

# Emirates Fixed Maturity Portfolio - Tranche 2

Fact Sheet September 2021



## Details

|                    |   |
|--------------------|---|
| Fund Manager       | Emirates NBD Fund Managers (Jersey) Ltd   |
| Investment Manager | Emirates NBD Asset Management Ltd regulated by the Dubai Financial Services Authority |
| Lead Manager       | Parth Kikani, CFA   |
| Associate Manager  | Angad Rajpal, CFA   |
| Domicile           | Jersey, Channel Islands   |
| Fund Launch Date   | 15 April 2019   |
| Current Fund Size  | USD 29.6 million  |
| Dealing Frequency  | Monthly   |

## Ratings

Signatory of:



## Dividend

|      | March | June | September | December |
|------|-------|------|-----------|----------|
| 2021 | 1%    | 1%   | 1%        |          |
| 2020 | 1%    | 1%   | 1%        | 1%       |
| 2019 | -     | 1%   | 1%        | 1%       |

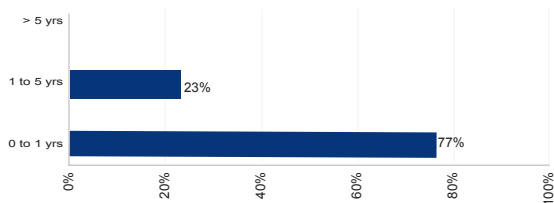
## Top 5 Holdings\*

|                          |      |
|--------------------------|------|
| Yapi Ve Kredi Bank       | 3.8% |
| Arab Republic of Egypt   | 3.8% |
| Country Garden           | 3.8% |
| Times China Holding      | 3.7% |
| Emirates NBD Bank        | 3.5% |
| Total number of holdings | 29   |

## Key Metrics\*

|                        |       |
|------------------------|-------|
| Yield to Maturity      | 2.25% |
| Current Yield          | 4.62% |
| Duration               | 0.63  |
| Average Credit Rating* | BB+   |

## Maturity Profile



0-1 year bucket includes cash position

## Contact Details

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## Investment Objective

The Emirates Fixed Maturity Portfolio is a US Dollar denominated 4 year closed-ended fund, domiciled in Jersey which seeks to provide professional, institutional and high net worth investors with a professionally managed means of participating in fixed and floating rate securities from issuers predominantly in Emerging Markets. The fund will have a fixed maturity date and intends to distribute dividends on a regular basis.

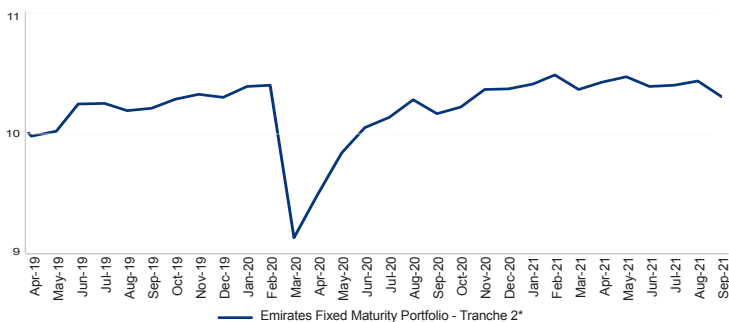
## Team

With one of the largest track records in the MENA region, Emiratates NBD Asset Management operates as an independent asset manager based in the DIFC and backed by Emirates NBD Bank PJSC, one of the largest financial service groups in the UAE.

The team employs sophisticated techniques to drive performance and control risk. This helps manage volatility during periods of market stress, as well as maintain performance above major peers during most periods. The Head of Fixed Income, Angad Rajpal has been in the industry for almost twelve years and is assisted by Director of Fixed Income Parth Kikani and Senior Portfolio Manager Chandru Bhatia, both of whom have over 10 years' industry experience.

The portfolio managers are supported by three analysts. The team includes two CFA Charter Holders who provide in-depth company and security analysis, as well as a dedicated risk management function. The risk management function reports independently to the Investment Committee which provides investment oversight.

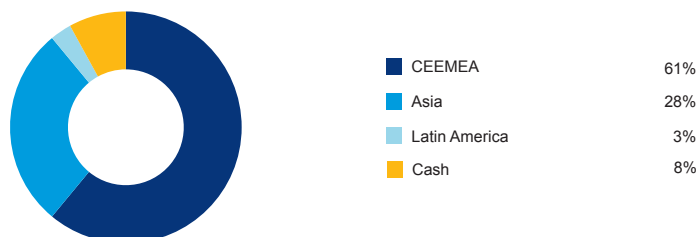
## Performance



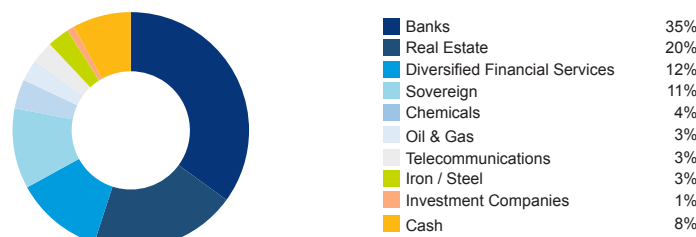
|       | 1 Month | 3 Months | Year to Date | 12 Months | Since Inception | CAGR** | Annualised Volatility | Sharpe Ratio |
|-------|---------|----------|--------------|-----------|-----------------|--------|-----------------------|--------------|
| Fund* | -1.27%  | -0.84%   | -0.65%       | 1.38%     | 3.07%           | 5.52%  | 9.00%                 | 0.47         |

\*Source: Emirates NBD Asset Management, I Share Class, bid to bid, price returns do not include distributed dividends.  
 \*\* Includes distributed dividends.

## Country Weights\*



## Sector Weights\*



\* Source: Emirates NBD Asset Management analysis as at 29<sup>th</sup> September 2021.  
 • Average credit rating is based on Bloomberg Composite Rating where more than two ratings are available. In case where only one rating is available, that rating is taken

# Emirates Fixed Maturity Portfolio - Tranche 2

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ASSET MANAGEMENT

## Commentary

The Emirates Fixed Maturity Portfolio - Tranche 2 was -0.84% during Q3 2021 and up 3.07% since inception, excluding dividend payments (1% each quarter since launch).

Over Q3 2021, US Treasury yields were undoubtedly volatile but ultimately ended the quarter just 2 basis points higher from July's 1.47% to 1.49%. Year to date Q3 2021, the 10 year yields have increased by 58 basis underpinning the reflation story. The markets saw some volatility in the month of September driven by the FOMC's guidance of tapering its bond purchases as early as November while the dot plots of the Fed governors' expectations imply a possible earlier than expected interest rate hike (either 2022 or 2023). The final week of the quarter saw the US Treasury curve move in a parallel shift leading to a more orderly repricing. Another main development in markets in 3Q 2021 was the ongoing financial difficulties of the Chinese developer Evergrande and the continual drag in performances from the China property segment that saw some spillover effects (albeit contained and limited) to the broader markets. Going forward, the improving vaccination drives, reopening of economies and loose monetary policies will continue to support the "reflation" and "risk on" momentum leading to spread compression in overall credit.

The top positive contributors for Q3 2021 for Emirates Fixed Maturity Portfolio - Tranche 2 were Vedanta Resources Ltd (positive commodity prices) and Dar Al-Arkan Sukuk (valuations and strong carry in volatile rates backdrop). Rating changes during the quarter: Fidelity Bank upgraded by Fitch National from BBB to BBB+, JSW Steel Ltd upgraded by ICRA from AA- to AA, Vedanta Resources Ltd upgraded from Caa1 to B3, Egypt upgraded by Moody's from B1 to Ba3 and Sri Lanka got downgraded from B3 to Caa1.

As of 30<sup>th</sup> September 2021, Emirates Fixed Maturity Portfolio - Tranche 2 current yield is 4.62% with a duration of 0.63 years. The Z spread is 216bps with a weighted average rating of BB+.

The fund has declared a 1% dividend for Q3 2021.

## Monthly Performance Data

|      | January | February | March   | April  | May   | June   | July  | August | September | October | November | December | Total  |
|------|---------|----------|---------|--------|-------|--------|-------|--------|-----------|---------|----------|----------|--------|
| 2019 | -       | -        | -       | -0.24% | 0.42% | 2.25%  | 0.08% | -0.58% | 0.17%     | 0.75%   | 0.42%    | -0.29%   | 2.99%  |
| 2020 | 0.91%   | 0.10%    | -12.26% | 3.89%  | 3.75% | 2.15%  | 0.84% | 1.45%  | -1.10%    | 0.53%   | 1.45%    | 0.06%    | 0.73%  |
| 2021 | 0.37%   | 0.75%    | -1.20%  | 0.62%  | 0.43% | -0.75% | 0.09% | 0.34%  | -1.27%    |         |          |          | -0.65% |

Note: Price return does not include distributed dividends.

## Fund Codes and Fees

| Share Class | NAV / Share<br>(30.09.2021)* | Annual<br>Management Fee | Deferred<br>Sales Fee | ISIN         | Bloomberg<br>Code |
|-------------|------------------------------|--------------------------|-----------------------|--------------|-------------------|
| I USD Inc 3 | 10.3066                      | Up to 0.70%              | Up to 1%              | JE00BJVK8R44 | EMFIUI3 JY        |

\* Pricing date as at 29.09.2021

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Past performance is not indicative of future performance. The value of investments and the income derived from them may go down as well as up and you may not receive back all the money which you invest.

For a full outline on applicable fees, please refer to the Fund's prospectus, supplement or term sheet.