

CBL Global Emerging Markets Bond Fund



Class R Acc USD
Class R Acc EUR (hedged)

February 2019

Investment Objective

The investment objective is to achieve long-term capital growth by investing in debt securities issued or guaranteed by the governments, municipalities, central banks, credit institutions and corporations of developing countries.

Investment Process

- Absolute-return mindset
- Focus on bottom-up credit selection
- Country, industry and issuer diversification

Ratings and Awards

Morningstar Rating™
(share class R Acc EUR Hdg)

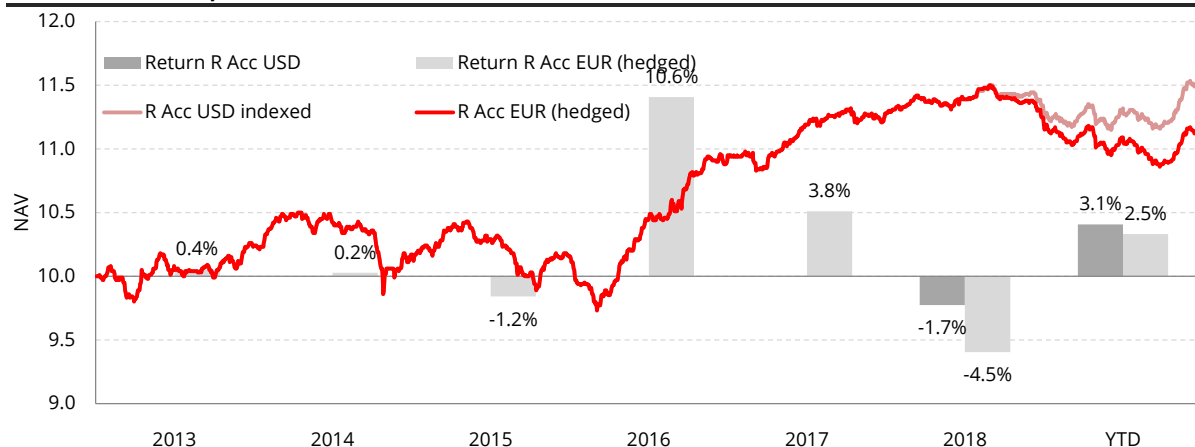


Fund Overview

Management Company	CBL Asset Management
Fund Managers	Andris Kotans, CFA Edgars Lao, CFA
Custodian bank	Citadele banka
Inception Date	25/06/2013
Fund Size	USD 31.5 mln
Management Fee	1.5% p.a.
Front Load Fee	Up to 1.0%
Issue/redemption	Daily
Distribution Status	Accumulative
Legal Status	UCITS IV, Latvia

	Class R Acc USD	Class R Acc EUR (H)
ISIN	LV0000400968	LV0000400828
Bloomberg Code	CBLGRAU LR	CITGEMB LR
Base Currency	USD	EUR
Share Class Size	4.3 mln	23.8 mln

Performance History



Total Return by Period

	YTD	1M	3M	6M	1Y	2Y	3Y	5Y	SI	2018	2017	2016
Class R Acc USD	3.1%	0.4%	3.5%	3.3%	1.1%	-	-	-	1.1%	-1.7%	-	-
Class R Acc EUR (hedged)	2.5%	0.1%	2.6%	1.5%	-2.1%	-0.3%	3.8%	1.9%	2.0%	-4.5%	3.8%	10.6%

Top 10 Holdings

	Coupon	Maturity	Weight
ONGC Videsh Vankorneft	3.75%	27-Jul-26	3.0%
SASOL	5.88%	27-Mar-24	3.0%
Bharti Airtel	5.35%	20-May-24	2.9%
Schroder ISF - Asian LC			2.9%
Chandra Asri Petrochemical	4.95%	8-Nov-24	2.7%
Listrindo Capital	4.95%	14-Sep-26	2.6%
SAN Miguel Industrias Pet	4.50%	18-Sep-22	2.6%
Turkey	6.00%	25-Mar-27	2.5%
Globalworth	2.88%	20-Jun-22	2.4%
Global Bank Corp	4.50%	20-Oct-21	2.4%
Total			27.0%

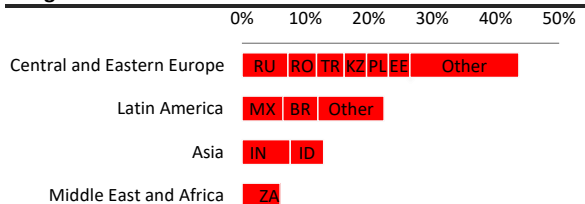
Portfolio Statistics

Yield-to-Worst (after hedge to USD)	6.5%
Modified Duration	3.4
Average Credit Rating	Baa3
Number of Holdings	48
Average Security Weight	1.9%

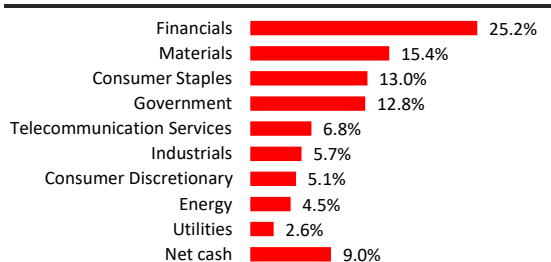
Performance Statistics (3Y)

	R Acc USD	R Acc EUR (H)
Volatility (St. Dev., %)	-	3.7%
Sharpe Ratio	-	1.2
Sortino Ratio	-	2.5
Value-at-Risk (30d / 95%)	-	1.6%

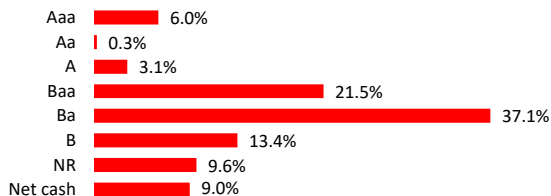
Region Breakdown



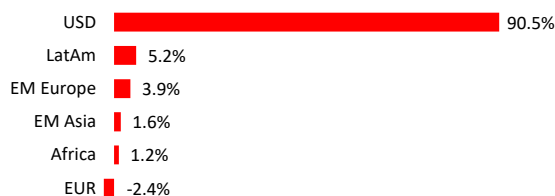
Sector Breakdown



Credit Rating Breakdown



Currency Breakdown



Events of the Month

- Global risk assets continued to perform strongly in February, as positive developments in China-U.S. trade talks surpassed investors' concerns about global growth slowdown. Global stocks gained 2-3% on average, while Brent oil price closed above \$65/bbl.;
- Key benchmark interest inched higher amid improved risk appetite. The 10-year UST yield closed the month at 2.7% and 10-year Germany bond at 0.18%;
- Emerging market hard currency (HC) Eurobonds continued their uptrend, albeit at a slower pace than in previous month. EM HC Eurobonds were up by around 1%, while EM local currency (LC) debt, in USD terms, dipped by similar amount. Our Fund gained 0.4%, slightly lagging the broader market performance by avoiding the more speculative exposures;
- In Latin America, Venezuela lagged the most, as there were increasing tensions between current regime leaders and self-proclaimed interim president Juan Guaido, at times risking military escalation;
- Meanwhile, in Africa, the rand fell by around 5.5%, as South Africa decided to bail out Eskom, the struggling state-owned power utility, by injecting around ZAR70bn over three year period.

Contributors and Detractors

- + Superior security selection in Latin America (corporates in Mexico, no poorly performing Jamaica exposure) helped the Fund's relative performance;
- Europe continued to be a drag to the Fund's relative result;
- Abstaining from highly speculative names in Africa (Egypt, Nigeria, and Kenya sovereigns) also had a negative contribution to the Fund's relative performance.

Portfolio Positioning

- We switched Severstal'22 to Rusal'23 Eurobonds, as we see greater upside for the latter after removal of sanctions;
- We also tactically traded Gazprom's newly placed 2026 Eurobonds.

Outlook and Strategy

The reporting season among emerging market issuers is running its course and we observe that the credit quality across emerging market corporates remains strong. While in short term risk sentiment may weaken following the very strong start of 2019, the generally inexpensive valuations still offer attractive investment opportunities in the EM debt market, in our view. Currently, we see more relative value in medium term bonds with higher risk premium and we will continue to adjust the portfolio to reflect this view.

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