



REPORTING 28|02|2023

# Candriam Bonds Euro High Yield

Share Class: I (EUR)

MORNINGSTAR RATING OVERALL™: ★★★★★  
12.2022

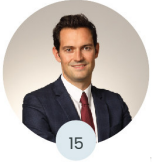
## Risk indicator



The summary risk indicator ("SRI") is an indicator with a rating ranging from 1 to 7 and corresponds to increasing levels of risk and return. The methodology for calculating this regulatory indicator is available in the KID. The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

- The SRI assumes you keep the product for 3 years.
- The actual risk can vary significantly if you cash in at an early stage and you may get less back.
- This product does not include any protection from future market performance. Please refer to the "Risk" section of the prospectus for more details





**Nicolas Jullien**

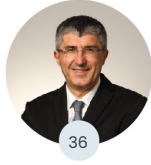
Head of High Yield & Credit Arbitrage / Deputy Global Head of Credit

\*Years of experience



**Thomas Joret**

Senior Fund Manager



**Philippe Noyard**

Global Head of Credit / Deputy Global Head of Fixed Income

## Fund characteristics

Inception Date	<b>05/09/2003</b>
Fund Domicile	<b>Luxembourg</b>
Fund Legal Form	<b>SICAV</b>
Benchmark	<b>ML Euro HY BB-B Non-Fin EUR</b>
Total net assets (M EUR)	<b>2,268.04</b>
NAV per share cap.(EUR) (C)	<b>1,280.36</b>
NAV per share dis.(EUR) (D)	<b>1,489.38</b>
Fund Reference Currency	<b>EUR</b>
NAV Calculation	<b>Daily</b>
Morningstar™ Category	<b>EAA Fund EUR High Yield Bond</b>
ISIN Code (C)	<b>LU0144746509</b>
ISIN Code (D)	<b>LU1258427985</b>
Ticker Bloomberg (C)	<b>DEXHYLI LX Equity</b>
Ticker Bloomberg (D)	<b>CANBHIE LX Equity</b>
Latest Dividend Distributed	<b>46.21 (2022-05-06)</b>
Dealing Cut Off	<b>D&lt;12:00</b>
Antidilution Mechanisms	<b>Yes</b>
Custodian Bank	<b>CACEIS Bank, Luxembourg Branch</b>
Management Company	<b>CANDRIAM</b>

## Investment strategy

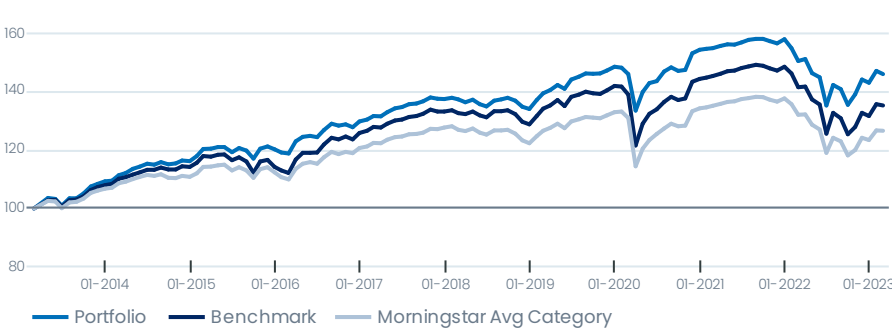
Candriam Bonds Euro High Yield, a sub-fund of the Candriam Bonds sicav and offers investors exposure to the Euro High Yield corporate bonds market, to benefit from attractive yielding debt of companies with a high credit risk. The fund invests predominantly in bonds or in derivative instruments (credit 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 <sup>(1)</sup>

	1M	3M	YTD	1Y	3Y	5Y	10Y	SI
<b>Fund</b>	<b>-0.8%</b>	<b>1.2%</b>	<b>2.1%</b>	<b>-3.0%</b>	<b>-0.0%</b>	<b>6.3%</b>	<b>46.0%</b>	<b>-</b>
Benchmark	-0.3%	1.9%	2.8%	-4.4%	-2.7%	2.0%	35.3%	-

	<b>-0.5%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>1.3%</b>	<b>2.6%</b>	<b>4.2%</b>	<b>10.7%</b>	<b>-</b>
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	2022	2021	2020	2019	3Y annualized	5Y annualized	10Y annualized	SI
<b>Fund</b>	<b>-9.5%</b>	<b>2.4%</b>	<b>3.9%</b>	<b>10.8%</b>	<b>-0.0%</b>	<b>1.2%</b>	<b>3.9%</b>	<b>-</b>
Benchmark	-11.4%	2.9%	1.7%	10.2%	-0.9%	0.4%	3.1%	-



## Statistics

	Funds	Benchmark
Volatility	<b>9.23%</b>	10.08%
Tracking Error	<b>1.89%</b>	-
Sharpe Ratio	<b>-0.03</b>	-0.13
Number of Issues	<b>112</b>	552
Number of Issuers	<b>69</b>	307
Modified Duration to Worst	<b>3.55</b>	3.30
Yield to Worst	<b>5.82</b>	6.71
Average Rating	<b>BB-</b>	BB-
Average Spread	<b>259.85</b>	285.76
Credit sensitivity	<b>4.21</b>	4.12
Net IG exposure	<b>12.97%</b>	0.64%
Net HY Exposure	<b>77.12%</b>	99.36%

## ESG Assessment

Exclusion	Norm based	Positive selection	Integration

## Costs

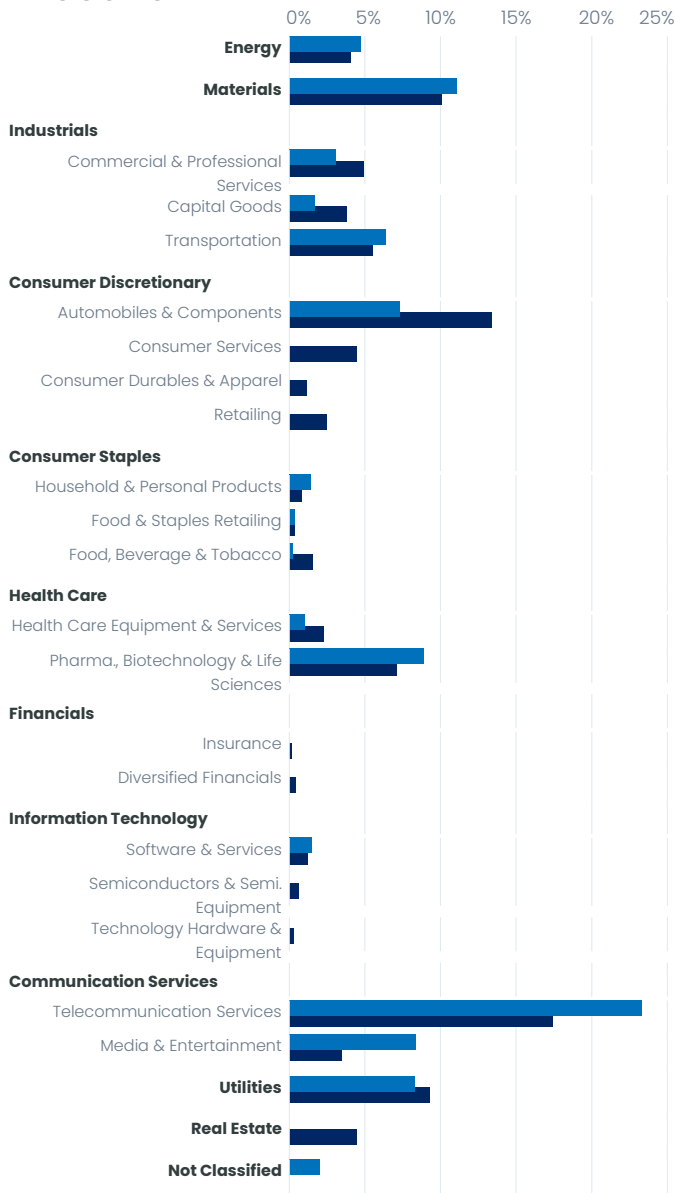
<b>C</b>	<b>0.60%</b>	<b>0.73%</b>	<b>20.00%</b>
<b>D</b>	<b>0.60%</b>	<b>0.73%</b>	<b>of perf &gt; Objective</b>
Real Management Fee	Ongoing costs	Performance Fees	

(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.

# Top 10 Issuers

	% Fund	Sector	Country	% Active weight
1	TEVA PHARMACEUTICAL INDUSTRIES	4.63 Health Care	Israel	+2.61
2	ILIAD HOLDING SASU	4.49 Communication Services	France	+3.25
3	VODAFONE GROUP PLC	3.59 Communication Services	United Kingdom	+2.85
4	FRENCH REPUBLIC	3.46 Utilities	France	+0.91
5	RENAULT SA	3.13 Consumer Discretionary	France	+2.87
6	NETFLIX INC	2.90 Communication Services	United States	+2.90
7	REPSOL SA	2.83 Energy	Spain	+2.83
8	TELEFONICA SA	2.80 Communication Services	Spain	+0.40
9	CELLNEX TELECOM SA	2.77 Communication Services	Spain	+0.99
10	O-I GLASS INC	2.62 Materials	United States	+2.22

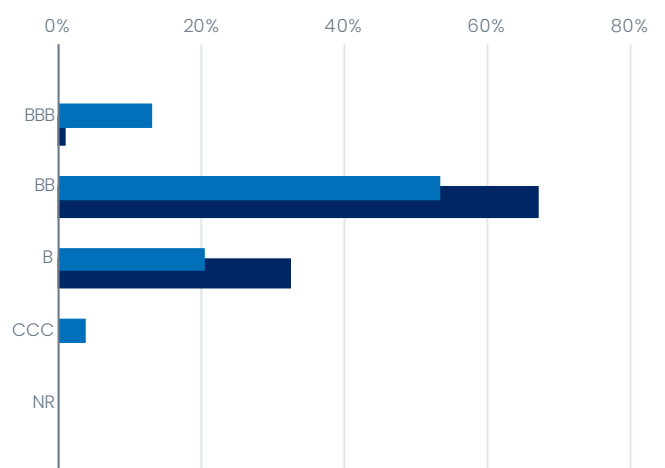
## Sector Allocation



## Portfolio Composition

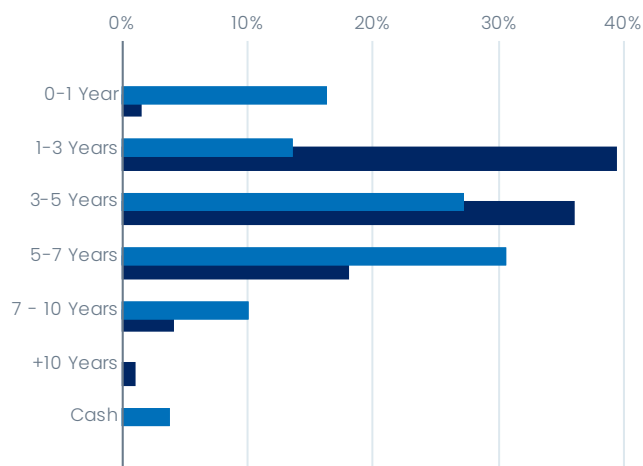
	IG	High Yield
Derivatives Credit	-	2.03%
Bonds	12.97%	75.09%
<b>Total Credit Investment</b>	<b>12.97%</b>	<b>77.12%</b>
IR / Govies hedging	-	

## Rating Allocation

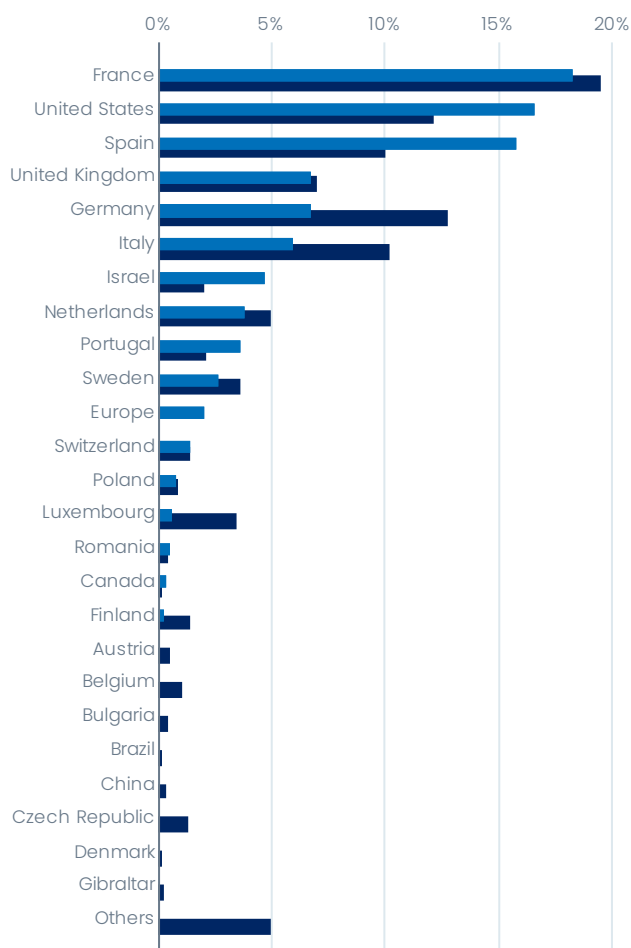


■ Fund  
■ Benchmark

## Maturity Breakdown

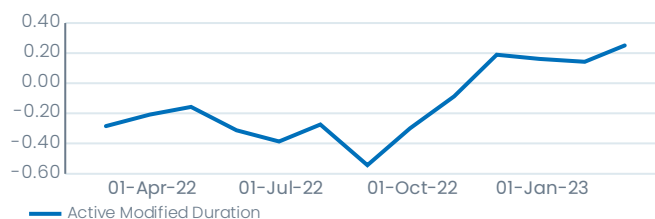


## Allocation by Country



■ Fund  
■ Benchmark

## Evolution of Active modified duration



## Currency Exposure

	Gross Exposure	Net Exposure
EUR	99.83%	99.83%
USD	0.13%	0.13%
GBP	0.03%	0.03%
CHF	0.01%	0.01%
JPY	0.00%	0.00%

## SCR

### Solvency Capital Requirement

	<b>-5.88%</b>	<b>5.50%</b>
SCR Int Rates UP		SCR Int Rates DOWN
	<b>-21.62%</b>	<b>-4.91%</b>
	<b>-0.04%</b>	
SCR Spread	SCR Currency	SCR Concentration
	<b>22.41%</b>	<b>24.75%</b>
	<b>24.05%</b>	
Duration Liability 3Y	Duration Liability 7Y	Duration Liability 10Y
	<b>-22.96%</b>	
	Market SCR	

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## 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.

### THE SUMMARY RISK INDICATOR

The summary risk indicator ("SRI") is an indicator with a rating ranging from 1 to 7 and corresponds to increasing levels of risk and return. The methodology for calculating this regulatory indicator is available in the KID. The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### 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.

\* 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.

### 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.

### 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.

### NUMBER OF ISSUERS

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

### 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 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.

### OCG

Ongoing charges represent all operating and management costs invoiced to the UCI net of retrocessions.

### 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.