



LMM BankInvest Emerging Markets Corporate Debt

July 2024

BANKINVEST

Handler
med omtanke

About the BankInvest Group

BankInvest is a leading Nordic asset manager providing UCITS funds and AIFs

- Total assets under management and administration of approx. DKK 179.8 billion (EUR 24.9 billion).
- Established in 1969 as one of the first investment associations in Denmark.
- The ownership group behind the parent company, BI Holding A/S, consists of 39 regional and nationwide financial institutions. The majority of the assets managed and administered by BankInvest come from approximately 200,000 investors who are clients of more than 40 Danish and foreign financial institutions that distribute and advise on BankInvest's investment products.

AUM and figures are updated on 30 June., 2024



About the BankInvest Group

BankInvest is a leading Nordic asset manager providing UCITS funds and AIFs

Out of the actively managed assets, 32% are invested in bonds, 49% in equities, and the remaining portion is allocated to alternatives and mandates with active allocation between stocks and bonds.

Around 96% of the assets are actively managed for retail and institutional clients.

The BankInvest Group, which comprises several financial companies, employs approximately 110 staff in total.

- BankInvest manages EUR 1.7 billion in Emerging Market bonds across mutual funds and institutional mandates

AUM and figures are updated pr. 30/06-2023.

BankInvest has vast experience in Emerging Market Debt



Strategy	AuM (€ million)	Investors
EM Corp Debt	692	Institutional
EM Corp Debt IG	64	Institutional
EM Short Duration	195	Retail
EM Mixed Sov/Corp	560	Retail
EM Local Currency	203	Retail
Total	1,714	

Updated end-April 2024

- Pioneering by investing in 50/50 Emerging Markets Sovereign and Corporate Debt strategy since 2001
- Launched the first Emerging Market Debt ESG fund in the world in 2007
- All Morningstar rated Emerging Market Debt strategies carry either 4 or 5 Morningstars

Experienced Emerging Market Corporate Debt team

Same PM-team since inception



PM-team



Søren Bertelsen

BankInvest since: 2000
EMCD since: 2001
Experience: 32 years



Chresten Hagelund

BankInvest since: 2006
EMCD since: 2007
Experience: 21 years

EM Corporate Analysts



Eduardo Ordonez

BankInvest since: 2015
EMCD since: 2011
Experience: 12 years



Aksel Madslien

BankInvest since: 2023
Experience: 16 years

EM Sovereigns & Local Currency



Michael Hauch

BankInvest since: 2004
EMD since: 2015
Experience: 25 years



Jakob Ekholdt Christensen

BankInvest since: 2023
EMD since: 2014
Experience: 23 years<

ESG Analysts



Søren Høyer

BankInvest since: 2019
ESG since: 2020
Experience: 27 years



Line Vestergaard Stæhr

BankInvest since: 2021
ESG since: 2021
Experience: 11 years

Quant Analysts



Alexandros Bøgeskov-Tsoronis

BankInvest since: 2018
EMCD since: 2018
Experience: 9 years



Asbjørn Fyhn

BankInvest since: 2021
EMCD since: 2022
Experience: 2 years

Emerging Market Debt team (continued)

European Credit



Carsten Horn Nielsen
BankInvest since: 2000
Experience: 36 years



Jens Korsgaard Skriver
BankInvest since: 2014
Experience: 14 years



Anders Preisler Skovgaard
BankInvest since: 2023
Experience: 11 years

Global rates & macro



Anders Isager
BankInvest since: 2006
Experience: 37 years



Christian Meyersahm
BankInvest since: 1993
Experience: 31 years

EM Strategy and Equity



Jakob Vejøl
BankInvest since: 2009
Experience: 30 years



Glenn Martin Vestergaard
BankInvest since: 2020
Experience: 25 years

Risk Analysis



Jakob Møller Petersen
BankInvest since: 2011
EMCD since: 2011



Jakob Meldgaard
BankInvest since: 2017
EMCD since: 2017





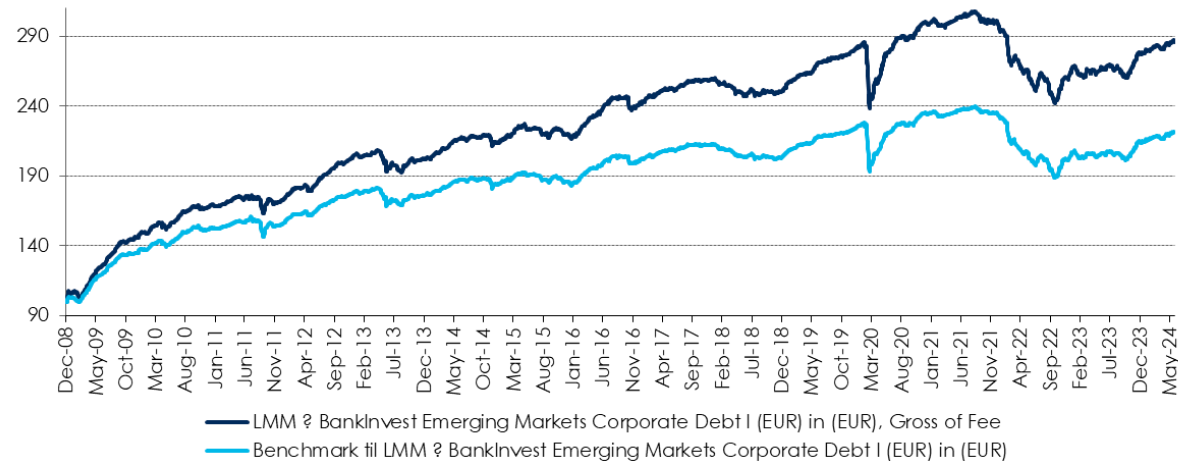
Performance

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Consistent Stable Excess Returns since inception

Return index



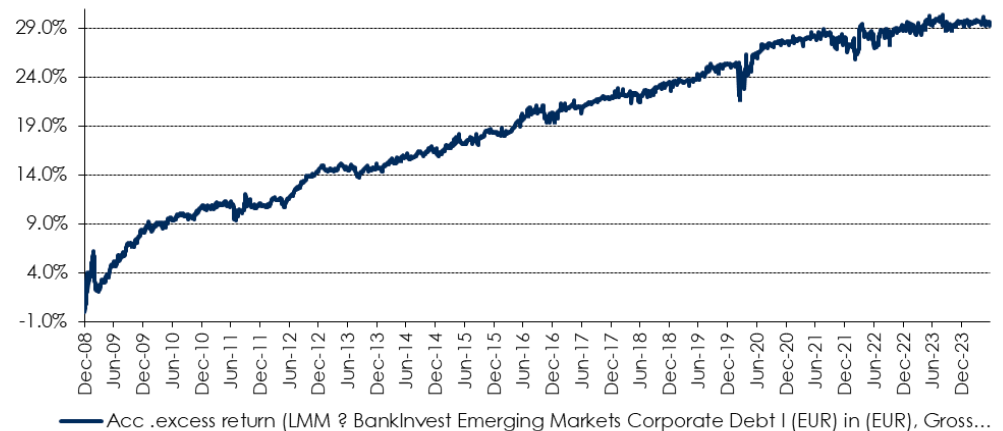
Return 31/12/2008 - 26/06/2024	Total Return	Annualized Return*
LMM ? BankInvest Emerging Markets Corporate Debt I (EUR) in (EUR), Gross of	186.19%	7.03%
Benchmark til LMM ? BankInvest Emerging Markets Corporate Debt I (EUR) in	121.41%	5.27%
Excess Return (arithmetic)	64.78%	1.76%

	1 Year (52w) 21/06/2024			3 Years (36m) 31/05/2024			5 Years (60m) 31/05/2024		
Returns in EUR	Portfolio	BM	Rel	Portfolio	BM	Rel	Portfolio	BM	Rel
Return / Perf (ann)	7.43%	7.44%	-0.01%	-1.86%	-2.29%	0.44%	1.50%	0.58%	0.92%
St Dev / Tracking Error	3.57%	3.53%	0.68%	7.18%	6.89%	1.20%	9.15%	8.45%	1.24%
Sharpe* / Information	2.08	2.11	-0.01	-0.26	-0.33	0.37	0.16	0.07	0.74
Beta (vs BM)	0.99			1.03			1.07		

* rFr = 0

Source: BankInvest, JP Morgan

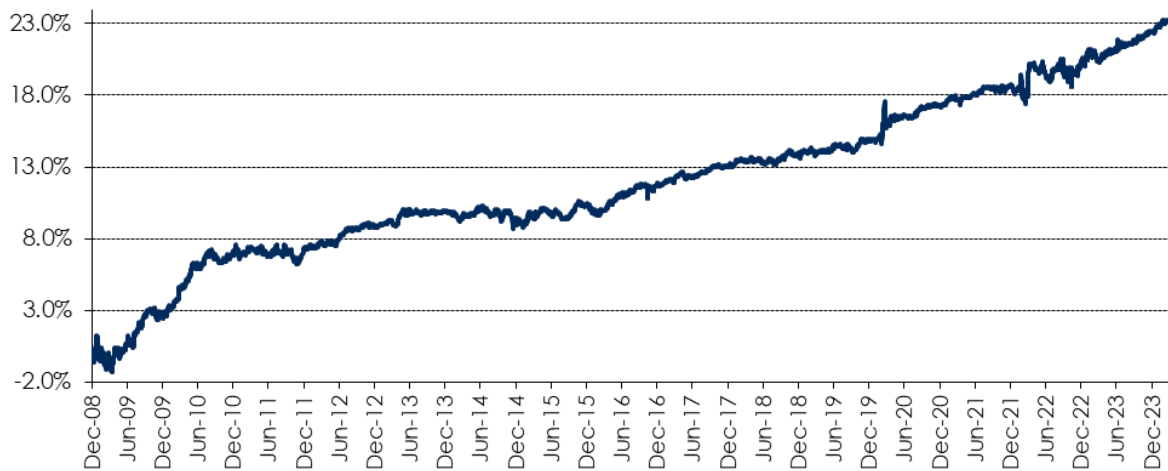
Excess return



Fund name	LMM Emerging Markets Corporate Debt
Inception Date	31/12/2008
ISIN	LU0253262702 / LU0304976276 / LU0658686109 / LU2419433219
Fund AuM (USD million)	126
Share Classes	EUR-I, EUR-R, USD-I, USD-II
Benchmark	JP Morgan CEMBI Broad Diversified (hedged to share class currency)

Relative performance

EM Sovereign/Corporate blend strategy



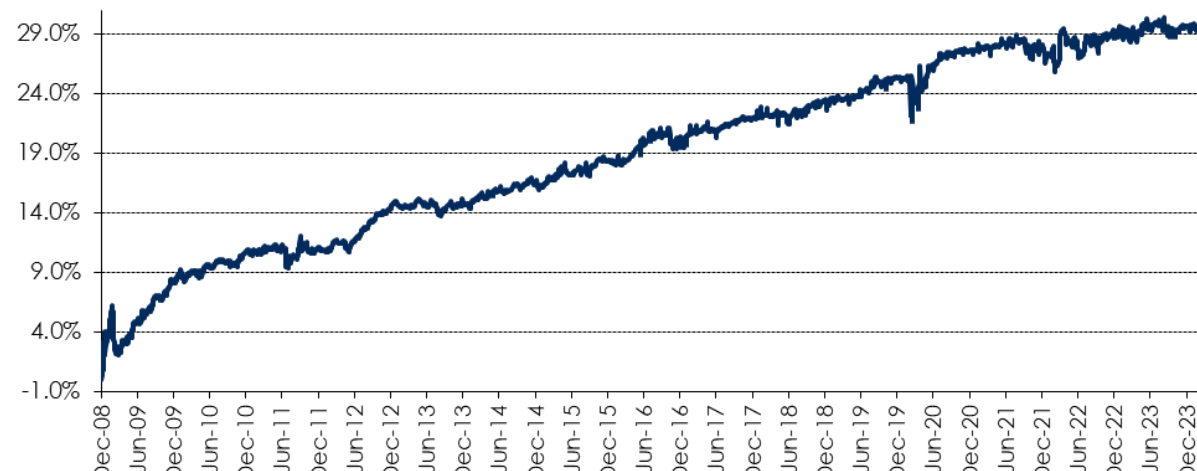
— Acc .excess return (BankInvest Emerging Markets Obligationer W in (DKK), Gross of Fee -...

Return 31/12/2008 - 29/03/2024	Total Return	Annualized Return*
BankInvest Emerging Markets Obligationer W in (DKK), Gross of Fee	162.86%	6.55%
Benchmark til BankInvest Emerging Markets Obligationer W in (DKK)	113.43%	5.10%
Excess Return (arithmetic)	49.44%	1.45%

Risk - Ex-post (Gross of fee)

	1 Year (52w) 05/04/2024			3 Years (36m) 31/03/2024			5 Years (60m) 31/03/2024		
	Portfolio	BM	Rel	Portfolio	BM	Rel	Portfolio	BM	Rel
Returns in DKK									
Return / Perf (ann)	9.46%	6.81%	2.64%	-1.41%	-2.88%	1.52%	1.09%	-0.48%	1.58%
St Dev / Tracking Error	5.36%	5.61%	0.78%	8.61%	8.57%	0.95%	9.75%	9.88%	0.86%
Sharpe* / Information	1.77	1.21	3.18	-0.16	-0.34	1.60	0.11	-0.05	1.85
Beta (vs BM)	0.95			1.00			0.98		

EM Corporate Debt



— Acc .excess return (BI SICAV - Emerging Markets Corporate Debt I II (USD) in (EUR), Gross of Fee -...

Return 31/12/2008 - 29/03/2024	Total Return	Annualized Return*
BI SICAV - Emerging Markets Corporate Debt I II (USD) in (EUR), Gross of Fee	183.70%	7.08%
Benchmark til BI SICAV - Emerging Markets Corporate Debt I II (USD) in (EUR)	118.92%	5.28%
Excess Return (arithmetic)	64.78%	1.81%

Risk - Ex-post (Gross of fee)

	1 Year (52w) 05/04/2024			3 Years (36m) 31/03/2024			5 Years (60m) 31/03/2024		
	Portfolio	BM	Rel	Portfolio	BM	Rel	Portfolio	BM	Rel
Returns in EUR									
Return / Perf (ann)	7.43%	6.76%	0.68%	-1.61%	-2.02%	0.43%	1.63%	0.65%	0.97%
St Dev / Tracking Error	3.75%	3.69%	1.05%	7.14%	6.84%	1.20%	9.12%	8.42%	1.24%
Sharpe* / Information	1.98	1.83	0.60	-0.22	-0.30	0.36	0.18	0.08	0.78
Beta (vs BM)	0.98			1.03			1.08		

Peer comparison – monthly returns for a 10-year period

Background Universe: Global Emerging Mkts Fixed Income - Corporate Debt
Monthly returns from Apr 2014 to Mar 2024



Source: NASDAQ eVestment

Historic risk-return

USD composite vs peer group

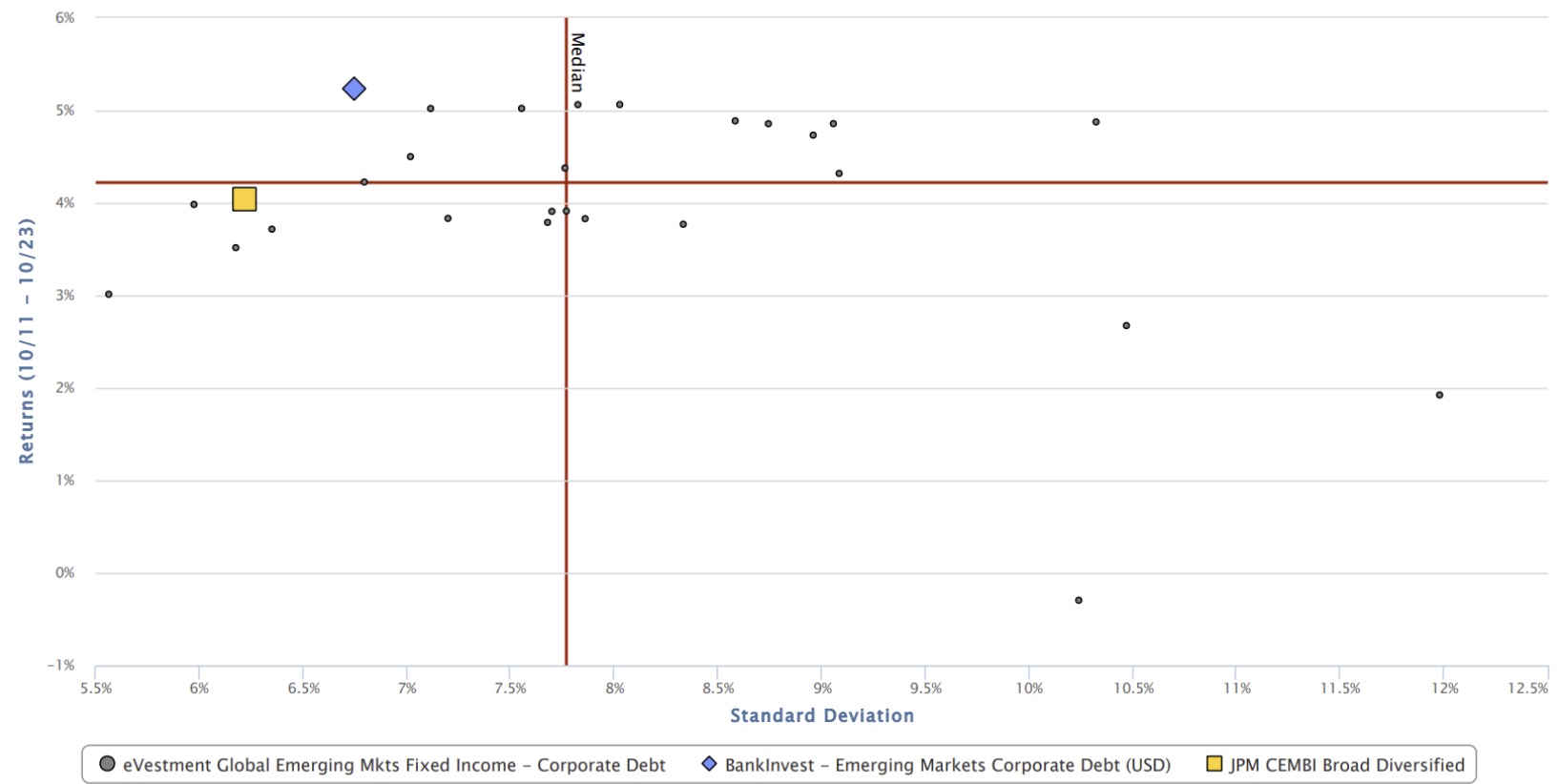
BI Asset Management Fondsmæglerselskab A/S

BankInvest - Emerging Markets Corporate Debt (USD)

Oct 2011 - Oct 2023

Peer Analysis

Background Universe: Global Emerging Mkts Fixed Income - Corporate Debt displaying 27 peers



Source: eVestment



Philosophy & Process

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Philosophy

Investment Philosophy

We believe, based on our 20+ years experience in Emerging Market Corporate Debt, that we can deliver a stable risk adjusted excess return while minimizing downside risk

Understand market characteristics and inefficiencies

Allocate resources to quantify risks and value opportunities

Narrow down the investment universe

Build portfolio with measured exposures to opportunities

- Understand market characteristics and potential inefficiencies
- Focus screening and analysis on narrowing the investment universe to these inefficiencies
- Allocate resources to researching and valuing the opportunities
- Build a portfolio with measured exposures to the opportunities

Market inefficiencies and how we exploit them

Characteristics:

- Country risk is important risk factor
- Mixed IG/HY – large crossover segment
 - Strong credits in weaker economies – rating ceiling
- Family-controlled shareholders dominate; weaker legal protection
- Mixed investor profile:
 - Most investors are outside benchmark or absolute
 - Local investors more important; CEMBI dedicated are only small part of market
- Large share of issuers are listed
- Midsized but strong issuers with a single offshore bond with little attention



How we tackle it:

- Understand country risk to minimize downside risk
- BBB/BB has attractive risk/return profile - overweight
- Corporate governance and track record focus
- Local investor support very important
- Attractive opportunities in selloffs when tourist investors exit due to downgrade
- Quant screening a valuable tool
- Attractive opportunities for smaller/midsized investors

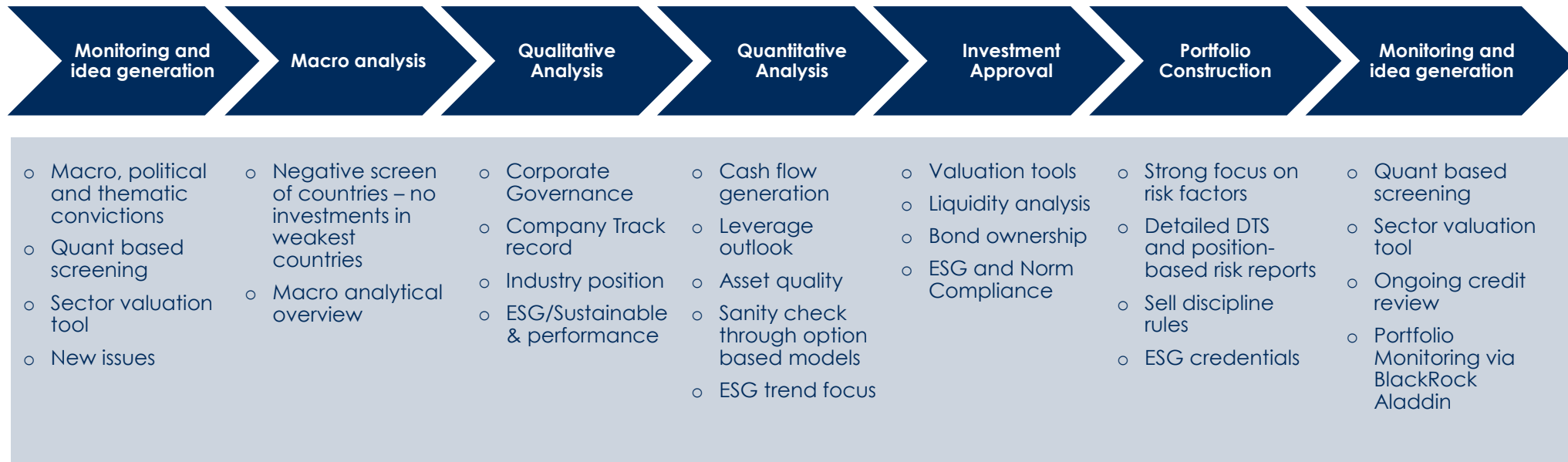
Exploiting inefficiencies



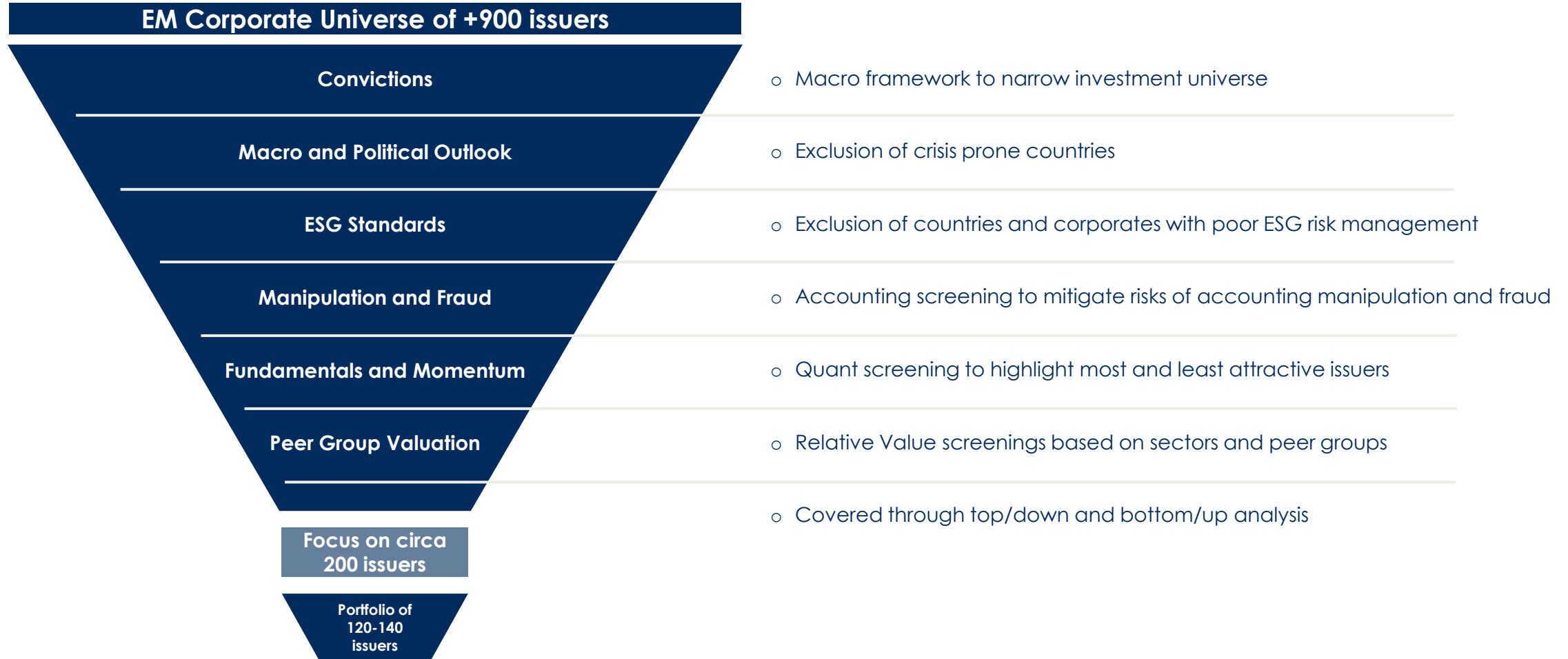
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Investment process



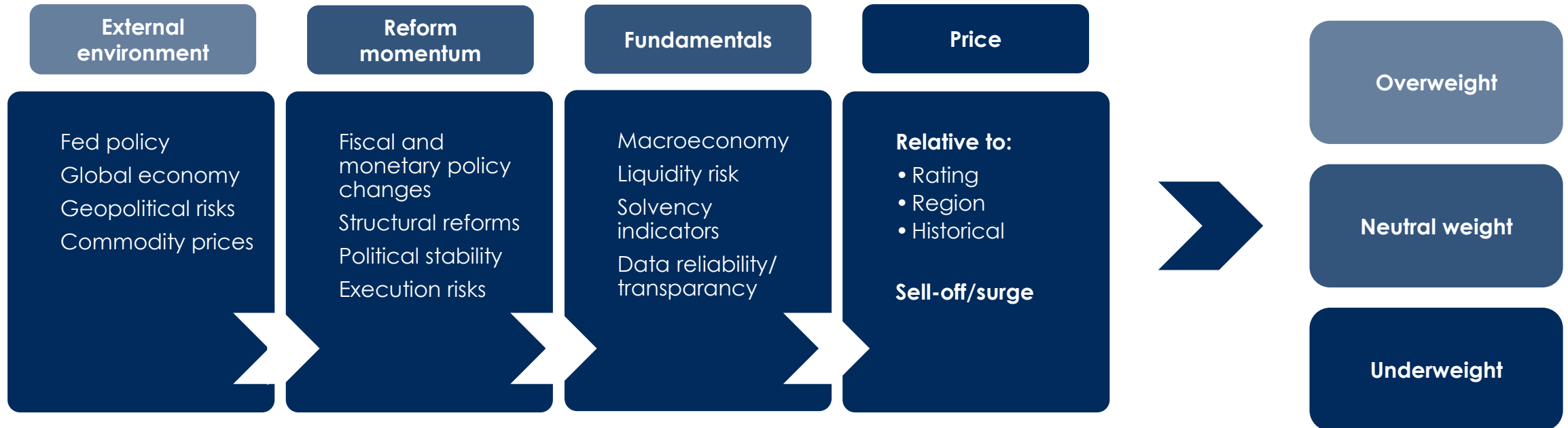
Several steps to narrow down investment universe



Global Core Convictions

Core convictions	Theme	Portfolio focus	Confidence	Indicator	Countries in focus
Global growth: Mild global recovery supported by fiscal policies (incl. near-shoring etc, defence), non-restrictive liquidity conditions, investment and wage growth.	Global growth	Market conditions to remain conducive	High	- Global growth indicators -HY vs IG	Sustainable HY to keep performing; Carry positions.
China: Temporary rebound driven by monetary and fiscal policy stimulus. Property sector supported.	China	Countries linked to China in global south will benefit as well as Germany (and hence eastern European countries)	Medium	- export to China (% of GDP)	Global south, in particular countries in LATAM and Asia
Global monetary policy: Faced with sticky inflation, advanced central banks will be cautious in cutting rates. Terminal rates are higher than before COVID-19. Role of debt affordability and liquidity situations to remain in focus in EM.	Monetary policy	Sov's and corp's which were able to tap markets due to low rates, will struggle to refinance and raise new money for capex. Weak local currency will make this even more challenging	Medium	- debt stabilising PB - External financing gap	Caution on countries with high debt and weak debt carrying capacity, and worsening policy trajectory like Romania, Colombia, Brazil and lately Mexico
New cold war between west and east (Russia+China), Fight for influence in EMs -- more investment and financial aid from both sides (west=IMF, East=China aid, ME=FDI)	Geopolitics	External liquidity support to fragile countries, reducing chance of default	High	-general EM but vulnerable HY benefit most	Egypt, Tunisia, Angola etc.
Friend-shoring: Relocations of global supply chains away from China closer to home. The re-shoring and friends shoring benefits emerging markets neighbouring the US and Western Europe, in particular Mexico and Eastern Europe/Turkey. FDI inflows and investments boost GDP, BOP and the fiscal situation in the recipient countries.	Global structural shift	The re-shoring and friends shoring benefits emerging markets neighbouring the US and Western Europe, in particular Mexico and Eastern Europe/Turkey.	High	- Geography and - FDI and investment to GDP	LATAM and Eastern Europe, select Asian
Commodities: Metal prices related to energy security and green transition to remain supported. Oil prices to remain in range of USD70-90 per barrel	Commodities	Commodity producing EMs will benefit, especially those with ties to China.	Medium	- Net oil exports and metal exports to GDP	LATAM and SSA countries with raw materials
US political uncertainty will increasingly become a market driver, but only after the November election. While too close to call, Trump is currently ahead in key swing states.	Geopolitics	Global growth from changes to US fiscal policy but also new country risk in the event of Trump victory. A Biden win would not significantly alter the current geopolitical outlook.		- exports to US - Political affiliation of government	Trump win: negative USD, support EM but negative for Ukraine, Poland, Europe, Iran/Lebanon and leftist regimes. Biden: Same as now (pro-Ukraine, mixed Israel/Palestine)
Risk scenario: -- Strong US growth and inflation leading US Federal Reserve to hike or maintaining policy rates instead of cutting them. -- Escalation of conflict in Middle East, prompting a surge in oil prices. -- Meltdown in parts of western financial markets	Shocks	Risk sentiment and high beta names to be hit	Low		IG vs HY

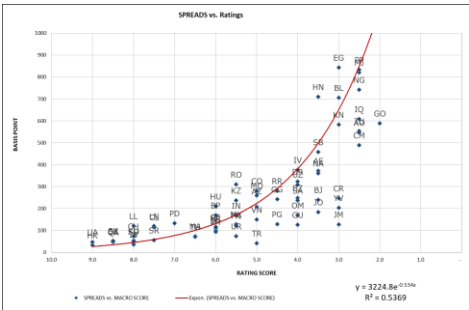
4 factors in our sovereign analysis



Inputs to sovereign analysis

Top-down views

1. Rating implied valuation model



2. Cross-country and global economic chartpacks

EM economies at risk						
	Current Account % GDP	Fiscal Balance % GDP	Reserve assets % ARA (IMF)	External debt % Reserves	CPI YOY % change	FX YTD perf % against USD
Brazil	-1.3	-3.11	136.5	194.3	4.621	11.47
Chile	-3.1	1.36	77.4	396.9	3.937	-13.23
China	1.5	-7.52	64.5	80.91	-11.71	2.86
Colombia	-2.4	-6.21	125.0	327.2	9.276	2.86
Czech Republic	1.2	-3.65	356.4	141.4	6.879	-6.72
Egypt	-2.1	-5.78	45.8	646.0	33.638	-49.16
Hungary	0.5	-6.24	115.9	751.4	5.501	-9.79
India	-0.7	-9.54	177.3	112.3	4.867	-10.13
Indonesia	-0.1	-2.34	114.0	300.9	2.616	-8.85
Israel	4.1	0.62	285.1	80.3	2.941	-14.29
Kazakhstan	-3.8	0.09	162.3	1067.9	19.562	-3.60
Malaysia	1.2	-5.88	112.7	230.8	1.788	-12.81
Mexico	-0.3	-4.33	120.2	301.7	4.461	19.38
Pakistan	0.2	-7.83	32.0	2557.4	28.336	-36.53
Peru	0.6	-1.40	247.6	101.2	3.411	4.42
Philippines	-2.9	-5.48	190.1	128.1	6.079	-8.49
Poland	1.5	-3.74	156.0	241.5	6.202	1.19
South Africa	-1.8	-4.72	100.2	326.8	5.209	-17.38
South Korea	2.1	-1.60	97.0	159.4	3.158	-10.56
Sri Lanka	-1.9	-10.19	12.3	1910.3	4.192	-35.08
Thailand	1.3	-4.56	200.2	106.2	2.834	-7.63
Turkey	-3.9	-1.65	70.3	586.7	64.773	56.89

Source: Macrobond & Bankinvest

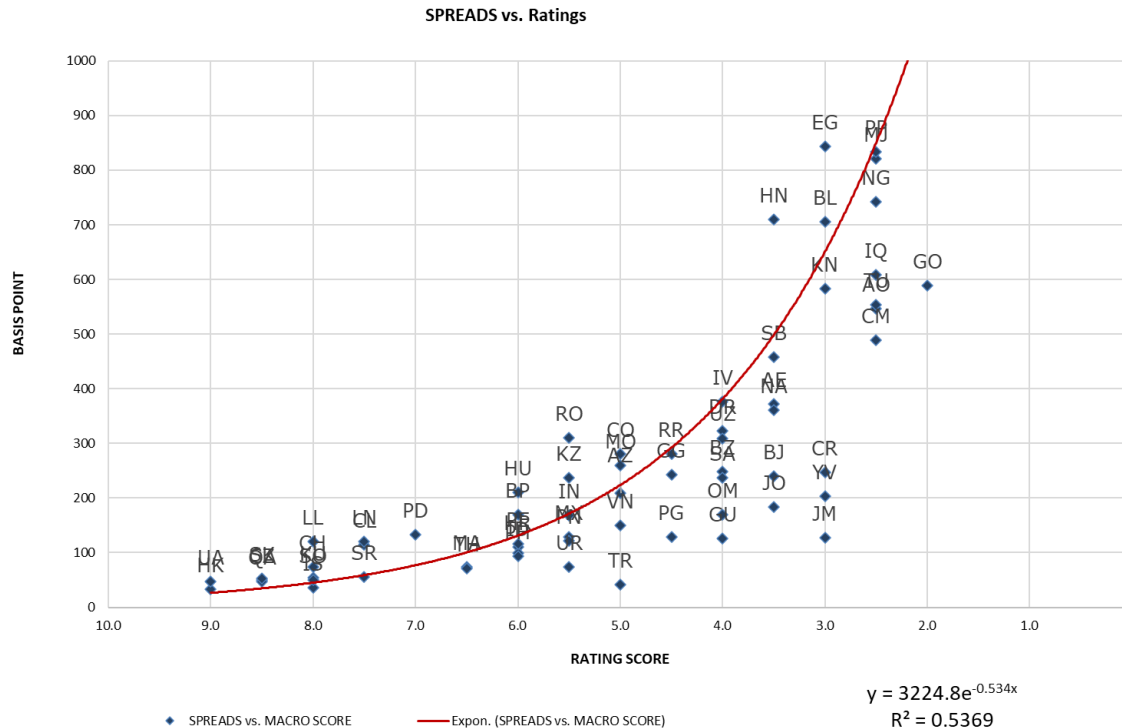
Bottom-up analysis



2. One-on-ones with IMF, Moodys, sell-side banks, and country visits



Country Research and Screening

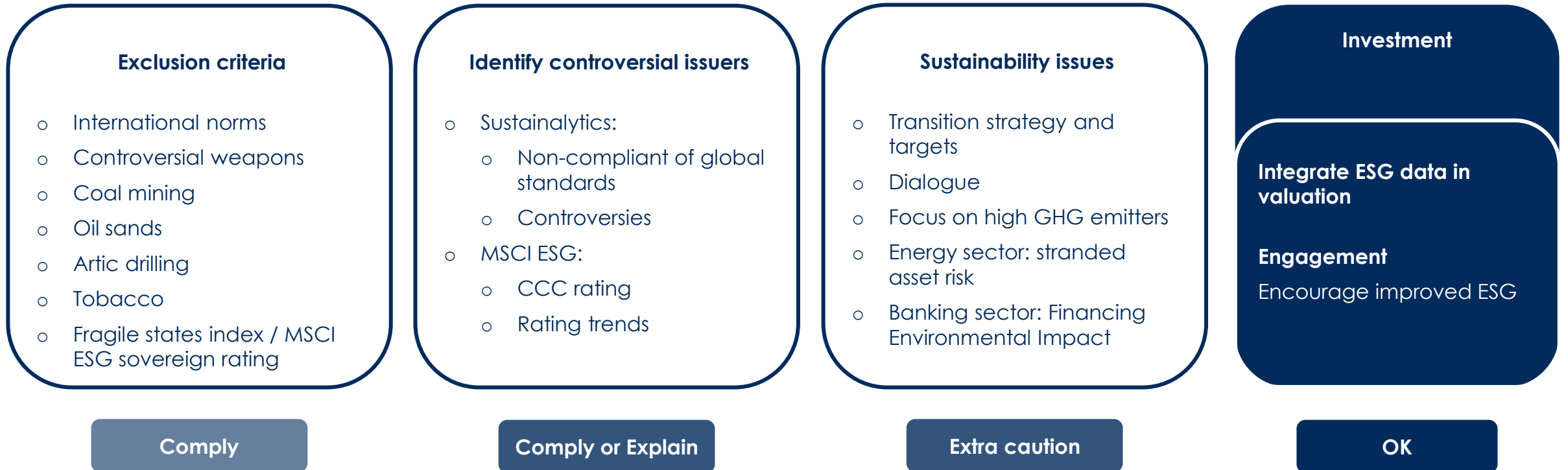


Objective to minimize downside risks by:

- Preferring countries with robust qualitative indicators and healthy debt dynamics
- Disliking countries with weak qualitative indicators and/or being crisis prone
- Preferring countries with credit spreads compensating for assigned ratings relative to peer group

Sustainable investment process

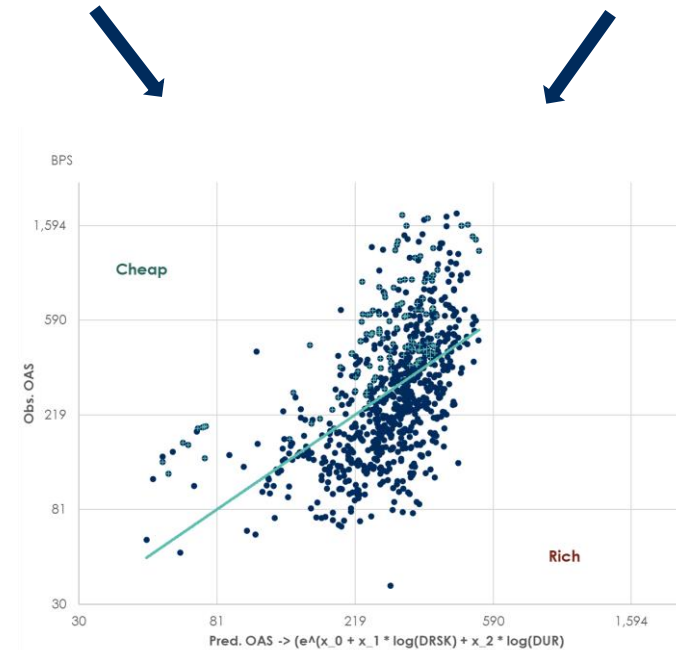
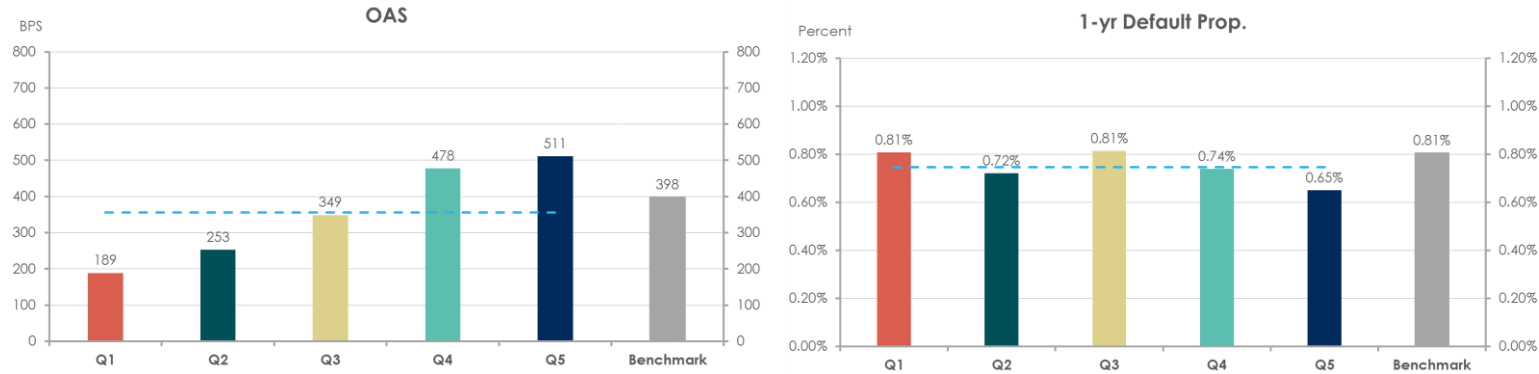
BankInvest funds



Corporate screening and idea generation

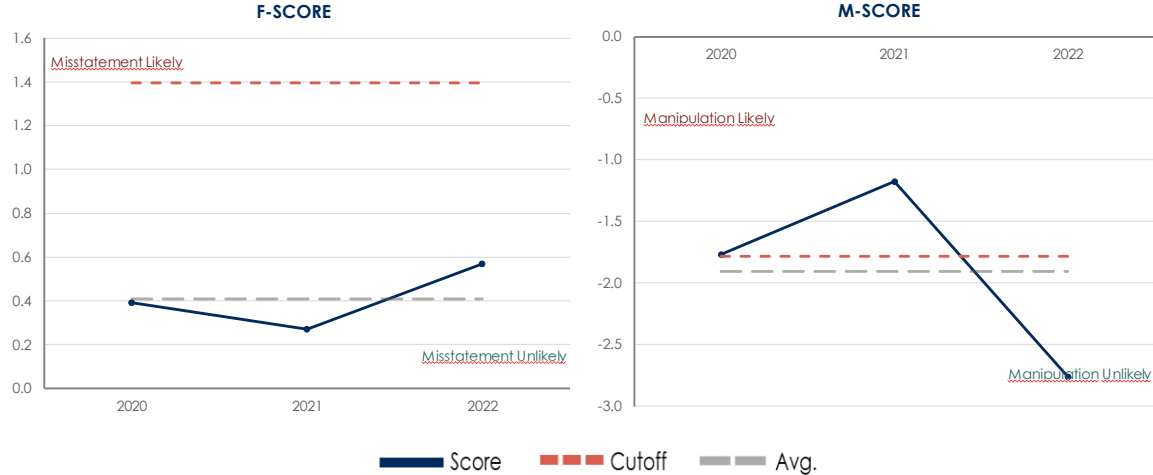
Objective to identify undervalued and quality corporate issuers:

- Screening for credit metrics and positive equity momentum adjusted for bond duration and country risk premia
- Ranking universe in deciles - > prefer top quintile as these credits offer value according to model
- Making sanity check on bond valuations relative to implicit probabilities of default



Corporate screening and idea generation

Ülker Bisküvi Sanayi A.S. – Dechow's F-score and Beneish M-score



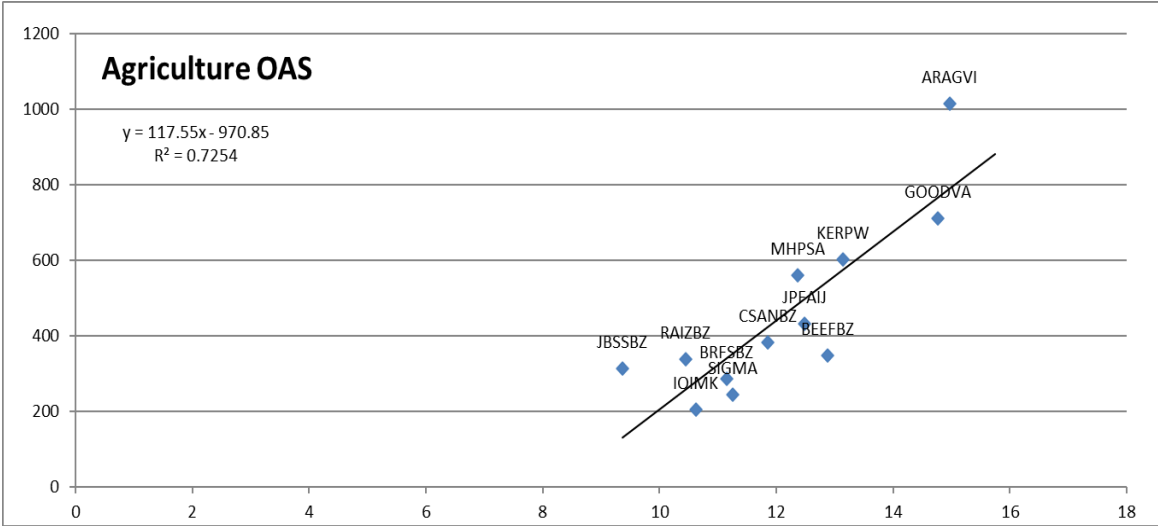
F-Score: "Predicting Material Accounting Misstatements" by Patricia M. Dechow (2011)
M-Score: "The Detection of Earnings Manipulation" by Mesud D. Beneish (1999)

- Objective to screen out issuers where accounting data highlights:
- High risk of material accounting misstatements
- High risk of earnings manipulation
- History suggests elevated risk of fraud and/or manipulation in case of three consecutive years of cutoff breaches

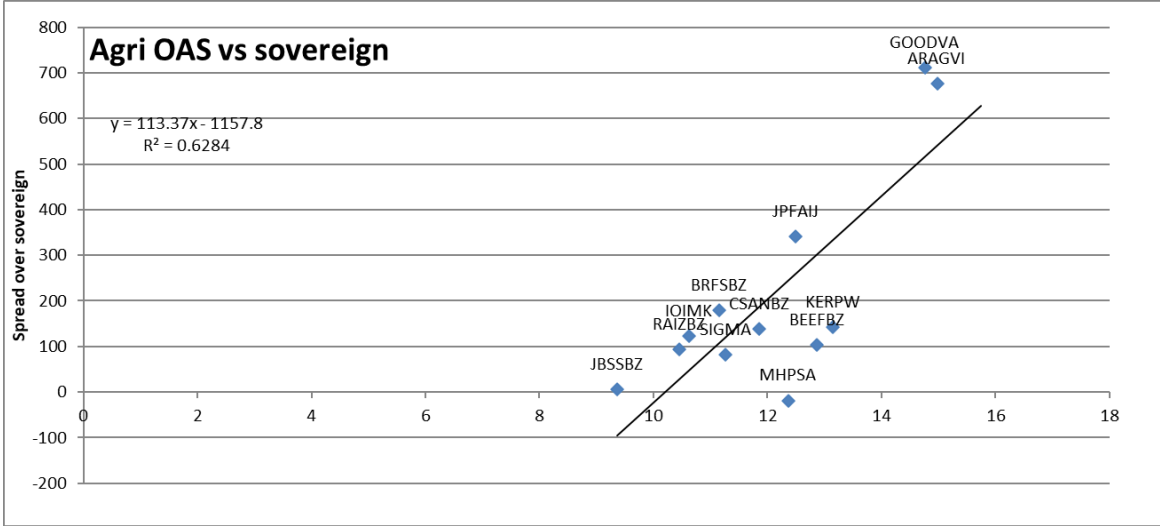
Idea generation and monitoring

Monitoring credits by sectors to screen for relative value and fundamental price distortions

Sector Screening – OAS versus internal rating scores



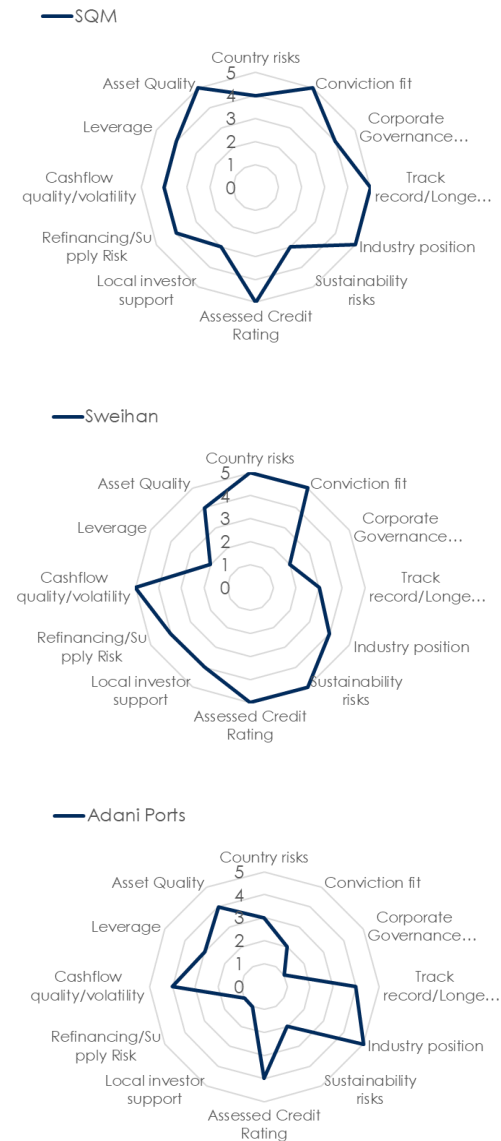
Sector Screening – Spread over Sovereign versus internal rating scores



Source: Bloomberg

How we choose

Mapping Risk Factors at the Issuer Level

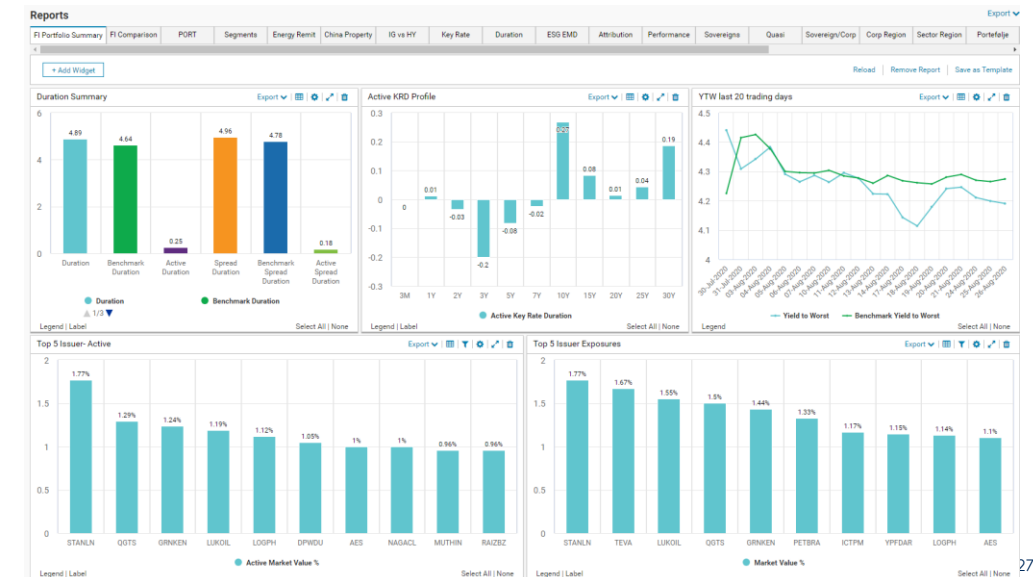


- Risk monitoring using BlackRock Aladdin
 - Integrated portfolio, trading, and risk management system
 - Comprehensive risk mapping across strategies
 - Flexible risk reports tailormade for generic and specific risk measures
 - Highlighting portfolio performance and attribution

Aladdin®

Main Window	Order View	Detailed Holdings View	Rating & stucture	Cash Details	FX and Issuer	KeyRates
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9 Items																						
Pending Updates	Portfolio	Pos	Trd	NAV	Cash	% Expected Cash	% Total Cash	Yield Pf	Yld Bench	Dur Pf	Dur Bench	New Dur Pf	DxS Gov Pf	DxS Gov Active	SpdDur Pf	SpdDur Active	New DxS Gov Pf	New DxS Gov Active	New SpdDur Pf	New SpdDur Active		
O	B1071	148	0	USD	67,064,501	USD	1,173,197	0.67%	1.75%	6.27	6.041	5.360	4.955	5.387	1,050,104	139,803	5.517	0.411	1,052,916	142,615	5.544	0.411
O	B1109	309	0	USD	339,329,131	USD	8,147,709	2.34%	2.46%	12.40	7.720	4.518	4.293	4.546	1,384,986	143,903	4.698	0.236	1,376,528	135,446	4.726	0.236
	B1161	262	0	EUR	200,068,342	EUR	3,851,545	2.28%	1.93%	7.36	7.124	4.954	4.436	4.947	1,329,591	171,722	5.134	0.527	1,316,606	158,736	5.126	0.527
JO	B1175	225	3	DKK	3,289,194,978	DKK	23,060,411	0.62%	0.20%	13.29	4.037	1.489	0.250	1.525	406,135	406,135	1.526	1.276	414,793	414,793	1.562	1.3
CIO	B287	105	0	DKK	1,450,133,632	DKK	16,503,537	2.71%	0.90%	8.69	7.350	5.335	4.912	5.267	856,162	8,437	0.020	-0.013	8,562	8,437	0.020	-0.013
	B297	267	0	DKK	382,480,047	DKK	3,900,929	1.25%	-0.55%	12.42	5.120	6.000	5.581	6.031	1,797,306	162,450	6.190	0.457	1,783,890	149,035	6.222	0.457
	B319	283	0	USD	11,016,085	USD	1,030,996	1.15%	0.53%	11.12	5.594	4.746	4.289	4.764	1,417,367	175,206	4.914	0.447	1,414,005	171,844	4.929	0.447
JO	B61	332	0	DKK	2,449,459,003	DKK	85,653,846	3.49%	1.98%	12.08	5.120	5.905	5.581	5.937	1,796,039	161,184	6.073	0.304	1,791,063	156,208	6.105	0.304
JO	B1139	226	0	DKK	1,612,770,562	DKK	36,914,611	2.05%	1.61%	4.02	4.248	4.449	4.159	4.466	681,585	18,655	4.655	1.058	683,958	21,028	4.673	1.058



Portfolio characteristics and limits

Characteristics

- Long-only USD bond portfolio, no derivatives applied
- 160-200 issuers
- Turnover ratio: 40-50% per year
- Duration Times Spread (DTS) relative to benchmark: 105 – 125 %
- Underweight in riskiest credits relative to benchmark
- Interest rate duration: target to be neutral versus benchmark to minimize interest rate risk
- Maximum 10% in a non-investment grade country
- Higher ESG score than benchmark

Limits and restrictions

- Maximum 5% in any corporate debt issuer
- Maximum of 10% in unlisted instruments
- New investments cannot have a rating lower than CC/Ca
- Minimum 25 % to be sold if bond price suddenly declines by 10 % or more

Indicative maximum position depends on rating and size of bond issue

Issue size, \$m	B	BB	BBB	A
500-	1.0 %	1.75 %	2.5 %	3.0 %
300-499	1.0 %	1.5 %	2.0 %	2.0 %
-299	1.0 %	1.0 %	1.5 %	1.5 %

Risk management framework

Three levels of Risk management





Key Competitive Advantages

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Key Competitive Advantages

- Boutique sized AUM enabling smoother navigation in secondary markets and ability to focus on credits off the beaten track
- Consistent track record of stable excess returns across multiple business cycles based on disciplined investment process with consistent upside capture and strong relative capital preservation in downturns
- Experienced and accessible investment team with same portfolio managers since launch of strategy enabling agile decision making
- Unique relationship with syndicate desks and good access to primary issues





ESG & sustainability

Emerging Market Debt

BANKINVEST

Handler
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ESG-team

ESG STRATEGY & POLICY



**Jakob Møller
Petersen**

Jakob is Head of Investment Risk & Selection as well as Head of ESG. Jakob came to BankInvest in 2011 as Risk Manager, and in October 2022 he broadened his responsibility from Risk Management to include ESG as well. Jakob began his career in the financial sector in 2000 and has been involved in managing equity portfolios until 2011. Jakob holds a Master in Finance from CBS and an Executive MBA from Henley Business School.



**Linnea Haahr
Adler**

Since 2020, in her work as Senior ESG Manager, Linnea has helped to strengthen and maintain BankInvest's position within ESG and responsible investments. In her work, she has been project manager for the implementation of the Net Zero Asset Managers initiative and sustainable legislation. Linnea has previously worked with strategy and M&A in Ørsted and Chr. Hansen. She holds a Master in Finance and Strategic Management from CBS.



**Caroline Lehmann
Christiansen**

Caroline joined BankInvest in the spring of 2023. She has a background as ESG advisor in SEB and Project Manager in Novo Nordisk Consulting. She brings experience with management consulting as well as ESG advisory on topics such as sustainable finance, ESG investor trends and the EU Taxonomy. Caroline holds a Master in Applied Economics and Finance from CBS with studies abroad at University of Queensland and UC Berkeley.

ESG SPECIALISTS



**Line Vestergaard
Stæhr**

Line Vestergaard Stæhr joined BankInvest in 2021 as an ESG Investment Specialist focusing on Fixed Income. Prior to joining BankInvest, Line has worked within risk management, portfolio administration and ESG. Line works closely together with the Fixed Income teams to ensure integration of relevant ESG values and sustainability practices into the investment process in BankInvest sub-funds. Line holds a Master in Applied Economics and Finance.



Søren Høyer

Søren Høyer was a Portfolio Manager of equity strategies for more than 20 years. Søren stated working with ESG in 2020 and dedicated himself to the full integration of ESG values and principles in investment strategies and policies. As a ESG Investment Specialist, he assists the equities teams to embed ESG into the investment strategies. Søren holds a Master in Economics and is a CFA-UK ESG certificate holder.



**Regine Theiss
Quist Holm**

Regine has been employed as a Compliance Officer at BankInvest since the summer of 2019. Regine has been involved in implementing the Disclosure Regulation at BankInvest and assists the ESG team with legal issues related to sustainability. She holds a Master of Law from the University of Copenhagen.

COMPLIANCE

ESG and Sustainability in BankInvest

ESG and Sustainability is an integral part of BankInvest

- Oversight from internal Responsible Investments Committee chaired by the CEO. The management group is part of the Committee
- A signatory of PRI since 2008 as the first Danish asset manager
- Joined the Net Zero Asset Manager initiative in 2021

Selected initiatives supported by BankInvest:



NET ZERO
ASSET
MANAGERS
INITIATIVE

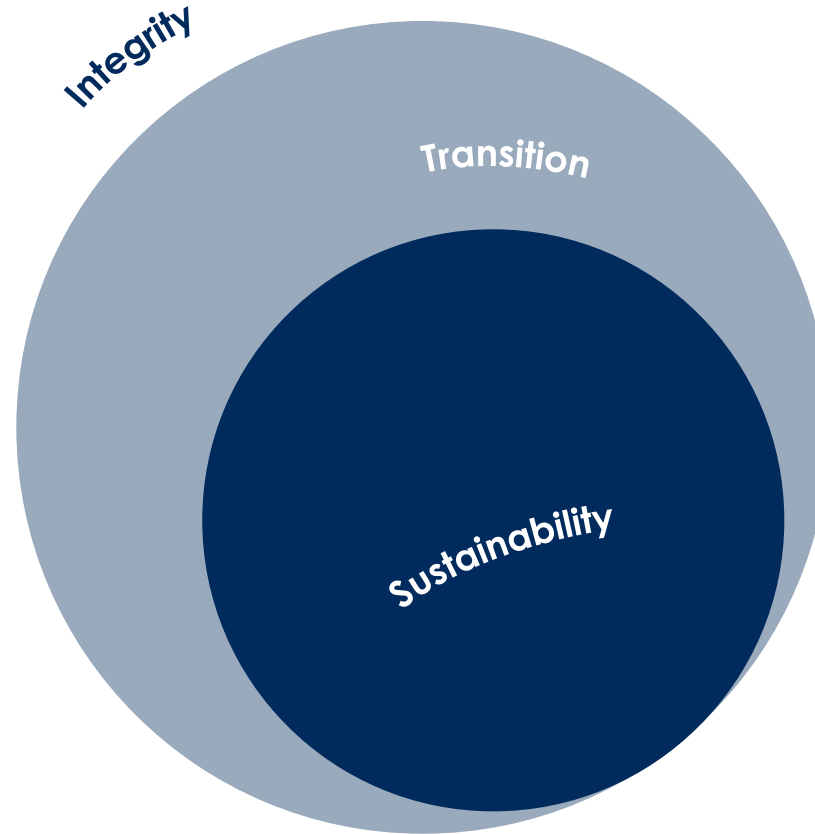


“BankInvest fundamentally believes that the businesses creating value are those who conduct long-term responsible business practices”*

**From BankInvests Responsible Investment Policy*

Sustainability based on Integrity and Transition

With **integrity**, we mean that the companies we invest in should generally interact with the world in a responsible manner.

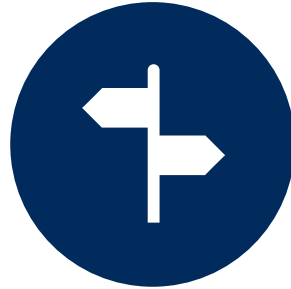


With **transition**, we mean that the companies we invest in should contribute to a positive change¹.

¹) Supporting the UN's Sustainable Development Goals or by setting and achieving ambitious objectives, such as reducing the company's own carbon footprint

ESG approach

Awareness



Comply-or-explain



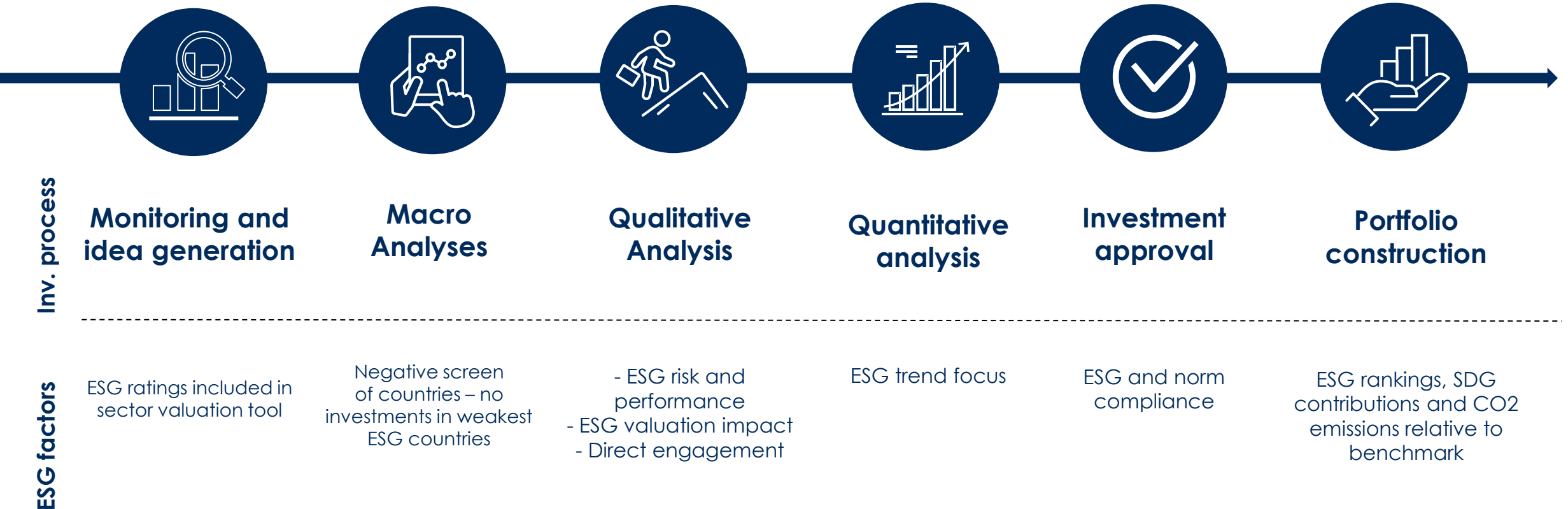
Exclusions



- **ESG integration in investment process**
 - Ongoing dialogue and knowledge sharing on sustainability
 - ESG sparring meetings
 - Dialogue with issuers
-
- Companies with an ESG CCC-rating based on MSCI ESG
 - Companies classified as non-compliant according to Morningstar Sustainalytics
-
- Norm-based exclusions
 - Sector exclusions
 - Controversial weapons
 - Coal mining, production of tar sands, oil-and gas exploration in offshore Arctic regions, production and distribution of tobacco*

**Companies where more than 5% of revenue originates from the specified activity*

Integrating ESG in the investment process



ESG-data is available directly in the Portfolio Management System (BlackRock/Aladdin)

Engagement in Fixed Income Portfolios



Engagement with bond issuers

- Engage directly with senior management
- Routine bond issuers: frequent dialogue
- Encourage improvements in ESG disclosure
- **Feedback during new issue roadshow: higher yield due to ESG risks/weaknesses**



Company ESG dialogue

- ESG questions part of ongoing company interactions: conferences, new issue, regular investor calls etc
- Dedicated ESG meetings when a company is involved in ESG-related issues
- ESG topics, GHG emissions, transition strategy, Financing Environmental Impact



Green / Sustainable / Social bonds

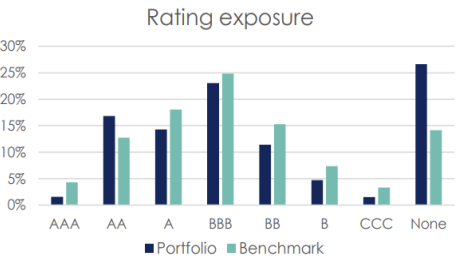
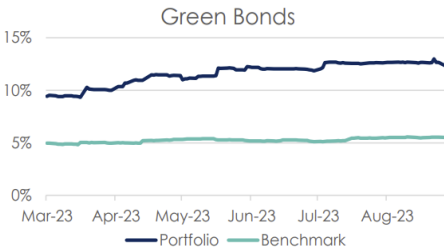
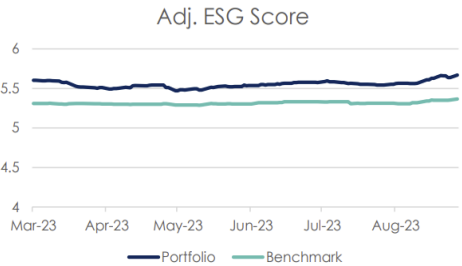
- Sustainability assessment of dedicated bonds factored in new issue pricing and feedback
- Long-standing an open dialog with all major Emerging Markets Syndicate Desks at lead banks

ESG reporting

SICAV EM Corporate Debt (USD)

ESG

ESG	PF	BM	Active
Quality Score	BBB	BBB	
	5.67	5.36	0.30
Adj ESG Score	BBB	BBB	
	5.67	5.36	0.30
- Environmental	5.28	5.30	-0.02
- Social	5.28	5.26	0.03
- Governance	4.87	4.47	0.40
Coverage	73.4%	85.9%	
GreenBonds	12.4%	5.5%	
EU Taxonomy Alignment	2.4%	3.1%	



ESG reporting to investors

Integration of data

ESG information sourced from our primary data providers has been incorporated into our core systems, seamlessly integrated and available for reporting purposes.

Customized reporting

We have the capability to customize reporting based on the client's requirements, tailoring it to their specific needs and preferences

Data sources - ESG

We use data from several data sources in our evaluation of a company

- | | | | |
|---|----------------------------|---|-----------------------------|
| 1 | MSCI ESG | 6 | Independent Research |
| 2 | Morningstar Sustainalytics | 7 | Dialogue with companies |
| 3 | Quant data - ESG | 8 | International organizations |
| 4 | Credit Rating Agencies | 9 | NGO's |
| 5 | Investment Banks | | |

The input is used as an integrated part of the investment process



Data Sources are housed in our risk and order management system which allow for optimal processing of various points of data

Fossil Fuel guidelines

We classify fossil investments in what we refer to as the traffic light model

*The “Responsible”-
strategies only invest
in the inclusion
category in
accordance with the
prospectus*

EXCLUSION

Exclusion of companies with significant environmental risks or harmful behavior

PHASING OUT

Phasing out fossil companies that do not demonstrate readiness for transition

INCLUSION

Investing in fossil companies that demonstrate readiness for transition



Fossil companies are defined as companies engaged in the following activities with either >50% revenue from coal or oil & gas services, >5% revenue from coal or oil & gas energy production, or >5% revenue from coal or oil & gas production



Portfolio key figures

BANKINVEST

Handler
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Portfolio key figures

Portfolio Summary

Factsheet

Portfolio : Sicav EM Corporate Debt (USD), Bmrk : JPM Corp Emerging Mkts Broad Index CEMBI Broad Divsfd 100% EUR H: T = 03/06/2024, T-1 = 29/04/2024

Type split	PF	BM	Rel	ΔRel
CB	79%	74%	5.1%	-1.0%
GRE	19%	25%	-6.1%	2.0%
SB	-	-	-	-
SNAT	1%	1%	-0.1%	-0.4%
Total	99%	100%	-1.1%	0.6%

Key charact.	PF	BM	Rel	ΔRel
Mod. Dur.	4.43	4.20	0.24	0.01
Duration to worst	4.36	4.15	0.20	-0.01
Effective Dur.	4.37	4.13	0.23	0.04
Nominal Yield	7.52	6.94	0.58	0.03
Real Yield	0.00	0.00	0.00	0.00
Current Yield	6.22	5.39	0.83	0.09
Spread	285	217	68	5
Spread duration	4.55	4.29	0.26	0.04
Convexity	0.32	0.34	-0.02	0.00
DTS	1126	844	282	30
DTS Beta	1.33			0.04

Rating**	PF	BM	Rel	PF, T-1
Avg. Rtg	BB+	BBB		BB+
WARF Rtg	BB+	BBB-		BB+
Inv Grade	42.4%	59.2%	-16.8%	47.1%
High Yield*	56.3%	40.7%	15.6%	52.0%
Not rated	6.0%	7.9%	-1.9%	5.7%

*Includes NR

**highest of S&P and Moodys

AUM in (USD)	Min.	Pct.	ΔPct
Sec	120	98.7%	-0.4%
Csh	1	1.2%	0.4%
Fwd & Fut	0	0.1%	0.0%
Total	121	100.0%	

Issuer Count	PF	BM
CB	137	611
GRE	30	128
SB	-	-
SNAT	1	3
Total	168	742

Bond Count	PF	BM
CB	180	1,320
GRE	48	468
SB	-	-
SNAT	1	8
Total	229	1,796

Bond structure	PF	BM	Rel
Callable	74.6%	67.0%	7.6%
Linkers	-	-	-
Secured Corp	16.1%	9.7%	6.5%
Perpetuals	8.2%	6.6%	1.7%
Hybrid & Cap. Sec	12.0%	10.6%	1.4%
Danish Mortgages	-	-	-

Risk Metrics

Portfolio : Sicav EM Corporate Debt (USD), Bmrk : JPM Corp Emerging Mkts Broad Index CEMBI Broad Divsfd 10 T = 03/06/2024, T-1 = 29/04/2024

Concentration	PF	BM	Rel	ΔRel
% bonds not in bm	16%	-	-	-2.7%
% issuer not in bm	14%	-	-	
% DTS from off-bm	17%			-2.9%
GRE	19%	25%	-6%	2.0%
Non- USD bonds	0%	0%	0%	0.0%
Issues < \$300m				
Perpetuals	8%	7%	1%	-0.5%
Banking	16%	18%	-2%	1.7%
Maturity > 10 years	20%	20%	0%	0.3%
Spreads > 1000bps	1%	2%	-1%	0.3%
Price < 70	2%	2%	0%	-0.2%
CCC and below	4.8%	4%	1%	0.6%

Issue size, %	PF	BM	Rel	ΔRel
< 300	4%	0%	3%	0.0%
[300-500[21%	17%	3%	0.9%
> =500	76%	82%	-6%	-0.9%
Total	100%	100%		

Capital structure, %	PF	BM	Rel	ΔRel
Secured	16%	10%	6%	0.9%
Unsecured	83%	90%	-8%	-2.1%
Unassigned	1.3%	0.1%	1%	
Total	100%	100%		

Credit	PF	BM	Rel	ΔRel
Inv Grade	42%	59%	-17%	-3%
High Yield*	56%	41%	15.6%	4%
*Included NR				
Price, %	PF	BM	Rel	ΔRel
<=50	0%	0%	0%	0%
]50:70]	2%	2%	0%	0%
]70:80]	8%	4%	4%	4%
]80:90]	16%	16%	0%	0%
]90:100]	52%	60%	-8%	-8%
>100	22%	17%	5%	5%
Total	100%	100%		

Price, DTS%	PF	BM	Rel	ΔRel
[0 : 70]	7%	10%	-3%	-3%
]70 : 80]	16%	12%	4%	-8%
]80 : 100]	56%	61%	-5%	-13%
>100	21%	17%	4%	-5%
Total	100%	100%	0%	-30%

Seniority, %	PF	BM	Rel	ΔRel
Senior Secured	16%	10%	6%	0.9%
Senior Unsecured	63%	76%	-13%	-1.5%
Subordinated	7%	5%	2%	0.4%
Junior subordinated	5%	5%	0%	-0.2%
Total	91%	96%	-5%	-0.3%

Source: BlackRock Aladdin, Bloomberg

Rating distribution

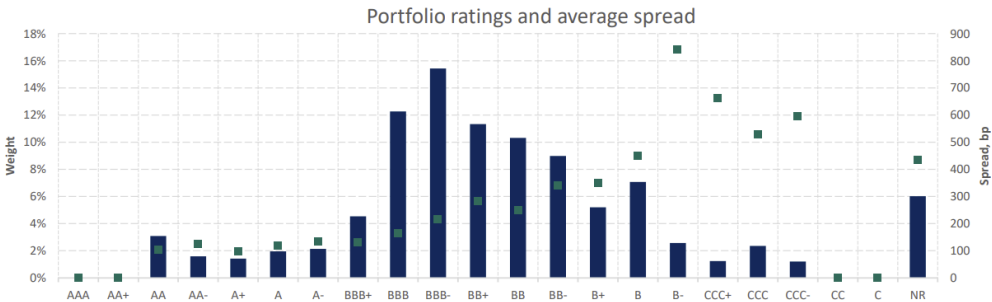
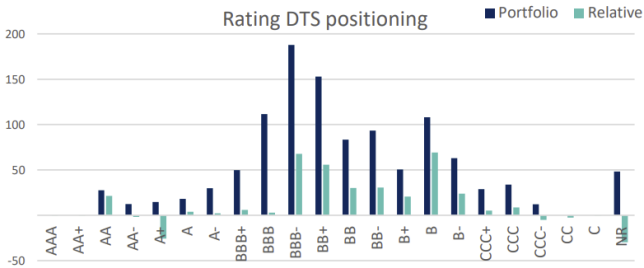
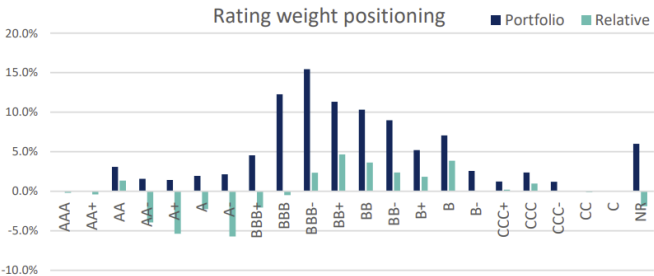
Rating distribution

Portfolio : Sicav EM Corporate Debt (USD), Bmrk : JPM Corp Emerging Mkts Broad Index CEMBI Broad Divsfd 100% 03/06/2024 Title 29/04/2024

Summary	PF	BM	Rel	PF, T-1
Avg . Rtg**	BB+	BBB		BB+
WARF Rtg**	BB+	BBB-		BB+
Inv Grade	42.4%	59.2%	-16.8%	47.1%
High Yield*	56.3%	40.7%	15.6%	52.0%
Not rated	6.0%	7.9%	-1.9%	5.7%

**Uses the highest rating of the available.

*Includes non rated securities

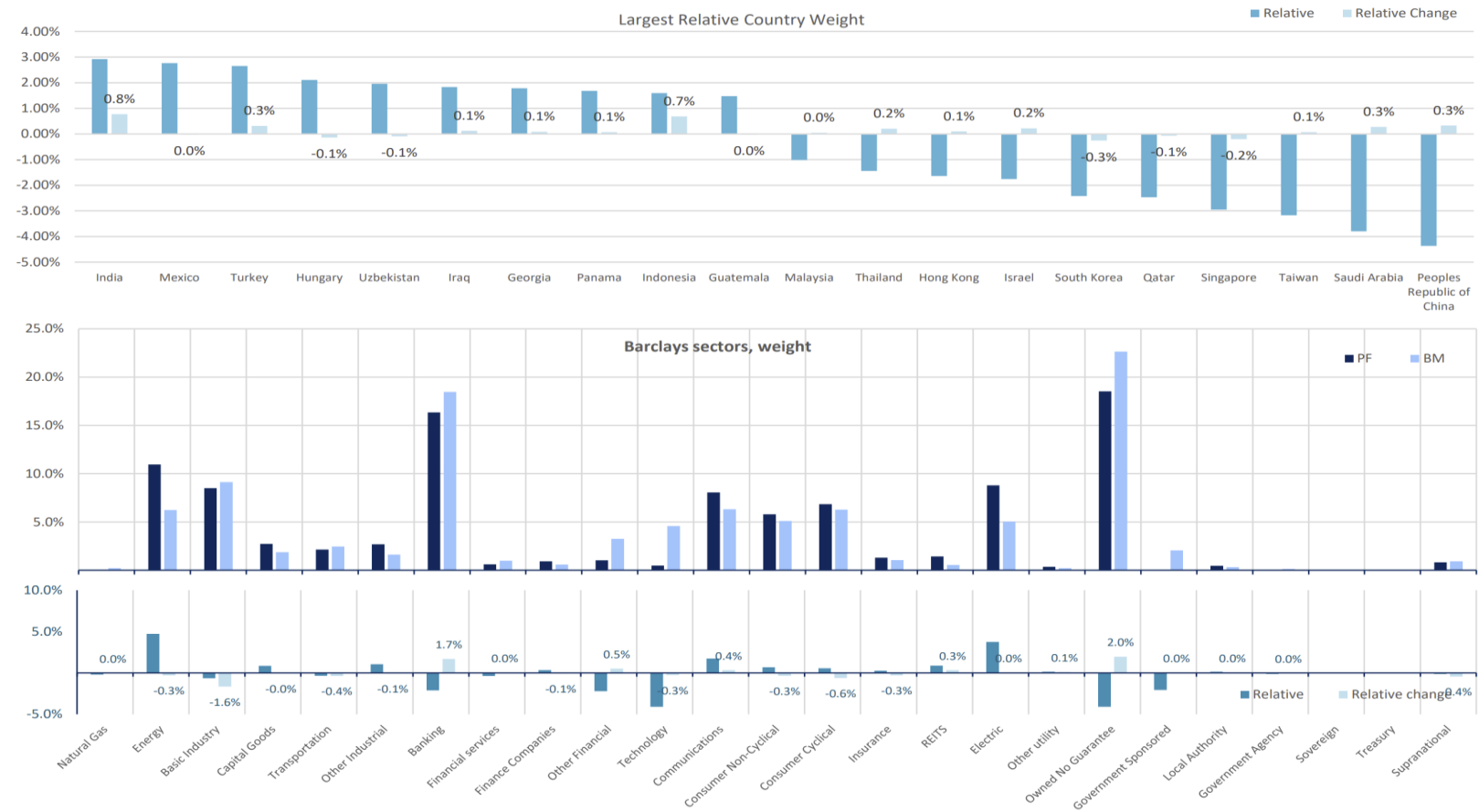


Source: BlackRock Aladdin, Bloomberg

Country & Sector exposures

Country & Sector Exposures

Portfolio : Sicav EM Corporate Debt (USD), Bmrk : JPM Corp Emerging Mkts Broad Index CEMBI Broad Divsfd 100% EUR Hedged Index T = 03/06/2024, T-1 = 29/04/2024



Source: Bloomberg, BlackRock Aladdi

DTS exposures

DTS overview

Portfolio : Sicav EM Corporate Debt (USD), Bmrk : JPM Corp Emerging Mkts Broad Index CEMBI Broad Divsfd 100% EUR Hedged Index

T = 03/06/2024, T-1 = 29/04/2024

	DTS	DTS Beta	ΔBeta
Portfolio	1,126	1.33	0.04
BM	844		
Relative	282		

	DTS contribution	CB	CRE	SB	SNAT
Portfolio	863	253	-	10	
BM	649	188	-	6	
Relative	213	65	-	4	

Top 5 DTS contribution to portfolio DTS		
Country	DTS contrib	%Contrib
1 India	87	7.7%
2 Mexico	85	7.6%
3 Colombia	84	7.5%
4 Brazil	81	7.2%
5 Turkey	69	6.1%

Top 5 Relative DTS contribution		
Country	DTS contrib	%RelContrib
1 India	56	6.7%
2 Georgia	34	4.1%
3 United Arab Emirates	34	4.0%
4 Turkey	33	4.0%
5 Panama	33	3.9%

Top 5 Issuer Relative DTS contribution		
Issuer	DTS contrib	%RelContrib
1 BANK OF GEORGIA JSC RegS	24	2.9%
2 CANACOL ENERGY LTD RegS	23	2.7%
3 TELEFONICA MOVILES CHILE SA Reg	21	2.4%
4 AES ANDES SA RegS	19	2.3%
5 OTP BANK NYRT RegS	18	2.2%

Top DTS Beta		
Country	DTS-beta	%Contrib
1 Uzbekistan	21.0	2.5%
2 Mongolia	13.1	1.5%
3 Georgia	10.8	1.3%
4 Hungary	9.9	1.2%
5 Egypt	6.3	0.7%
6 Jordan	5.2	0.6%
7 Mauritius	5.1	0.6%
8 Dominican Republic	5.0	0.6%
9 Viet Nam	4.2	0.5%
10 Panama	3.6	0.4%
11 Moldova	3.5	0.4%
12 India	2.8	0.3%
13 Guatemala	2.7	0.3%

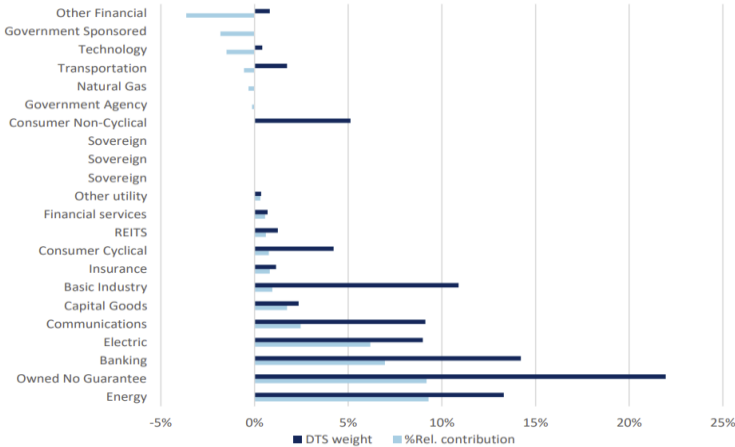
Bottom 5 DTS contribution to portfolio DTS		
Country	DTS contrib	%Contrib
1 Jordan	1	0.1%
2 Malaysia	1	0.1%
3 Tanzania	3	0.3%
4 Viet Nam	3	0.3%
5 Australia	3	0.3%

Bottom 5 Relative DTS contribution		
Country	DTS contrib	%RelContrib
1 Saudi Arabia	-30	-3.5%
2 Israel	-17	-2.1%
3 Thailand	-17	-2.1%
4 Luxembourg	-12	-1.5%
5 Morocco	-12	-1.4%

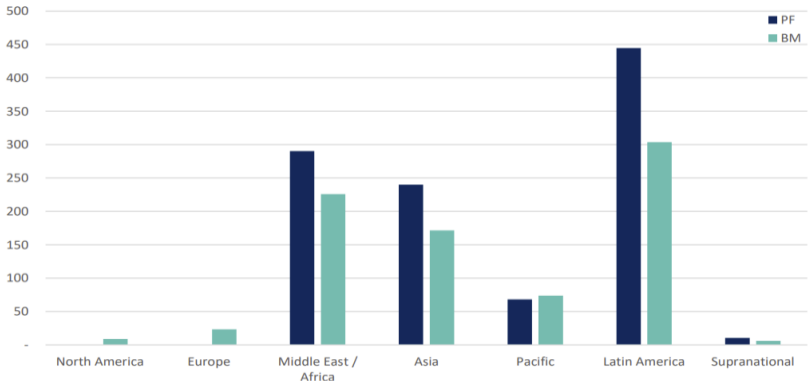
Bottom 5 Issuer Relative DTS contribution		
Issuer	DTS contrib	%RelContrib
1 OCP SA RegS	-17	-2.0%
2 SAUDI ARABIAN OIL CO MTN RegS	-13	-1.5%
3 ALTICE FINANCING SA RegS	-12	-1.5%
4 NK KAZMUNAYGAZ AO RegS	-11	-1.3%
5 PETROBRAS GLOBAL FINANCE BV	-10	-1.2%

* DTS Contribution of Country in Portfolio / DTS contribution of Country in BM
** Absolut DTS of Country in Portfolio / Absolut DTS of Country in

Sector DTS allocation and %relative contribution



Regional DTS distribution



Source: BlackRock Aladdin, Bloomberg



Team

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Emerging Market Debt team



Søren Bertelsen, Chief Portfolio Manager

M.Sc. in Economics and Business Administration and CFA charterholder. Søren Bertelsen is a portfolio manager for corporate bond strategies in the emerging markets. He has co-managed the mixed EM sovereign/corporate strategy since launch in 2001. From 2007 to 2011 he was based in the BankInvest office in Singapore. He is focusing on the corporate issuers in Asia. Before joining BankInvest, he was a portfolio manager at Danske Capital responsible for equity investments in Latin America for 8 years. He joined BankInvest in 2000.



Chresten Hagelund, Senior Portfolio Manager

M.Sc. in Finance and Accounting. Chresten Hagelund is a portfolio manager for corporate bond strategies in the emerging markets. He is primarily responsible for the CEEMEA region. Chresten helped structure the first EM corporate CDO in 2006. Previously, he was senior advisor at HSH Nordbank and has experience with structuring and managing CDO portfolios. During his studies, he was a case writer for University of Western Ontario on topics as real options and equity valuation. He joined BankInvest in 2006.



Eduardo Ordonez, Senior Analyst

M.Sc. in Finance, MBA. Eduardo Ordonez is responsible for corporate bonds in the emerging market fixed income portfolios. He is primarily responsible for research and analysis of Latin American issuers. Before joining BankInvest, he was a sell-side research analyst covering LatAm corporate bonds at Amba Research. In recent years he has published op-ed articles in the Latin American financial press. He joined BankInvest in 2015.



Aksel Madslien, Senior Analyst

M.Sc. in Advanced Economics and Finance, MBA. BA from Hawaii Pacific University. Aksel is our experienced high yield analyst across all EM regions. He has extensive experience in analyzing a company's industry positioning, financial statements, capital structure, loan documentation, ESG issues etc. based on information from numerous sources. Before joining BankInvest in 2023, Aksel was a credit analyst at Capital Four in Copenhagen for 12 years.



Michael Hauch, Head of Fixed Income

M.Sc. in Economics from Copenhagen University. Michael Hauch is head of the fixed income department and also a portfolio manager for Emerging markets sovereign bonds, with primary focus on local currency bonds. Michael Hauch have been active in emerging markets since 2013. Michael Hauch have been responsible for both absolute return mandate as well as relative mandates. Michael Hauch joined Nordea in 1997 where he held various position in both Nordea Markets as well as Nordea treasury. He joined BankInvest in 2004 and have headed the fixed income department since 2009.



Jakob Ekholdt Christensen, EM senior strategist

M.Sc. in Economics at Aarhus University and M.Sc. in Quantitative Development Economics. Jakob Ekholdt Christensen is the strategist on the sovereign hard-currency portfolio. Prior to joining BankInvest he was overseeing global macro and emerging markets developments at Danske Bank (2015-22) and making fixed income recommendations in distressed sovereign and frontier markets at the former Exotix in London (2014-15). He has also worked at International Monetary Fund (1999-2006) with focus on Africa and Latin America. He also worked at the European Commission during the euro-debt crisis as part of the Troika on Greece. At the Danish central bank, he was responsible for credit risk management on the foreign currency portfolio as well as involved in the financial rescue programs in the Baltics and Iceland.



Alexandros Bøgeskov-Tsoronis, Quantitative analyst

M.Sc. in Economics. Alexandros joined our team in 2018 as a junior analyst while studying Economics at the University of Copenhagen. After completing his degree in 2022, he continued with our team as a quantitative analyst, where he focuses on systematic fixed income analysis and quantitative strategies.

Credit & Macro team

European Credit



Carsten Horn Nielsen, Chief Portfolio Manager

Carsten is chief portfolio manager of the IG Corporate Bond Strategies. Carsten has managed the strategy since its inception in 2003 and has more than 30 years of experience in investment and credit analysis. Carsten has been in the financial sector all his career and has always worked with analysis of companies. Carsten is a bank graduate and CFA Charterholder. Carsten has worked in Hamburg and speaks German



Jens Korsgaard Skriver, Senior Portfolio Manager

Jens has been a part of the team since 2016, focusing on industrial and utility companies. Jens has more than 10 years of experience in investing. Jens has a MSc Economics and is a CFA Charterholder. Jens has also taken CFA-UK ESG certificate



Anders Preisler Skovgaard, Portfolio Manager

Anders joined the team in 2023. He has extensive experience in credit analysis of banks and other financial companies as well as investing across the capital structure over the past 10 years. Anders holds a MSc Economics and Finance and was employed in Fixed Income at BankInvest during his master's degree

Global rates & macro



Anders Isager, Chief Portfolio Manager

Anders is responsible for the Dansih bond funds at BankInvest. Anders has a long career in finance dealing in fixed income and currency instruments since 1993 – first at Jyske Bank and later as a Chief Dealer at Nordea Markets. His focus was always Scandinavian sovereign and mortgage bonds. Anders joined BankInvest in 2006.



Christian Meyersahm, Senior Portfolio Manager

Christian has a M.Sc. in Economics and is Senior Portfolio Manager and co-manager for the Danish bond funds. Christian has taught macro economics at Copenhagen Business School. Christian joined BankInvest in 1993.

Risk analysis



Jakob Meldgaard, Risk Manager

Jakob joined BankInvest in 2017. Jakob holds a Master of Economics and holds regular risk meetings with the portfolio managers. He also assists the ESG team with data management, etc.

ESG-team

ESG Strategy & Policy



**Jakob Møller
Petersen**

Jakob is Head of Investment Risk & Selection as well as Head of ESG. Jakob came to BankInvest in 2011 as Risk Manager, and in October 2022 he broadened his responsibility from Risk Management to include ESG as well. Jakob began his career in the financial sector in 2000 and has been involved in managing equity portfolios until 2011. Jakob holds a Master in Finance from CBS and an Executive MBA from Henley Business School.



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Since 2020, in her work as Senior ESG Manager, Linnea has helped to strengthen and maintain BankInvest's position within ESG and responsible investments. In her work, she has been project manager for the implementation of the Net Zero Asset Managers initiative and sustainable legislation. Linnea has previously worked with strategy and M&A in Ørsted and Chr. Hansen. She holds a Master in Finance and Strategic Management from CBS.



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Compliance

Disclaimer

This document is produced by the BankInvest Group (BankInvest) and should be considered as marketing material. The purpose is to provide general information about the fund and should not be considered as an investment recommendation. Any reference to companies and securities should only be viewed in relation to the fund's portfolio- and risk profile. BankInvest does not assume any responsibility for the completeness or accuracy of the disclosed information whether it is provided by BankInvest or obtained from public sources that BankInvest consider reliable. BankInvest accepts no liability for transactions or omissions made on basis of the information provided in this document. We recommend that you obtain your own professional advice before making any investment.

Past performance is not a reliable indicator of future performance. The fund is an actively managed UCITS-ETF, and the fund's holdings are available at www.bankinvest.dk. Any investment decision should be based on the information contained in the relevant prospectus, the Key Information Document as well as the most recently published annual and semi-annual reports which are all available at **www.bankinvest.dk**.

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