



# CANDRIAM BONDS EURO HIGH YIELD

REPORTING 31|08|2022

Share Class: C (EUR)



07.2022

OVERALL  
MORNINGSTAR RATING  
TM

Lower Risk ← Higher Risk

Potentially lower return ← Potentially higher return



RISK AND REWARD  
PROFILE

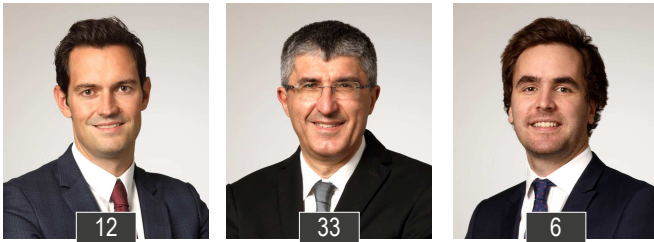
The risk level shown reflects the fund's historical volatility, completed where applicable by that of its reference framework. The volatility indicates the extent to which the value of the fund may fluctuate upwards or downwards.

- The indicated category may vary over time.
- The historical data give no indication of a future risk profile.
- The lowest category does not mean "risk-free".
- There is no guarantee or mechanism to protect the capital.



**THINK**  
BEFORE PRINTING

**CANDRIAM**   
A NEW YORK LIFE INVESTMENTS COMPANY



**Nicolas Jullien**  
Head of High Yield & Credit Arbitrage / Deputy Global Head of Credit

**Philippe Noyard**  
Global Head of Credit & Arbitrage

**Thomas Joret**  
Senior Fund Manager

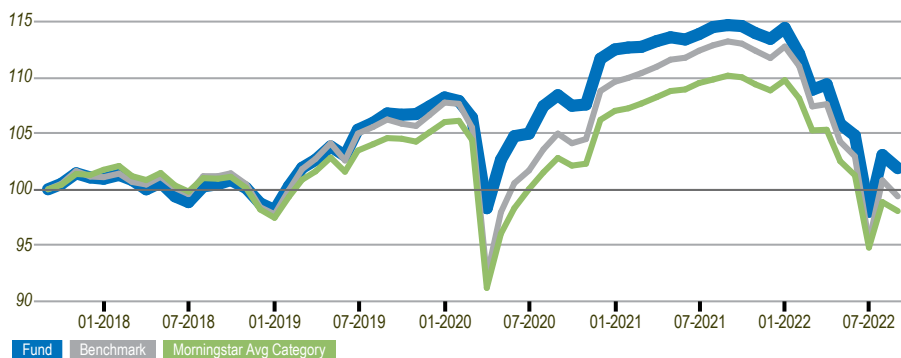
Years of experience

## INVESTMENT STRATEGY

Candriam Bonds Euro High Yield, a sub-fund of the Candriam Bonds sicav and offers investors exposure to the Euro High Yield corporate bonds market, to benefit from attractive yielding debt of companies with a high credit risk. The fund invests predominantly in bonds or in derivative instruments (credit derivatives based on indices or individual names), denominated in EUR, issued by companies with a rating exceeding B-/B3. The fund may use currency, volatility, interest rate or credit derivatives for efficient portfolio management purposes (hedge, exposure). The investment horizon is 3 years. The fund is managed actively, with reference to the index mentioned on the section "characteristics". For further information about this index and its use, please consult the fund's key investor information document (KIID).

## PERFORMANCE (1)

	1 month	3 months	YTD	1 year	3 years	5 years
<b>Fund</b>	<b>-1.1%</b>	<b>-2.8%</b>	<b>-10.9%</b>	<b>-11.1%</b>	<b>-4.6%</b>	<b>1.9%</b>
Benchmark	-1.4%	-3.5%	-11.9%	-12.2%	-6.5%	-0.6%
	0.3%	0.7%	0.9%	1.1%	1.9%	2.5%
	2021	2020	2019	2018	3 years annualized	5 years annualized
<b>Fund</b>	<b>1.7%</b>	<b>4.0%</b>	<b>10.3%</b>	<b>-2.8%</b>	<b>-1.6%</b>	<b>0.4%</b>
Benchmark	2.9%	1.7%	10.2%	-3.3%	-2.2%	-0.1%
	-1.1%	2.2%	0.1%	0.5%	0.6%	0.5%



(1) Past Performances shown on this page are not an indicator of future performances and are not constant over time. See important disclosures on performance under the section 'warning' in the 'Important Information' on page 4. NAVs are net of fees and are provided by the accounting department and the reference index by official providers.

## FUND CHARACTERISTICS

Inception Date	31/05/1989
Fund Domicile	Luxembourg
Fund Legal Form	SICAV
Benchmark	ML Euro HY BB-B Non-Fin EUR
Total net assets (M EUR)	2,136.85
NAV per share cap.(EUR) (C)	1,137.70
NAV per share dis.(EUR) (D)	165.06
Fund Reference Currency	EUR
NAV Calculation	Daily
Morningstar™ Category	EAA Fund EUR High Yield Bond
ISIN Code (C)	LU0012119607
ISIN Code (D)	LU0012119789
Ticker Bloomberg (C)	CHK3371 LX Equity
Ticker Bloomberg (D)	CHU3370 LX Equity
Latest Dividend Distributed	5.31 (2022-05-06)
Dealing Cut Off	D<12:00
Antidilution Mechanisms	-
Custodian Bank	CACEIS Bank, Luxembourg Branch
Management Company	CANDRIAM

## STATISTICS

	Funds	Benchmark
Volatility	8.99%	9.87%
Tracking Error	2.22%	-
Sharpe Ratio	-0.11	-0.16
Number of Issues	100	591
Number of Issuers	64	317
Modified Duration to Worst	2.95	3.50
Yield to Worst	5.07	6.57
Average Rating	BB-	BB-
Average Spread	373.45	389.49
Credit sensitivity	4.56	4.72
Net IG exposure	3.15%	0.56%
Net HY Exposure	80.93%	99.44%

## ESG ASSESSMENT

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Exclusion	Norm based	Positive selection	Integration

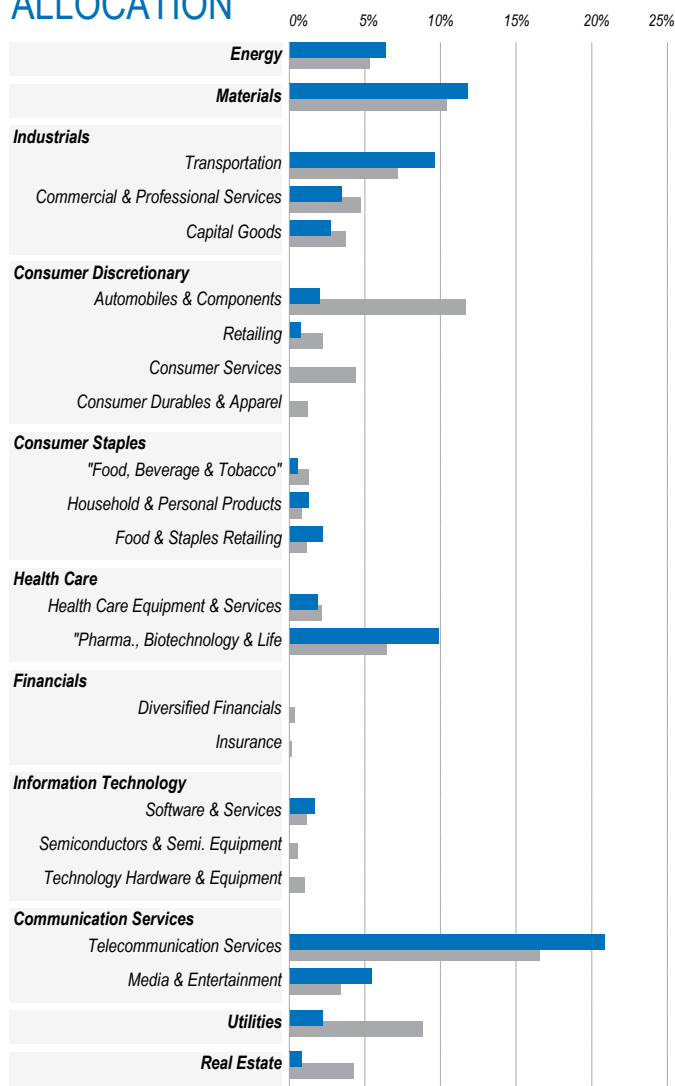
## FEES

<b>C</b>	1.00%	1.29%	-
<b>D</b>	1.00%	1.35%	-
Real Management Fee	Ongoing Charges	Performance Fees	

## TOP 10 ISSUERS

		% Fund	Sector	Country	% Active weight
1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS II	4.72	Health Care	Israel	+2.88
2	AUTOSTRADE PER L'ITALIA SPA	4.70	Industrials	Italy	+2.62
3	TELEFONICA EUROPE BV	4.44	Communication Services	Spain	+2.45
4	VODAFONE GROUP PLC	3.88	Communication Services	United Kingdom	+2.56
5	REPSOL INTERNATIONAL FINANCE BV	3.70	Energy	Spain	+2.75
6	OI EUROPEAN GROUP BV	2.83	Materials	United States	+2.47
7	LORCA TELECOM BONDCO SA	2.68	Communication Services	Spain	+2.01
8	CELLNEX FINANCE CO SA	2.36	Communication Services	Spain	+0.71
9	DEUTSCHE LUFTHANSA AG	2.33	Industrials	Germany	+0.76
10	IQVIA INC	1.92	Health Care	United States	+0.99

## SECTOR ALLOCATION

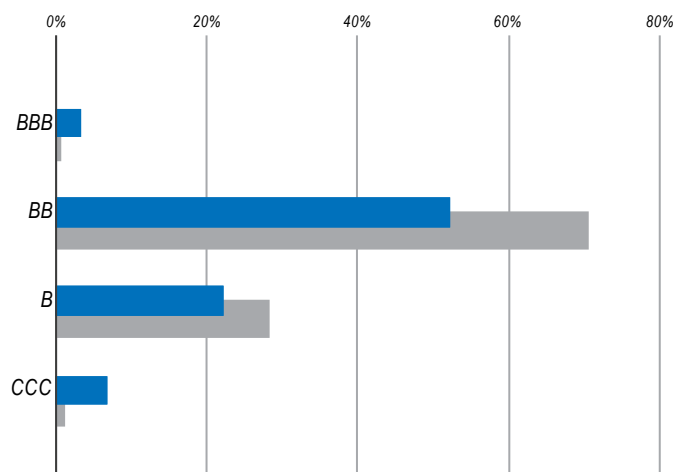


Legend Fund Benchmark

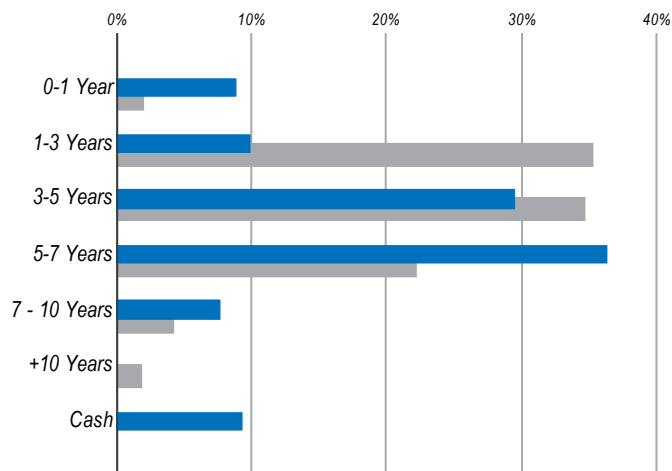
## PORTFOLIO COMPOSITION

	IG	High Yield
Derivatives Credit	-	1.76%
Bonds	3.15%	79.17%
	3.15%	80.93%
<b>Total Credit Investment</b>		<b>84.08%</b>
IR / Govies hedging		-

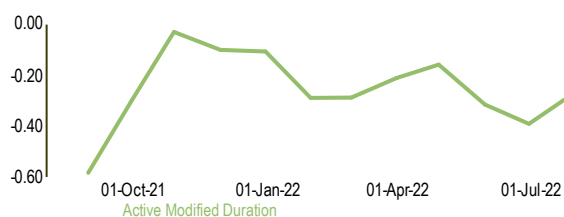
## RATING ALLOCATION



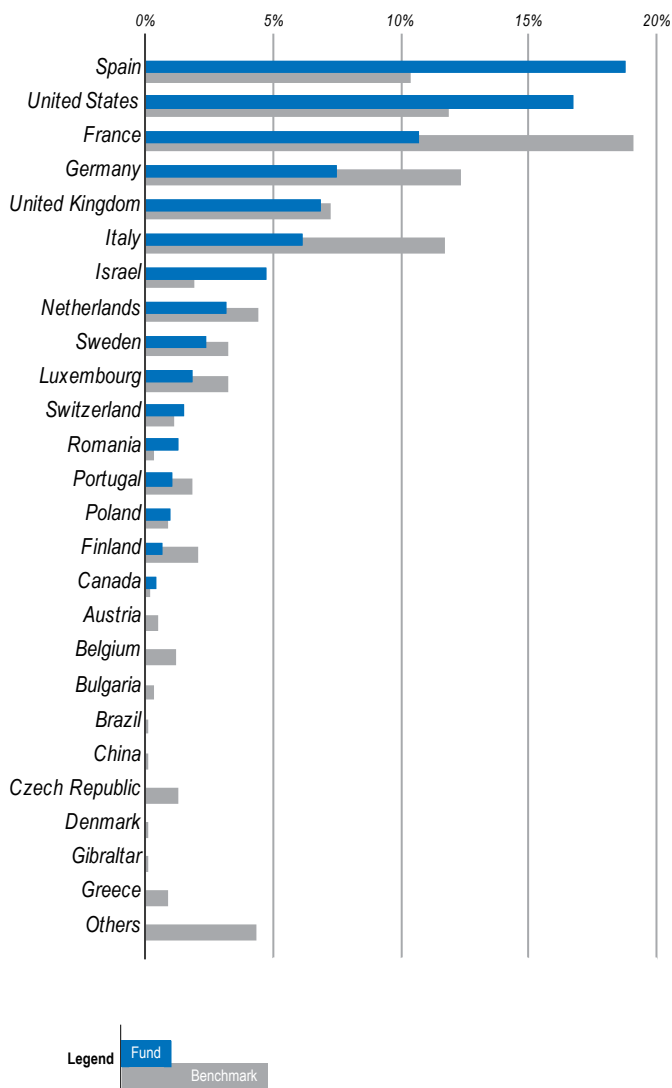
## MATURITY BREAKDOWN



## EVOLUTION OF ACTIVE MODIFIED DURATION



## ALLOCATION BY COUNTRY



## CURRENCY EXPOSURE

	Gross Exposure	Net Exposure
EUR	99.80%	99.80%
USD	0.16%	0.16%
GBP	0.02%	0.02%
CHF	0.02%	0.02%
JPY	0.00%	0.00%

## SCR

### SOLVENCY CAPITAL REQUIREMENT

-2.87%	2.54%	
SCR Int Rates UP	SCR Int Rates DOWN	
-22.28%	-0.05%	-5.47%
SCR Spread	SCR Currency	SCR Concentration
23.59%	25.11%	25.86%
Duration Liability 3Y	Duration Liability 7Y	Duration Liability 10Y
-23.16%		
Market SCR		

## IMPORTANT INFORMATION

This document is provided for information purposes only, it does not constitute an offer to buy or sell financial instruments, nor does it represent an investment recommendation or confirm any kind of transaction, except where expressly agreed. Although Candriam selects carefully the data and sources within this document, errors or omissions cannot be excluded a priori. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holding at any one time. Negative weightings may result from specific circumstances (including timing differences between trade and settlement dates of securities purchased by the funds) and/or the use of certain financial instruments, including derivatives, which may be used to gain or reduce market exposure and/or risk management. Allocations are subject to change. Total are not always equals to 100% due to derivatives, cash or rounding. The investor is invited to review the description of significant risks that are set forth in the fund's prospectus and the Key Investor Document. The value of investment may decline due in particular to the fund's exposure to such main risks are not necessarily adequately taken into account into the SRRI.

Candriam cannot be held liable for any direct or indirect losses as a result of the use of this document. The intellectual property rights of Candriam must be respected all times, contents of this document may not be reproduced without prior written approval.

**Warning:** Past performances of a given financial instrument or index or an investment service, or simulations of past performances, or forecasts of future performances are not reliable indicators of future performances. Gross performances may be impacted by commissions, fees and other expenses. Performances expressed in a currency other than that of the investor's country of residence are subject to exchange rate fluctuations, with a negative or positive impact on gains. If the present document refers to a specific tax treatment, such information depends on the individual situation of each investor and may change.

The present document does not constitute investment research as defined by Article 36, paragraph 1 of the Commission delegated regulation (EU) 2017/565. Candriam stresses that this information has not been prepared in compliance with the legal provisions

promoting independent investment research, and that it is not subject to any restriction prohibiting the execution of transactions prior to the dissemination of investment research.

Candriam consistently recommends investors to consult via our website [www.candriam.com](http://www.candriam.com) the key information document, prospectus, and all other relevant information prior to investing in one of our funds. These documents are available either in English or in local languages for each country where the fund's marketing is approved.



© 2007 Morningstar, Inc. All rights reserved. Some of the information contained in this document is the property of Morningstar and/or its information providers. It is given without any guarantee as to its accuracy, exhaustiveness or topicality. Its reproduction or redistribution is strictly forbidden.

## GLOSSARY

### EXPOSURE

The Exposure of a fund is expressed as a percentage of total portfolio holdings, taking into account the leverage of derivative instruments. It represents the amount an investor can lose from the risks unique to a particular investment.

### NET HY EXPOSURE

The Net High Yield Exposure is the percentage difference between a fund's long and short exposures to high yield fixed income instruments, including derivatives. An instrument is considered as a high yield instrument if its credit rating is below BBB-.

### NET IG EXPOSURE

The Net Investment Grade Exposure is the percentage difference between a fund's long and short exposures to investment grade fixed income instruments, including derivatives. An instrument is considered as an investment grade instrument if its credit rating is above or equal to BBB-.

### VOLATILITY\*

The Volatility is the statistical measure of dispersion of returns for a fund around the mean. A higher volatility means that a fund's value can potentially be spread out over a larger range of values and makes the fund a riskier investment.

### RISK AND REWARD PROFILE

The Risk and Reward Profile is defined by the Synthetic Risk Reward Indicator (SRRI), a number on a scale from 1 to 7 based on the fund's volatility (regulatory measure). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available while a rating of 7 reflects higher risk but potentially higher rewards.

### TRACKING ERROR\*

The Tracking Error is a statistical measure of dispersion of the excess returns of the fund around the mean, making it the volatility of the difference between the fund's return and its reference index return. A higher tracking error indicates a higher deviation from the reference index.

### SHARPE RATIO\*

The Sharpe Ratio measures the level of compensation an investment in the fund offered for the risk taken. It is calculated by subtracting the risk-free rate from the return of the fund and dividing that result by the volatility. The higher the Sharpe ratio the better, a negative ratio has no significance other than that the fund underperformed the risk-free rate.

### AVERAGE RATING

The Average Rating is calculated using the Weighted Average Rating Factor (WARF) and is a measure to indicate the credit quality of the fund. The measure aggregates the credit ratings of the fund's holdings into a single rating.

\* based on weekly data over 3 Years (1 year if too little history)

### RISK-FREE RATE

The Risk-Free Rate is the market return on an asset that is considered to have no (or negligible) risk. It will be used for the calculation of risk adjusted returns (e.g. Sharpe Ratio) and it will always be a rate in the performance calculation currency. The most common used rates will be ESTER for EUR denominated performances and FED Fund Rate for USD denominated performances.

### MODIFIED DURATION TO WORST

The Modified Duration is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in interest rates. The Modified Duration to Worst is calculated taking into account the call date for callable bonds and the scenario that would provide the worst yield to the holders of fixed income instruments. The Modified Duration to Worst for the fund is calculated as the weighted average MDTW of all underlying fixed income instruments.

### YIELD TO WORST

The Yield To Worst (YTW) is the lowest potential yield that can be received on all fixed income instruments in a fund without the issuers actually defaulting. It represents the lowest of all yields computed at each call date for callable bonds. The YTW for the fund is calculated as the weighted average YTW of all underlying fixed income instruments.

### CREDIT SENSITIVITY

The Credit Sensitivity is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in credit spread. The credit sensitivity for the fund is calculated as the weighted average credit sensitivity of all underlying fixed income instruments.

### AVERAGE SPREAD

The Average Spread for the fund is the weighted average Option-Adjusted Spread (OAS) for all underlying fixed income instruments. The OAS refers to the difference or spread between the fixed income instrument's yield and the swap rate with the same maturity, using a dynamic pricing model that accounts for embedded options.

### RATING

A (credit) Rating is a quantified assessment of the creditworthiness of a borrower. Rating in this report refer to the 2nd best rating, a daily calculated, standardized rating. It is calculated on instrument level, using ratings from 3 worldwide renowned rating agencies. It is the 2nd best rating, unless no more than one rating from one agency exists. NR indicated that none of the rating agencies issued a rating on the instrument.

### NUMBER OF ISSUERS

The Number of Issuers represents the total number of companies in position.

### NUMBER OF ISSUES

The Number of Issues represents the total number of instruments in position.

### REAL MANAGEMENT FEES

The Real Management Fee is the actual percentage charge deducted from the fund's average net assets.

### OCF

The Ongoing Charges Figure (OCF) informs the investor on the total annual cost of investing within the fund and is comprised of all annual charges & other payments.

### PERFORMANCE FEE

The Performance Fee refers to a charge on any returns that the Fund achieves above the reference index. Please refer to the Prospectus for further information.

### ESG ASSESSMENT – EXCLUSION

The Exclusion filter refers to the exclusion of companies involved in harmful or controversial activities. Involvement is assessed using activity-specific revenue-based threshold levels.

### ESG ASSESSMENT – NORMS-BASED

The Norms-Based analysis excludes companies which are in violation of the 10 principles of the United Nations Global Compact (UNGC). These principles cover 4 main categories: Human Rights, Labour Rights, Environment and Anti-Corruption.

### ESG ASSESSMENT – POSITIVE SELECTION

The Positive selection analysis is inclusive, not exclusive. It includes only the companies with the best ESG score, obtained by evaluating their ability to manage the sustainable development issues based on a combination of specific factors material to each sector.

### ESG ASSESSMENT – INTEGRATION

The Integration of ESG factors into investment decisions consists of integrating specific extra-financial factors into the financial valuation or credit assessment of securities. The factors used are selected based on their materiality in the given asset class.