lead to less demand for land (Worldbank Study).
The structurally low growth in Brazil is a result of 'crowding out' of the private sector. High debt levels and accompanying high rates, have favored investments in sovereign debt, rather than investing the money into the real economy; Also it raised the cost for private sector financing; It has the lowest investment rates amongst BRIICS countries (12%). Brazil made little progress in diversifying its economy. Manufacturing added value dropped from 34% of GDP to less than 10% (Dutch disease and middle income trap). Brazil dropped on the Economic Complexity Index in recent years.
Almost 80% of Brazilian families are indebted and 30% of them are struggling to service their debt due to the extremely high levels of interest rates on private loans. High income inequality.
Change state-owned company laws, reducing quarantine time for politicians from 36 months to 30 days, could induce more interference in governance
High level of income inequality and polarization (Bolsonaro)
Brazil ranks low (124th on 190) in the ease of doing business, far below other BRIICS; it ranks 106th on 180 on the CPI index (#corruption index)(behind South-Africa 70th)(#Lava Jata corruption scandals)

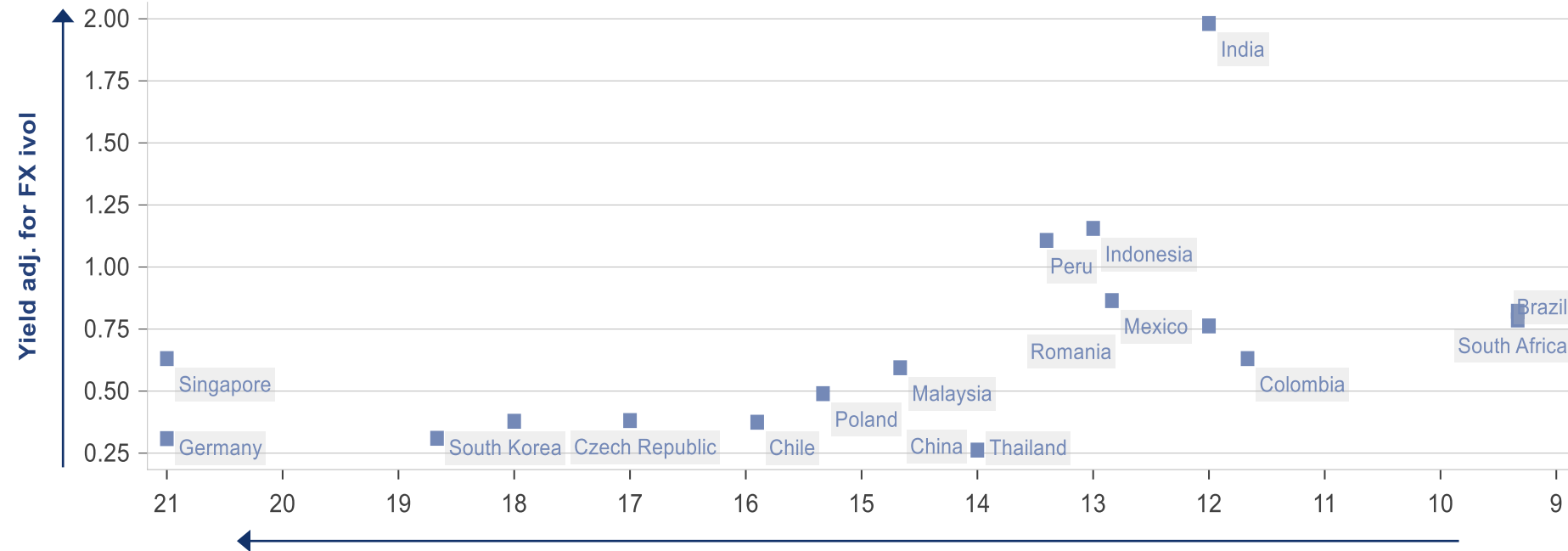
VALUATION
70% of the debt stock is indexed on monetary policy rate (Letras) or inflation (B/C series)
Crowded on the side of the BRL, move below 5 vs USD unlikely for now



# Valuation Process

Cheap / Dear analysis

## Risk-adjusted returns



FC LT sovereign debt rating, numerical (1 worst to 21 best)

DPAM, Macrobond, Bloomberg, World Bank, 22/02/2024



# 03 Portfolio Construction



Aim to build a **well-diversified portfolio** with sustainability considerations (min 40% of AUM in countries of the top quartile, max 10% invested in the last quartile), concentration risks and the unconstrained investment view



The Fund is **not managed against any specific benchmark**. It will refrain from investing in countries solely with the aim of getting closer to a benchmark



# Fixed Income Expertise

It's a Team Effort



## Rates

- Euro government
- Global government
- Inflation linked
- **Emerging government**



## Credit

- Euro Investment Grade
- High Yield & Emerging Corporate
- Convertibles (Paris)



## Multi-Strategy

- Unconstrained Investment Grade
- Unconstrained High Yield
- Climate (Thematic)



Country & ESG  
Research



Credit & ESG  
Research



Macro Economic  
Research



Data  
Analysis



# Global Themes

## Top-Down Approach

### Inflation Outlook

#### INFLATION OUTLOOK: UPSIDE RISKS

##### SUPPLY SHOCKS

- Real estate prices: asset-rich versus asset-poor consumers
- Oil: increasing cost of finding and extracting oil relative to the general price level since 1970
- End of Moore's Law: for past 40 years we could buy a new phone, PC or laptop every 18 months with twice the power for the same price. That stopped.
- Monopoly: rise of market power in US and globally has depressed consumers' welfare but provides mega large caps with pricing power.
- Cost of going Green: for every 1% increase in renewable power in electricity grid consumers face 5% increase in electricity bill (generators are intermittent so need for idled baseload to cover...is costly)
- Deglobalization: globalization has "helped" lower the Western middle classes' share of global income growth. Expect fiscal policy to start addressing this inequality
- Supply chain reshoring/onshoring

##### DEMAND SHOCKS

- Across the cycle fiscal stimulus (supporting demand)
- Growing welfare & dependency culture (supporting demand)
- Growing geopolitical stress leads to rising militarization (supporting demand)
- Lockdowns (loss of demand)

### DM Monetary Policy



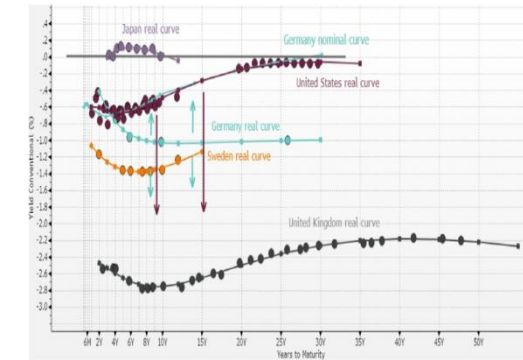
### Global Real Rates

#### GLOBAL REAL RATES

Keep an eye on the *5Y5Y* US inflation swap indicator. Flexible FED QE program holds 10 year *UST* between 0.50% and 1.00%. Investors seeking inflation protection push 10 year real rates deeper into negative territory. Inflation expectations rise. *US TIPS* are part of the FED QE package. We observe a break-down of a historical relationship.

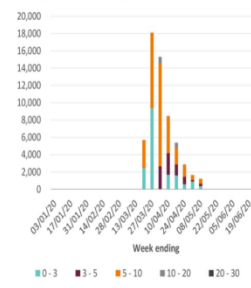


### DM Curves

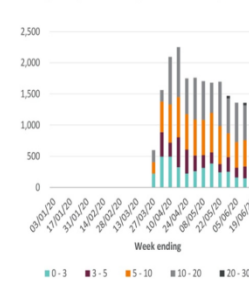


### QE

Weekly RBA purchases of government bond (AUD m)



Weekly RBNZ purchases of government bonds (NZD m)



### US Treasury Cash Balance

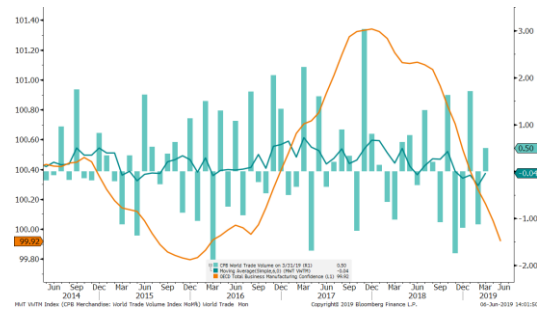




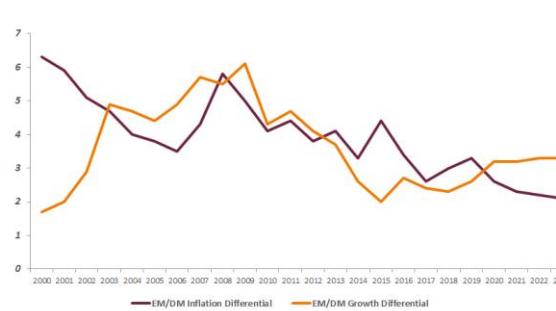
# Emerging Market Themes

## Top-Down Approach

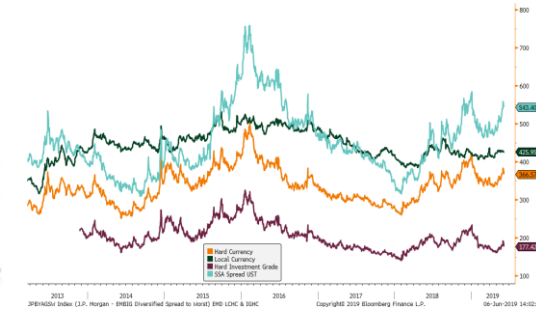
### World Trade and Business Confidence



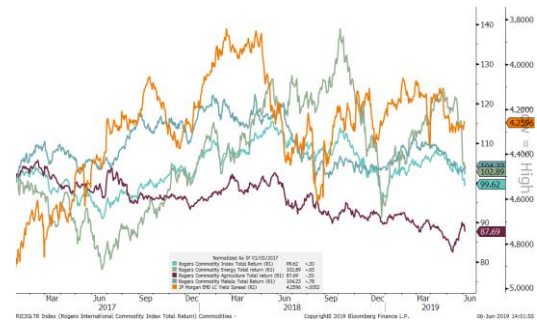
### Growth and Inflation Outlook



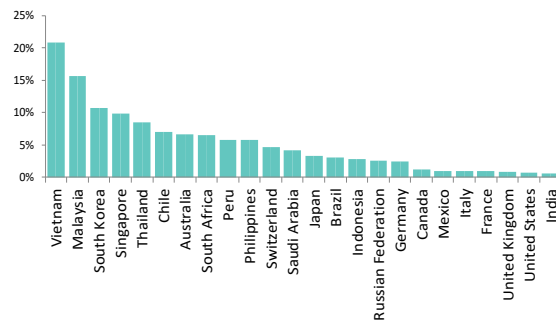
### Spreads EM versus DM



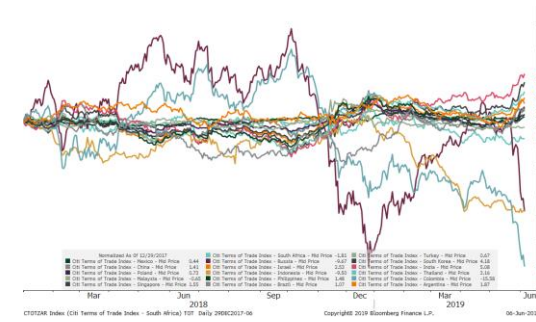
### Commodities



### Exports to China



### Real Effective Exchange Rates





# Current Portfolio Construction

Sustainable	Democracy	<ul style="list-style-type: none"><li>• Exclusion of countries defined as 'Not Free' by the Freedom House</li><li>• Confirmed 'Authoritarian' by the EIU</li></ul>
	ESG Ranking	<ul style="list-style-type: none"><li>• Minimum 40% in the top quartile</li><li>• Maximum 10% in the bottom quartile</li><li>• Transition of 3 months</li></ul>
Risk	Country Weight	<ul style="list-style-type: none"><li>• Maximum 15% per individual country (3% for frontier countries)</li><li>• Total frontier markets weight maximum 20%</li></ul>
	Currency Exposure	<ul style="list-style-type: none"><li>• Maximum 30% hard currency</li><li>• Maximum 20% per single currency</li></ul>
	Issue Size	<ul style="list-style-type: none"><li>• Minimum USD 100 million outstanding at the time of purchase</li><li>• Maximum 10% of the outstanding issue size</li></ul>
	Rating	<ul style="list-style-type: none"><li>• No minimum rating</li><li>• Maximum 30% of non-rated bonds</li></ul>
	Other	<ul style="list-style-type: none"><li>• Maximum 10% cash</li><li>• Derivatives allowed for hedging and investment</li><li>• No uncovered short FX</li></ul>





# FX Strategy

## DPAM L Bonds Emerging Markets Sustainable

The Fund aims to be fully invested in local currency bonds, “carrying” the full FX risk. Decomposition of EMD Total Return shows that the carry on the bonds largely compensates the investor for the FX risk. Whilst FX volatility is closely monitored and part of the investment decision, alpha creation via FX strategies is not targeted.

In times of expected FX volatility and/or depreciation, the fund might hedge some or all the FX exposure by selling FX exposure forward (NDF). When the hedging cost exceeds the yield on the bonds, the fund will consider selling the bonds.

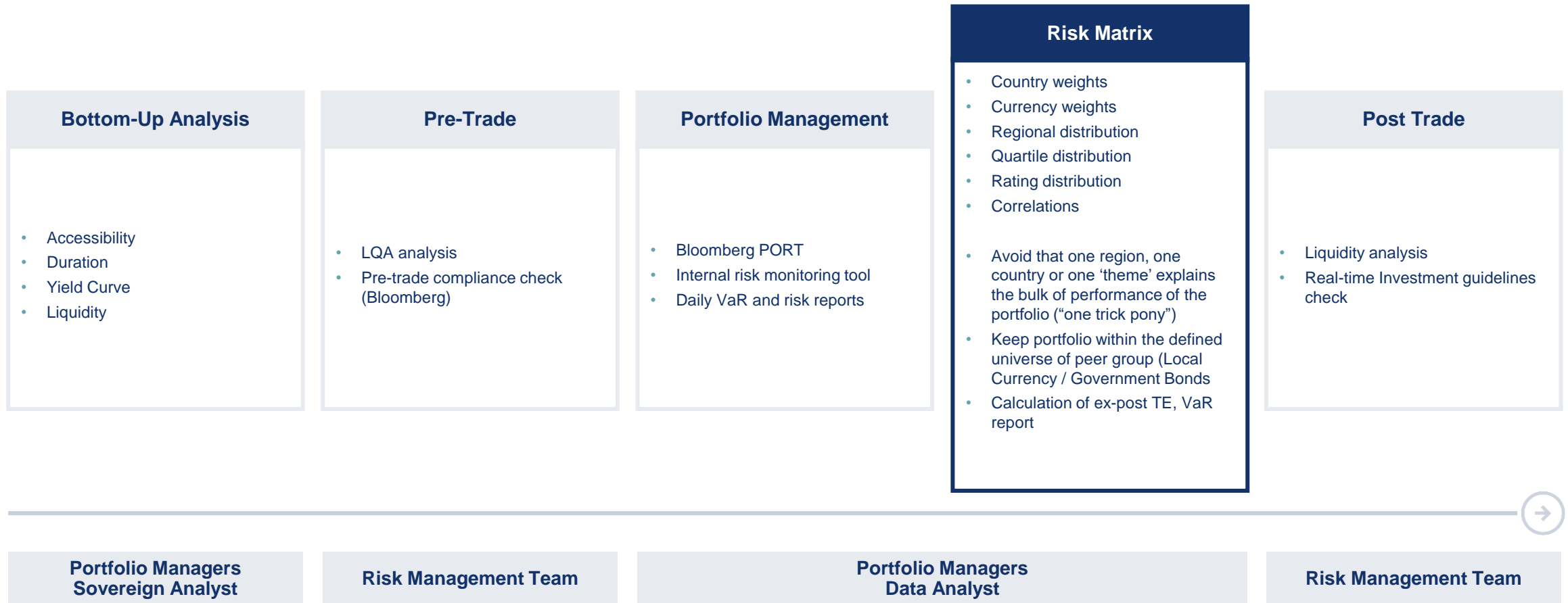
Under no circumstances the fund is allowed to sell FX exposure without underlying bond position.

It is allowed to buy FX exposure without an underlying bond position or in addition to an existing bond exposure. The fund could for instance do so, when the implied forward yield on the NDF is more attractive than the yield of the bond.



# Risk Monitoring

## From Conviction to Portfolio

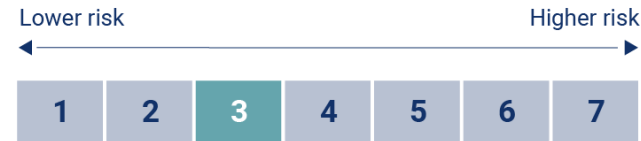




# Risk & Reward Profile

## Risk and Reward Profile

### Summary risk indicator (SRI)



SRI calculated according to PRIIPs (EU) N° 1286/2014 regulation

## Product Characteristics

### No Benchmark

The sub-fund is actively managed, and no benchmark is used

### ISIN CODE (F) LU0907928062

DPAM L Bonds Emerging Markets Sustainable is a sub-fund of DPAM L Fund, SICAV under Luxembourg law

### SFDR Article 9

The sub-fund has a sustainable investment objective according to SFDR framework



# Potential Risks



**Depreciation of currencies**



**Spread widening**



**Credit risk**



**Illiquidity of securities, more difficult to sell**



**Operational and management risk including concentration and counterparty risk**



**Rising interest rates**

**Credit Risk**

Risk that a bond will lose all its value if the issuer of the bond is unable to repay its debt on the due date

**Currency Risk**

The fund may be invested in assets denominated in currencies other than EUR and could therefore be affected by fluctuations in exchange rates

**Liquidity Risk**

Some financial securities may be impossible to sell quickly at a given instant or may have to be sold at a discount

**Counterparty Risk**

The sub-fund can lose money as a result of the failure of a market player with which it does business

**Operational Risk**

In any market, especially in emerging markets, the sub-fund may lose some or all of its money in the event of default in the custody of assets, fraud, corruption, political measures or any other adverse event

**Concentration Risk**

Where the sub-fund concentrates its investments on one country (or one region or sector) that is affected by an adverse event, its value may fall

**Management Risk**

Under abnormal market conditions, standard management techniques may be ineffective or unfavorable

**Derivatives Risk**

Some derivatives may increase the volatility of the sub-fund or expose the sub-fund to losses higher than the price of these derivatives



# Investment Process and Risk Control

Risk Management at all Levels

Level

**03**

**Audit**

**Ad-Hoc  
Control**

**Independent  
Control**

**02**

**Risk Management & Compliance**

**Permanent  
Control**

**01**

**Portfolio managers & Operational Activities**



# Investment Guidelines

Sustainable	Democracy	<ul style="list-style-type: none"><li>• Exclusion of countries defined as 'Not Free' by the Freedom House</li><li>• Confirmed 'Authoritarian' by the EIU</li></ul>
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# Portfolio Management

## Emerging Markets Sustainable Team



**Michaël Vander Elst**  
Fund manager  
Industry: 35 Years  
DPAM: 6 Years

Michaël joined DPAM in 2018 as lead Fund Manager for the emerging markets strategies. Prior to this, he managed the interest rate risk in the banking book at AXA Bank Europe. He has more than 30 years of experience in fixed income markets, including many years as Head of Government Bonds at ABN AMRO in the Netherlands and BNP Paribas Fortis in Brussels. Michaël holds a Master Degree in Applied Economic Sciences from the KU Leuven and specialized in International Economics and Diplomacy. In 2024, Michaël studied History of Latin America at the KU Leuven.



**Hugo Verdiere, CFA**  
Fund manager  
Industry: 17 Years  
DPAM: 5 Years

Hugo joined DPAM in 2019 as Fund Manager for the EMD LC strategy. Prior to this and since 2006, he built a career in Fixed Income Portfolio Management and Analysis, at various European Asset Managers and Banks. Hugo holds a Masters Degree in Management from the ESSEC Business School, and he is a CFA charterholder.



**Thomas Timmerman**  
Fund manager  
Industry: 3 Years  
DPAM: 1 Years

Thomas joined DPAM in 2023 as Fixed income Fund Manager for mandates. In this role he manages the emerging markets mandates in collaboration with Hugo and Michaël. Prior to this role, he was a business System Analyst at Wolters Kluwer. Thomas holds a Master of science in Applied Business Economics and in Banking & Economics from the University of Ghent.



**Ophélie Mortier**  
Chief Sustainable  
Investment Officer  
Industry: 22 Years  
DPAM: 19 Years

Ophélie joined DPAM as a sales and account manager in 2005, before establishing the Responsible Investment Competence Center (RICC) in 2012. She began her career in 2002 as a consultant with Pragma Consulting. Ophélie holds a Master in Commercial and Financial Services from ICHEC Brussels Management School.



# Credible Sustainability Approach

Externally Recognized by an Independent Third Party



**DPAM L Bonds Emerging Markets Sustainable received the LuxFLAG ESG LABEL (from 2018 onwards)**

The Luxflag ESG label is the sustainability label awarded by the Luxembourg Finance Labelling Agency. More information on <https://luxflag.org/labels/esg/>



**International non-profit association** backed by 7 credible private and public partners



Founded in 2014 to reassure investors of **A fund's incorporation of ESG considerations**



**Evidence of ESG screening** required for 100% of the portfolio according to LuxFLAG's ESG principles



**Independent audit** of the investment process & practices by an external auditing firm



**Extensive application review** by a panel of industry experts, academics and researchers



**Annual proof of compliance** and panel review required to obtain label renewal





# The Net Zero Asset Managers Initiative

273 Signatures with USD 61.3 Trillion in AUM

Founding Network Partners



## What we commit to

### Going Beyond: a Thorough Feasibility Study Resulted in a Net Zero Commitment

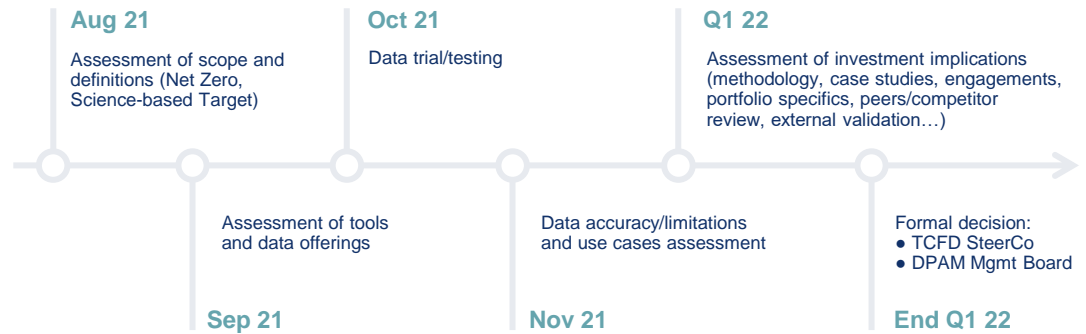
# 01

Support the goal of net zero green house gas emissions by 2050 or sooner, to limit global warming to 1,5°

# 02

Support investing aligned with net zero emissions.

### Feasibility Study Timeline



Disclaimer: the exact approach and methodology is to be approved by an external party, i.e. CDP

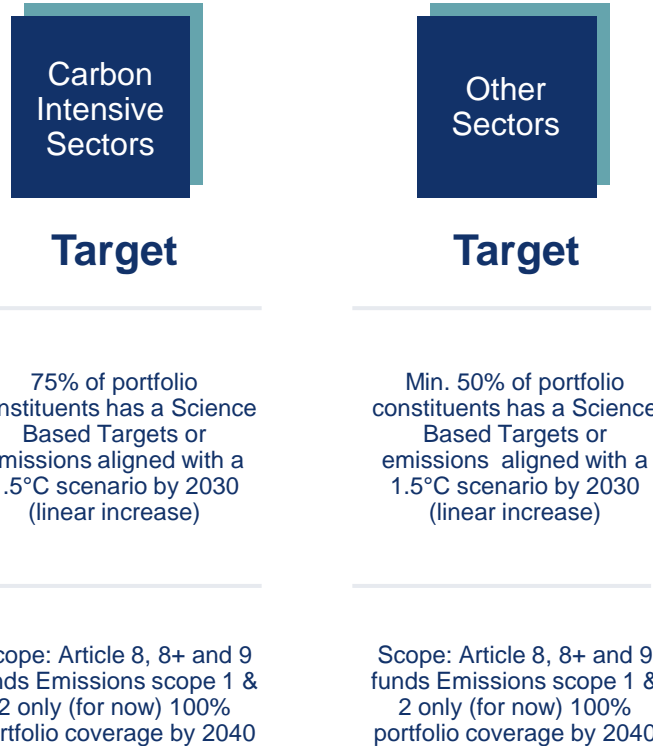


# The Net Zero Asset Managers Initiative

273 Signatures with USD 61.3 Trillion in AUM

## How we Align Net Zero & Risk Exposure Impact

### Science Based Targets Portfolio Coverage Approach



### Engagement until 2025

- Collaborative: annual collaborative engagement via 'CDP SBT campaign.'
- Individual: focus on TCFD assessment scope.

### Engagement post 2025

- TBD (more focus on escalation; voting/resolutions/statements/divestment)



# Fixed Income

## Fund Managers



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income,  
Member of the Management  
Board

25 '09

### Government Bonds

#### Euro Government



**Lowie Debou, CFA**  
Fund manager  
07 '16



**Ronald Van Steenweghen**  
Fund manager  
18 '07

#### Global Government / Sustainable



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income  
25 '09



**André Figueira de Sousa**  
Fund manager  
12 '22

### Emerging Markets

#### Emerging Markets Sustainable



**Michaël Vander Elst**  
Fund manager  
35 '18



**Hugo Verdière, CFA**  
Fund manager  
18 '19

### Corporate Bonds

#### Investment Grade / Sustainable



**Anahi Machado Tironi**  
Fund manager  
17 '11



**Steven Decoster**  
Fund manager  
23 '04



**Bernard Lalière**  
Head of Credit  
26 '05



**Marc Leemans, CFA**  
Fund manager  
32 '04

#### High Yield / Emerging Markets Sustainable

### Multi-Strategy

#### Climate Sustainable



**Ronald Van Steenweghen**  
Fund manager  
18 '07



**Anahi Machado Tironi**  
Fund manager  
17 '11

#### Global Unconstrained



**Raffaele Principe**  
Fund manager  
17 '21



**Thomas Timmerman**  
Fund manager  
03 '23



**Peter De Coensel\***  
CEO DPAM  
33 '09



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income  
25 '09

### Data Analysis

#### Fixed Income



**Dorian Vanham**  
Fixed Income Data Analyst  
05 '23



# Fixed Income Research

Dedicated fundamental research teams covering Credit and Sovereign



**Arthur Homo**  
Head of Buy Side Credit Research

18 '15



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income,  
Member of the Management Board

25 '09

## Buy-Side Credit Analysts

## Sovereign Analysts



**Arthur Homo**  
Industrials and Basic Resources

18 '15



**Michaël Oblin**  
Utilities and Real Estate

32 '13



**Larissa Joubert**  
ESG analyst

12 '21



**Sara Farias de Carvalho Martins**  
ESG analyst

04 '23



**Vasylyna Sheremeta**  
Retail, Consumer goods, Food & Beverage,  
Paper & Packaging

01 '24



**Filipe Carvalho**  
Sovereign Emerging Markets Analyst

08 '24



**Bart Jooris**  
TMT and Automotive

30 '13



**Jonathan Marin, CFA**  
Banks, Insurance,  
Construction & Materials

12 '19



**Jan Patteyn**  
Convertible Bonds, Travel/leisure,  
Investment Holding Companies,  
Chemicals, Healthcare

10 '22



**Rachel Yuan Xu**  
Asia EM Non-Financial  
Corporates

09 '21



**Yixia Zhang**  
Asia Financials

08 '23



**Félicie Jonckheere**  
Sovereign Developed Markets Analyst

01 '24





# Credit Research

A sectorial division supporting a deep sector expertise



**Arthur Homo**  
Head of Buy Side Credit Research

18 '15

## Buy-Side Credit Analysts



**Arthur Homo**  
Industrials and Basic Resources

18 '15



**Michaël Oblin**  
Utilities and Real Estate

32 '13



**Larissa Joubert**  
ESG analyst

12 '21



**Sara Farias de Carvalho Martins**  
ESG analyst

04 '23



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Paper & Packaging

01 '24



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Asia Financials

08 '23





# RICC

## Responsible Investment Competence Center



**Ophélie Mortier**  
Chief Sustainable  
Investment Officer (CSIO)

22 '05

### RI Competence Center



**Ophélie Mortier**  
Chief Sustainable  
Investment Officer

22 '05



**Matthew Welch**  
RI Specialist

07 '20



**Florent Griffon**  
RI Specialist

18 '18



**Gerrit Dubois**  
RI Specialist

07 '18



**Julie Gossen**  
RI Specialist

01 '22



**Lina Arrifi**  
RI Specialist

03 '23

### Supported by:

18 Buy-side Equity Analysts

2 Quant research

11 Buy-side Credit Analysts

# Agenda



Why

Strategy  
Highlights

**Portfolio  
Characteristics**

Outlook  
bond markets

Appendix

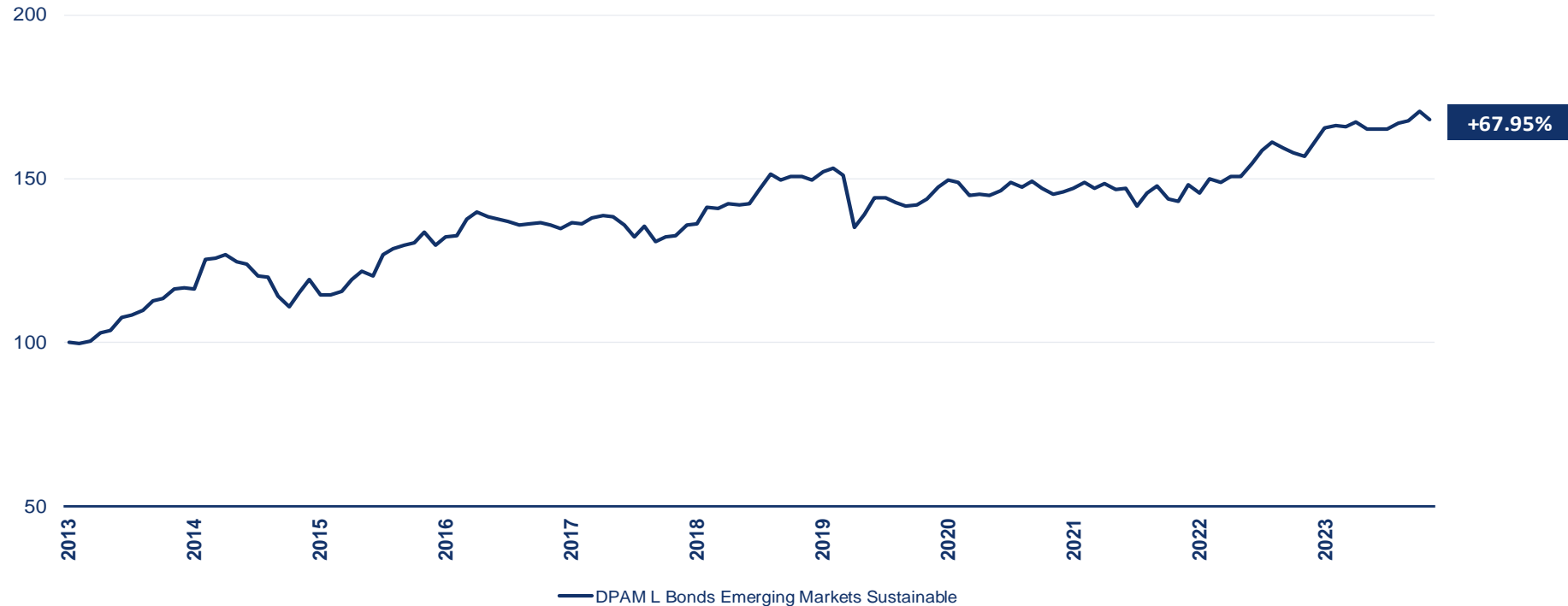


# 10-year fund performance

DPAM L Bonds Emerging Markets Sustainable (F-share)



Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
<b>Fund</b>	16.13%	-1.53%	15.48%	3.29%	-0.13%	11.68%	-1.68%	-1.81%	-0.86%	13.64%	1.50%





# Fund performances

DPAM L Bonds Emerging Markets Sustainable (F-share)



*Past performance does not predict future returns*

## Fund performances (%)

	Portfolio
1M	-1.53
YTD	1.50
1Y	7.11
3Y (annualised)	4.97
5Y (annualised)	2.21
10Y (annualised)	3.74



# Fund metrics and risk ratios

DPAM L Bonds Emerging Markets Sustainable (F-share)

**AuM**      **EUR 3559 million**

## General overview

	<b>Portfolio</b>
Number of positions	224
Issuers	60
Base currency	EUR
YTW (%)	8.28
YTWDW (%)	7.4
YTM (%)	8.28
Maturity	8.32
Modified duration	5.89
Duration	6.3
Average rating	BBB

## Portfolio summary

	<b>Portfolio</b>
Spread duration	5.33
Average coupon	5.66
Average rating	BBB

## Statistics (5 years)

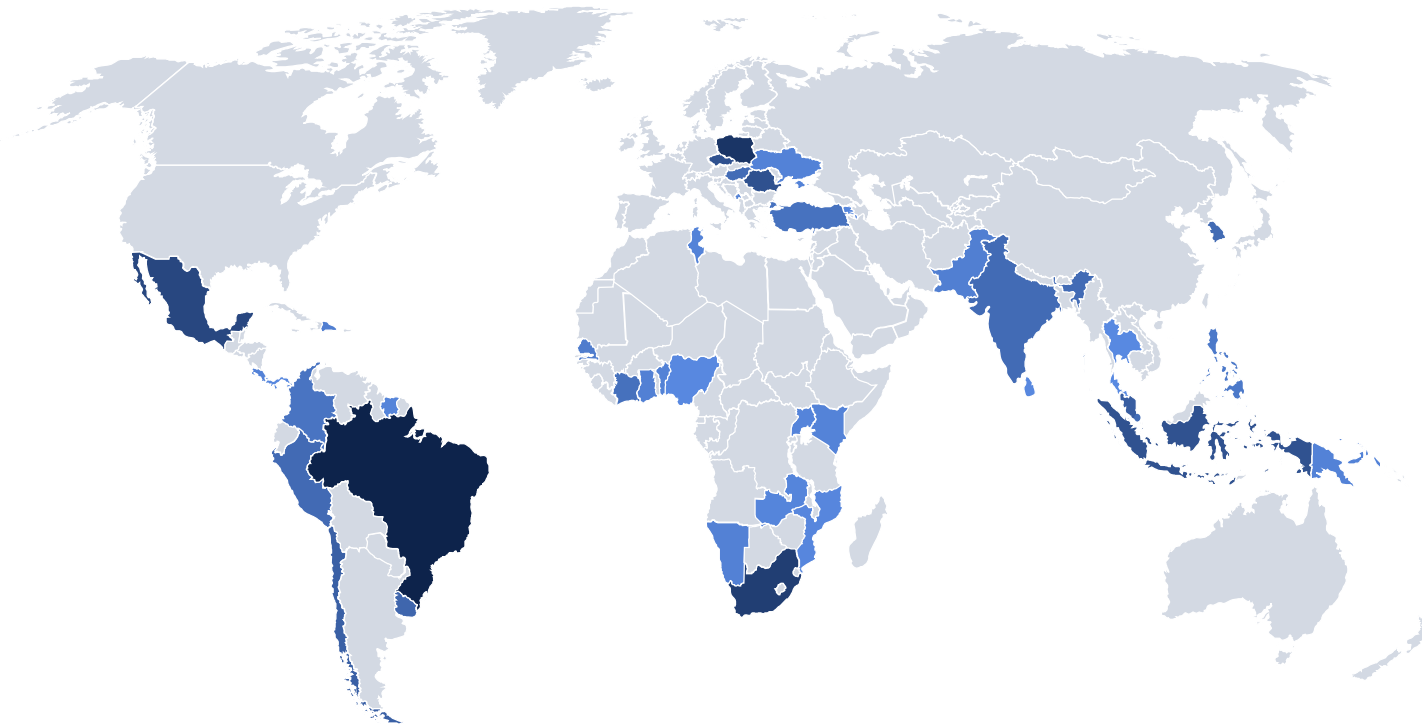
	<b>Portfolio</b>
Volatility	7.46%
Sharpe Ratio	0.16
Downside Deviation	5.8%
Sortino Ratio	0.20
Positive Months	55%
Maximum Drawdown	-11.93%
Risk-Free Rate	1.03%



# Country breakdown

DPAM L Bonds Emerging Markets Sustainable

0%  9.26%

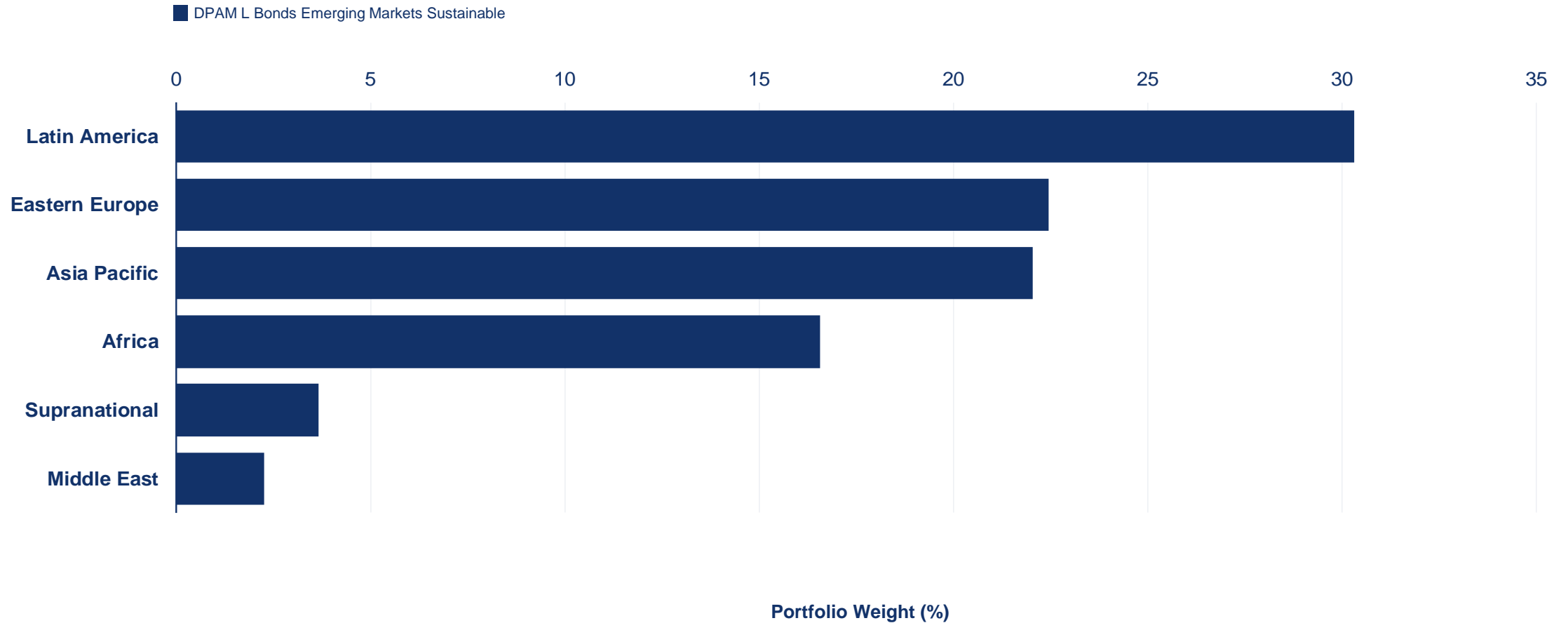


Country	Portfolio weight (%)
Brazil	9.26
Poland	7.65
South Africa	6.84
Mexico	6.06
Romania	5.17
Czech Republic	5.14
Indonesia	5.06
Malaysia	4.07
Chile	3.82
Supranational	3.65
Uruguay	3.30
Peru	2.91
South Korea	2.88
India	2.83
Hungary	2.77
Singapore	2.71
Ivory Coast	2.36
Turkey	2.26
Colombia	2.04
Others	16.50
<b>Total Global</b>	<b>97.28</b>



# Region breakdown

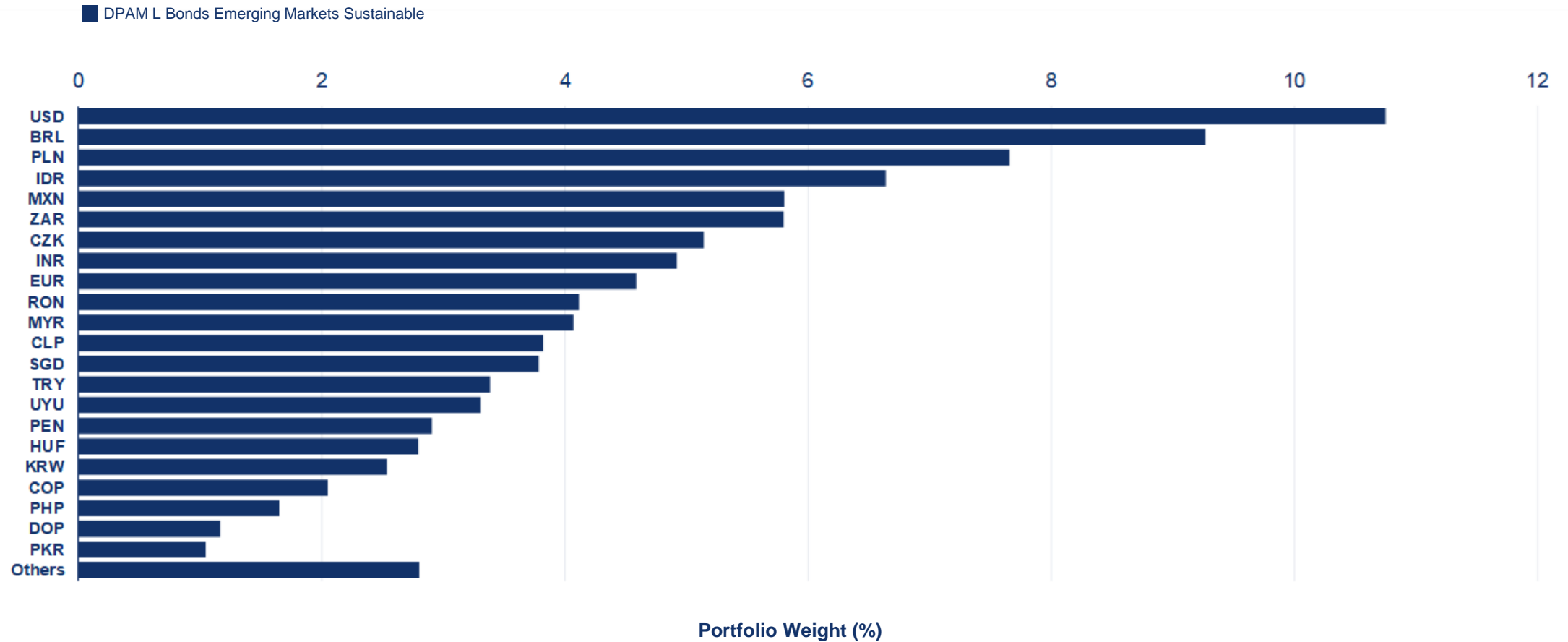
DPAM L Bonds Emerging Markets Sustainable





# Currency breakdown

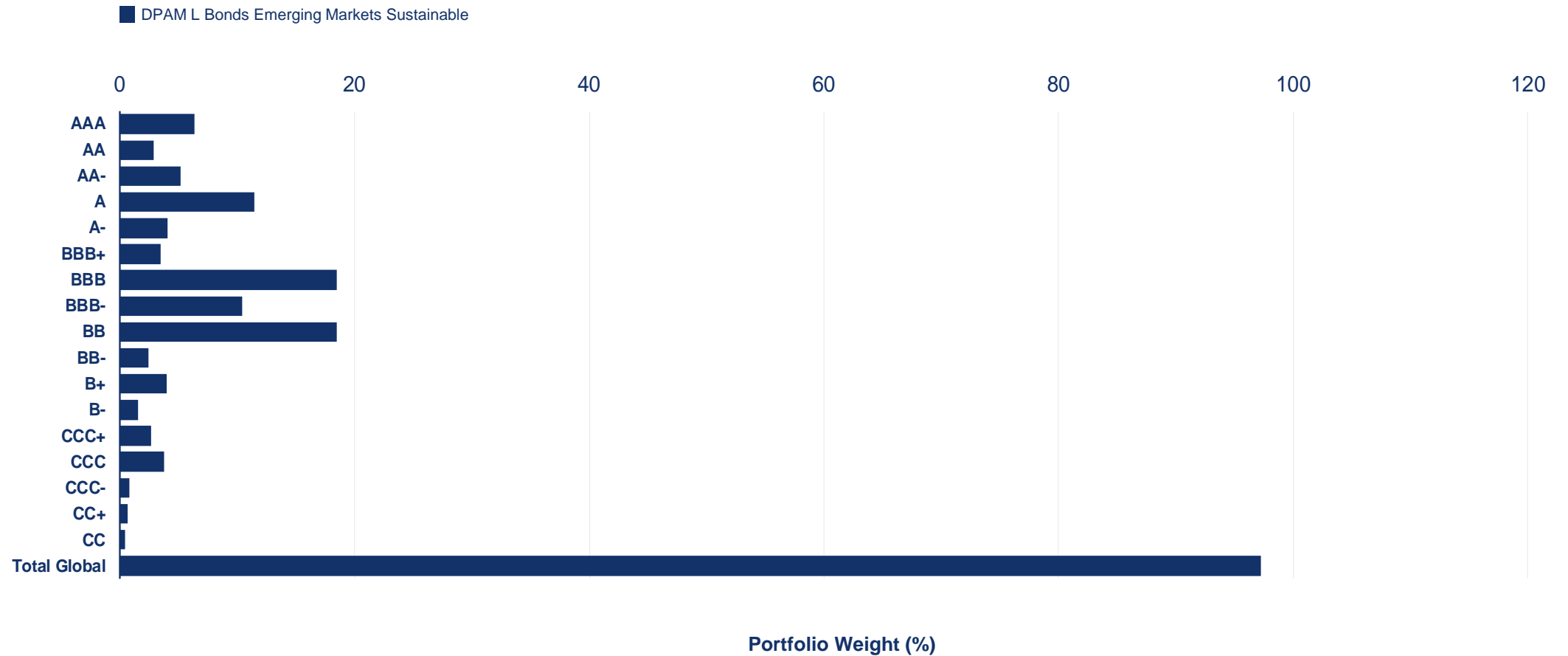
DPAM L Bonds Emerging Markets Sustainable





# Credit rating breakdown

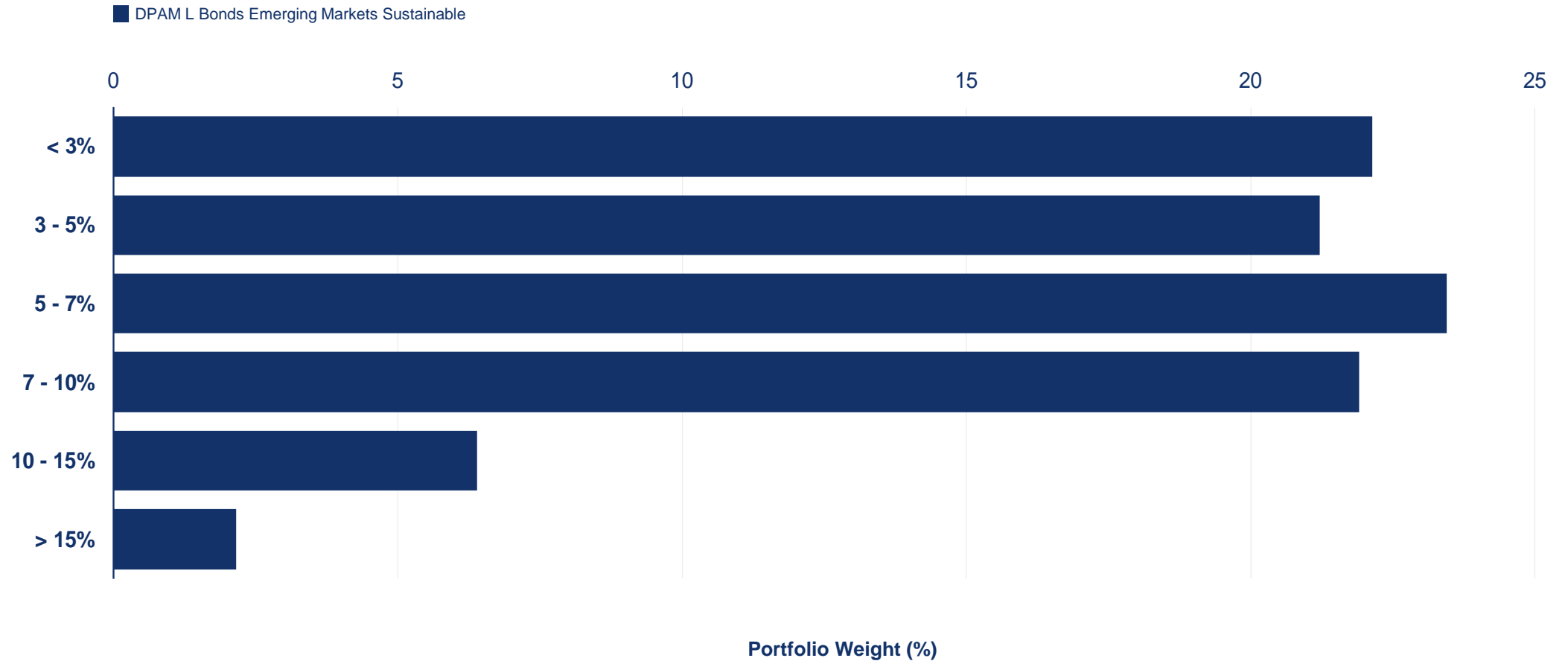
DPAM L Bonds Emerging Markets Sustainable





# Modified duration breakdown

DPAM L Bonds Emerging Markets Sustainable

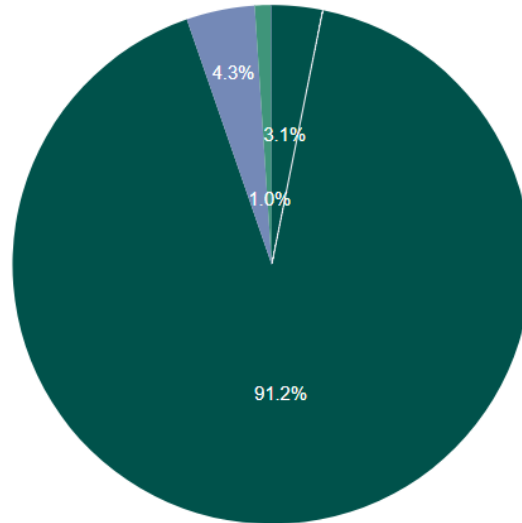




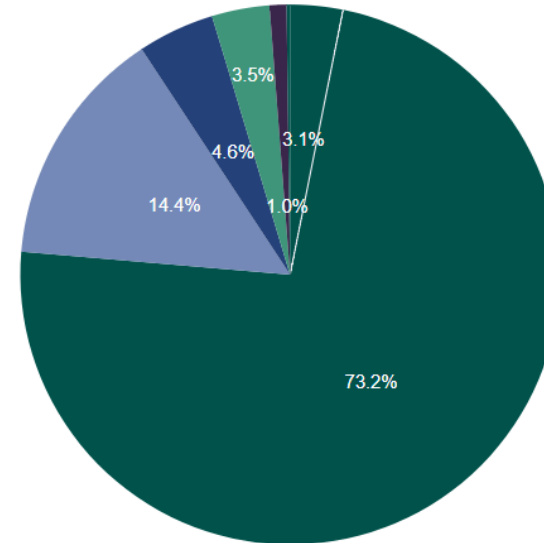
# Portfolio Overview

## Asset Class Breakdown

Asset class Breakdown  
(Market Value, %)



Bloomberg classification Breakdown  
(Market Value, %)



AssetClass ● Bonds ● Cash ● Money Market Papers ● Derivatives

BCLASS4 ● Treasury ● Sovereign ● (Blank) ● Supranational ● Government G... ● Government...

Source: DPAM, 28.06.2024, Based on Bloomberg data: data are temporary and can be different from the management report





# Portfolio overview

Top 20 exposure per country of risk and currency

Country_name	Weight_fund (exp)	Contribution RMD	Contribution YTW
☐ Brazil	8.86%	0.28	1.03
☐ Mexico	8.58%	0.45	0.87
☐ Poland	8.01%	0.48	0.44
☐ United States	7.36%		
☐ Indonesia	6.71%	0.39	0.46
☐ South Africa	6.70%	0.38	0.73
☐ Romania	5.05%	0.33	0.32
☐ Singapore	4.70%	0.04	0.05
☐ Czech Republic	4.63%	0.46	0.19
☐ Uruguay	4.51%	0.35	0.29
☐ India	4.23%	0.19	0.30
☐ Chile	3.68%	0.22	0.21
☐ Malaysia	3.18%	0.30	0.13
☐ Peru	2.80%	0.21	0.20
☐ Hungary	2.65%	0.06	0.09
☐ South Korea	2.65%	0.13	0.07
☐ Ivory Coast	2.40%	0.22	0.21
☐ Colombia	2.23%	0.15	0.23
☐ Turkey	2.14%	0.02	0.82
☐ Senegal	2.01%	0.12	0.20

Currency	Bonds	Cash	Derivatives	Total
USD	8.53%	0.64%	2.85%	<b>12.01%</b>
BRL	8.85%	0.01%		<b>8.86%</b>
MXN	8.58%	0.00%		<b>8.58%</b>
PLN	7.60%	0.01%		<b>7.61%</b>
IDR	6.70%	0.01%	0.00%	<b>6.71%</b>
ZAR	6.70%	0.00%	-1.21%	<b>5.49%</b>
EUR	5.84%	-0.12%	-1.10%	<b>4.63%</b>
CZK	4.63%	0.00%		<b>4.63%</b>
UYU	4.51%			<b>4.51%</b>
INR	4.23%	0.00%		<b>4.23%</b>
RON	3.79%	0.01%		<b>3.80%</b>
CLP	3.68%	0.00%		<b>3.68%</b>
MYR	3.18%			<b>3.18%</b>
TRY	2.13%	0.00%	1.01%	<b>3.14%</b>
PEN	2.80%			<b>2.80%</b>
HUF	1.30%	1.35%		<b>2.65%</b>
SGD	1.48%	2.21%	-1.32%	<b>2.37%</b>
COP	2.21%	0.01%		<b>2.23%</b>
KRW	2.29%		-0.20%	<b>2.09%</b>
DOP	1.16%			<b>1.16%</b>

Source: DPAM, 28.06.2024 - Based on Bloomberg data.  
Data are temporary and can be different from the management report



# Performance contribution YTD

Positive local fixed income performance vs negative FX



Past performance does not predict future returns

	Unhedged Weight (%)	Contribution	CTR (Local Rates)	CTR (FX)		Unhedged Weight (%)	Contribution	CTR (Local Rates)	CTR (FX)
<b>Africa / Middle East</b>	<b>17.19%</b>	<b>1.63%</b>	<b>1.23%</b>	<b>0.40%</b>	<b>Eastern Europe</b>	<b>20.36%</b>	<b>-0.10%</b>	<b>-0.01%</b>	<b>-0.09%</b>
Benin	0.96%	0.04%	0.04%	0.00%	Armenia	0.42%	0.05%	0.02%	0.03%
Ghana	0.78%	0.11%	0.11%	0.00%	Czech Republic	4.01%	-0.15%	-0.07%	-0.08%
Ivory Coast	2.48%	0.08%	0.07%	0.00%	Georgia	0.01%	0.00%	0.00%	0.00%
Kenya	0.60%	0.17%	0.08%	0.09%	Hungary	3.18%	-0.09%	0.04%	-0.12%
Mozambique	0.71%	0.04%	0.02%	0.02%	Montenegro	0.50%	0.03%	0.02%	0.01%
Namibia	0.62%	0.05%	0.03%	0.02%	Poland	7.57%	-0.01%	-0.07%	0.06%
Nigeria	0.10%	-0.01%	-0.01%	0.00%	Romania	4.27%	0.01%	0.00%	0.01%
Senegal	1.40%	0.01%	-0.01%	0.03%	Ukraine	0.40%	0.06%	0.05%	0.01%
South Africa	6.46%	0.61%	0.38%	0.22%	<b>North America</b>	<b>9.69%</b>	<b>-0.57%</b>	<b>-0.10%</b>	<b>-0.47%</b>
Tunisia	1.03%	0.25%	0.23%	0.02%	Bahamas	0.21%	0.02%	0.01%	0.01%
Turkey	1.01%	0.16%	0.21%	-0.06%	Mexico	9.48%	-0.59%	-0.11%	-0.48%
Uganda	0.64%	0.06%	0.03%	0.03%	<b>South &amp; Central America</b>	<b>25.28%</b>	<b>-1.18%</b>	<b>0.08%</b>	<b>-1.27%</b>
Zambia	0.40%	0.05%	0.04%	0.01%	Brazil	9.78%	-1.19%	-0.13%	-1.06%
<b>Asia Pacific</b>	<b>19.51%</b>	<b>-0.07%</b>	<b>0.20%</b>	<b>-0.27%</b>	Chile	3.34%	-0.20%	-0.02%	-0.17%
Indonesia	7.78%	-0.17%	0.04%	-0.20%	Colombia	3.12%	-0.13%	-0.04%	-0.08%
Malaysia	4.89%	0.08%	0.07%	0.00%	Costa Rica	0.77%	0.01%	-0.02%	0.02%
Papua New Guinea	0.79%	0.07%	0.04%	0.02%	Dominican Republic	0.40%	0.02%	0.00%	0.02%
Philippines	0.74%	-0.02%	0.00%	-0.02%	Ecuador	0.01%	0.00%	0.00%	0.00%
Singapore	2.66%	0.03%	0.02%	0.01%	El Salvador	0.21%	0.02%	0.02%	0.00%
South Korea	2.50%	-0.06%	0.02%	-0.08%	Paraguay	0.07%	0.00%	0.01%	0.00%
Thailand	0.15%	0.00%	0.00%	-0.01%	Peru	2.78%	0.00%	0.02%	-0.02%
<b>Central Asia</b>	<b>5.25%</b>	<b>0.41%</b>	<b>0.26%</b>	<b>0.15%</b>	Suriname	0.24%	0.03%	0.03%	0.00%
India	4.36%	0.29%	0.17%	0.12%	Uruguay	4.55%	0.24%	0.22%	0.02%
Pakistan	0.89%	0.12%	0.09%	0.03%	<b>Forwards</b>	<b>-0.02%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>-0.01%</b>
<b>Cash</b>	<b>2.73%</b>	<b>-0.02%</b>	<b>0.00%</b>	<b>-0.02%</b>	Forwards	-0.02%	0.05%	0.05%	-0.01%
USD	0.48%	-0.02%	0.00%	-0.02%	<b>Futures</b>	<b>0.00%</b>	<b>-0.15%</b>	<b>-0.14%</b>	<b>0.00%</b>
EUR	0.36%	0.00%	0.00%	0.00%	Futures	5.45%	-0.15%	-0.14%	0.00%
CHF	0.02%	0.00%	0.00%	0.00%	Derivatives	-5.45%	0.00%	0.00%	0.00%
Other	1.87%	0.00%	0.00%	0.00%	<b>Total</b>	<b>100.00%</b>	<b>0.00%</b>	<b>1.58%</b>	<b>-1.58%</b>

Source: DPAM, 31.05.2024- (\*) Based on Bloomberg data: data are temporary and can be different from the management report. Tables are calculated on gross data and do not include fees. As such the grand total may/will differ from the actual total



# Risk/Return since inception\*

Double alpha at work – Risk/Return

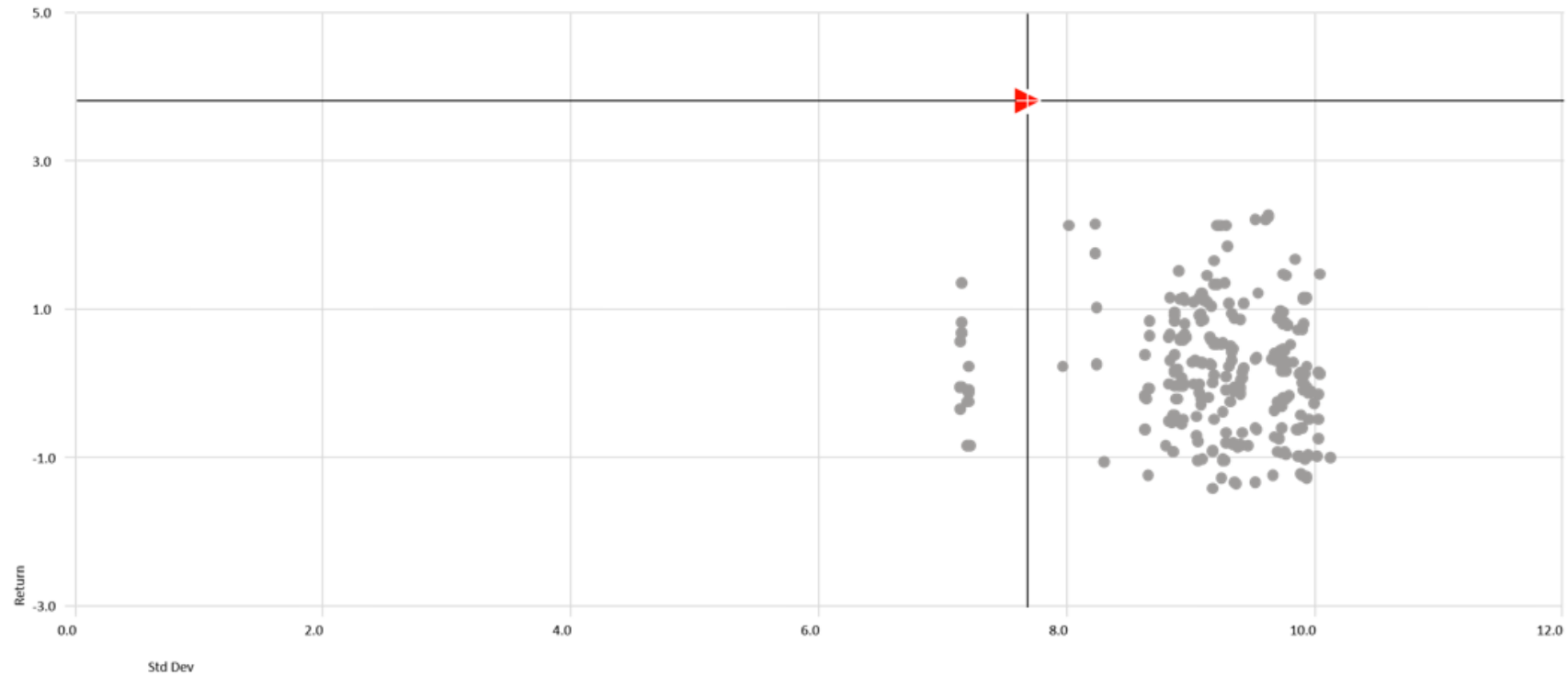


Past performance does not predict future returns

## Risk-Reward

Time Period: 4/1/2013 to 5/31/2024

Peer Group (5-95%): Open End Funds - Europe/Africa/Asia - Global Emerging Markets Bond - Local Currency Currency: Euro Source Data: Monthly Return



▶ DPAM L Bonds Emerging Markets Sust F EUR

\*Actual inception 18/03/2013

Source: Morningstar Direct

Source: Morningstar Direct, 31.05.2024



# Relative performance

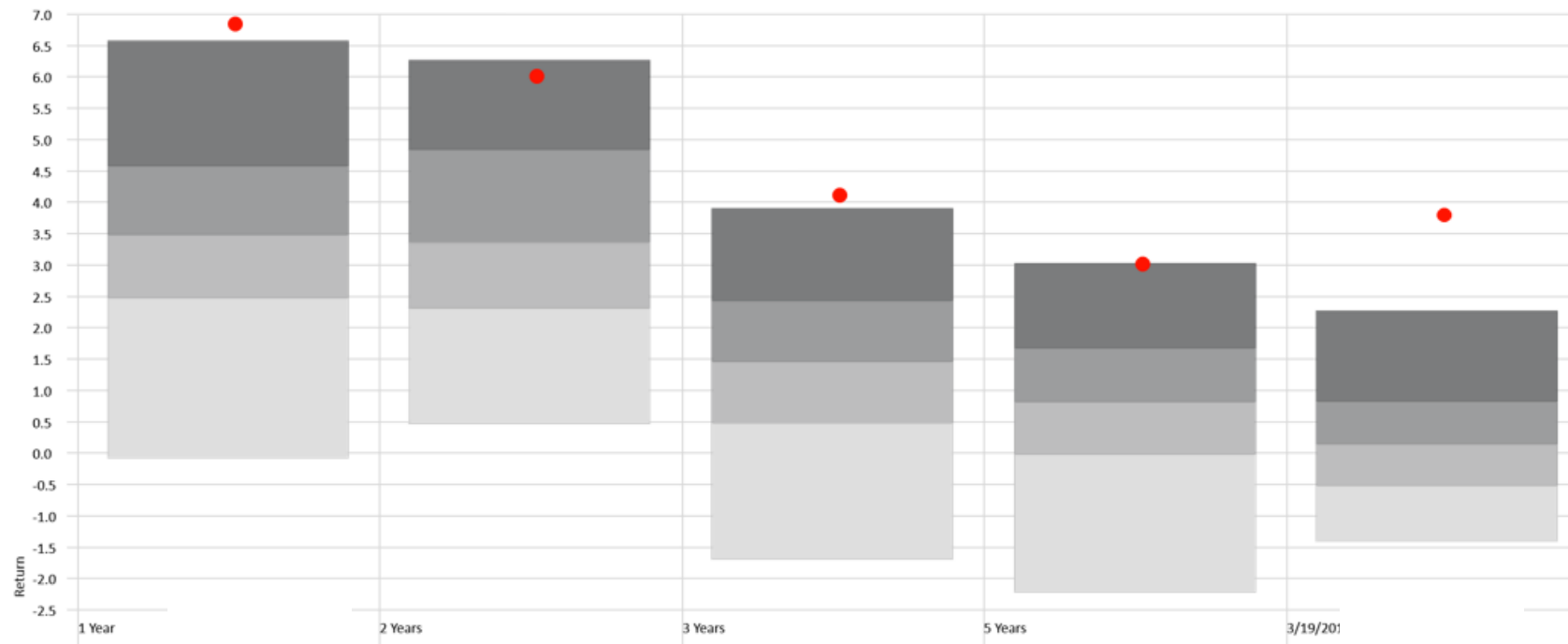
Double alpha at work - Return

 *Past performance does not predict future returns*

## Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - Europe/Africa/Asia - Global Emerging Markets Bond - Local Currency

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



● DPAM L Bonds Emerging Markets Sust F EUR

Source: Morningstar Direct

Source: Morningstar Direct, 31.05.2024



# Relative performance

Double alpha at work – Sharpe Ratio

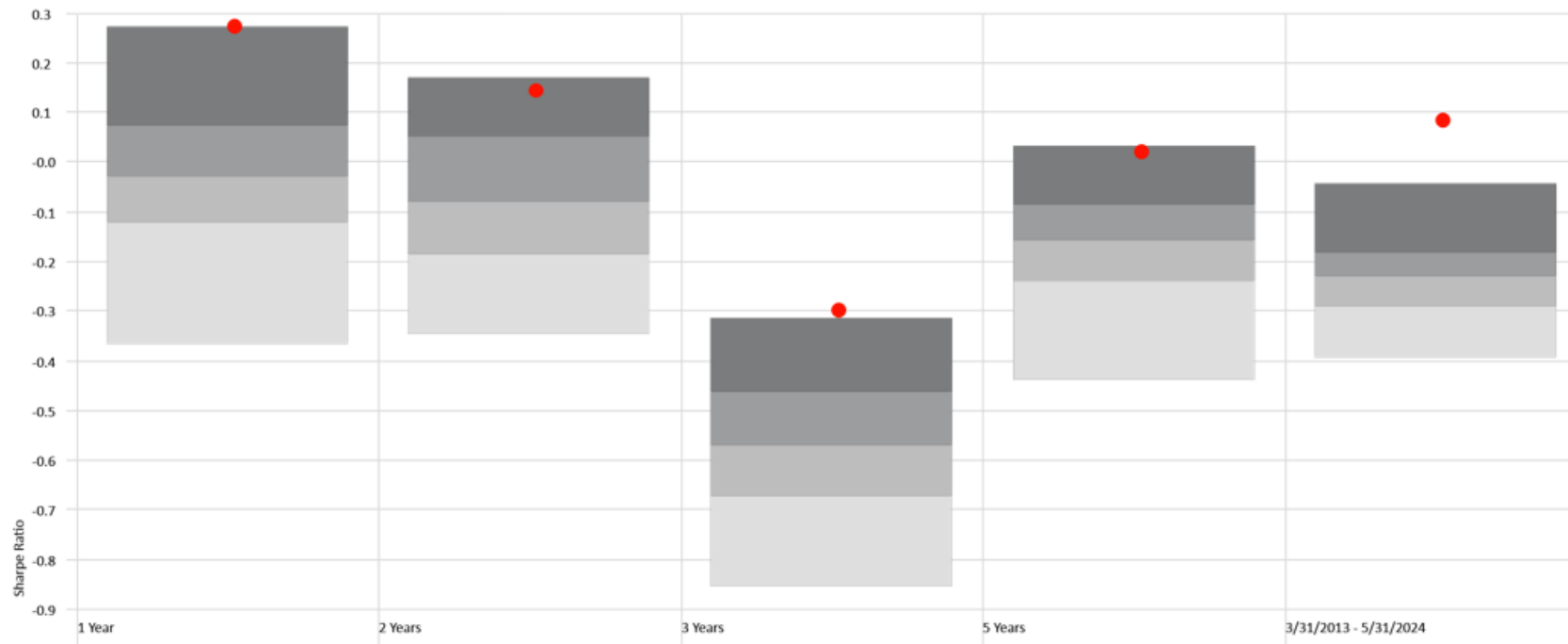


Past performance does not predict future returns

## Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - Europe/Africa/Asia - Global Emerging Markets Bond - Local Currency

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



● DPAM L Bonds Emerging Markets Sust F EUR

Source: Morningstar Direct

Source: Morningstar Direct, 31.05.2024

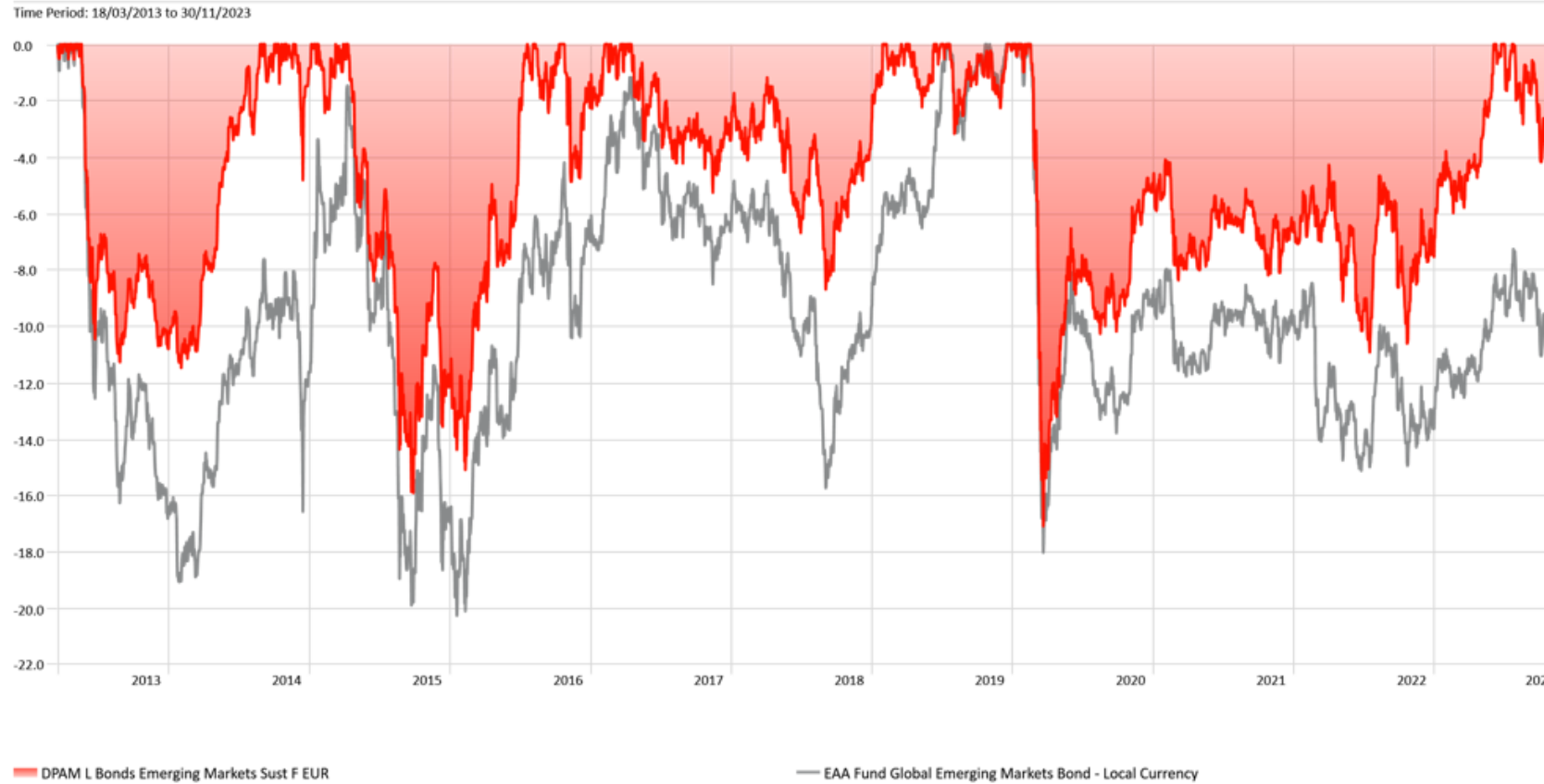


# Limited Drawdown

DPAM L Bonds Emerging Sustainable vs Peers



Past performance does not predict future returns



Source: Morningstar Direct

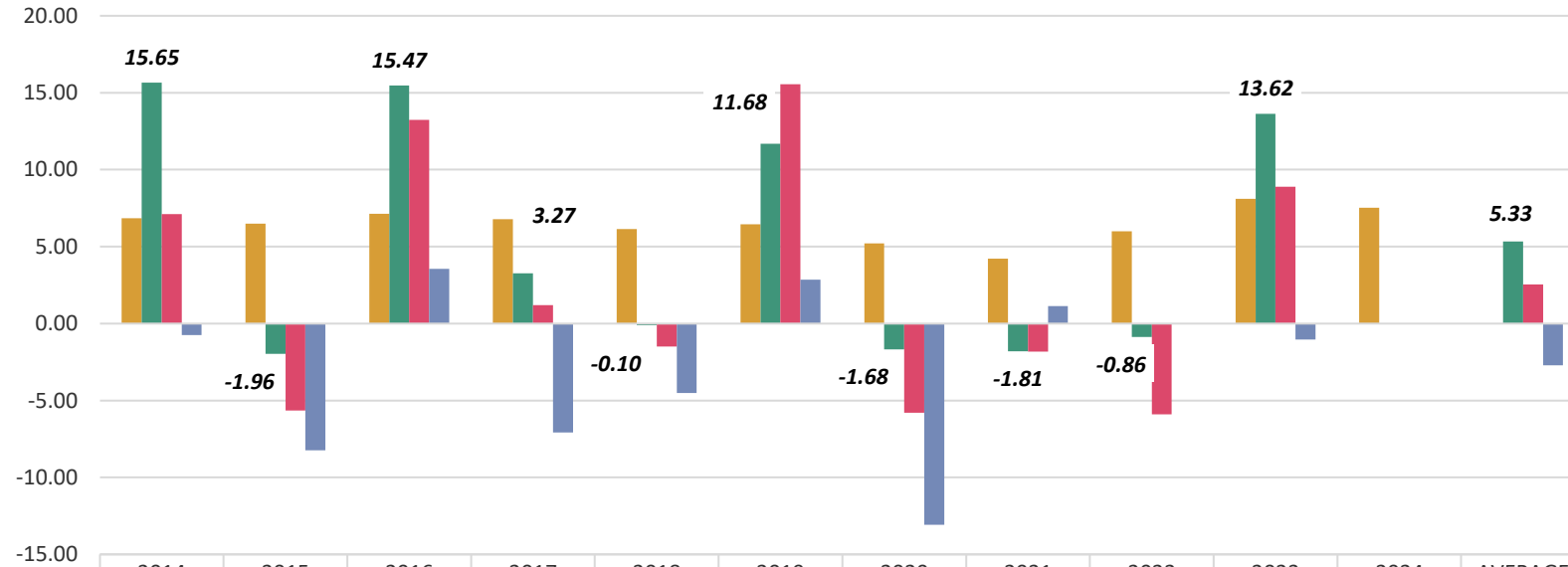


# Limited drawdown

Positive years tend to be 'very' positive, negative years not



Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	AVERAGE
Expected Local Yield	6.85	6.50	7.13	6.79	6.14	6.46	5.22	4.22	5.99	8.10	7.52	
DPAM Realized EUR	15.65	-1.96	15.47	3.27	-0.10	11.68	-1.68	-1.81	-0.86	13.62		5.33
Index Realized EUR	7.12	-5.65	13.23	1.20	-1.48	15.56	-5.79	-1.82	-5.90	8.89		2.54
Index FX Performance vs EUR	-0.75	-8.23	3.55	-7.08	-4.51	2.86	-13.07	1.14	0.01	-1.04		-2.71

Expected Local Yield DPAM Realized EUR Index Realized EUR Index FX Performance vs EUR

Source: DPAM, January 2<sup>nd</sup>, 2024

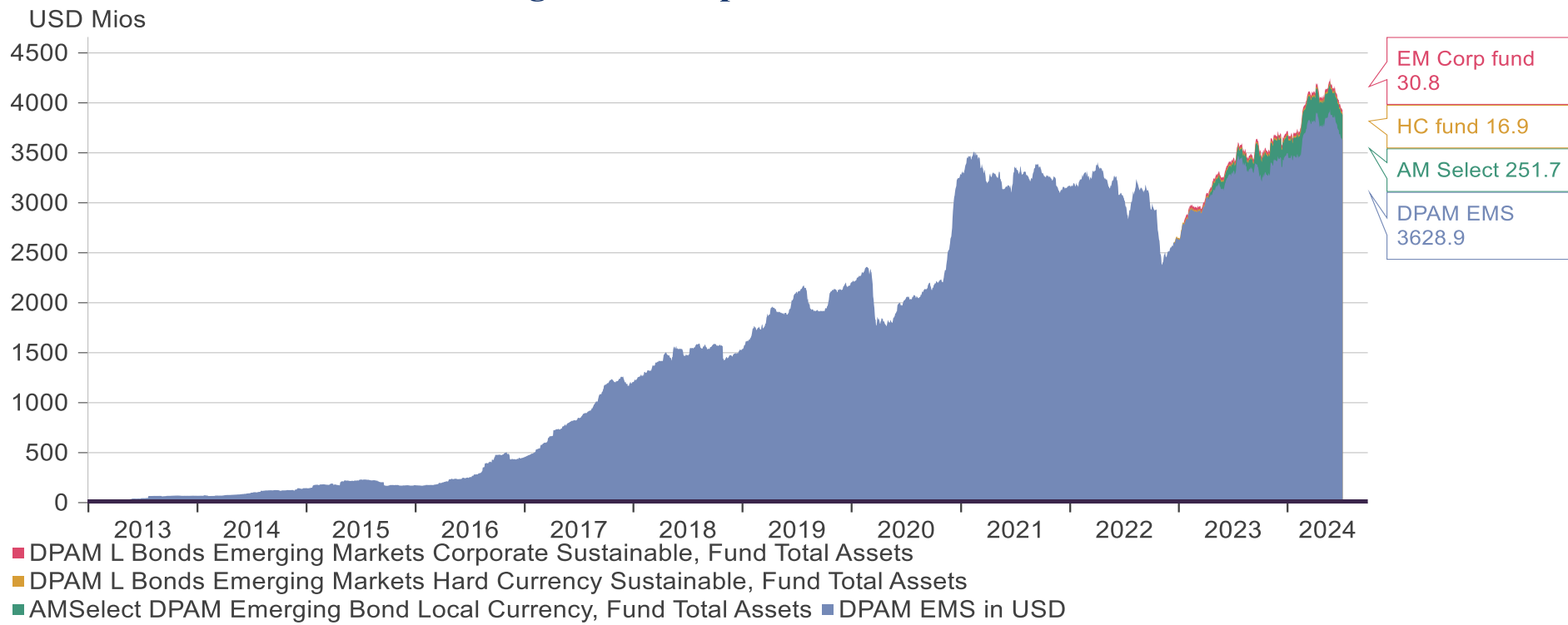


# DPAM EMD Franchise

Growing AUMs over the past decade

 *Past performance does not predict future returns*

## DPAM EMD Franchise excluding dedicated portfolios



DPAM, Macrobond, Bloomberg, 2/07/2024, 2/07/2024, 2/07/2024, 2/07/2024



# Agenda

Why ?

Strategy

Process

Portfolio

**Outlook**

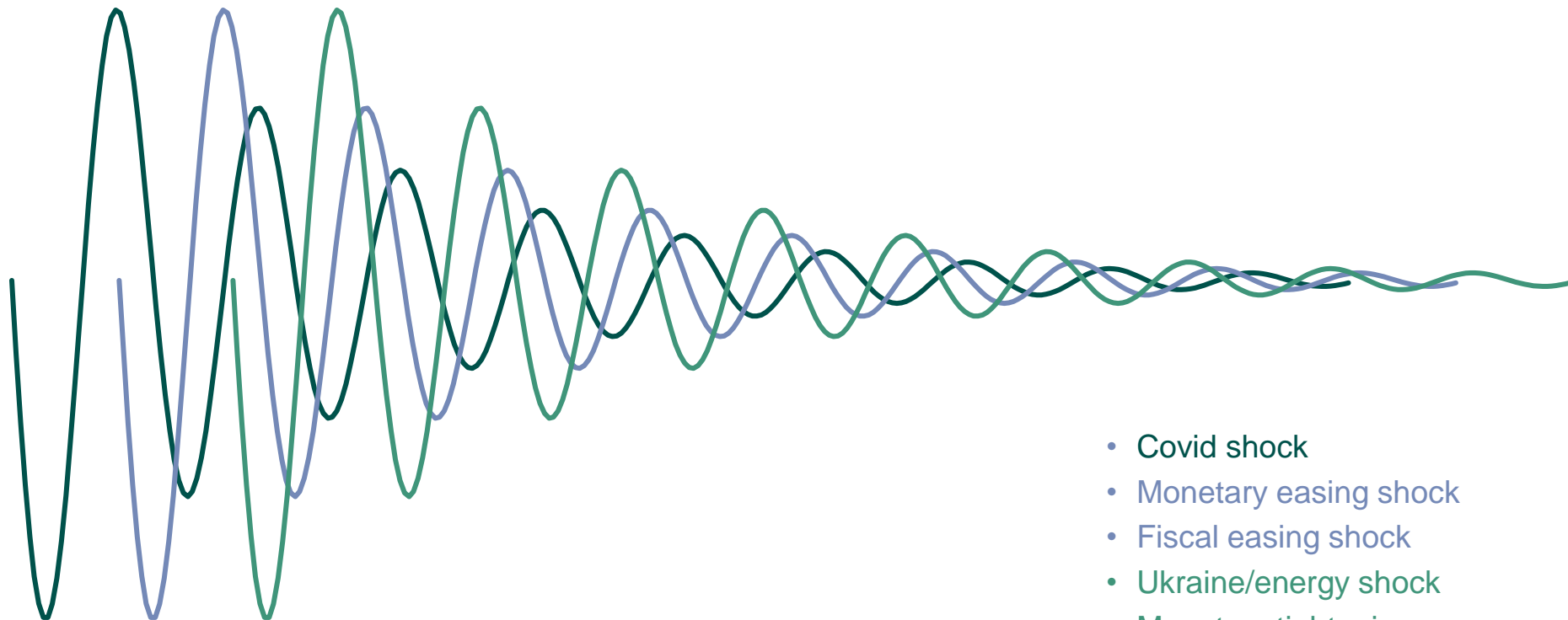
Appendix

"The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product."



# A sequence of multiple shocks

Volatility



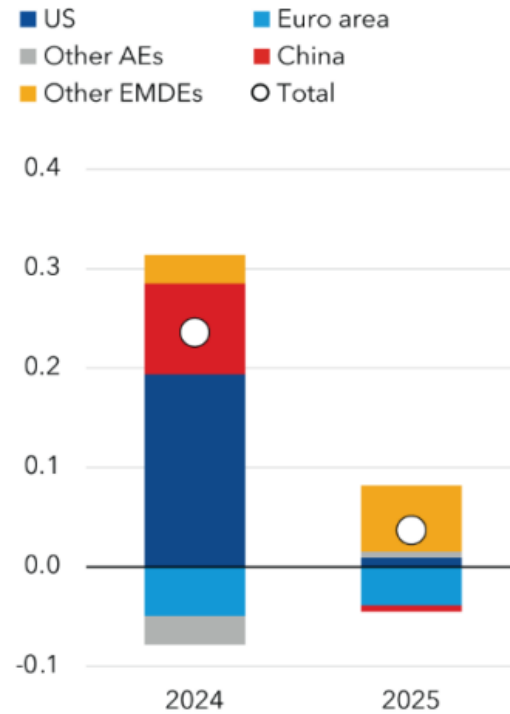
- Covid shock
- Monetary easing shock
- Fiscal easing shock
- Ukraine/energy shock
- Monetary tightening



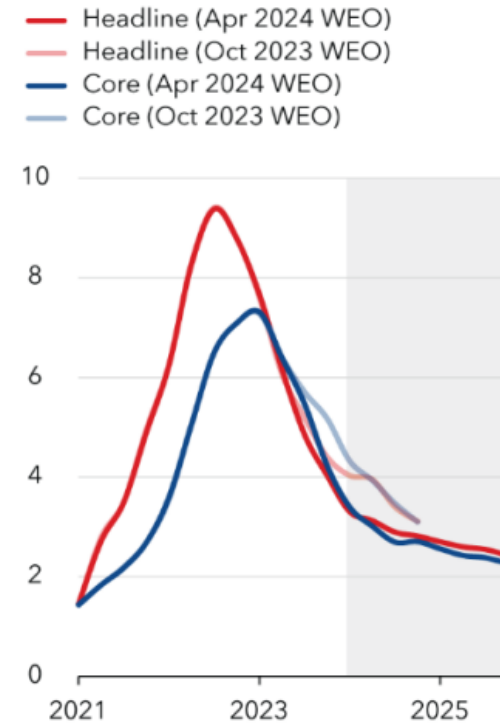
# “Economic resilience amid normalizing inflation pressures”

IMF World Economic Outlook – April 2024

**World real GDP growth revisions**  
(vs. Oct 2023 WEO; percentage points)



**Global median inflation**  
(percent; y/y)



Sources: IMF, World Economic Outlook and IMF staff calculations

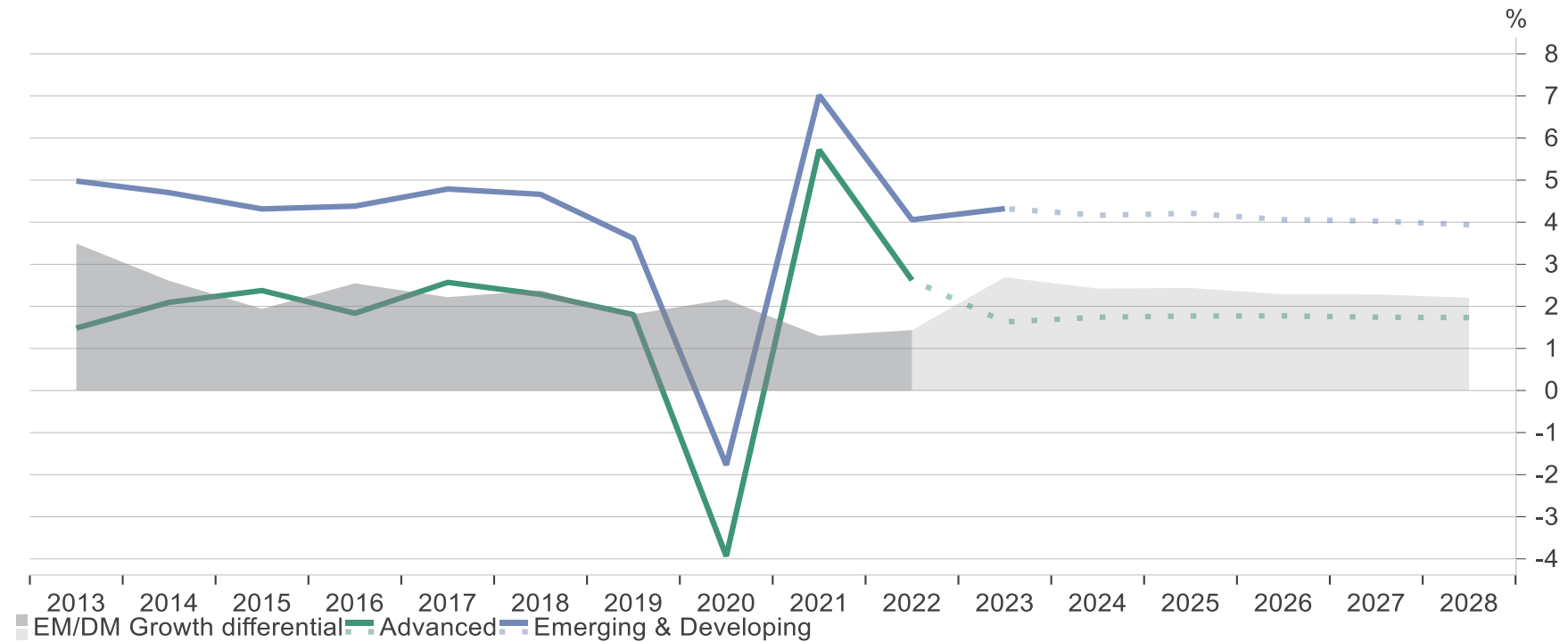


# Global soft landing the central case

Central scenario from the IMF is for 3.2% global growth in 2024 and 2025

## The IMF expects EM growth alpha to widen

IMF WEO GDP estimates, Constant Prices, YoY chg



Source: DPAM, Macrobond, IMF WEO 2024

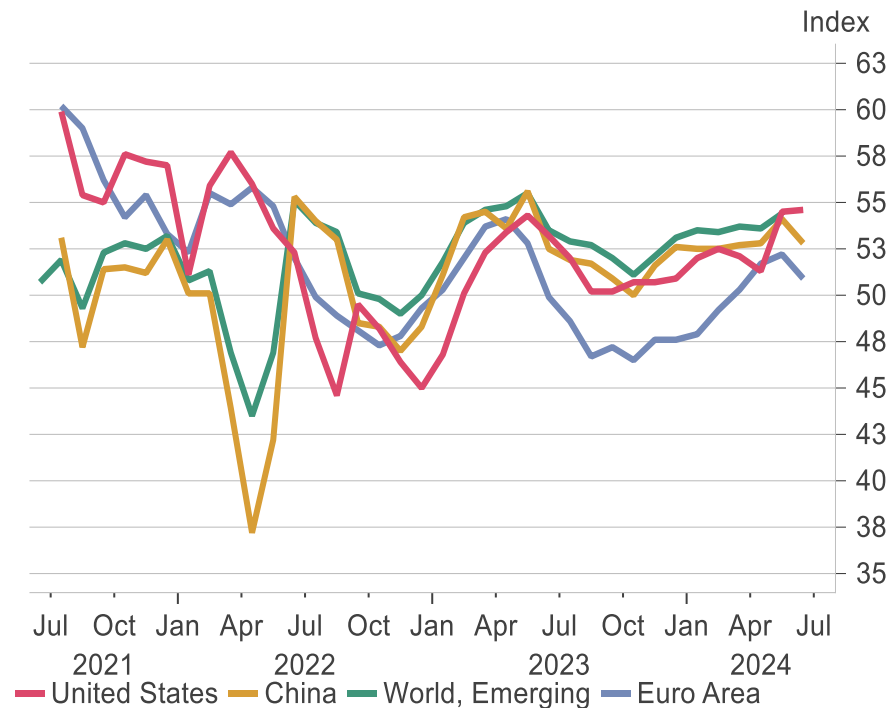


# Peak US exceptionalism?

China and Eurozone seem to recover, is the US economy losing some steam?

## Composite PMIs in expansion territory

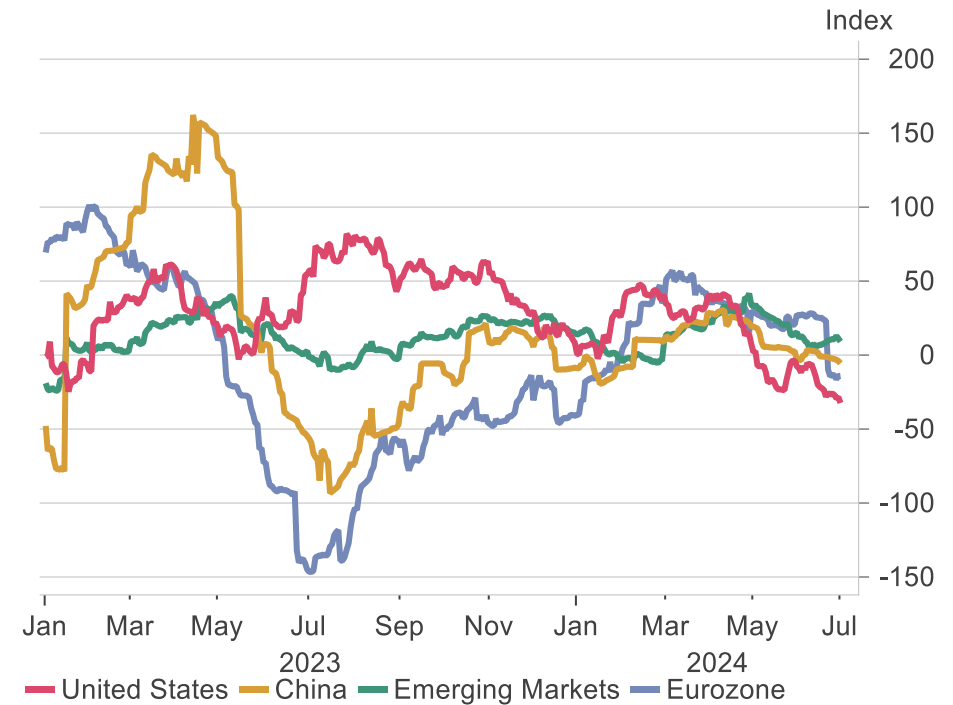
Business Surveys, S&P Global, Composite, SA, Index



DPAM, Macrobond, S&P Global, 05/2024

## Economic surprises - End of US exceptionalism?

Citi economic surprise index



DPAM, Macrobond, Citi, 1/07/2024

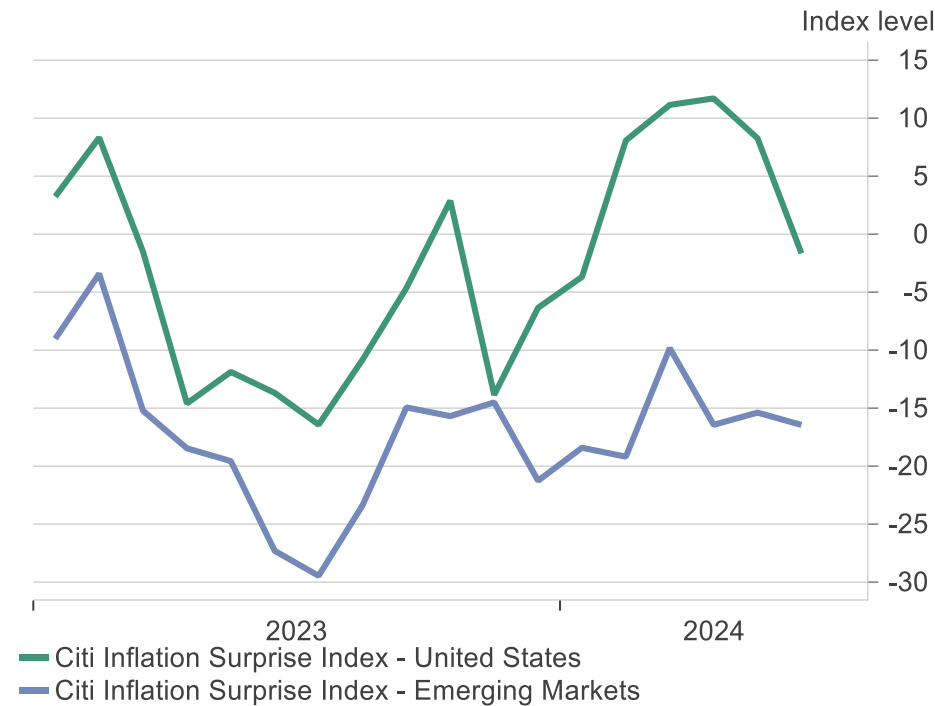


# US inflation watch

Last mile of disinflation created some volatility in fixed income assets

## Inflation surprised to the upside in the US

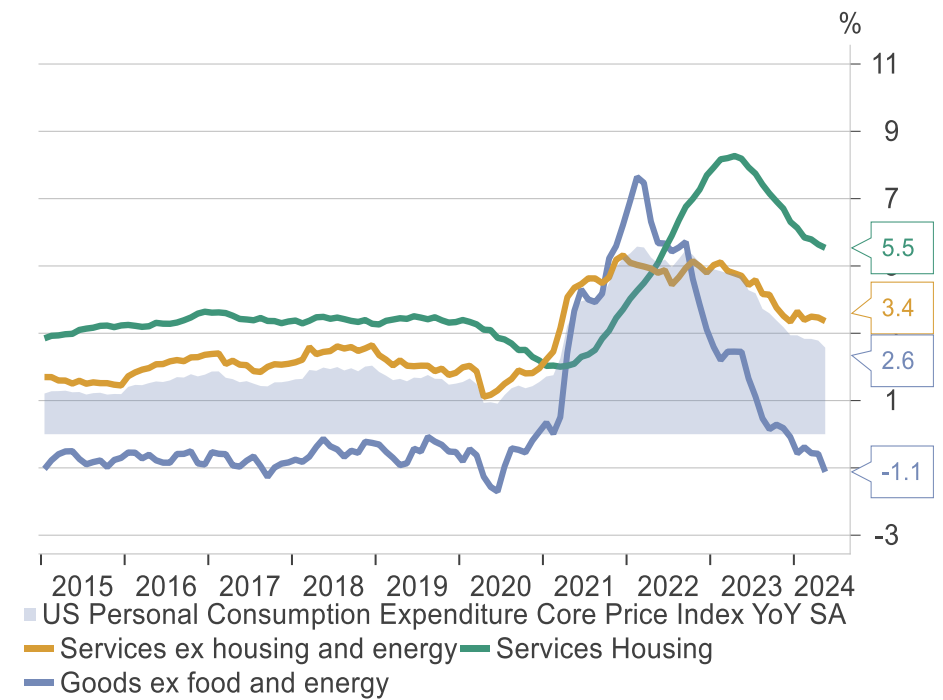
Inflation surprises index



DPAM, Bloomberg, Citi, Macrobond, 06/2024

## Sticky services inflation

Core PCE goods and services, Yoy change %



DPAM, Macrobond, Bloomberg, BEA data as of 05/2024

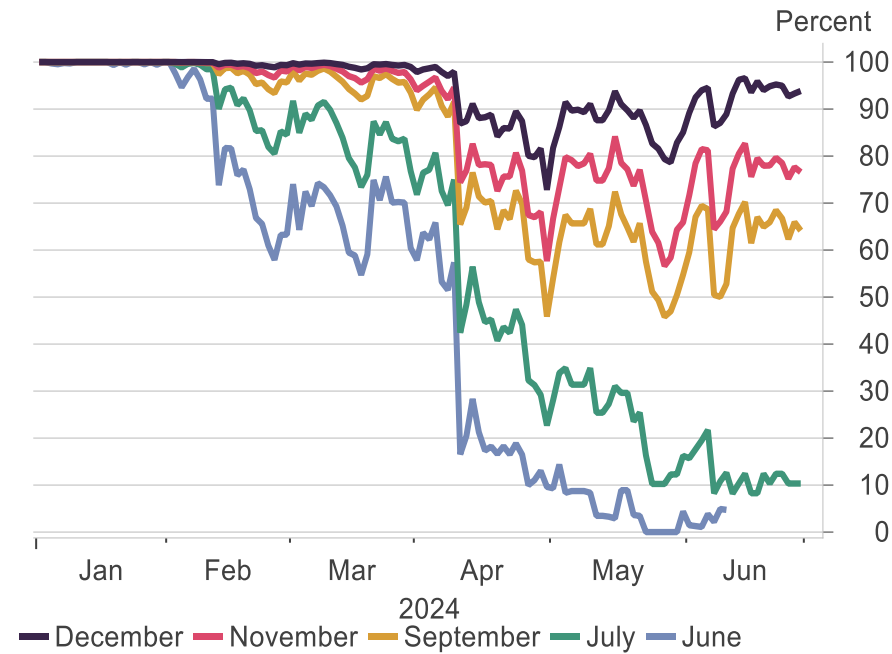


# US financial conditions

Volatility in US Treasuries has decreased but remains elevated

## United States: Cut probability for the Fed meetings 2024

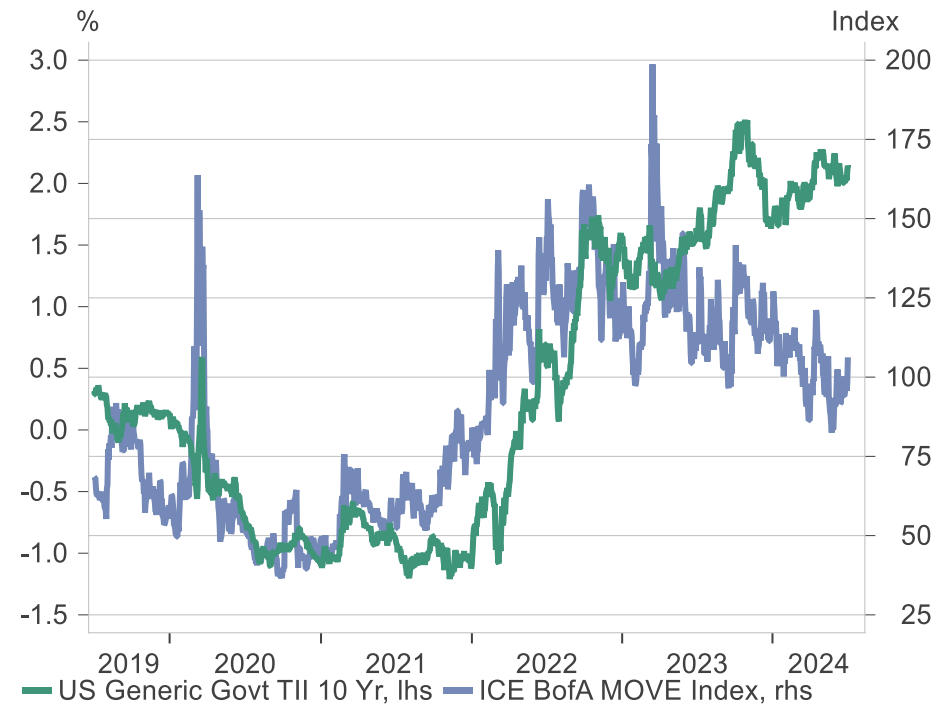
Probability that the first cut has taken place at the specific meeting or earlier



DPAM, Macrobond, CME Group, 28/06/2024

## US Financial Conditions

US real yields and volatility in US Treasuries



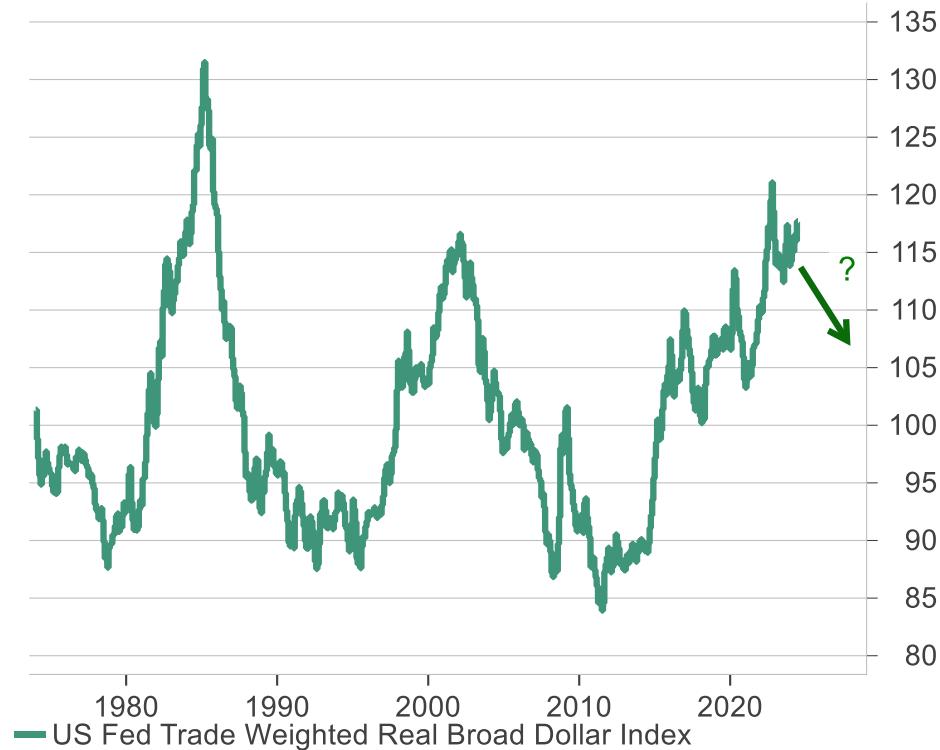
DPAM, Macrobond, ICE BofA, Bloomberg, 1/07/2024



# US Dollar dominance

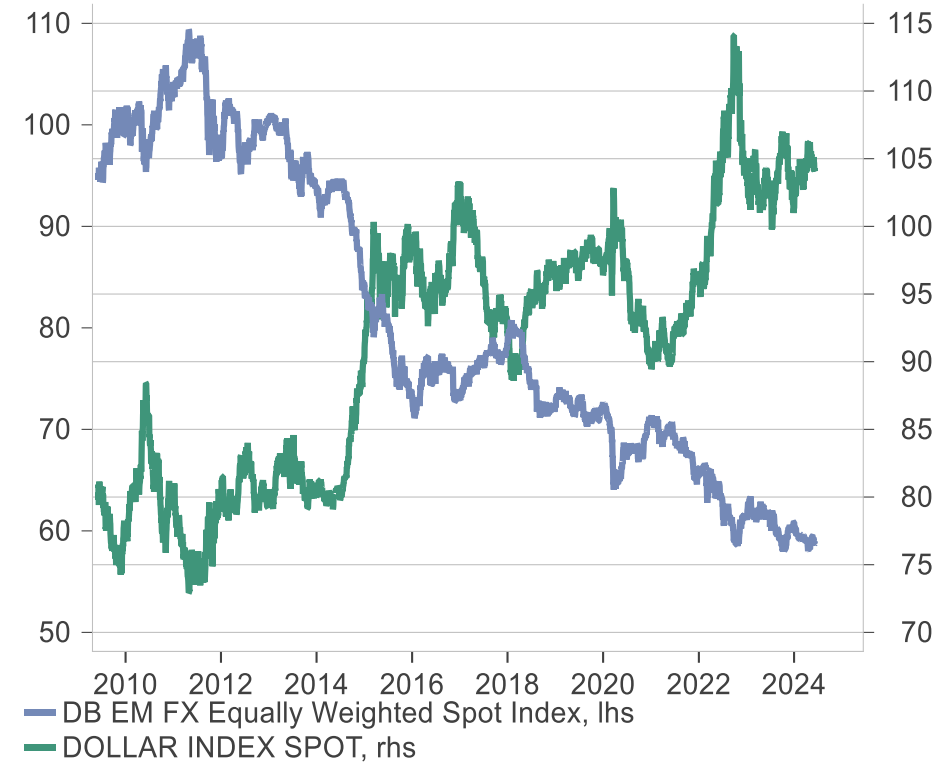
Monetary policy and US economy vs expensive valuations and long positioning

### The US Dollar remains near multi-decade highs



DPAM, Macrobond, Federal Reserve, 28/06/2024

### Dollar Index vs EMFX spot



DPAM, Macrobond, Bloomberg, Deutsche Bank, 7/06/2024, 6/06/2024



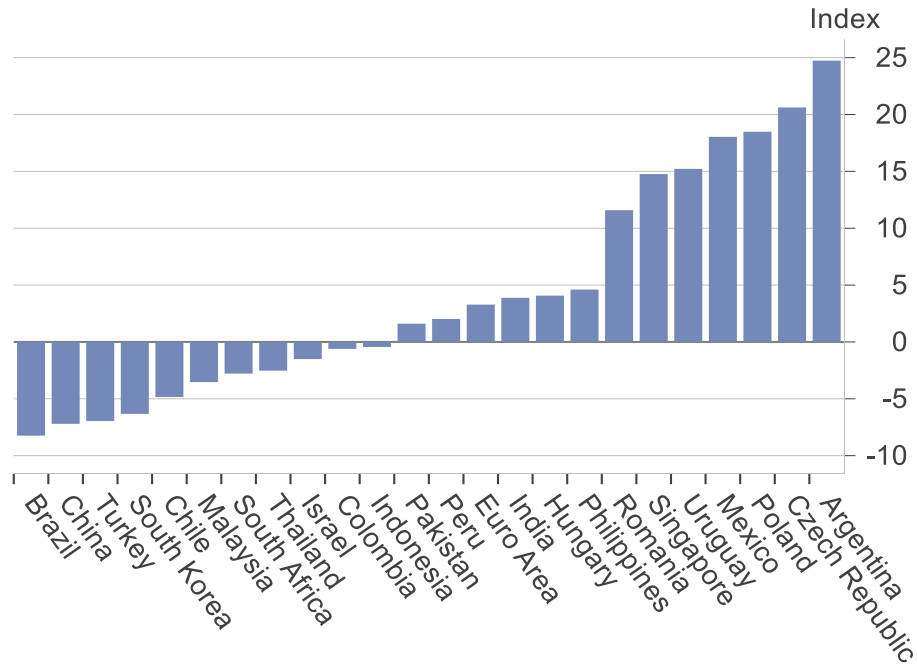


# Currency valuations

Dispersion in valuations based on REER

## Current REER deviation

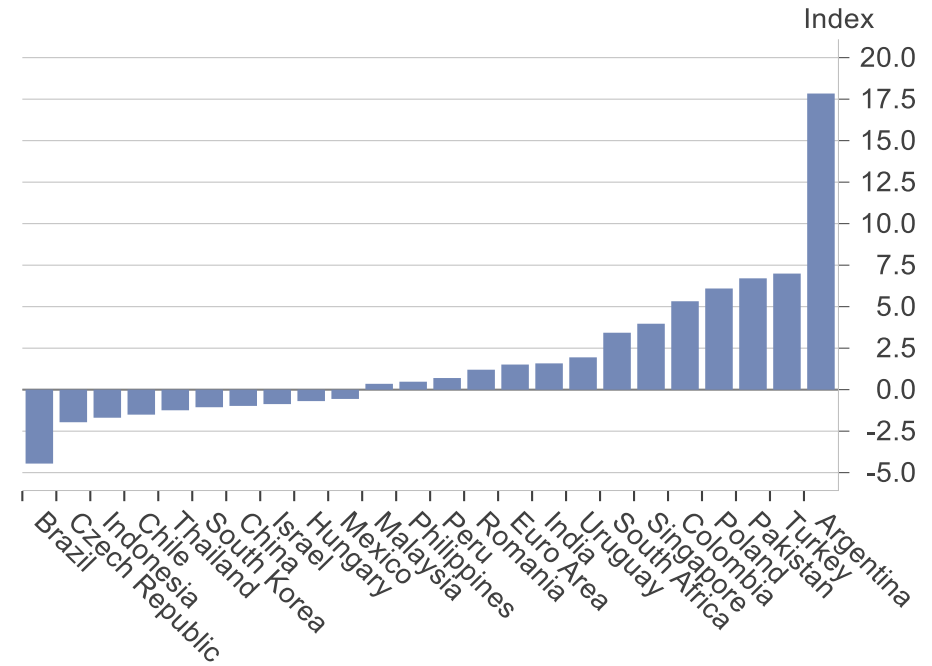
Median -10y



DPAM, Macrobond, 1/07/2024

## Current REER deviation

Median -2y



DPAM, Macrobond, 1/07/2024



# Currency valuations

On PPP and rate differential, Asia looks cheap

## EM FX fair values per USD

Purchasing power parity (PPP): differences of ln(CPI), 10y lookback; rate differentials: 3y lookback

	1-Jul-24	PPP	%dev.	r2	2y rate differential	%dev.	r2	5y rate differential	%dev.	r2	10y rate differential	%dev.	r2
CNY	7.3	7.0	-3.4	0.17	7.2	-0.4	0.87	7.3	0.3	0.89	7.3	0.7	0.90
INR	83.4	78.1	-6.4	0.78	83.4	-0.1	0.75	84.4	1.1	0.84	84.7	1.5	0.87
KRW	1384.4	1301.1	-6.0	0.62	1364.5	-1.4	0.59	1383.4	-0.1	0.54	1386.9	0.2	0.47
TWD	32.6	30.0	-7.8	0.03	31.4	-3.5	0.87	31.4	-3.7	0.87	31.6	-3.0	0.86
IDR	16369.0	13912.2	-15.0	0.04	15237.4	-6.9	0.36	15448.1	-5.6	0.55	15626.6	-4.5	0.69
THB	36.8	34.2	-7.0	0.05	35.6	-3.1	0.40	36.0	-2.2	0.40	36.2	-1.4	0.39
MYR	4.7	4.5	-4.9	0.23	4.6	-1.6	0.75	4.7	-0.7	0.82	4.7	0.0	0.83
MXN	18.4	20.3	10.0	0.36	18.7	1.6	0.25	19.0	2.9	0.76	18.8	1.9	0.83
PHP	58.7	52.0	-11.4	0.29	54.9	-6.5	0.11	56.1	-4.4	0.28	56.2	-4.3	0.25
BRL	5.6	5.3	-4.9	0.77	5.1	-8.5	0.24	5.1	-8.3	0.23	5.1	-8.6	0.17
VND	25456.0	23001.0	-9.6	0.00	24467.7	-3.9	0.54	24423.1	-4.1	0.45	24552.1	-3.6	0.54
COP	4139.6	4799.4	15.9	0.71	3966.6	-4.4	0.63	3962.0	-4.5	0.64	4020.7	-3.1	0.63
CLP	940.3	927.5	-1.4	0.77	911.6	-3.7	0.22	903.0	-4.7	0.29	877.2	-7.4	0.14
ZAR	18.2	17.0	-7.0	0.60	16.9	-7.8	0.16	18.5	1.3	0.33	18.0	-1.4	0.06
CZK	23.4	22.7	-3.2	0.01	22.8	-2.7	0.00	22.7	-3.0	0.00	22.7	-3.3	0.01
PLN	4.0	4.3	6.1	0.28	4.0	0.3	0.49	4.1	1.0	0.55	4.1	0.9	0.64
HUF	367.8	378.3	2.8	0.62	341.8	-7.1	0.22	339.5	-7.7	0.40	339.4	-7.7	0.44
RON	4.6	4.7	1.8	0.46	4.5	-2.0	0.04	4.5	-2.6	0.13	4.5	-2.8	0.17
TRY	32.7	46.8	43.0	0.97	27.2	-16.8	0.34	24.6	-24.9	0.14	23.9	-26.8	0.10

Green: undervalued v USD, red: overvalued v USD; %dev: percentage deviations from latest values

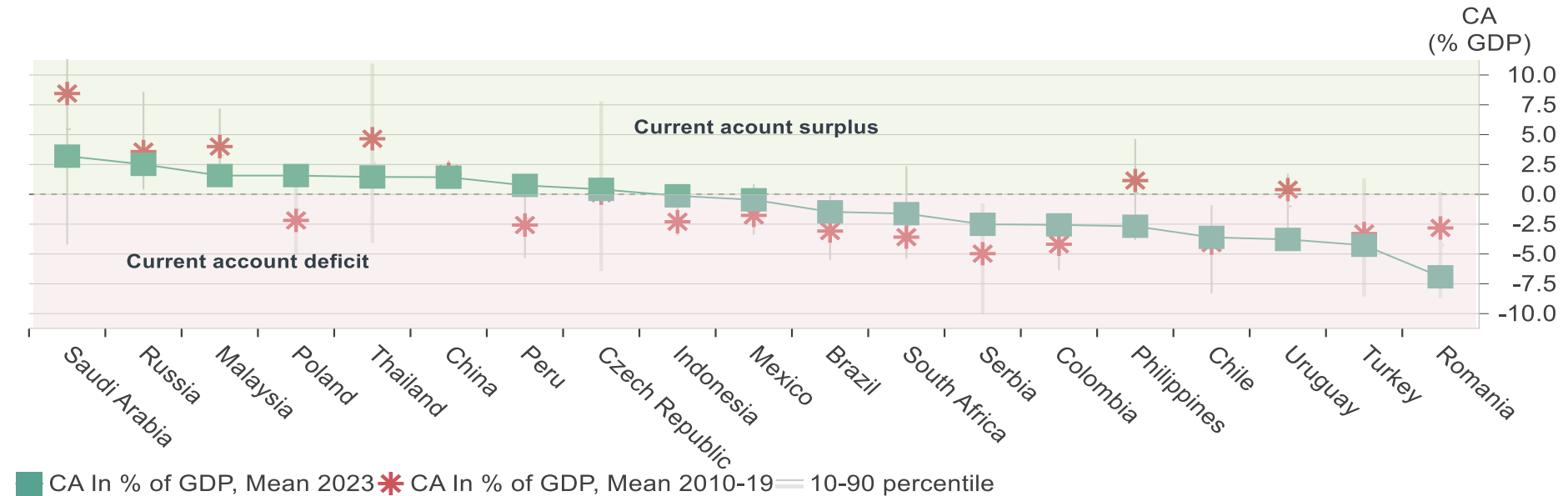


# External sector has improved

Most current accounts are in surplus or above last decade history

### 2023 Current Account balances vs history

CAB as % of GDP, mean 2023 vs mean 2010-2019



DPAM, Macrobond, National sources\* as of December 2023

\*BCB, Central Bank of Chile, SAFE, Central Bank of Colombia, CNB, BI, DOSM, BANXICO, BCRP, BSP, NBP, BNR, CBRF, SAMA, NBS, SARB, BOT, TCMB, BCU, RBI



# Robust external buffers in key EMs

Recent deterioration driven by hydrocarbon prices, global rates

	CA Balance (% GDP)	Basic Balance (% GDP)	Reserves (\$ billion)	Reserves (% QoQ)	Reserves Cover (Months Imports)	Reserves Cover (% Ext. Amort)	Reserves Cover (% GEFR)	REER (% 10y Median)
Brazil	-1.5	0.2	355.6	0.8	17.6	268.3	214.1	91.3
Chile	-3.8	1.3	45.8	-1.5	7.0			92.7
China	1.2	0.4	3465.4	0.8	16.1	252.4	309.3	95.4
Colombia	-2.1	1.8	60.6	1.9	12.2	203.1	143.6	103.1
Czech Republic	1.2	1.3	148.0	1.3	7.6			120.7
Hungary	1.6	4.8	51.8	3.1	4.2			106.7
India	-0.7	-0.4	651.5	4.1	11.5	419.1	301.0	100.2
Indonesia	-0.5	0.6	139.0	-3.5	7.5	142.8	122.4	97.7
Malaysia	1.8	1.3	113.6	-0.8	5.0			92.0
Mexico	0.0	0.4	222.8	1.5	4.4	196.3	172.3	127.1
Peru	1.4	3.2	74.1	0.0	17.8	507.0	408.1	101.4
Philippines	-1.9	-0.5	105.0	3.0	9.8	400.3	294.8	101.3
Poland	1.5	3.3	208.1	10.8	6.7			118.9
Romania	-6.9	-4.8	76.7	-0.4	6.7	257.4	136.3	109.9
Russia	2.9	2.0	599.0	2.8	24.5	539.4	1095.8	92.8
Saudi Arabia	3.2	2.8	467.4	8.3	25.2			103.5
Serbia	-2.9	3.5	31.0	2.4	9.3	390.5	269.5	117.4
South Africa	-0.4	0.0	63.1	2.3	7.5	126.4	110.9	92.9
Thailand	1.3	-0.1	224.3	0.6	9.2	257.7	291.3	94.9
Turkey	-2.8	-2.4	143.6	11.8	5.0	91.3	77.5	85.0
Uruguay	-3.4	-1.4	17.8	8.1	17.3			114.6

DPAM, National sources, IMF WEO, Bruegel, Macrobond, Calculated in-house, 2/07/2024

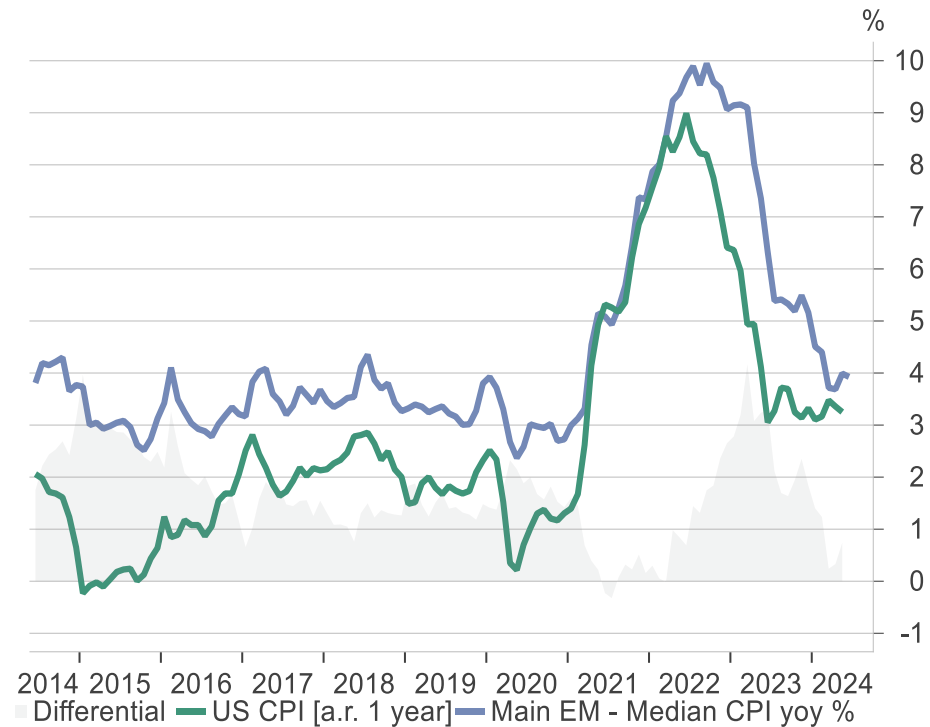


# Local inflation is low in EM

Risk comes from supply, geopolitics and weather uncertainties

## Median EM Headline CPI vs US

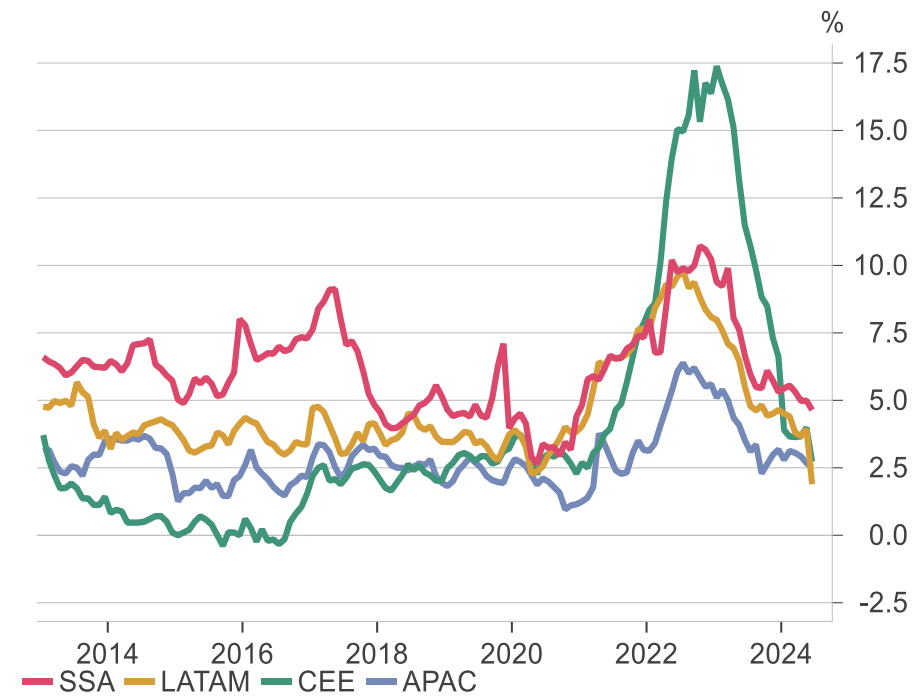
Median of 33 countries



DPAM, Macrobond, National sources, 06/2024

## Median EM Headline CPI

Breakdown per region



DPAM, Macrobond, National sources 06/2024

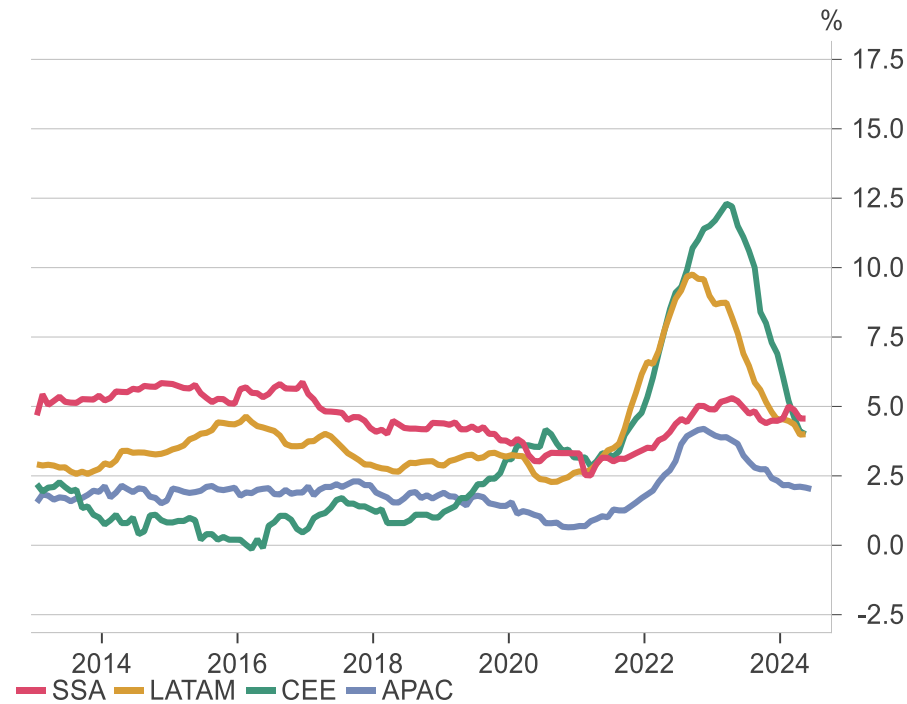


# Local inflation is low in EM

Risk comes from supply, geopolitics and weather uncertainties

## Median EM Core CPI

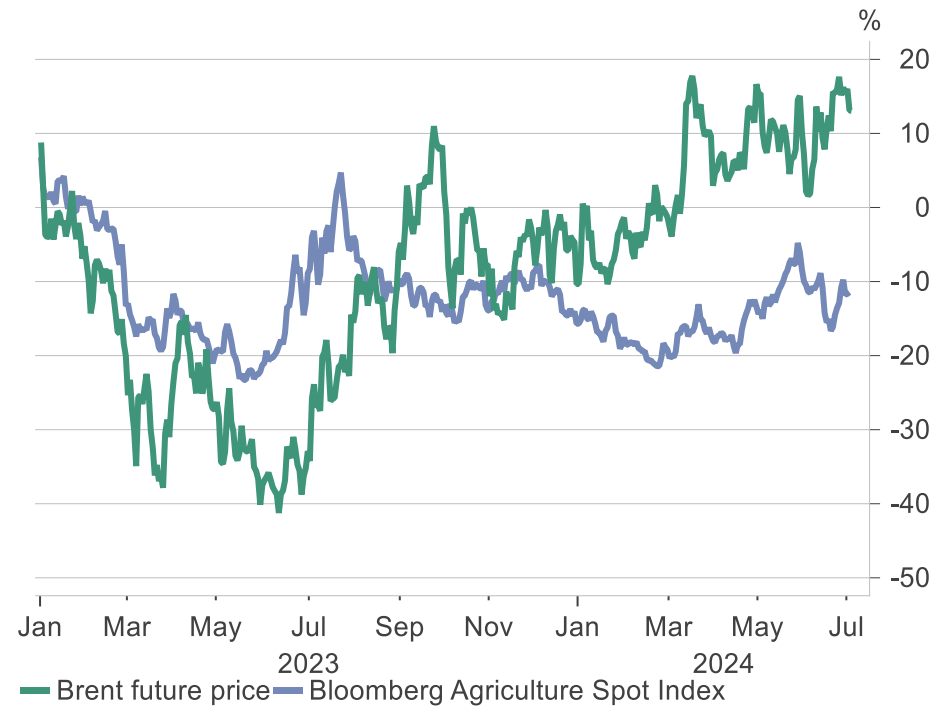
Breakdown per region



DPAM, Macrobond, National sources 06/2024

## Brent and soft commodities prices

YoY change



DPAM, Macrobond, Bloomberg, 2/07/2024

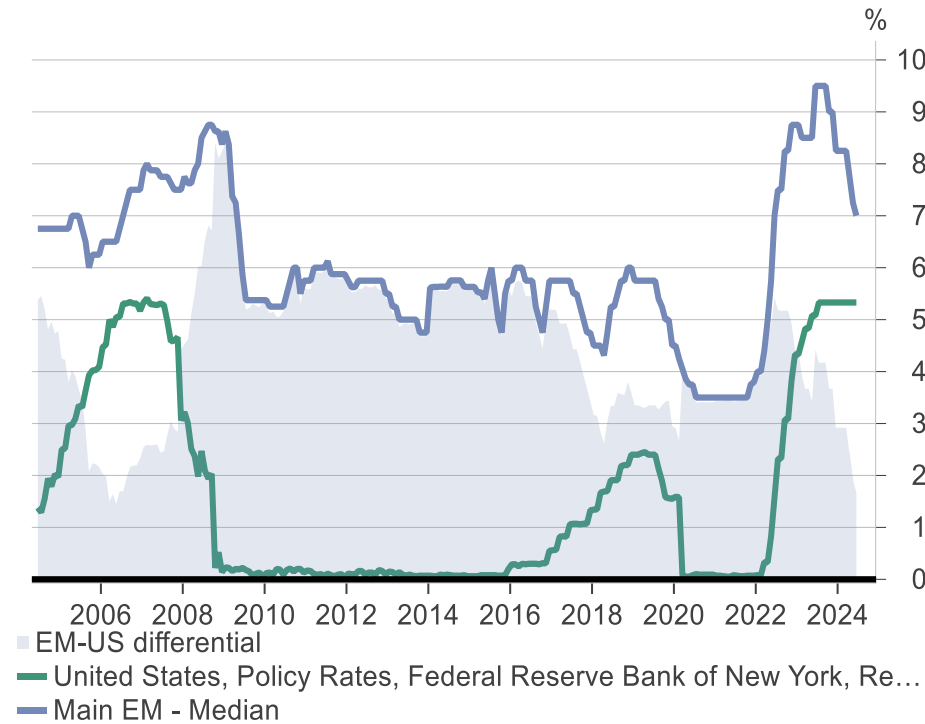


# EM Rates

Central banks have started to cut

## Median EM Policy Rate vs the Fed, %

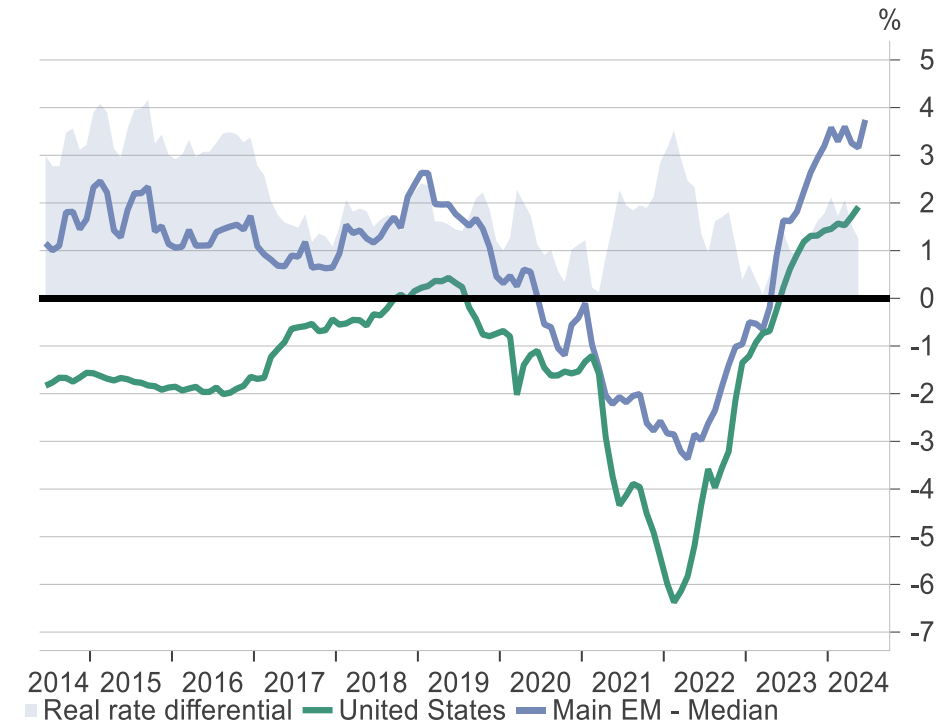
Median of 26 countries



DPAM, Macrobond, 06/2024, 06/2024, 06/2024

## Median EM Real Policy Rate, %

Median of 26 EM countries



DPAM, Macrobond, National sources, 06/2024, 05/2024, 05/2024



# EM inflation premium, what for?

Real rates are relatively high, not so much vs history

	Inflation target (%)	Last, Policy Rates, Percent	CPI QoQ (% ann.)	CPI YoY (%)	CPI YoY (% t-1)	CPI YoY (% t-3)	Core CPI YoY (%)	Core CPI YoY (% t-1)	Core CPI YoY (% t-3)	Current Policy Rate (%)	Polic Rate (Delta, t-3)	Policy Rate (Delta, t-3)	Policy Rate (Delta, t-12)	Real Policy Rate (%)	Real Policy Rate (Delta, 10y avg)
Brazil	3.0	4.5	4.1	3.9	3.7	4.5	4.1	4.1	4.5	10.50		-0.25	-3.25	6.6	-0.8
Chile	3.0	n/a	4.8	4.1	4.0	4.5	3.3	3.2	4.2	5.75	-0.25	-1.50	-5.50	1.9	-1.8
China	3.0	n/a	-3.9	0.3	0.2	0.7	0.6	0.7	1.2	3.45			-0.10	3.2	-0.3
Colombia	3.0	n/a	7.1	7.2	7.2	7.7	6.6	6.8	7.3	11.75		-0.50	-1.50	4.6	0.8
Czech Republic	2.0	n/a	3.2	2.6	2.9	2.0	0.1	0.3	0.1	4.75	-0.50	-1.00	-2.25	2.7	1.2
Hungary	3.0	n/a	5.9	4.0	3.7	3.7	4.0	4.0	5.1	7.00	-0.25	-1.25	-6.00	3.3	0.0
India	4.0	n/a	3.9	4.7	4.8	5.1	3.2	3.2	3.3	6.50				1.8	0.5
Indonesia	2.5	n/a	0.6	2.5	2.8	3.0	1.9	1.9	1.8	6.25		0.25	0.50	3.7	0.4
Malaysia	2.0	n/a	2.1	2.0	1.8	1.8	1.9	1.9	1.8	3.00				1.0	-0.2
Mexico	3.0	4.0	1.2	4.7	4.7	4.4	4.2	4.4	4.6	11.00			-0.25	6.3	-0.3
Peru	2.0	n/a	-0.2	1.9	1.7	2.7	3.4	3.7	4.2	5.75		-0.50	-2.00	3.9	0.5
Philippines	4.0	n/a	0.3	3.9	3.8	3.4	3.1	3.2	3.6	6.50			0.25	2.6	0.4
Poland	2.5	3.5	5.4	2.7	2.6	2.1	3.8	4.1	5.4	5.75			-1.00	3.0	1.5
Romania	2.5	n/a	-1.5	5.1	5.9	8.1	6.7	7.0	7.8	7.00				1.9	2.2
Russia	4.0	n/a	6.8	8.3	7.9	7.7	8.6	8.3	7.6	16.00			8.50	7.7	-0.3
Saudi Arabia	n/a	n/a	1.6	1.6	1.6	1.8				6.00			0.25	4.4	0.1
Serbia	3.0	n/a	5.4	4.5	5.0	5.6	5.0	4.8	5.2	6.25	-0.25	-0.25		2.0	2.8
South Africa	4.5	n/a	5.0	5.1	5.1	5.5	4.6	4.6	5.0	8.25				3.2	0.3
Thailand	3.0	n/a	6.2	1.5	0.2	-0.8	0.4	0.4	0.4	2.50			0.50	1.0	-1.6
Turkey	5.0	n/a	38.1	71.6	75.4	68.5	71.4	75.0	75.2	50.00			35.00	-21.6	1.3
Uruguay	n/a	n/a	4.3	4.1	3.7	4.7	3.8	4.0	4.5	8.50		-0.50	-2.75	4.4	-0.4





# As in DM, fiscal metrics are a key weakness

However, external debt is lower than during other periods of stress

	Public Debt % GDP	External Debt % Total	Fiscal Balance % GDP	Interest % Revenue	Claims on Govt. % CB Assets	Claims on Govt. % Bank Assets
Brazil	83.5	10.8	-8.8	31.5	56.2	41.3
Chile	57.1	24.7	-3.8	5.3	0.6	6.1
China	91.0	2.6	-4.0		-7.5	14.3
Colombia	57.1	37.2	-4.0	17.4	7.5	10.4
Czech Republic	43.1	21.5	-4.0	5.5	0.1	14.4
Hungary	70.9	36.2	-5.8	14.2	11.2	12.3
India	80.4	4.8	-4.8	13.7	0.0	15.3
Indonesia	37.6	36.6	-2.2	17.3	38.5	12.7
Malaysia	60.5	22.8	-2.5	14.4	2.1	12.8
Mexico	38.6	31.5	-4.5	18.5	0.0	34.4
Peru	32.4	71.2	-3.5	9.7	3.6	8.1
Philippines	58.1	27.2	-6.3	16.4	18.9	22.1
Poland	54.4	27.6	-3.7	8.5	7.7	16.8
Romania	52.3	51.4	-6.9	8.9	1.0	24.2
Russia	12.7	12.9	1.7	5.1	0.4	8.5
Saudi Arabia	27.6	35.7	-2.2	2.4	0.6	1.2
Serbia	51.5	67.0	-0.9	5.1	2.1	11.6
South Africa	77.4	25.3	-4.5	20.5	6.2	15.3
Thailand	52.9	9.8	-2.8	6.4	4.8	17.9
Turkey	23.2	48.7	-5.1	13.3	7.2	18.4
Uruguay	71.7	39.4	-4.2	11.1	23.2	5.4

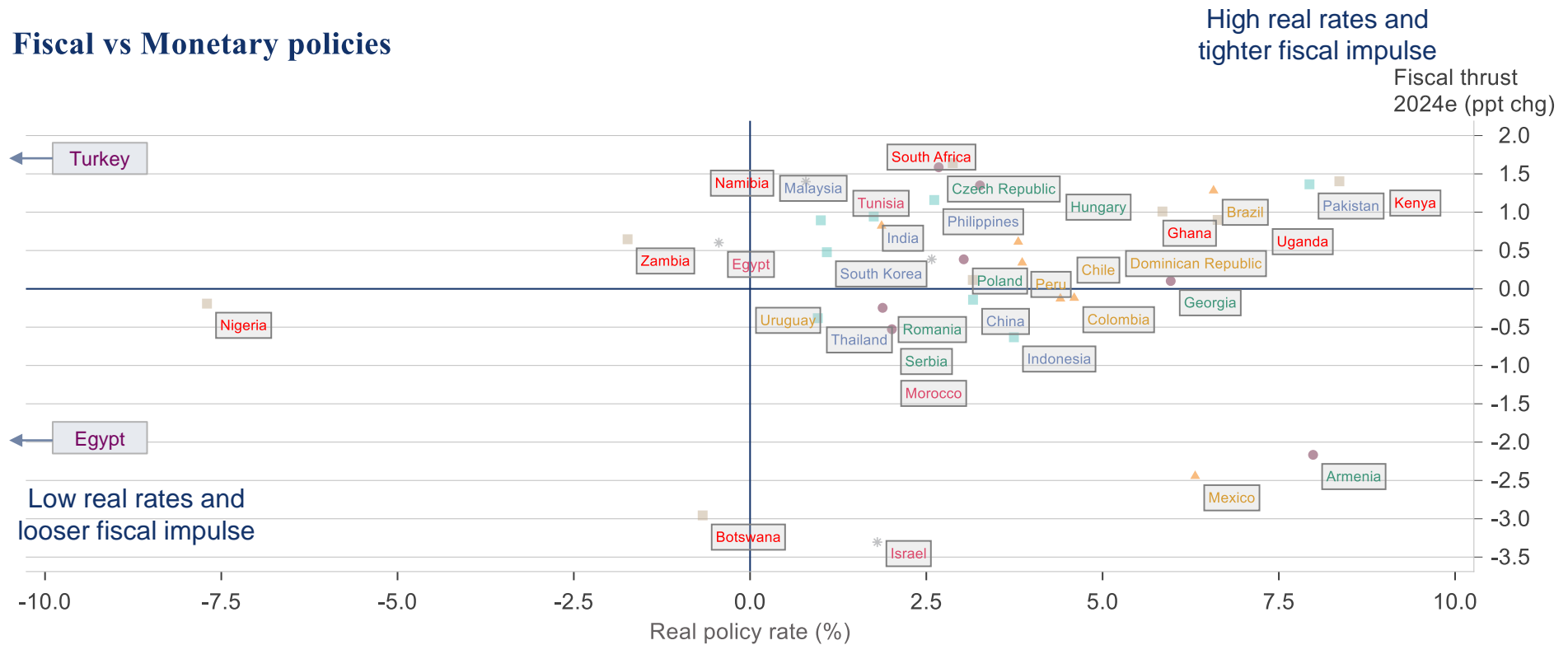
DPAM, National Sources, IMF, Macrobond, Calculated in-house, 2/07/2024



# EM Policies are tight

In EM, Most Fiscal Policies are Synchronized with Monetary Policies

## Fiscal vs Monetary policies



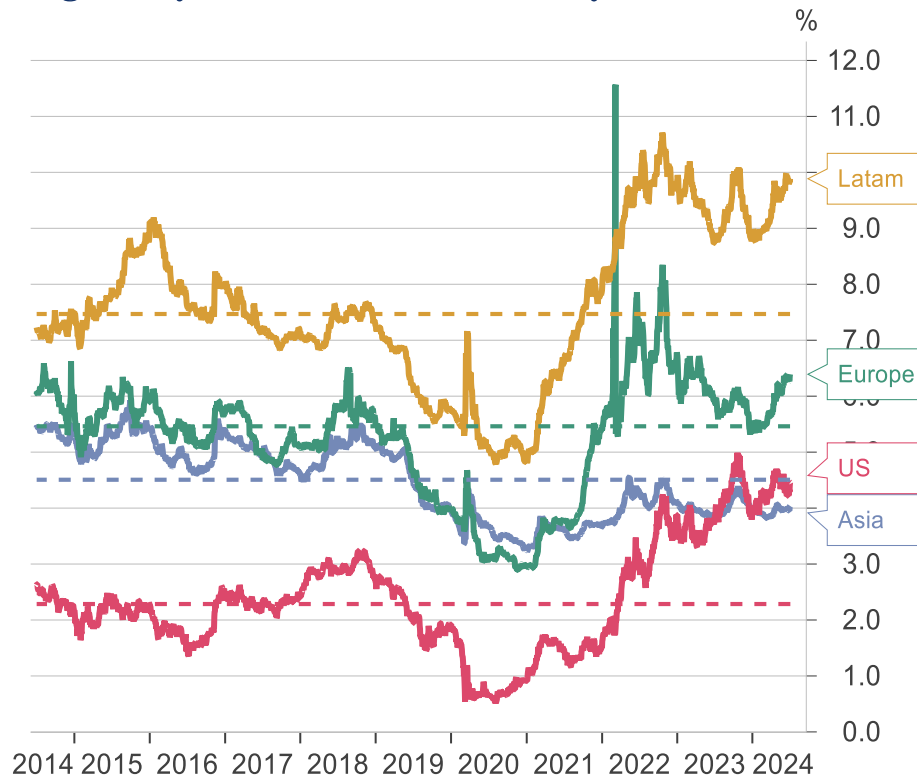
DPAM, Macrobond, IMFWEO 16/04/2024, National sources, 2/07/2024



# Domestic bond valuations

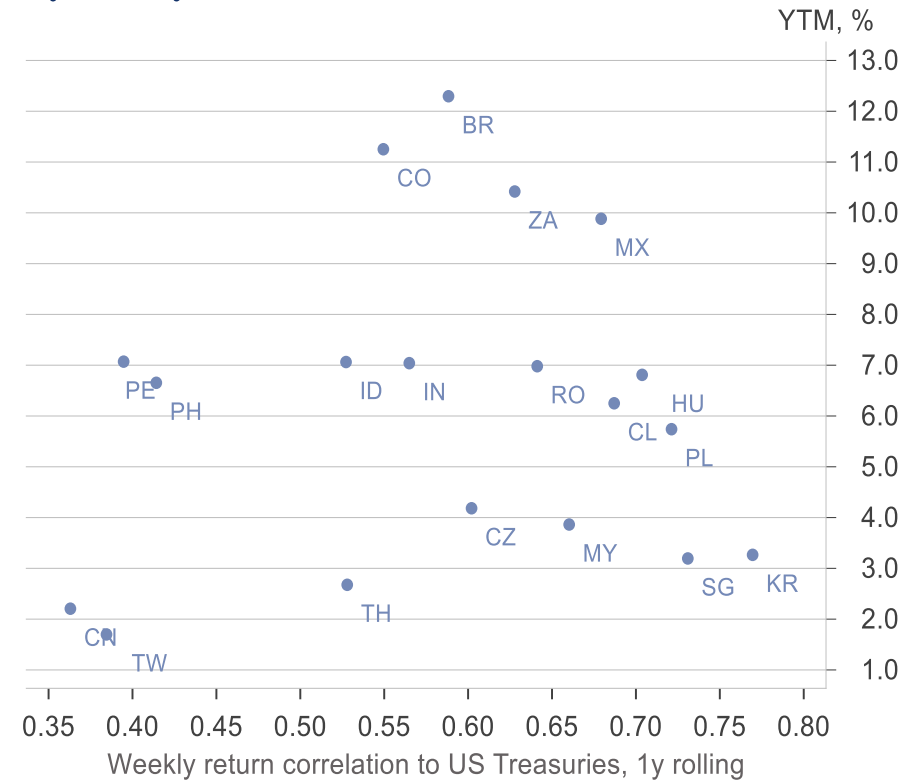
Nominal yields cheap look cheap vs history except in Asia

### Regional yields vs median over 10y



DPAM, Bloomberg, JP Morgan, Macrobond, 1/07/2024

### 10y bond yields vs return correlation to UST



DPAM, Macrobond, Bloomberg, 2/07/2024

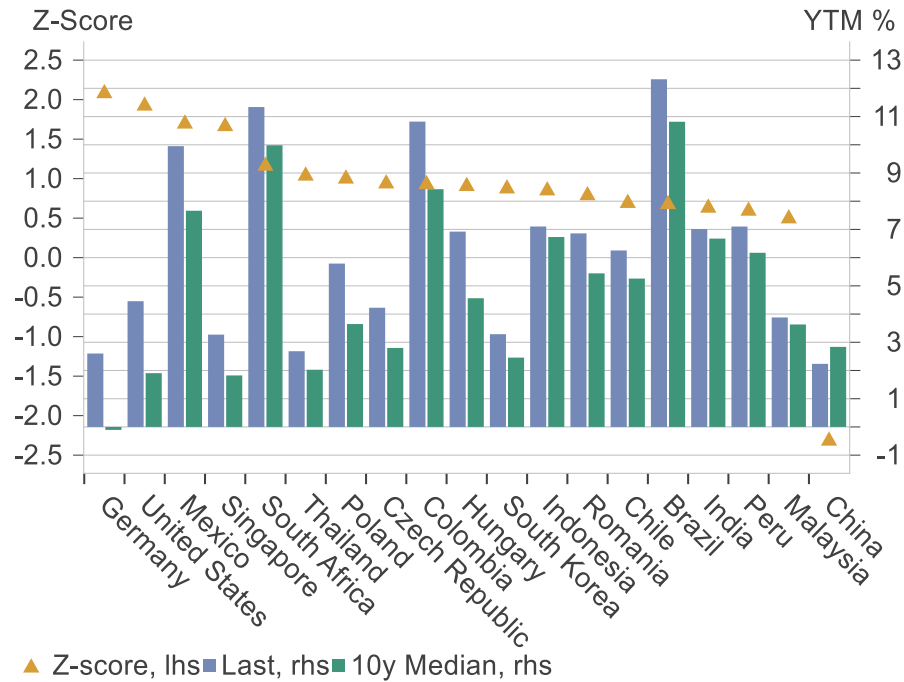


# Nominal yields are high

Nominal yields are high in most countries vs history

## 10y bond yields vs median

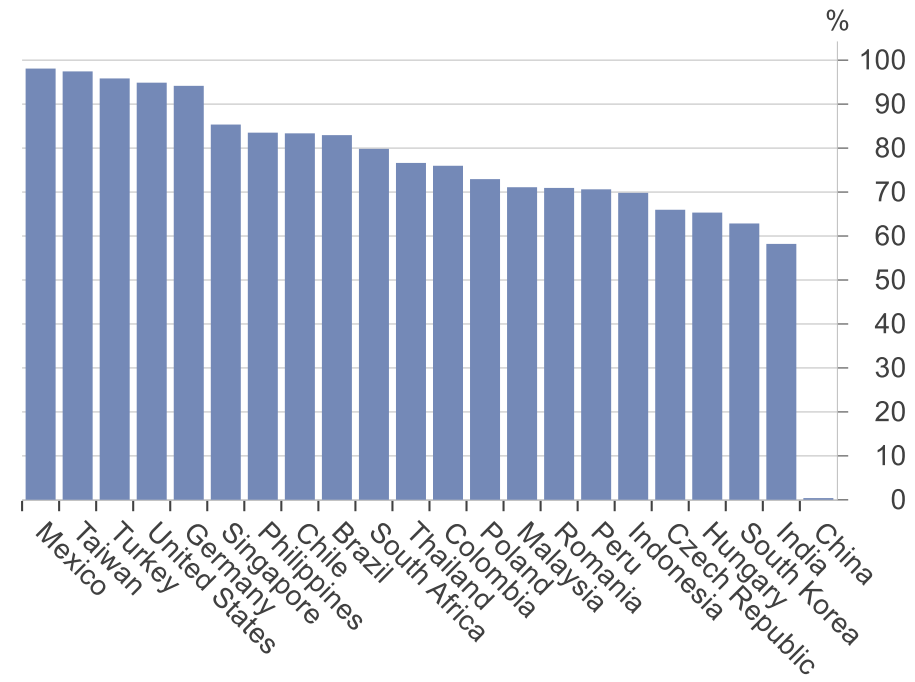
Ranked by 5y Zscore



DPAM, Macrobond, Bloomberg, 2/07/2024

## Current bond yields - percentile

Percentile of current yields vs 1250 days history



DPAM, Macrobond, National sources, 2/07/2024

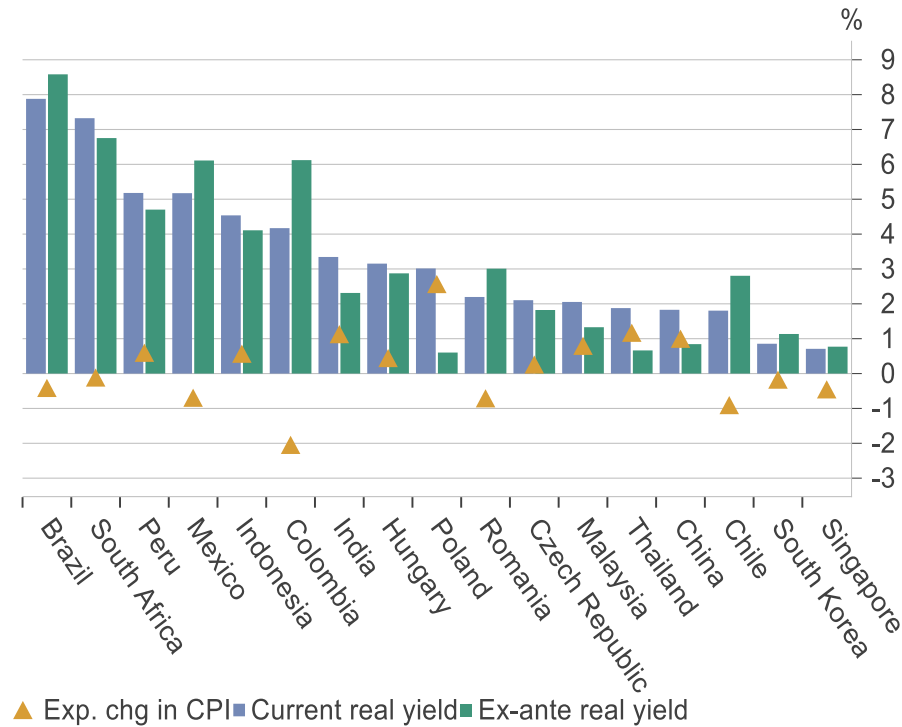


# Real yields valuation

Some domestic bonds offer good returns over inflation

## Ex-ante 10y real yields vs current

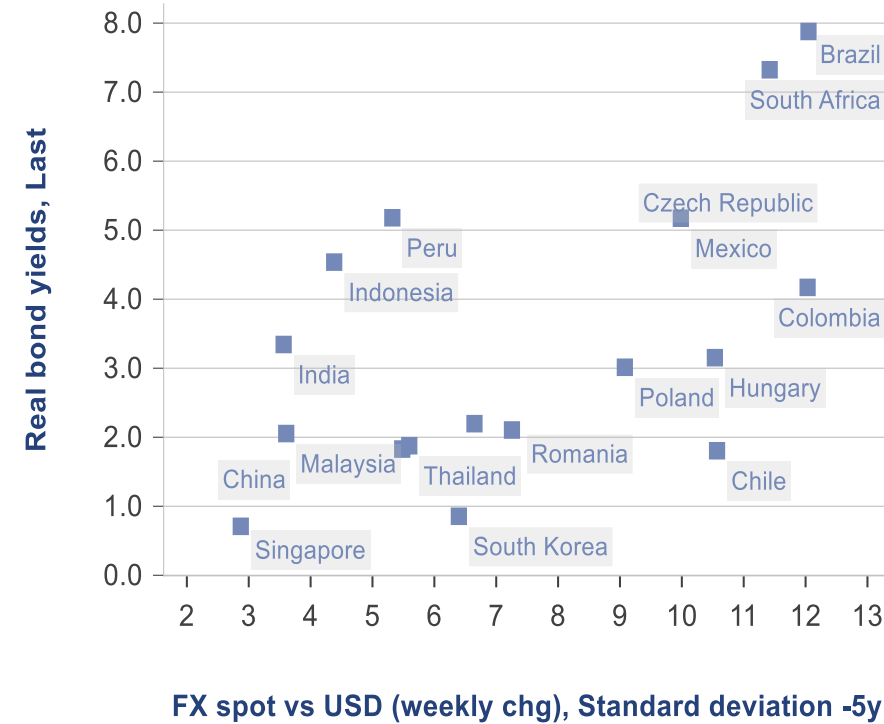
10y yield vs current CPI and forecast CPI



DPAM, Macrobond, Bloomberg, 2/07/2024

## Risk-adjusted returns

Real yields vs FX vol



FX spot vs USD (weekly chg), Standard deviation -5y

DPAM, Macrobond, Bloomberg, 2/07/2024

# Agenda



Why

Strategy

Process

Portfolio

Outlook

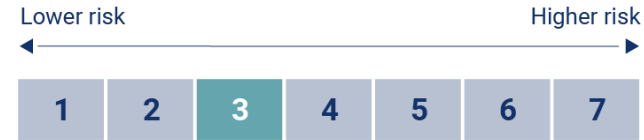
**Appendix**



# Risk & Reward profile

## Risk and Reward profile

### Summary risk indicator (SRI)



SRI calculated according to PRIIPs (EU) N° 1286/2014 regulation

## Product Characteristics

### No benchmark

The sub-fund is actively managed, and no benchmark is used

### ISIN CODE (F) LU0907928062

DPAM L Bonds Emerging Markets Sustainable is a sub-fund of DPAM L Fund, SICAV under Luxembourg law

### SFDR Article 9

The sub-fund has a sustainable investment objective according to SFDR framework



# Potential risks



**Depreciation of currencies**



**Spread widening**



**Credit risk**



**Illiquidity of securities, more difficult to sell**



**Operational and management risk including concentration and counterparty risk**



**Rising interest rates**

## **Credit risk**

Risk that a bond will lose all its value if the issuer of the bond is unable to repay its debt on the due date

## **Currency risk**

The fund may be invested in assets denominated in currencies other than EUR and could therefore be affected by fluctuations in exchange rates

## **Liquidity risk**

Some financial securities may be impossible to sell quickly at a given instant or may have to be sold at a discount

## **Counterparty risk**

The sub-fund can lose money as a result of the failure of a market player with which it does business

## **Operational risk**

In any market, especially in emerging markets, the sub-fund may lose some or all of its money in the event of default in the custody of assets, fraud, corruption, political measures or any other adverse event

## **Concentration risk**

Where the sub-fund concentrates its investments on one country (or one region or sector) that is affected by an adverse event, its value may fall

## **Management risk**

Under abnormal market conditions, standard management techniques may be ineffective or unfavorable

## **Derivatives risk**

Some derivatives may increase the volatility of the sub-fund or expose the sub-fund to losses higher than the price of these derivatives





# Performance contribution 2023\*

Strong start of the year, weak third quarter



Past performance does not predict future returns

	Unhedged Weight (%)	Contribution	CTR (Local Rates)	CTR (FX)	CTR (Residuals)		Unhedged Weight (%)	Contribution	CTR (Local Rates)	CTR (FX)	CTR (Residual)
<b>Cash</b>	<b>3.34</b>	<b>-0.06</b>	<b>0.00</b>	<b>-0.06</b>	<b>0.00</b>	<b>North America</b>	<b>10.50</b>	<b>2.27</b>	<b>1.21</b>	<b>1.06</b>	<b>0.00</b>
EUR	1.83	0.00	0.00	0.00	0.00	Bahamas	1.09	0.22	0.26	-0.03	0.00
USD	1.50	-0.06	0.00	-0.06	0.00	Mexico	9.41	2.05	0.95	1.10	0.00
<b>Africa / Middle East</b>	<b>15.70</b>	<b>0.95</b>	<b>2.26</b>	<b>-1.31</b>	<b>0.00</b>	<b>South &amp; Central America</b>	<b>25.83</b>	<b>5.28</b>	<b>4.22</b>	<b>1.06</b>	<b>0.00</b>
Ghana	0.41	0.01	0.08	-0.07	0.00	Brazil	9.11	1.68	1.23	0.45	0.00
Ivory Coast	1.87	0.32	0.32	0.00	0.00	Chile	3.35	0.18	0.32	-0.14	0.00
Kenya	0.78	-0.01	0.05	-0.06	0.00	Colombia	4.39	2.17	1.28	0.89	0.00
Lebanon	0.00	0.00	0.00	0.00	0.00	Costa Rica	0.19	0.09	0.12	-0.03	0.00
Mozambique	0.38	0.08	0.09	-0.01	0.00	Dominican Republic	0.99	0.10	0.13	-0.03	0.00
Namibia	0.29	0.02	0.04	-0.02	0.00	Ecuador	0.18	-0.05	-0.04	-0.01	0.00
Senegal	1.01	0.18	0.21	-0.03	0.00	Peru	3.34	0.59	0.62	-0.03	0.00
South Africa	7.98	-0.04	0.84	-0.88	0.00	Uruguay	4.25	0.52	0.58	-0.06	0.00
Tunisia	0.80	0.23	0.26	-0.03	0.00	Guatemala	0.03	0.00	-0.01	0.00	0.00
Uganda	0.52	0.06	0.09	-0.03	0.00	<b>Eastern Europe</b>	<b>17.25</b>	<b>3.66</b>	<b>3.28</b>	<b>0.38</b>	<b>0.00</b>
Zambia	0.46	-0.08	0.11	-0.19	0.00	Armenia	0.01	0.00	0.00	0.00	0.00
Benin	1.20	0.16	0.16	0.00	0.00	Czech Republic	3.07	0.45	0.54	-0.08	0.00
<b>Asia Pacific</b>	<b>22.76</b>	<b>0.74</b>	<b>1.72</b>	<b>-0.98</b>	<b>0.00</b>	Hungary	2.06	0.51	0.45	0.05	0.00
Indonesia	8.83	0.54	0.84	-0.30	0.00	Macedonia	0.06	0.01	0.01	0.00	0.00
Malaysia	5.84	-0.05	0.33	-0.39	0.00	Poland	6.79	1.67	1.22	0.45	0.00
Papua New Guinea	0.36	0.04	0.06	-0.02	0.00	Romania	3.25	0.68	0.71	-0.02	0.00
Philippines	0.65	0.06	0.07	-0.01	0.00	Serbia	1.49	0.20	0.20	0.00	0.00
Singapore	4.17	0.09	0.20	-0.10	0.00	Ukraine	0.36	0.12	0.13	-0.01	0.00
South Korea	2.67	0.08	0.23	-0.14	0.00	Georgia	0.01	0.00	0.00	0.00	0.00
Thailand	0.23	-0.02	-0.01	-0.01	0.00	Montenegro	0.15	0.03	0.03	0.00	0.00
<b>Central Asia</b>	<b>4.61</b>	<b>0.33</b>	<b>0.52</b>	<b>-0.19</b>	<b>0.00</b>	<b>Derivatives</b>	<b>0.00</b>	<b>0.71</b>	<b>0.44</b>	<b>0.26</b>	<b>0.00</b>
India	3.98	0.17	0.35	-0.18	0.00	Forwards	0.02	0.31	0.04	0.27	0.00
Pakistan	0.11	0.06	0.06	0.00	0.00	Futures	0.77	0.40	0.40	0.00	0.00
Sri Lanka	0.37	0.08	0.10	-0.02	0.00	Derivatives	-0.80	0.00	0.00	0.00	0.00
Mongolia	0.15	0.02	0.02	0.00	0.00	<b>Grand Total</b>	<b>99.99</b>	<b>13.89</b>	<b>13.65</b>	<b>0.23</b>	<b>0.00</b>

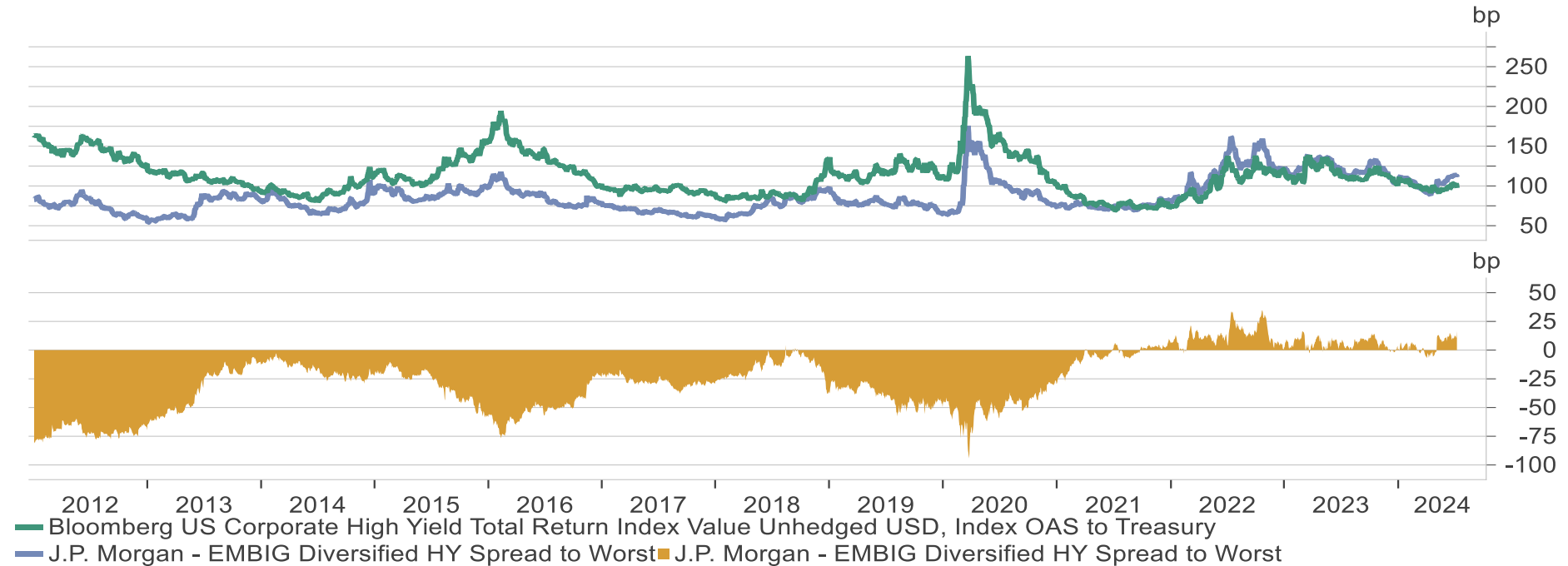
Source: DPAM, December 29<sup>th</sup>, 2023 - (\*) Based on Bloomberg data: data are temporary and can be different from the management report. Tables are calculated on gross data and do not include fees. As such the grand total may/will defer from the actual total



# Hard currency bonds

Spread per duration unit – EMD HY vs US HY – EMD looks better

## EM Sovereign HY Spread per duration unit vs US HY Corporate Spread per duration unit



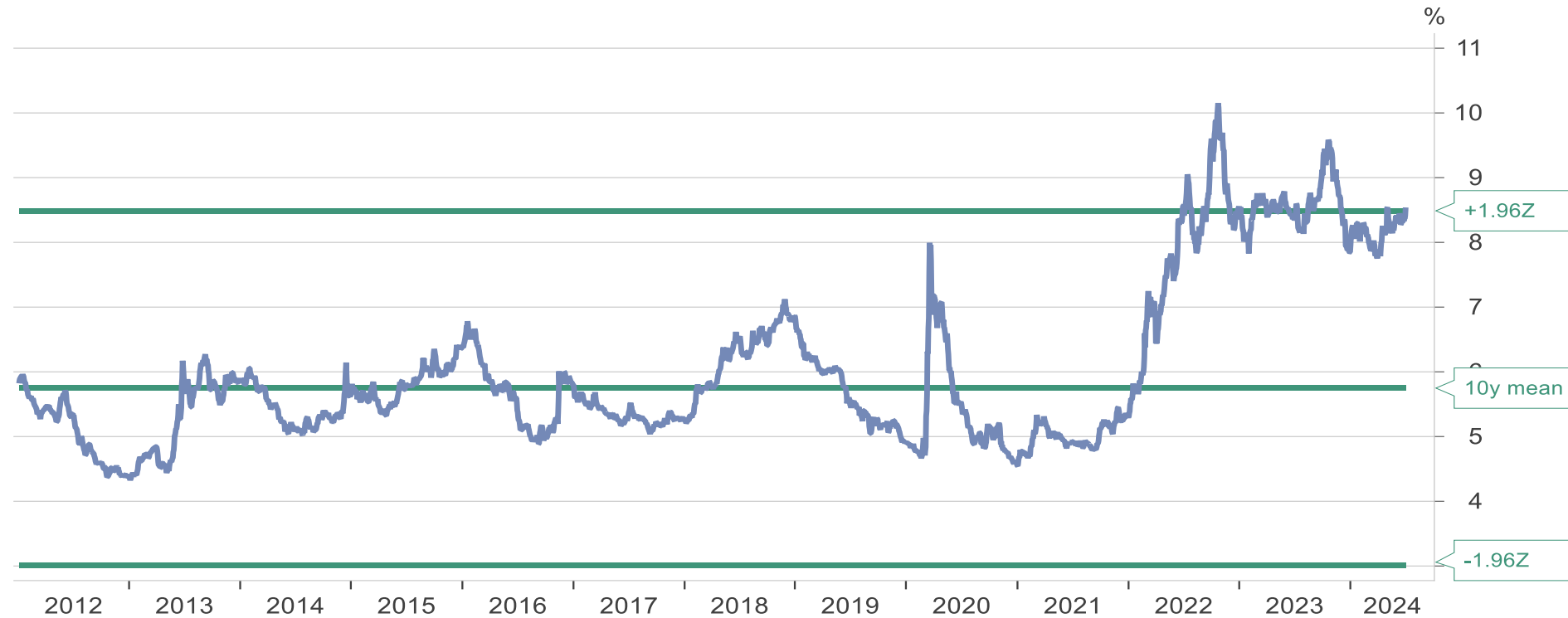
DPAM, Macrobond, JP Morgan, Bloomberg, 1/07/2024, 1/07/2024, 1/07/2024



# Hard currency bonds

Yield levels are attractive thanks to core rates

**J.P. Morgan EMBI Global Diversified Blended Yield median -10y - 95% interval**



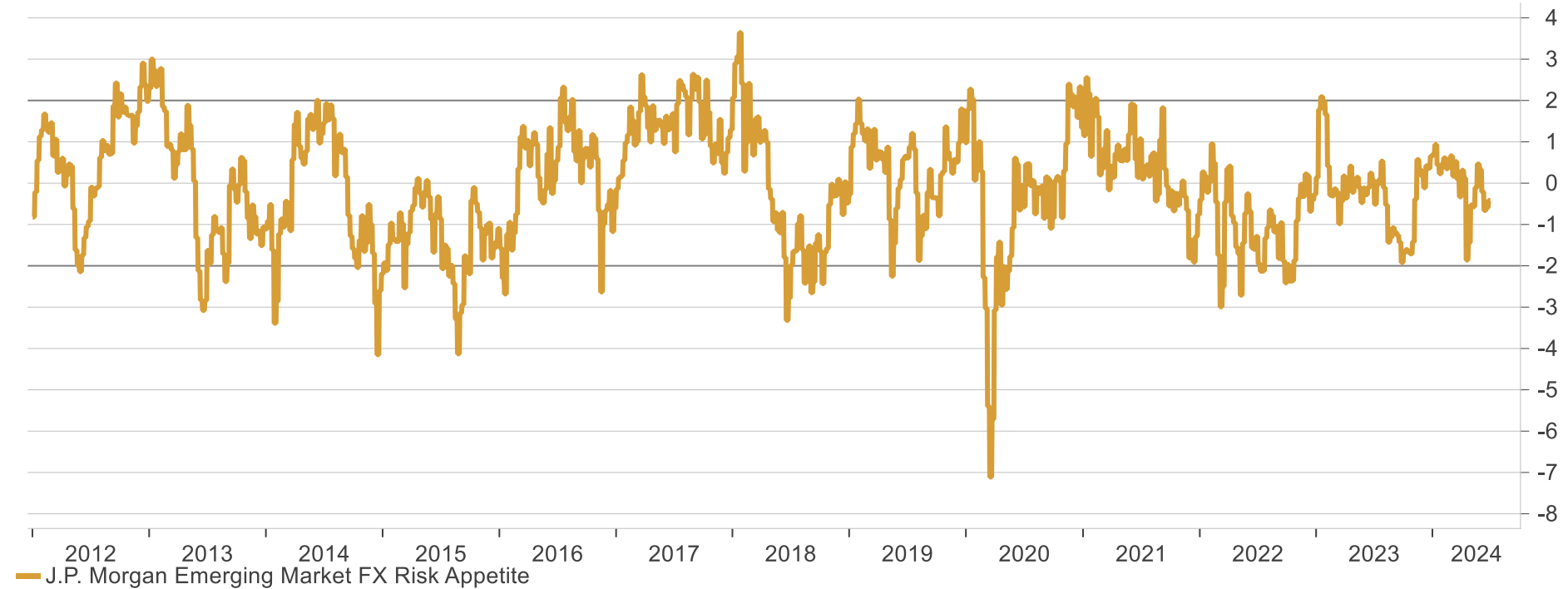
DPAM, Macrobond, JP Morgan, 1/07/2024



# Currency valuations

Risk appetite

## EMFX Risk Appetite



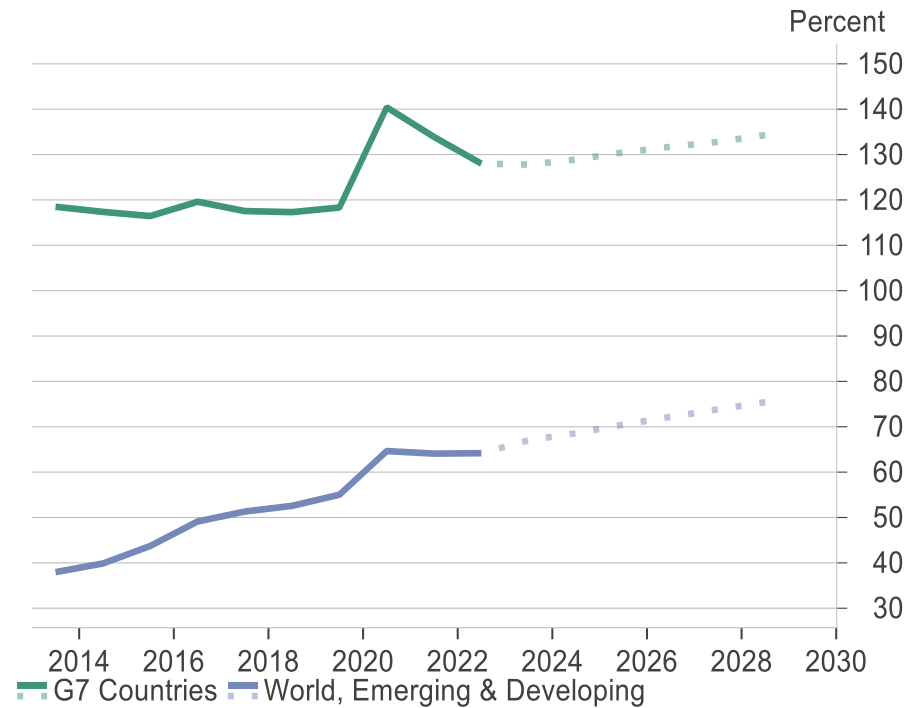
DPAM, Macrobond, JP Morgan, Bloomberg, 28/06/2024



# EM Fundamentals are Relatively Sound

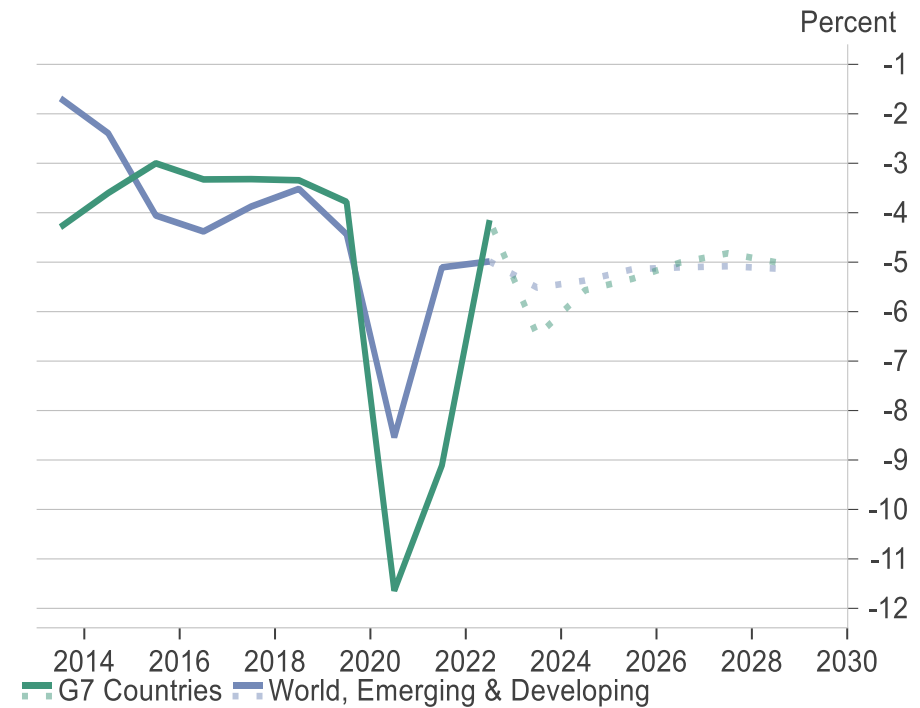
Debt Burden Generally Less Elevated than in some Advanced Economies

### G7 economies debt burden is higher



DPAM, Macrobond, IMF Fiscal Monitor, 2023

### Public deficits wider than pre-Covid



DPAM, Macrobond, IMF Fiscal Monitor, 2023

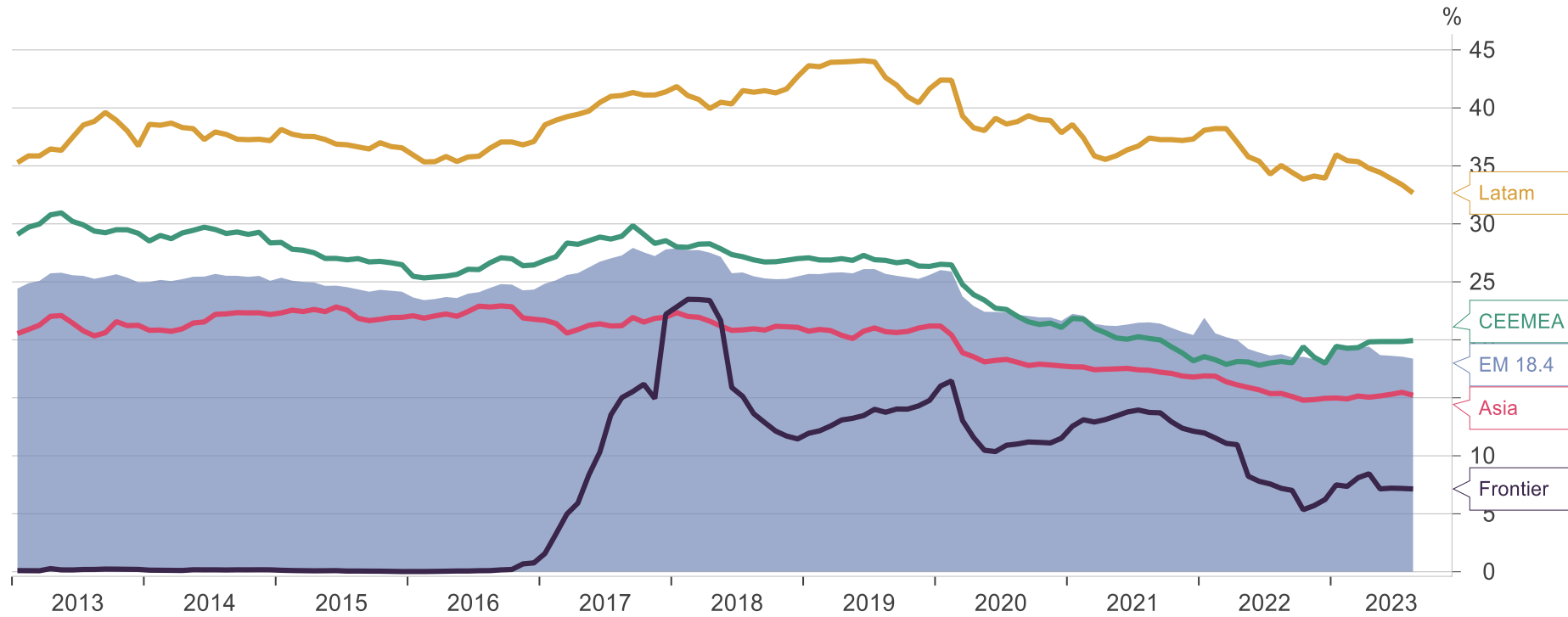


# Foreign Positioning in Domestic Markets

Potential for a Rebound

 Past performance does not predict future returns

### Share of foreign holdings in domestic debt markets

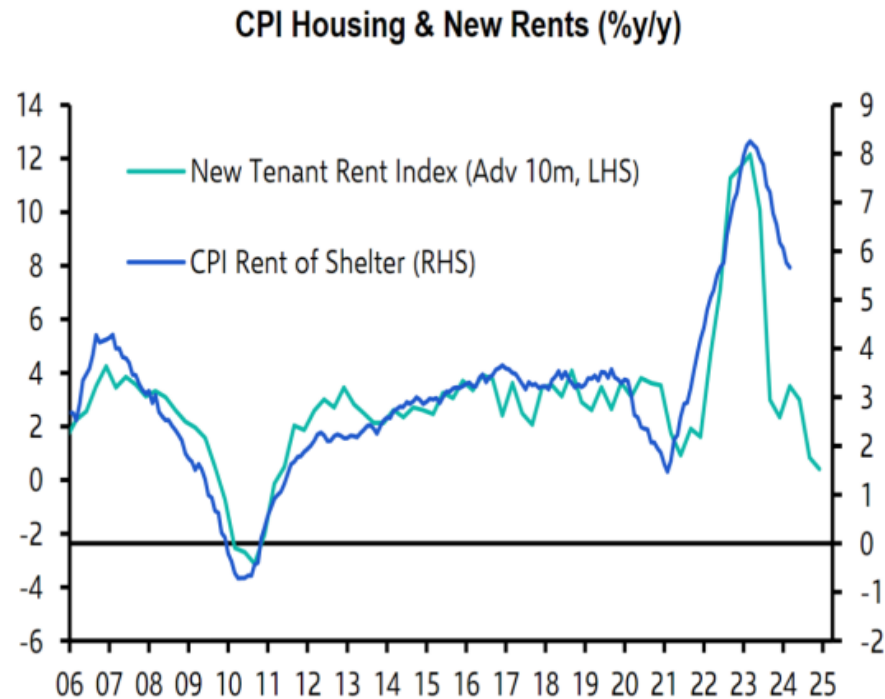


DPAM, Deutsche Bank Research, Macrobond, 08/2023



# US inflation

Expected to come down from high figures seen in the first quarter of 2024



Sources: Refinitiv, BLS

Source: Degroof Petercam, Refinitiv, BLS, May 2024

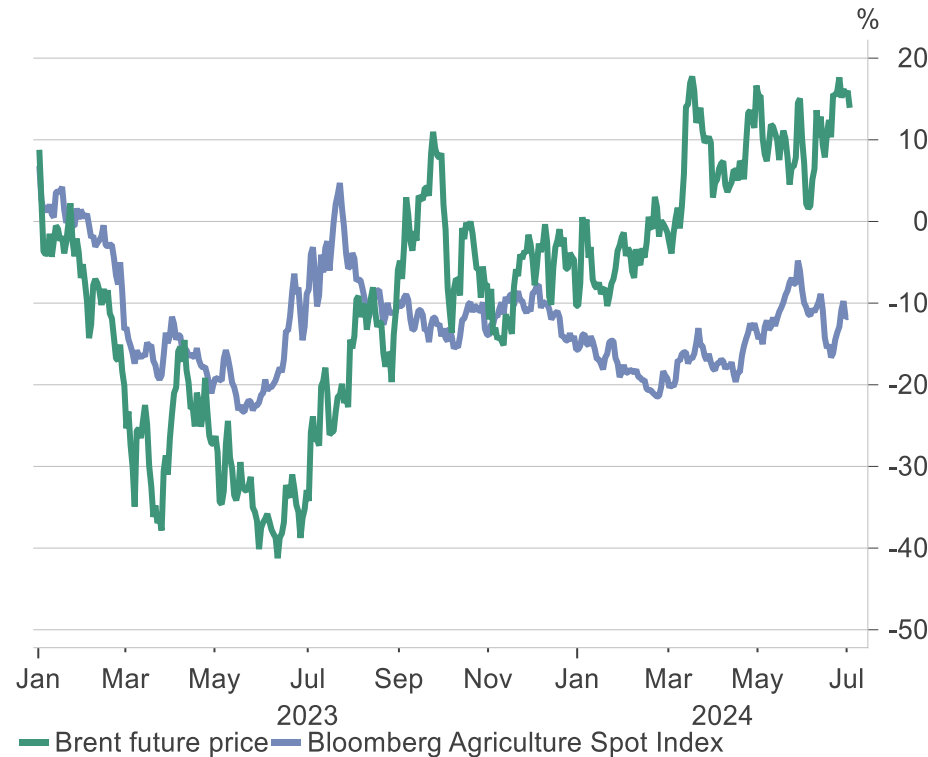
- Recent core inflation prints primarily driven by shelter, healthcare and auto insurance
- Excluding housing, US core inflation (in YoY terms) is in line with the 2% inflation target
- Wage growth is most important driver of services inflation
- The further rebalancing of the labor market (in combination with slightly below growth prospects) still hints at moderating wage growth and underlying price pressures



# External shocks to inflation

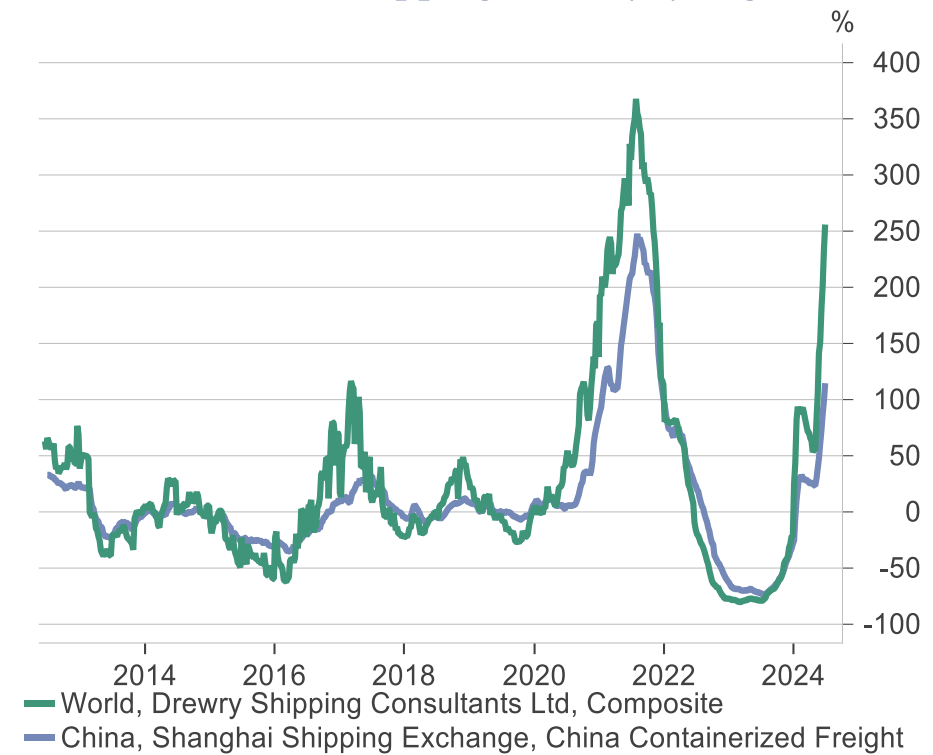
Risk comes from supply, geopolitics and weather uncertainties

### Brent and soft commodities prices, yoy chg



DPAM, Macrobond, Bloomberg, 1/07/2024

### World and China Shipping Index, yoy chg



DPAM, Macrobond, 2024 W26





# EM inflation monitor

In a few selected countries in DM and EM

Global CPI Heatmap (Y/Y%)												
Conditional formatting based on the percentile over all available historical data.												
	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023
<b>Developed Markets</b>												
Australia				3.6	3.8	3.9	4.0	4.5	4.9	5.3	5.6	5.9
Austria	3.0	3.4	3.5	4.1	4.1	4.6	5.6	5.3	5.4	6.0	7.4	7.0
Canada		2.9	2.7	2.9	2.8	2.8	3.4	3.0	3.1	3.8	4.0	3.3
France	2.1	2.3	2.2	2.3	3.0	3.1	3.7	3.5	4.0	4.9	4.9	4.3
Germany	2.2	2.4	2.2	2.2	2.5	2.9	3.7	3.2	3.7	4.5	6.1	6.1
Ireland		2.8	2.5	2.8	3.5	4.1	4.6	3.9	5.1	6.4	6.3	5.8
Italy	0.8	0.8	0.8	1.2	0.8	0.8	0.6	0.7	1.7	5.3	5.4	5.9
Japan		2.8	2.5	2.7	2.8	2.2	2.6	2.8	3.3	3.0	3.2	3.3
Netherlands		2.7	2.7	3.1	2.8	3.2	1.2	1.6	-0.4	0.2	3.0	4.6
New Zealand				4.0	4.2	4.4	4.7	5.0	5.3	5.6	5.8	5.9
Spain	3.4	3.6	3.3	3.2	2.8	3.4	3.1	3.2	3.5	3.5	2.6	2.3
Switzerland		1.4	1.4	1.0	1.2	1.3	1.7	1.4	1.7	1.7	1.6	1.6
United Kingdom		2.0	2.4	3.2	3.4	4.0	3.9	3.9	4.6	6.6	6.7	6.9
United States		3.3	3.4	3.5	3.2	3.1	3.3	3.1	3.2	3.7	3.7	3.3
<b>EU 27</b>		2.7	2.6	2.6	2.8	3.1	3.4	3.1	3.6	4.9	5.9	6.1
<b>Euro Area</b>	2.5	2.6	2.4	2.4	2.6	2.8	2.9	2.4	2.9	4.3	5.2	5.3
<b>Emerging Markets</b>												
Brazil		3.9	3.7	3.9	4.5	4.5	4.6	4.7	4.8	5.2	4.6	4.0
China		0.3	0.3	0.1	0.7	-0.8	-0.3	-0.5	-0.2	0.0	0.1	-0.3
India		4.7	4.8	4.9	5.1	5.1	5.7	5.6	4.9	5.0	6.8	7.4
Indonesia	2.5	2.8	3.0	3.0	2.8	2.6	2.8	3.0	2.6	2.3	3.4	3.1
Malaysia		2.0	1.8	1.8	1.8	1.5	1.5	1.5	1.8	1.9	2.0	2.0
Mexico		4.7	4.7	4.4	4.4	4.9	4.7	4.3	4.3	4.5	4.6	4.8
Philippines		3.9	3.8	3.7	3.4	2.8	3.9	4.1	4.9	6.1	5.3	4.7
Poland	2.7	2.6	2.5	2.1	3.0	3.9	6.1	6.1	6.1	7.7	9.8	10.7
Russia		8.3	7.9	7.7	7.7	7.4	7.4	7.5	6.7	6.0	5.2	4.3
South Korea	2.4	2.7	2.9	3.1	3.1	2.8	3.2	3.3	3.8	3.7	3.4	2.4
Taiwan		2.2	1.9	2.2	2.3	2.4	2.6	2.5	2.6	2.5	2.2	1.9
Thailand		1.5	0.2	-0.5	-0.8	-1.1	-0.8	-0.4	-0.3	0.3	0.9	0.4
Turkey	71.6	75.4	69.8	68.5	67.1	64.9	64.8	62.0	61.4	61.5	58.9	47.8
Vietnam	4.3	4.4	4.4	4.0	4.0	3.4	3.6	3.4	3.6	3.7	3.0	2.1

■ Below 50th percentile ■ Above 50th percentile

Source: National Sources, Macrobond, Taikang Asset, 1/06/2024



# Central bank monitor

Central bank policy rates												
Hikes highlighted in blue												
Cuts highlighted in red												
	5/2024	4/2024	3/2024	2/2024	1/2024	12/2023	11/2023	10/2023	9/2023	8/2023	7/2023	6/2023
United States	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.13
Euro Area	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.00
United Kingdom	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.00	5.00
Japan	0.05	0.05	0.05	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Argentina	40.00	60.00	80.00	100.00	100.00	100.00	133.00	133.00	118.00	118.00	97.00	97.00
Australia	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.10	4.10	4.10	4.10	4.10
Brazil	10.50	10.75	10.75	11.25	11.75	11.75	12.25	12.75	12.75	13.25	13.75	13.75
Canada	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.75
Switzerland	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Chile	6.00	6.50	7.25	7.25	8.25	8.25	9.00	9.00	9.50	10.25	10.25	11.25
China	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.55	3.55
Colombia	11.75	12.25	12.25	12.75	13.00	13.00	13.25	13.25	13.25	13.25	13.25	13.25
Czech Republic	5.25	5.75	5.75	6.25	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00
Denmark	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.35	3.35	3.10
Hong Kong	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Hungary	7.25	7.75	8.25	9.00	10.00	10.75	11.50	12.25	13.00	13.00	13.00	13.00
Indonesia	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75
Israel	4.50	4.50	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75
India	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Iceland	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	8.75	8.75
South Korea	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
North Macedonia	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.15	6.00	6.00
Mexico	11.00	11.00	11.00	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25
Malaysia	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Norway	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.00	3.75
New Zealand	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Peru	5.75	6.00	6.25	6.25	6.50	6.75	7.00	7.25	7.50	7.75	7.75	7.75
Philippines	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.25
Poland	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.75	6.75	6.75
Romania	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Serbia	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25
Russia	16.00	16.00	16.00	16.00	16.00	16.00	15.00	15.00	13.00	12.00	8.50	7.50
Saudi Arabia	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75
Sweden	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.75	3.75	3.50
Thailand	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00
Turkey	50.00	50.00	50.00	45.00	45.00	42.50	40.00	35.00	30.00	25.00	17.50	15.00
South Africa	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25

Source: BIS (The Bank for International Settlements)



# Central bank monitor

## EM Central bank tracker

	Key rate	Last decision		Last Move	Months since last hike	Months since last cut
Turkey	50.00	5.000	Hike	3/2024	4	17
Argentina	40.00	-10.000	Cut	5/2024	10	3
Ghana	29.00	-1.000	Cut	1/2024	13	7
Egypt	27.75	6.000	Hike	3/2024	5	45
Nigeria	26.25	1.500	Hike	5/2024	2	46
Pakistan	20.50	-1.500	Cut	6/2024	13	2
Russia	16.00	1.000	Hike	12/2023	7	22
Mozambique	15.00	-0.750	Cut	5/2024	22	2
Zambia	13.50	1.000	Hike	5/2024	3	47
Kenya	13.00	0.500	Hike	2/2024	6	52
Ukraine	13.00	-0.500	Cut	6/2024	26	2
Colombia	11.25	-0.500	Cut	7/2024	15	1
Mexico	11.00	-0.250	Cut	3/2024	16	4
Brazil	10.50	-0.250	Cut	5/2024	24	3
Uganda	10.25	0.250	Hike	4/2024	4	12
Sri Lanka	8.50	-0.500	Cut	3/2024	17	4
Uruguay	8.50	-0.500	Cut	4/2024	19	4
South Africa	8.25	0.500	Hike	5/2023	14	48
Armenia	8.00	-0.250	Cut	6/2024	20	2
Tunisia	8.00	0.750	Hike	1/2023	19	46
Namibia	7.75	0.500	Hike	6/2023	14	47
Hungary	7.00	-0.250	Cut	6/2024	22	1
Romania	7.00	0.250	Hike	1/2023	19	42
Dominican Republic	7.00	-0.250	Cut	12/2023	21	8
India	6.50	0.250	Hike	2/2023	18	50
Philippines	6.50	0.250	Hike	10/2023	9	44
Indonesia	6.25	0.250	Hike	4/2024	3	41
Serbia	6.25	-0.250	Cut	6/2024	13	2
Saudi Arabia	6.00	0.250	Hike	7/2023	12	53
Paraguay	6.00	-0.250	Cut	3/2024	23	5
Chile	5.75	-0.250	Cut	6/2024	22	1
Poland	5.75	-0.250	Cut	10/2023	23	10
Hong Kong	5.75	0.250	Hike	7/2023	12	50
Peru	5.75	-0.250	Cut	5/2024	6	3
Costa Rica	4.75	-0.500	Cut	4/2024	21	3
Czech Republic	4.75	-0.500	Cut	6/2024	25	1
Israel	4.50	-0.250	Cut	1/2024	14	7
Vietnam	4.50	-0.500	Cut	6/2023	21	13
South Korea	3.50	0.250	Hike	1/2023	19	50
China	3.45	-0.100	Cut	8/2023	126	11
Singapore	3.41	-0.006	Cut	7/2024	1	1
Malaysia	3.00	0.250	Hike	5/2023	15	49
Morocco	2.75	-0.001	Cut	6/2024	7	1
Thailand	2.50	0.250	Hike	9/2023	10	50
Taiwan	2.00	0.125	Hike	3/2024	4	52

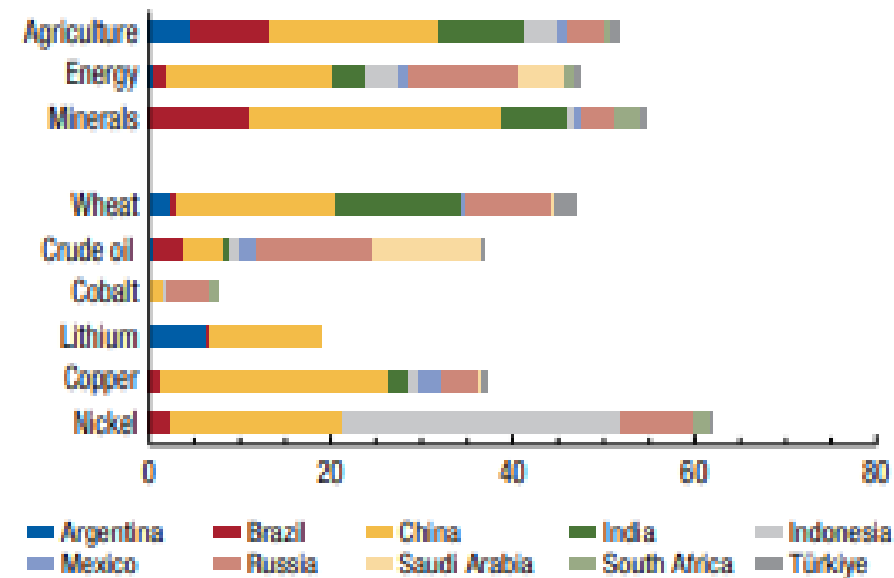
DPAM, Macrobond, National sources, 3/07/2024



# Fragmentation

EM ex-China to benefit from commodities and relocation of supply chains out of China

### Share of G20 EM in World Production across Commodities (% of world production)

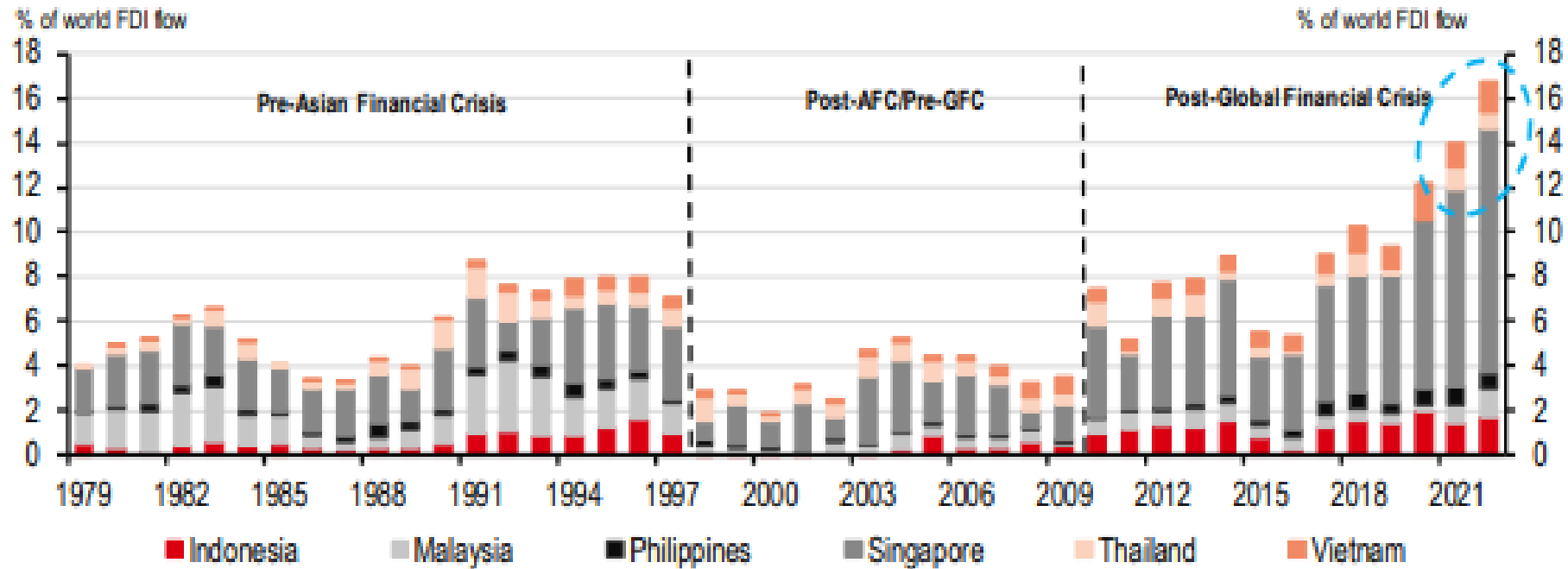


Source: IMF WEO April 2024



# FDIs

FDI inflows into ASEAN have jumped to a record high: from \$23bn in 2016 to \$65bn in 2022



Source: UNCTAD, HSBC; NB: AFC – Asian Financial Crisis, GFC – Global Financial Crisis

Source: UNCTAD, HSBC published as of March 2024, data as of end of 2022



# Why do we care so much about US yields?

US dollar is a much more important driver for local currency returns

## Correlation of weekly returns in USD over the past 15y

	LOCAL EMD	HARD EMD	CORPORATE EMD	US HIGH YIELD	S&P 500 INDEX	MSCI EMERGING EQUITIES	US TREASURIES	DOLLAR INDEX SPOT	EURO	COMMODITIES	GOLD	BRENT
LOCAL EMD												
HARD EMD	0.75											
CORPORATE EMD	0.66	0.86										
US HIGH YIELD	0.61	0.76	0.79									
S&P 500 INDEX	0.56	0.54	0.42	0.64								
MSCI EMERGING EQUITIES	0.78	0.63	0.60	0.67	0.70							
US TREASURIES	0.07	0.31	0.27	0.05	-0.19	-0.14						
DOLLAR INDEX SPOT	-0.62	-0.43	-0.39	-0.35	-0.32	-0.45	-0.16					
EURO	0.60	0.38	0.34	0.30	0.31	0.42	0.08	-0.95				
COMMODITIES	0.35	0.29	0.34	0.36	0.34	0.46	-0.12	-0.33	0.33			
GOLD	0.40	0.35	0.31	0.21	0.18	0.29	0.30	-0.46	0.41	0.28		
BRENT	0.26	0.25	0.24	0.36	0.32	0.40	-0.17	-0.21	0.19	0.38	0.18	

Source: DPAM, Bloomberg, 03.2024

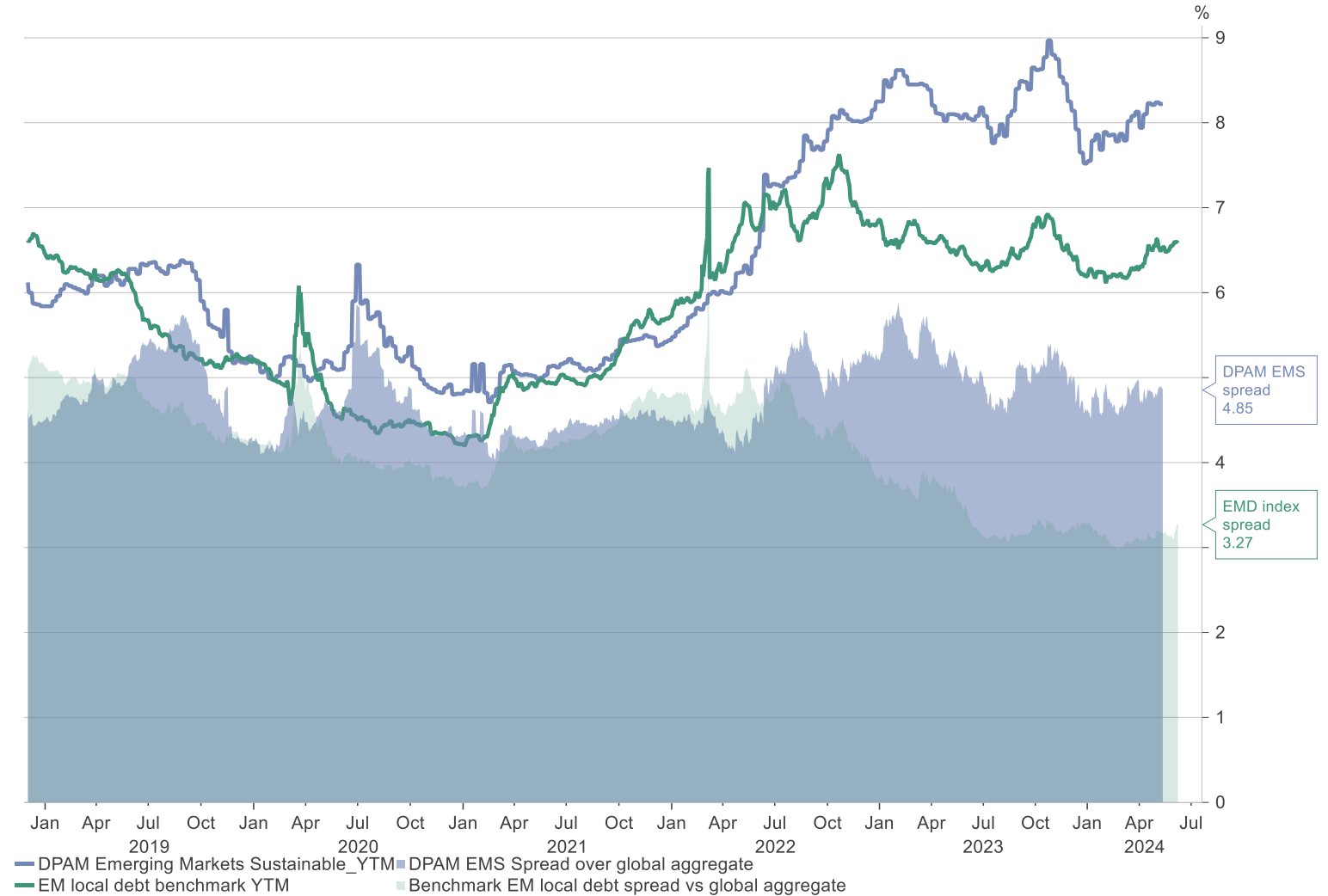


# Are local Currency Spreads too Tight?

*At index level, local currency emerging market yields versus global aggregate yields are currently around pre-GFC levels. Indices, are too narrow and have a clear overweight to Asian local markets. Many of these markets have local yields below US-treasuries*

 **Past performance does not predict future returns**

YTM evolution of DPAM EMS vs Global agg



DPAM, Macrobond, Bloomberg, JP Morgan, 6/06/2024



# Fixed Income

## Fund Managers



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income,  
Member of the Management  
Board

25 '09

### Government Bonds

#### Euro Government



**Lowie Debou, CFA**  
Fund manager  
08 '16



**Ronald Van Steenweghen**  
Fund manager  
18 '07

#### Global Government / Sustainable



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income  
25 '09



**André Figueira de Sousa**  
Fund manager  
12 '22

### Emerging Markets

#### Emerging Markets Sustainable



**Michaël Vander Elst**  
Fund manager  
35 '18



**Hugo Verdière, CFA**  
Fund manager  
18 '19

### Corporate Bonds

#### Investment Grade / Sustainable



**Anahi Machado Tironi**  
Fund manager  
17 '11



**Steven Decoster**  
Fund manager  
23 '04

#### High Yield / Emerging Markets Sustainable



**Bernard Lalière**  
Head of Credit  
26 '05



**Marc Leemans, CFA**  
Fund manager  
32 '04

### Multi-Strategy

#### Climate Sustainable



**Ronald Van Steenweghen**  
Fund manager  
18 '07



**Anahi Machado Tironi**  
Fund manager  
17 '11

#### Global Unconstrained



**Raffaele Principe**  
Fund manager  
17 '21



**Thomas Timmerman**  
Fund manager  
03 '23



**Peter De Coensel\***  
CEO DPAM  
33 '09



**Sam Vereecke, PhD, CFA**  
CIO Fixed Income  
25 '09

### Data Analysis

#### Fixed Income



**Dorian Vanham**  
Fixed Income Data Analyst  
05 '23





# Political Agenda

Risks comes from Local Politics through a Barrage of Elections in High-Profile EM Countries

<b>COUNTRY</b>	<b>ELECTION</b>	<b>DATE</b>
Bagladesh	General	13-Jan-24
Taiwan	Presidential	13-Jan-24
Senegal	Presidential	01-Feb-24
El Salvador	General	14-Feb-24
Indonesia	Presidential	25-Feb-24
India	General	
Senegal	Presidential	01-Mar-23
Pakistan	General	03-Mar-24
Russia	Presidential	Apr 2024
Dominican Republic	Presidential	01-May-24
North Macedonia	Presidential	05-May-24
Panama	General	19-May-24
South Africa	Presidential	02-Jun-24
Mexico	General	22-Jul-24
Uruguay	General	27-Oct-24
Mozambique	Presidential	27-Oct-24
Romania	Presidential	Nov 24
Namibia	Legislative	07-Dec-24
Ghana	General	Dec 24

Source: DPAM, NDI



# DPAM L Bonds Emerging Markets Sustainable

## Share Class Details

ISIN	Share class	Currency	Distribution type	Client Type	Status	Countries registered for sale													
						BE	LU	NL	FR	CH	DE	AT	IT	ES	PT	UK	FI	SE	
LU0907927171	A	EUR	Dist	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆	◆				
LU0907927338	B	EUR	Cap	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆	◆				◆
LU0966596107	B CHF	CHF	Cap	Retail	Launched		◆			◆									
LU1200235353	B USD	USD	Cap	Retail	Launched	◆	◆			◆	◆			◆	◆				
LU0907927841	E	EUR	Dist	Instit	Launched		◆	◆	◆	◆	◆	◆		◆	◆				
LU0907928062	F	EUR	Cap	Instit	Launched		◆	◆	◆	◆	◆	◆		◆	◆			◆	
LU0966596362	F CHF	CHF	Cap	Instit	Launched		◆			◆				◆					
LU1200235437	F USD	USD	Cap	Instit	Launched		◆	◆	◆	◆	◆			◆					
LU0907928575	L	EUR	Cap	Retail	Launched		◆		◆	◆	◆	◆	◆	◆					
LU0966596529	V	EUR	Dist	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		
LU0966596875	W	EUR	Cap	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆
LU1874836387	W CHF	CHF	Cap	Clean	Launched		◆			◆									
LU1200235601	W USD	USD	Cap	Clean	Launched		◆	◆	◆	◆	◆	◆	◆	◆					

Source: DPAM - October 2024



# DPAM L Bonds Emerging Markets Sustainable

## Share Class Details - Fees

ISIN	Share class	Currency	Minimum investment	Entry fee	Exit fee	Management fee	Performance fee	Ongoing costs	Transaction costs
LU0907927171	A	EUR	0.001 share	Maximum 2%	0%	Maximum 1.00%	-	1.14%	0.28%
LU0907927338	B	EUR	0.001 share	Maximum 2%	0%	Maximum 1.00%	-	1.09%	0.28%
LU0966596107	B CHF	CHF	0.001 share	Maximum 2%	0%	Maximum 1.00%	-	1.08%	0.28%
LU1200235353	B USD	USD	0.001 share	Maximum 2%	0%	Maximum 1.00%	-	1.10%	0.28%
LU0907927841	E	EUR	EUR 25'000	Maximum 1%	0%	Maximum 0.50%	-	0.60%	0.28%
LU0907928062	F	EUR	EUR 25'000	Maximum 1%	0%	Maximum 0.50%	-	0.59%	0.28%
LU0966596362	F CHF	CHF	CHF 25'000	Maximum 1%	0%	Maximum 0.50%	-	0.58%	0.28%
LU1200235437	F USD	USD	USD 25'000	Maximum 1%	0%	Maximum 0.50%	-	0.58%	0.28%
LU0907928575	L	EUR	EUR 1'000	Maximum 2%	0%	Maximum 1.50%	-	1.53%	0.28%
LU0966596529	V	EUR	0.001 share	Maximum 2%	0%	Maximum 0.50%	-	0.68%	0.28%
LU0966596875	W	EUR	0.001 share	Maximum 2%	0%	Maximum 0.50%	-	0.63%	0.28%
LU1874836387	W CHF	CHF	0.001 share	Maximum 2%	0%	Maximum 0.50%	-	0.62%	0.28%
LU1200235601	W USD	USD	0.001 share	Maximum 2%	0%	Maximum 0.50%	-	0.61%	0.28%

**Entry Fee:** Maximum fee applicable when purchasing a sub-fund. Actual rates may be lower. Contact your financial advisor or distributor for more information. The entry fee reduces the potential growth and return on your investment. The percentage is based on the NAV.

**Management fees and other administrative or operating costs:** These are the portfolio management fees of the sub-fund per year, including the fees of the service provider, the operation of the sub-fund and the maximum management fee. This estimate is based on actual costs over the past year.

**Transaction costs:** This is an estimate of the costs incurred per year, when buying and selling the underlying investments for the product. The actual amount will vary depending on the quantity we buy and sell.

**Swing pricing:** this sub-fund applies swing pricing. In accordance with the terms of the prospectus, the Board of Directors of the SICAV DPAM L determines the threshold value and the value of the swing factors. Please consult the website: <https://www.dpaminvestments.com> to know the applicable threshold value and swing factors.

This is not an exhaustive list of fees. Other fees may apply, vary by share class, and are subject to change. All fees and their methodology are described in the prospectus and Key Information Document.

For sub-funds or share classes whose net asset value is expressed in any currency other than the one in your country, the costs may increase or decrease as a result of currency and exchange rate fluctuations

Source: DPAM - October 2024



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*\* Syncicap Asset Management  
is a joint venture between  
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