



DPAM L BONDS EMERGING MARKETS SUSTAINABLE

*A diversified portfolio with sustainability
at its heart aiming at long term progress*



WHY INVEST IN

Local currency emerging market government bonds

- **Potentially higher yields** than developed market bonds
- **High diversification** (sub-regions & countries, currencies, commodity im- or exporters, etc.)
- **Solid credit quality**, with several emerging countries being investment grade
- Distinct market dynamics, often **decorrelated** from developed markets
- **Attractive complement** to a conventional developed market bond portfolio

DPAM L Bonds Emerging Markets Sustainable?

- **Unique approach combining sustainability and financial performance objectives**
- **Active selection** of country and securities, duration, currency and yield curve positioning
- **Proprietary sustainability model**: to capture long term drivers of progress, aiming at less volatility
- **Diversified portfolio** with allocation limits per country or in frontier markets, etc.

INVESTMENT UNIVERSE



Emerging countries
government bonds



Investment grade &
speculative grade
ratings



Local currency
bonds

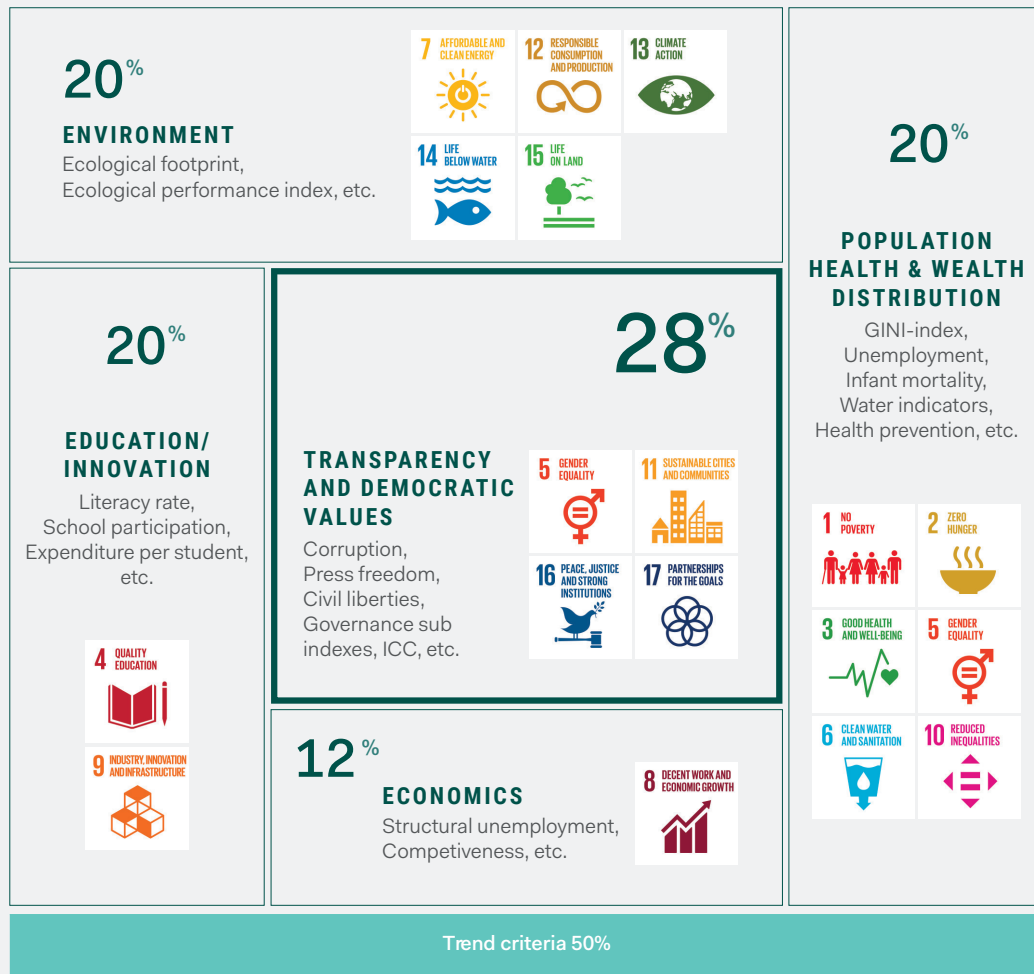


Up to 30%
hard currency







Limited use of
derivatives

DPAM's 5 Dimensions of Sustainability



Source: DPAM

A ROBUST INVESTMENT PROCESS

1	2	3	4
 <p>DEFINING THE SUSTAINABLE UNIVERSE</p>	 <p>FINANCIAL ANALYSIS</p>	 <p>BUILDING A DIVERSIFIED PORTFOLIO</p>	 <p>ACTIVE MANAGEMENT AND RISK CONTROL</p>
<p>Democratic values</p> <p>Exclusion of countries rated "not free/undemocratic" by NGO Freedom House & The Economist.</p> <p>ESG ranking</p> <p>Propriety model assessing emerging countries on more than 60 criteria that cover the 5 dimensions: democracy, education, environment, economy, population.</p> <p>Data sources</p> <p>Independent reports issued by NGOs, UN and the World Bank.</p>	<p>Country</p> <p>Economy, geopolitics, interest rate and overall financial health and credit quality outlooks, etc.</p> <p>Individual bond</p> <p>Liquidity, currency, maturity, valuation, etc.</p> <p>Broader view</p> <p>Market liquidity, general risk appetite, correlation levels between currencies, etc.</p>	<p>Portfolio construction</p> <p>150-160 bonds from 20-30 countries.</p> <p>Minimum 40% invested in countries from first quartile in ESG ranking, maximum 10% in countries from last quartile.</p>	<p>Regular reassessment</p> <p>of portfolio & individual holdings risk profile (including their ESG ranking) to identify both risks and opportunities.</p>

WHAT ARE THE POTENTIAL RISKS?



Depreciation of currencies.



Spread widening.



Credit risk.



Illiquidity of securities, more difficult to sell.

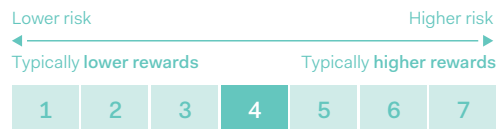


Operational and **management** risk including concentration and counter-party risk.



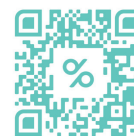
Rising interest rates.

Risk and reward profile



SRRI calculated according UCITS (EU) regulation N°583/2010.

We refer to the KIID and the prospectus for more details on the risks involved.
(see www.dpamfunds.com)



KEY PRODUCT CHARACTERISTICS

ISIN CODE (W) LU0966596875

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

No benchmark

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

SFDR Article 9

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

RECOGNITION

2020



GRUPPO 24ORE - CFS RATING LABEL: Best 300 Funds (Italy) / FUNDS PEOPLE: Consistent, Analysts' Choice & Blockbuster Fund Label (Italy) / FINANZEN VERLAG: Bonds Emerging Markets local - 1st place - Over 5 years & 3rd place - Over 3 years (Germany)

2021



LIPPER: Bond Emerging markets Global LC - Over 5 years (Austria, Germany) / FUNDS PEOPLE: Consistent & Blockbuster Fund Label (Italy)





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