

The Bonds Universalis Unconstrained

Peter De Coensel

Fund Manager

CIO Fixed Income



1

Why

2

Investment
Process

3

Performance

4

Positioning

5

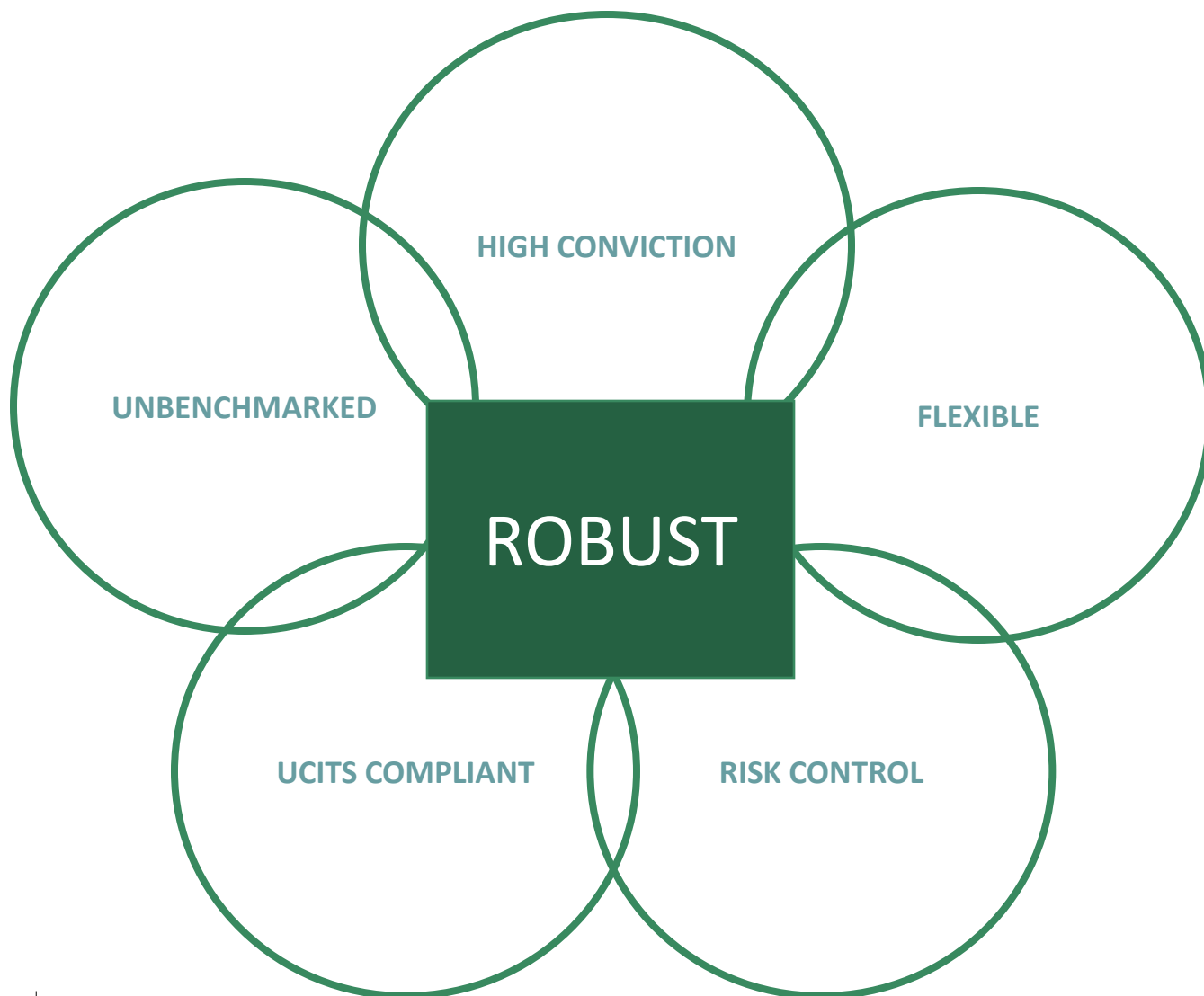
Diversification

6

Conclusion



Unconstrained bond fund

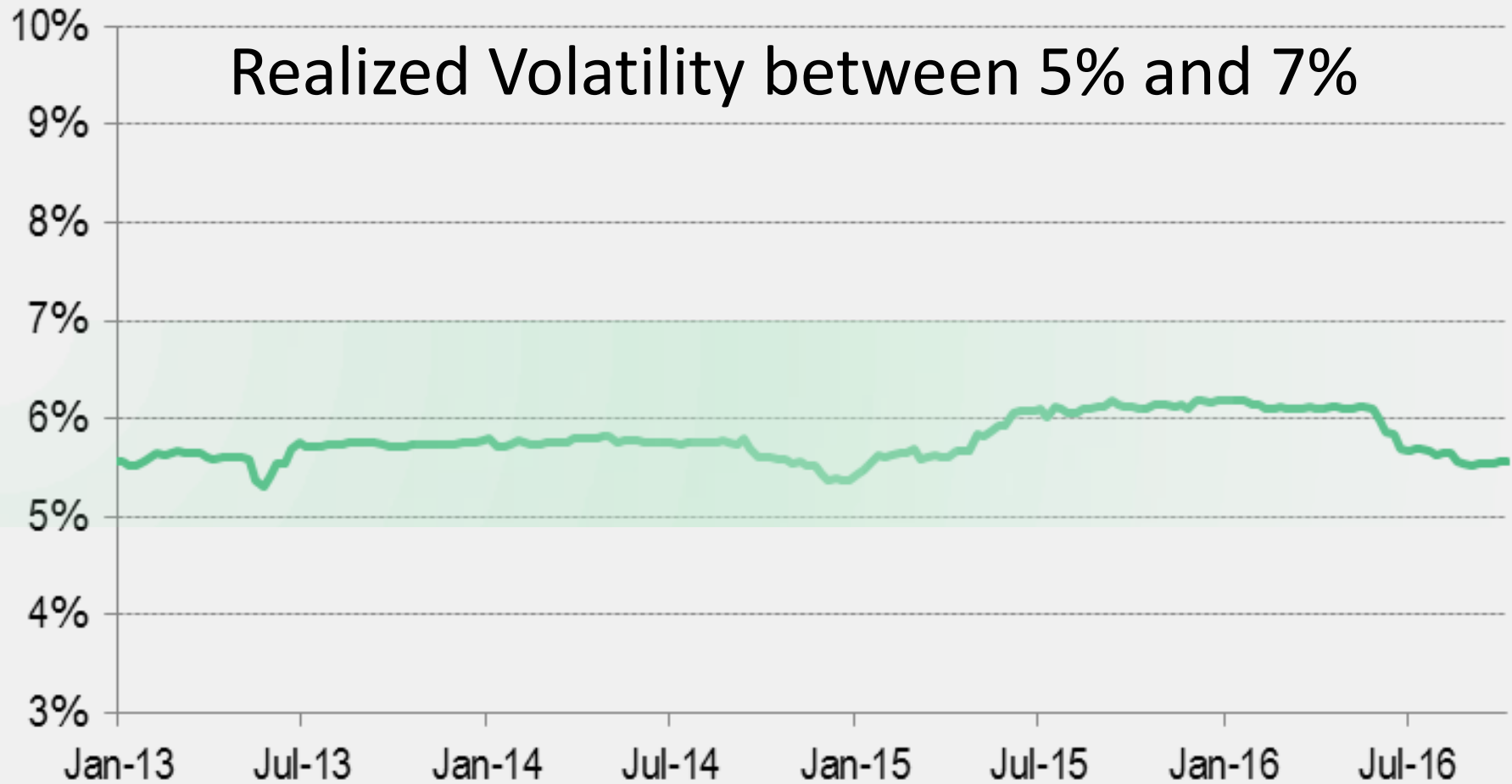


The Bonds Universalis

Unconstrained strengthens the risk/reward of your bond allocation



Realized Volatility between 5% and 7%



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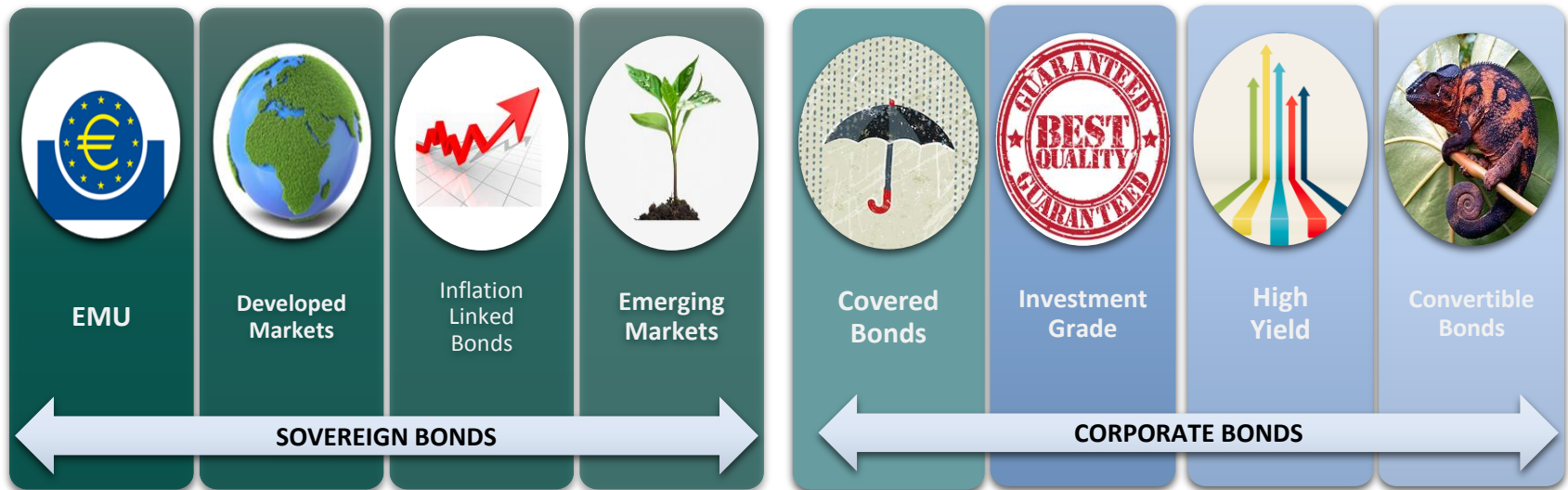
Diversification

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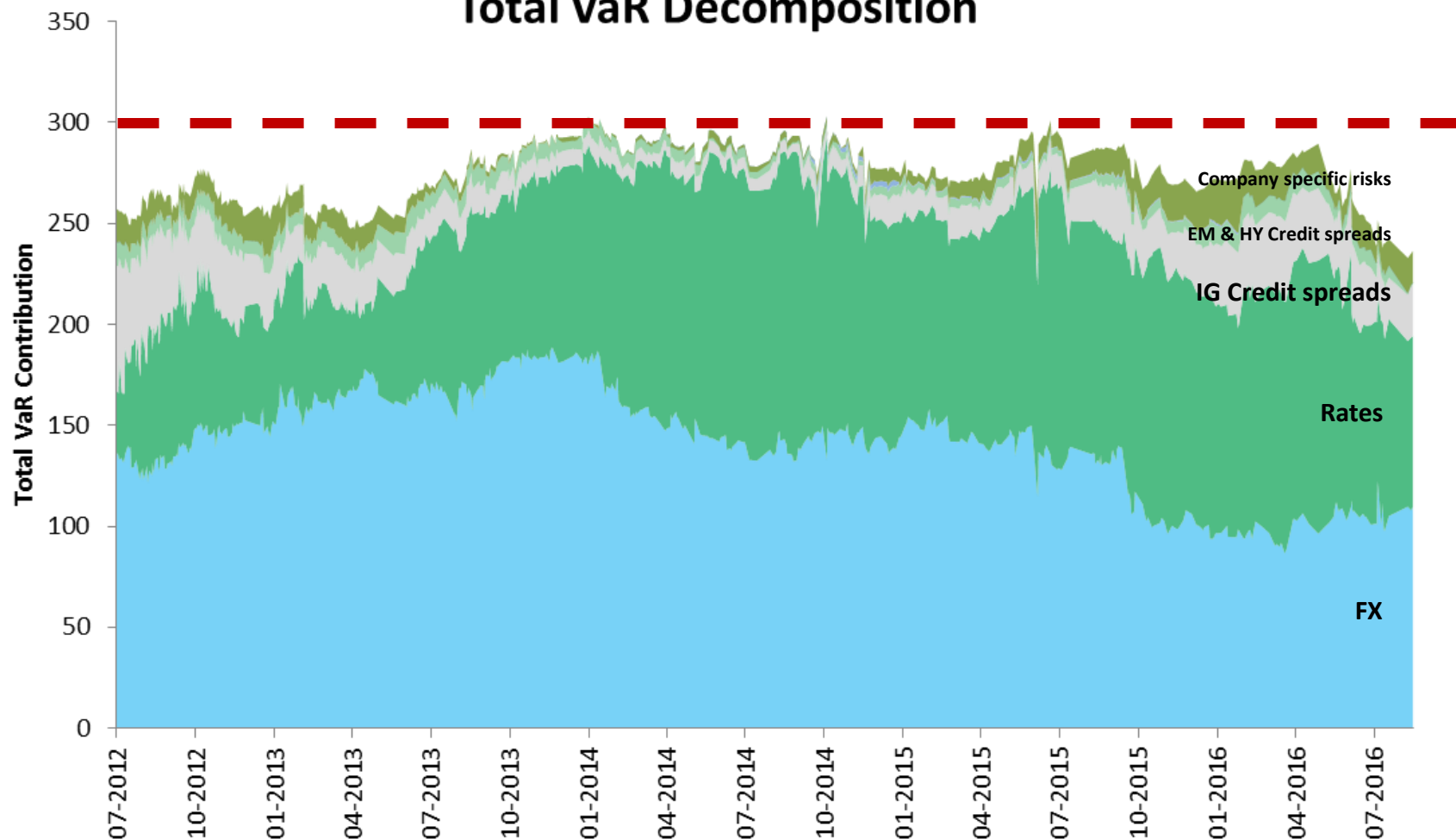
Global Universe



Returns driven by controlled risk factor exposure

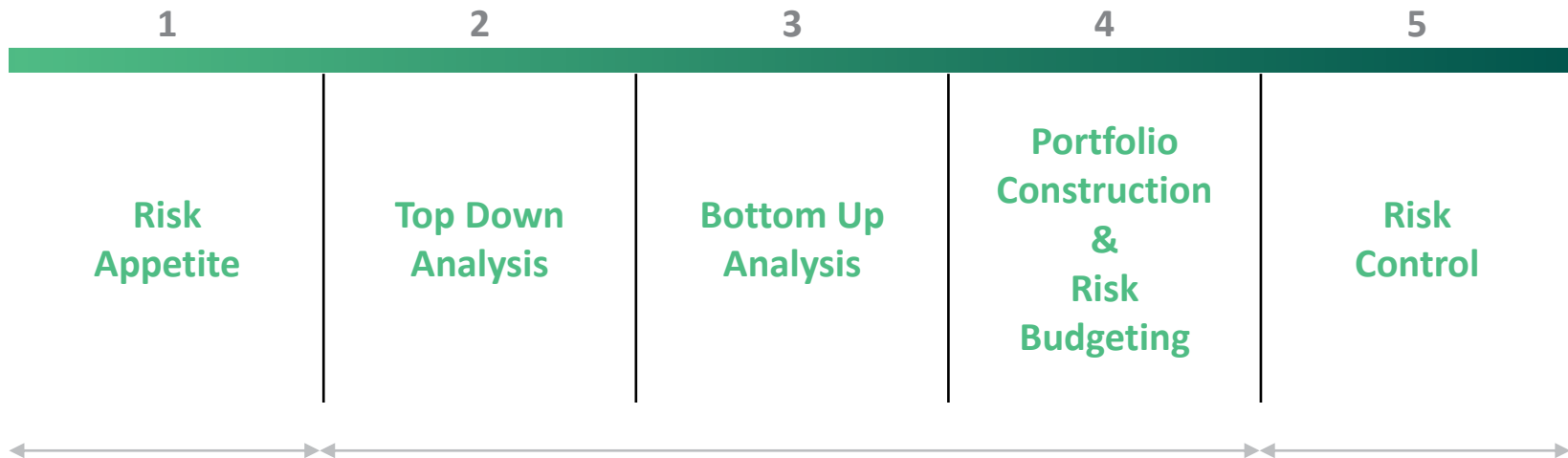


Total VaR Decomposition

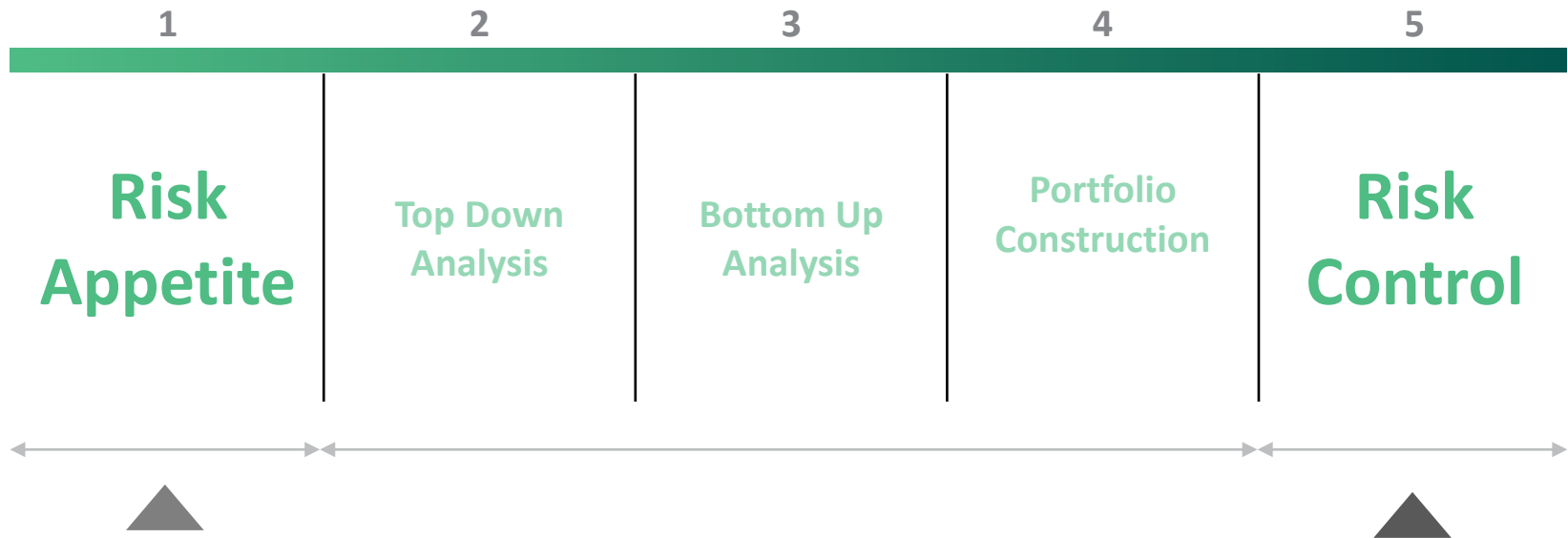


1 month VaR below 3.00% at 90% confidence threshold

Investment Process



Investment Process



Defining Risk Appetite across Risk Factors

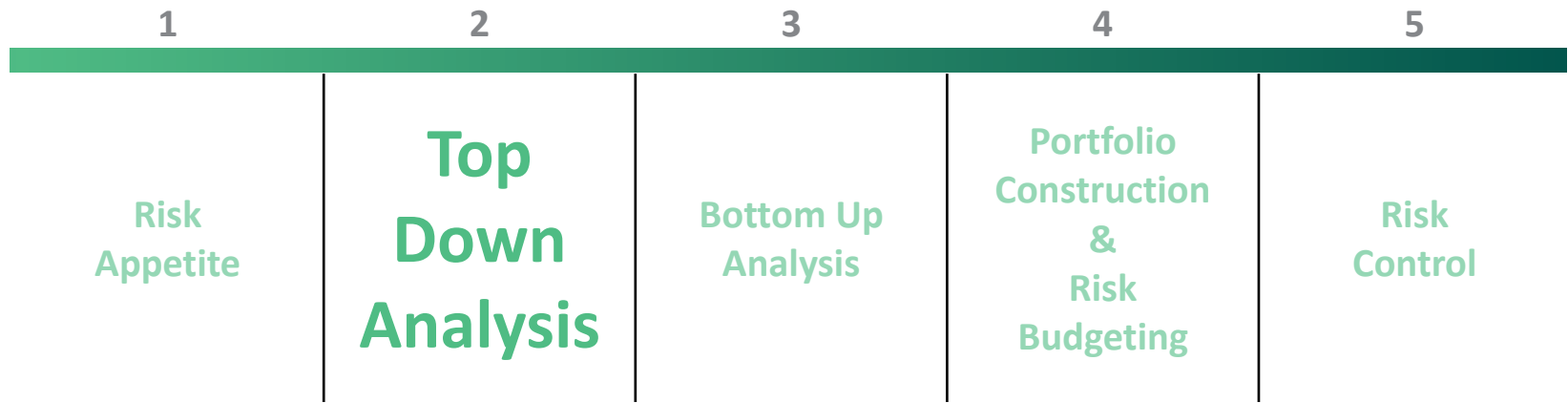
Rates volatility

Credit volatility

Currency volatility



Investment Process



Top Down Assessment



Macro



Geo
Political



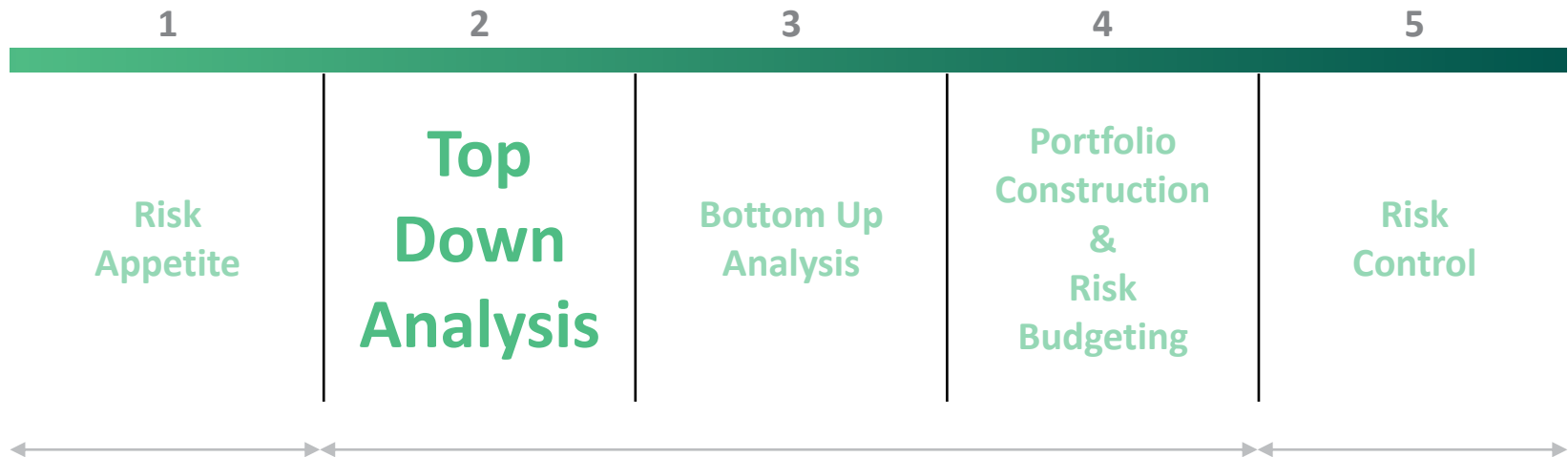
Monetary
Policy



Inflation



Investment Process



Macro Meeting

Once a month

Rates Meeting:

twice a week

Credit Meeting:

twice a week

GFIC

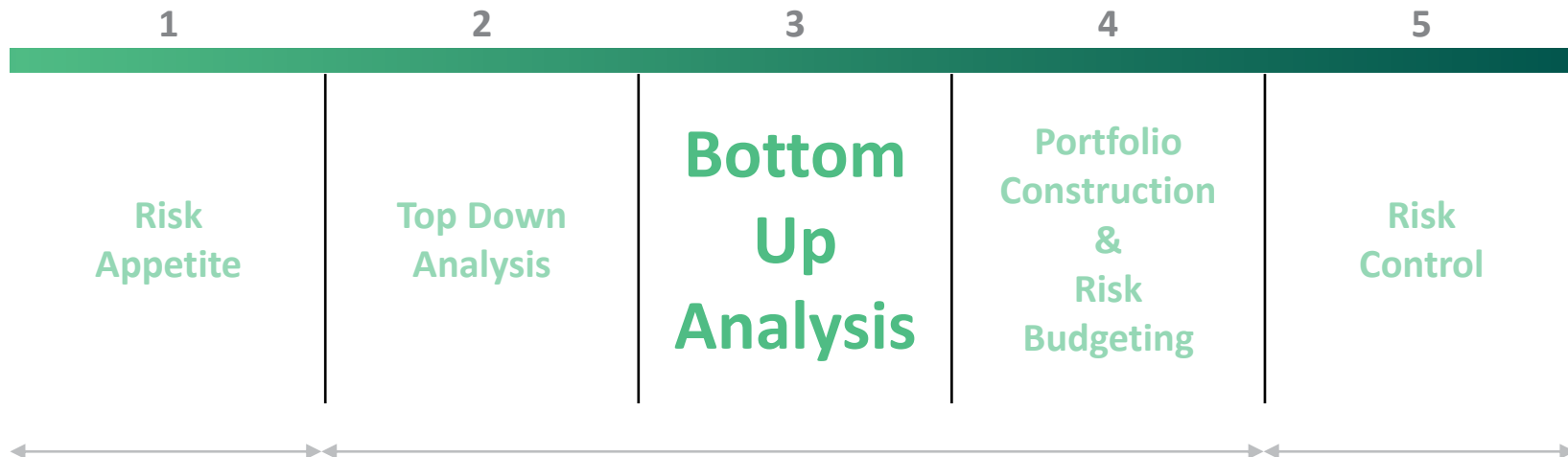
Group Fixed Income Committee, monthly



Group Views



Investment Process



Bottom Up Assessment



Issuer Analysis



Relative Value

Fundamental Analysis

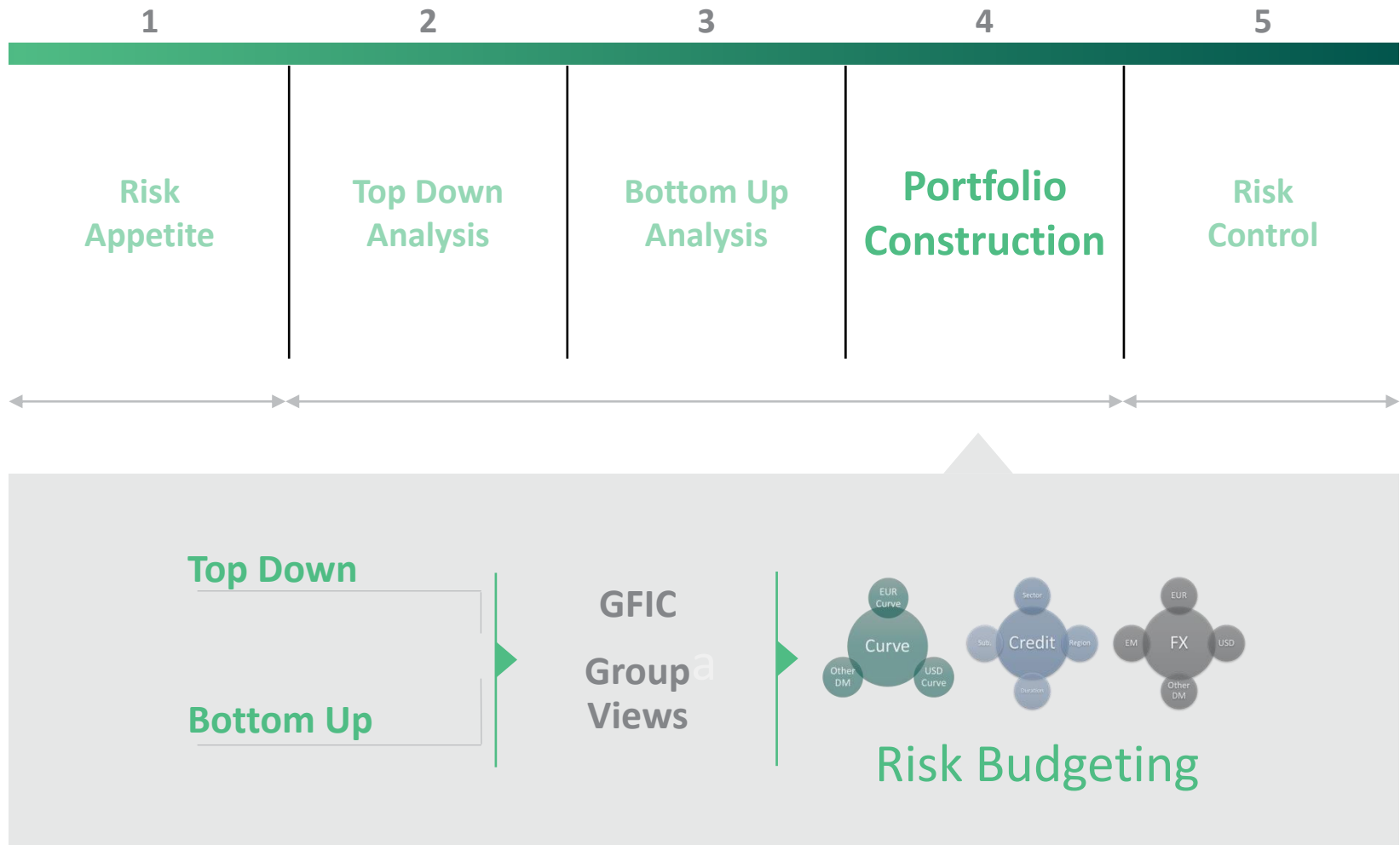
Business Risk Profile

Financial Risk Profile

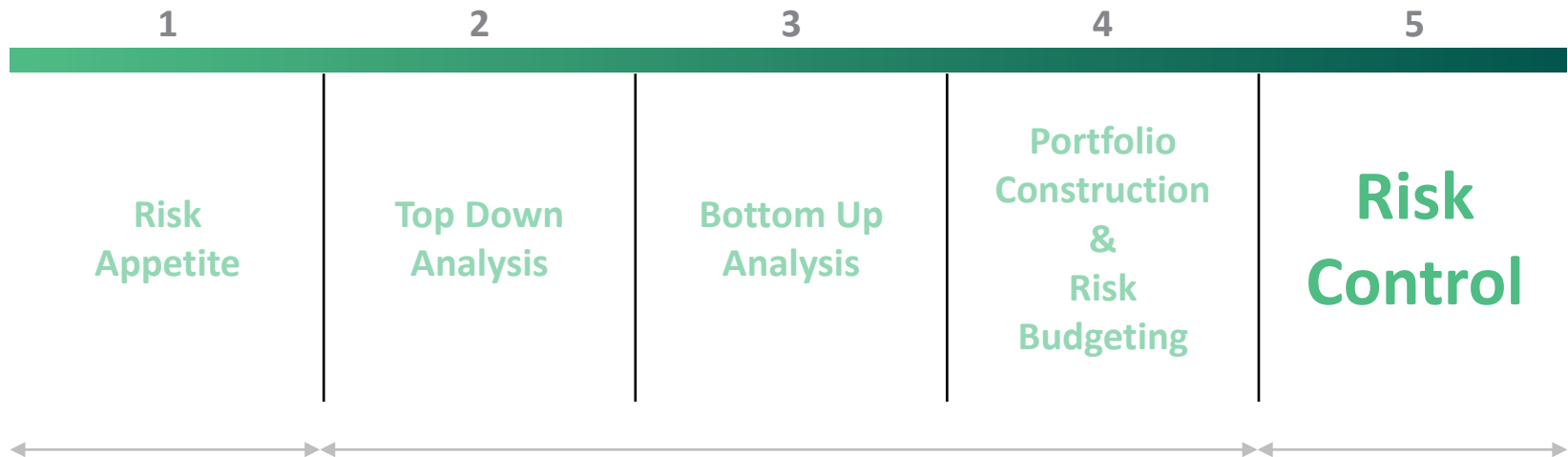
Bonds structural risk



Investment Process



Investment Process



Daily VaR reports*

Weekly correlation reports

* Example in print



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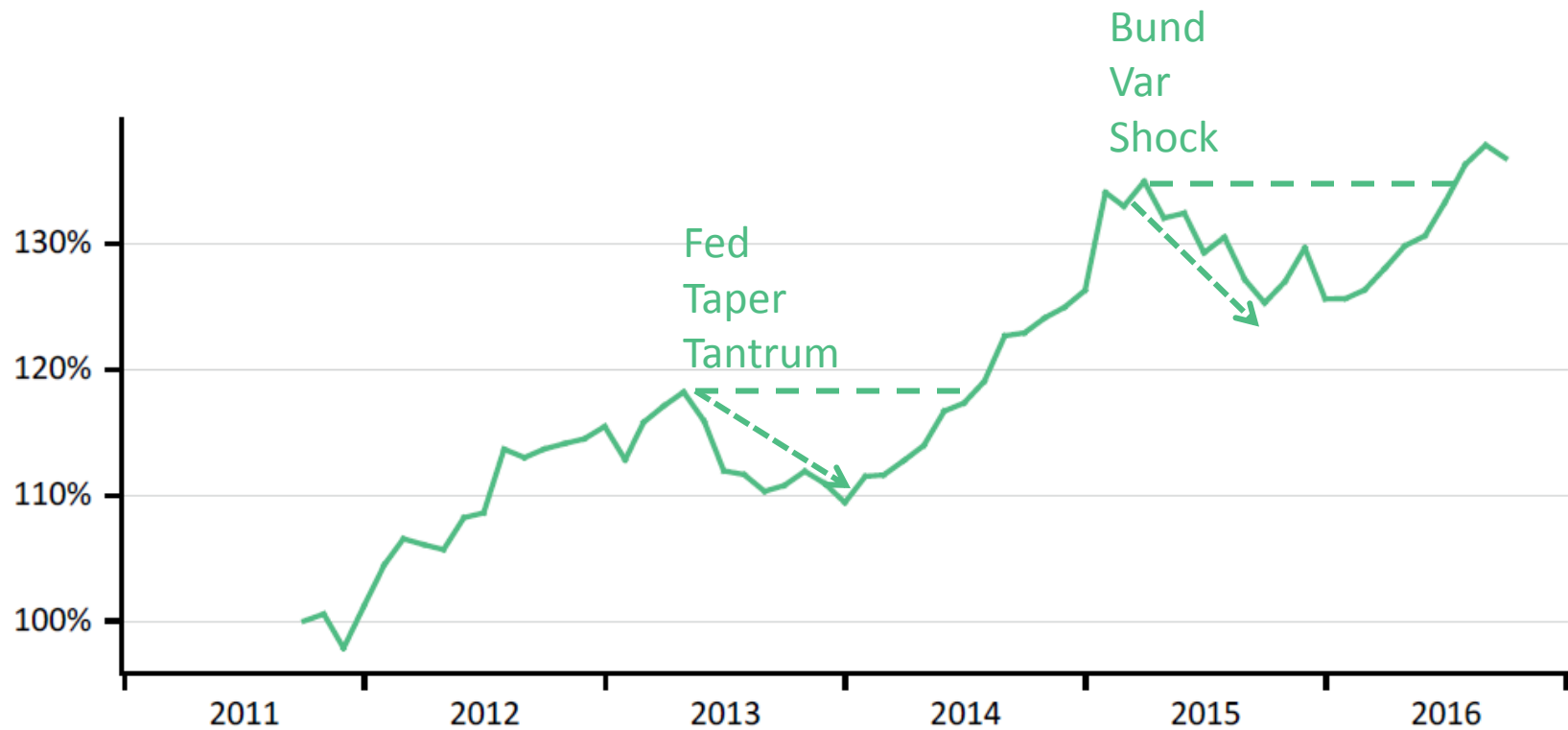
Diversification

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Achieve capital growth



With below average drawdowns

Drawdown

Time Period: 01/05/2009 to 07/10/2016

Source Data: Daily Return



Petercam L Bonds Universalis Uncons B

Fidelity International Bond A-USD

Loomis Sayles Gbl Opp Bd Fd I/D USD

Schroder ISF Global Bond A Inc

Wellington Global Bond USD S Acc

BNPP L1 Bond World Plus C C

Legg Mason BW Glb Fxd Inc A Inc (S) \$

NN (L) Global Bond Opps P Cap EUR

Templeton Global Total Ret A Acc USD

EAA OE Global Bond

Carmignac Pf Glb Bond A EUR Acc

Legg Mason BW Glb OppcFxInc A Inc M \$

Pioneer Fds Gbl Aggregate Bd A EUR ND

Templeton Global Bond A Mdis USD

Source: Morningstar Direct

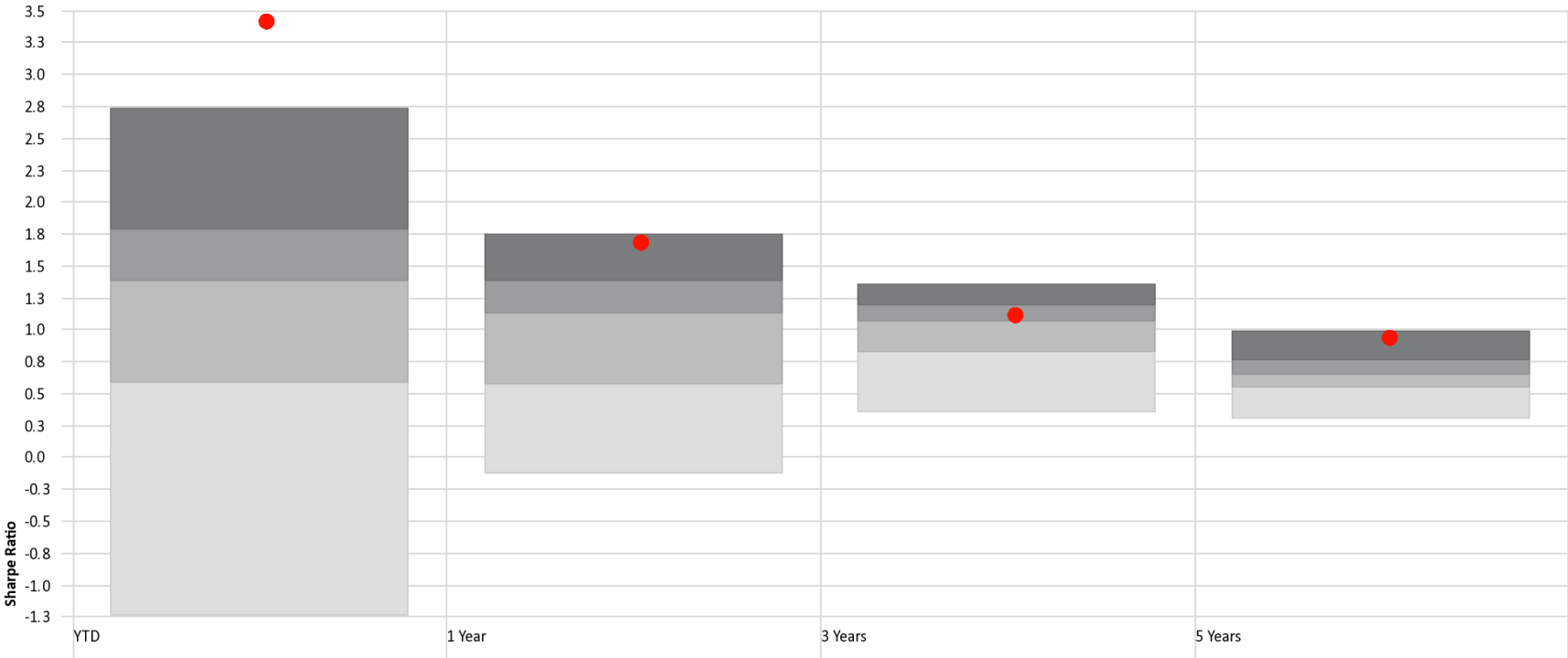


Achieve high quality capital growth

Performance Relative to Peer Group

Peer Group (5-95%): Open End Funds - Europe/Africa/Asia - Global Bond Calculation Benchmark: S&P 500 TR USD

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



● Petercam L Bonds Universalis Uncons B

Source: Morningstar Direct

Performance 2016

Period 12/31/2015 – 09/30/2016

YTD (gross) Return: **+ 9.59%**

FX **- 1.03%**

USD costs us c. 1.44% and GBP c. 0.43%.

Good performance of the BRL and ZAR generated c. 0.65% and 0.28% respectively.

Local Management: **+ 10.63%**

Main contributors :

IG Credit :	+7.54%
EM Debt :	+2.13%
Inflation Linked :	+1.65%
Nominal Government:	+0.84%
Hybrids & Subordinated bonds :	+0.46%
Rates and Credit Hedges :	- 1.88%
Other:	-0.11%



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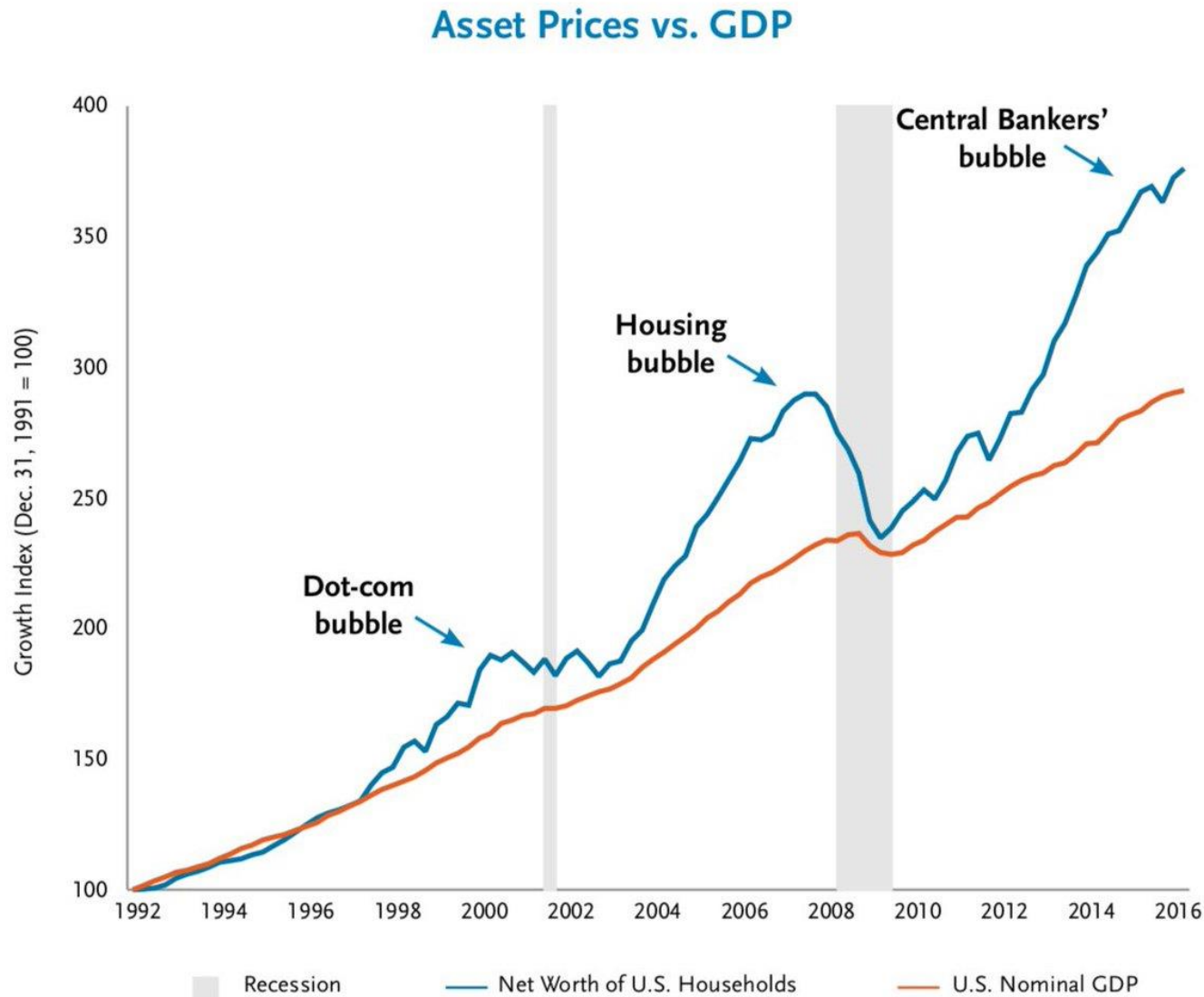
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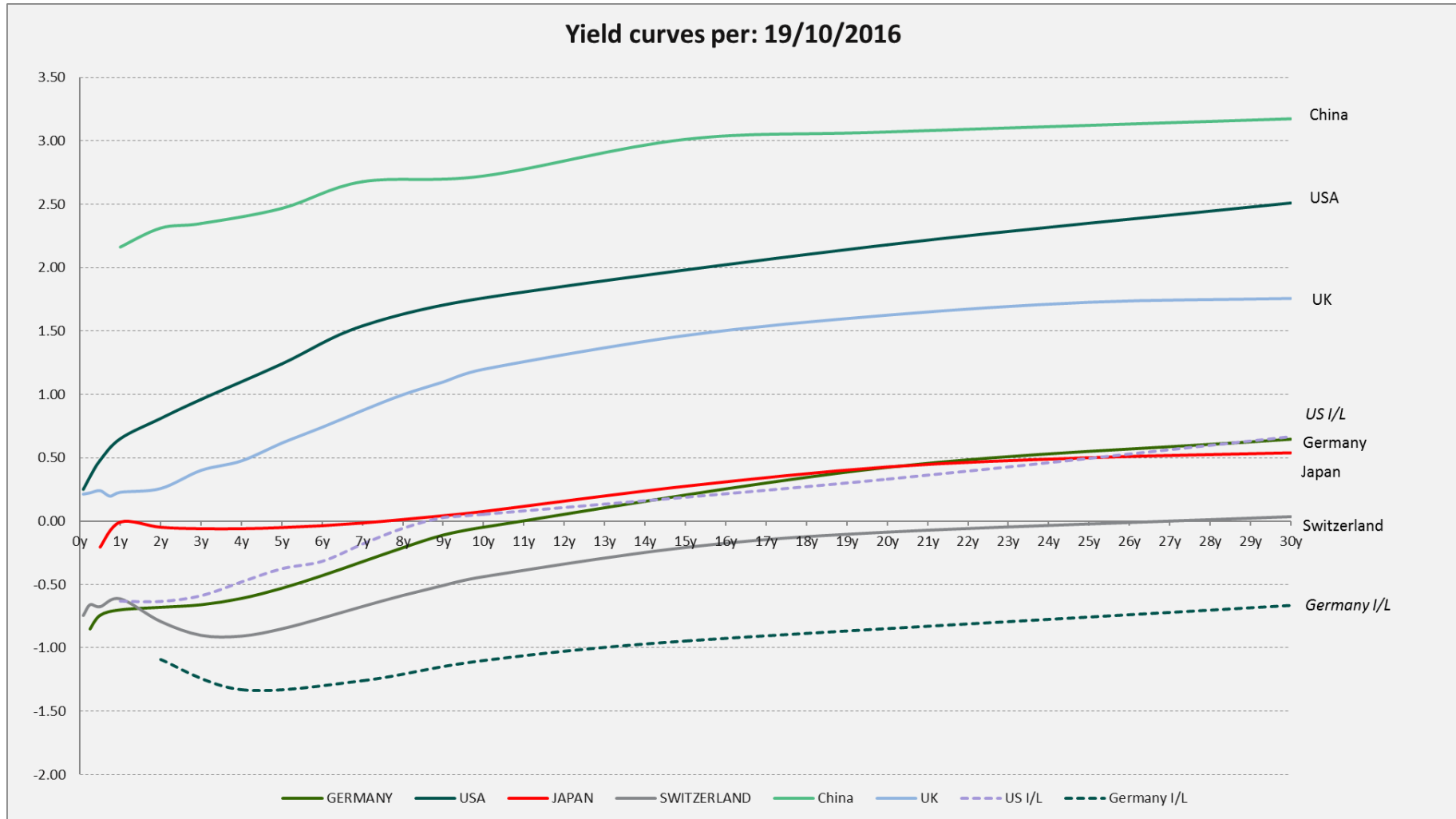
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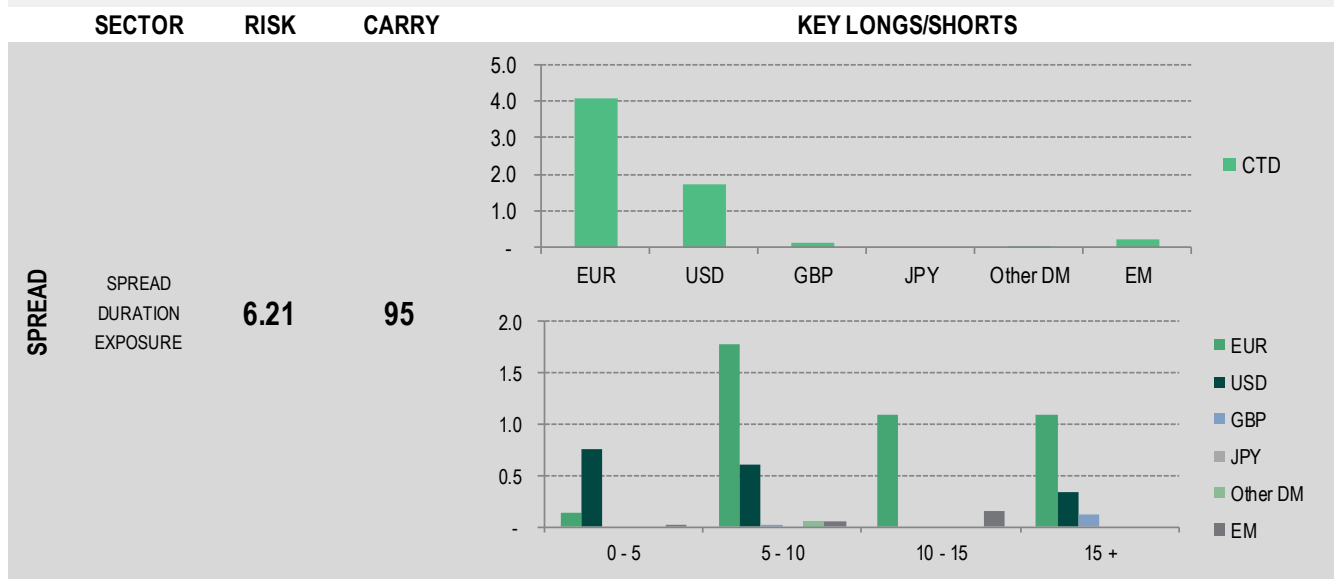
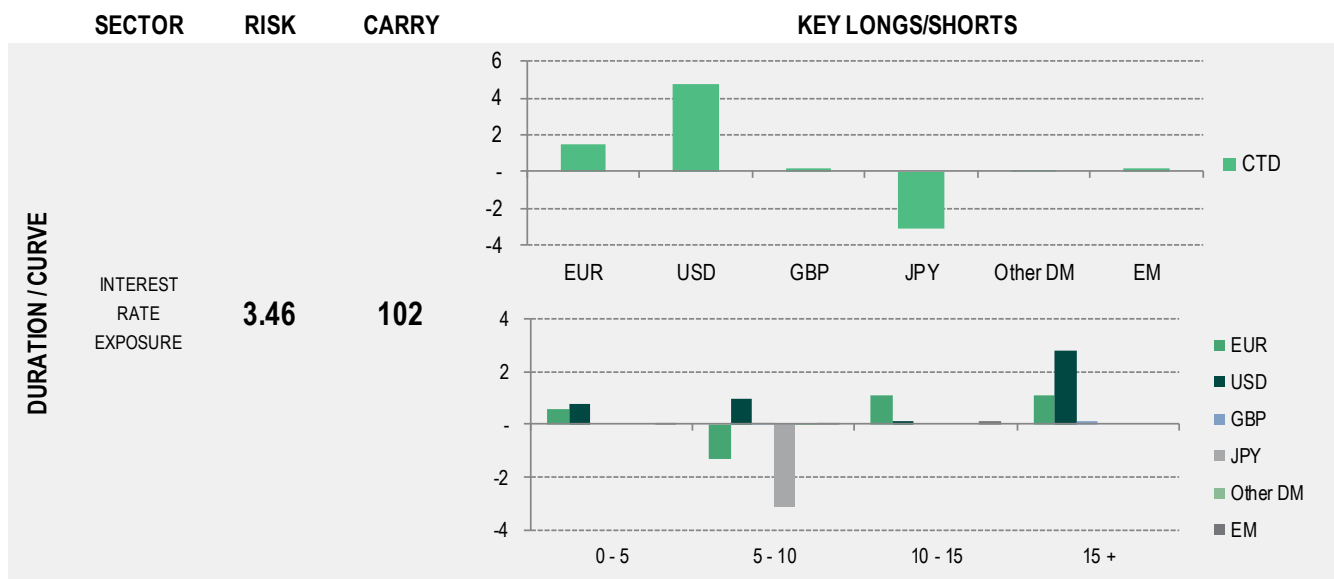
This time is different ?



Assessing reference yield curves: positioning rates



Positioning in rates and credit



Position Summary

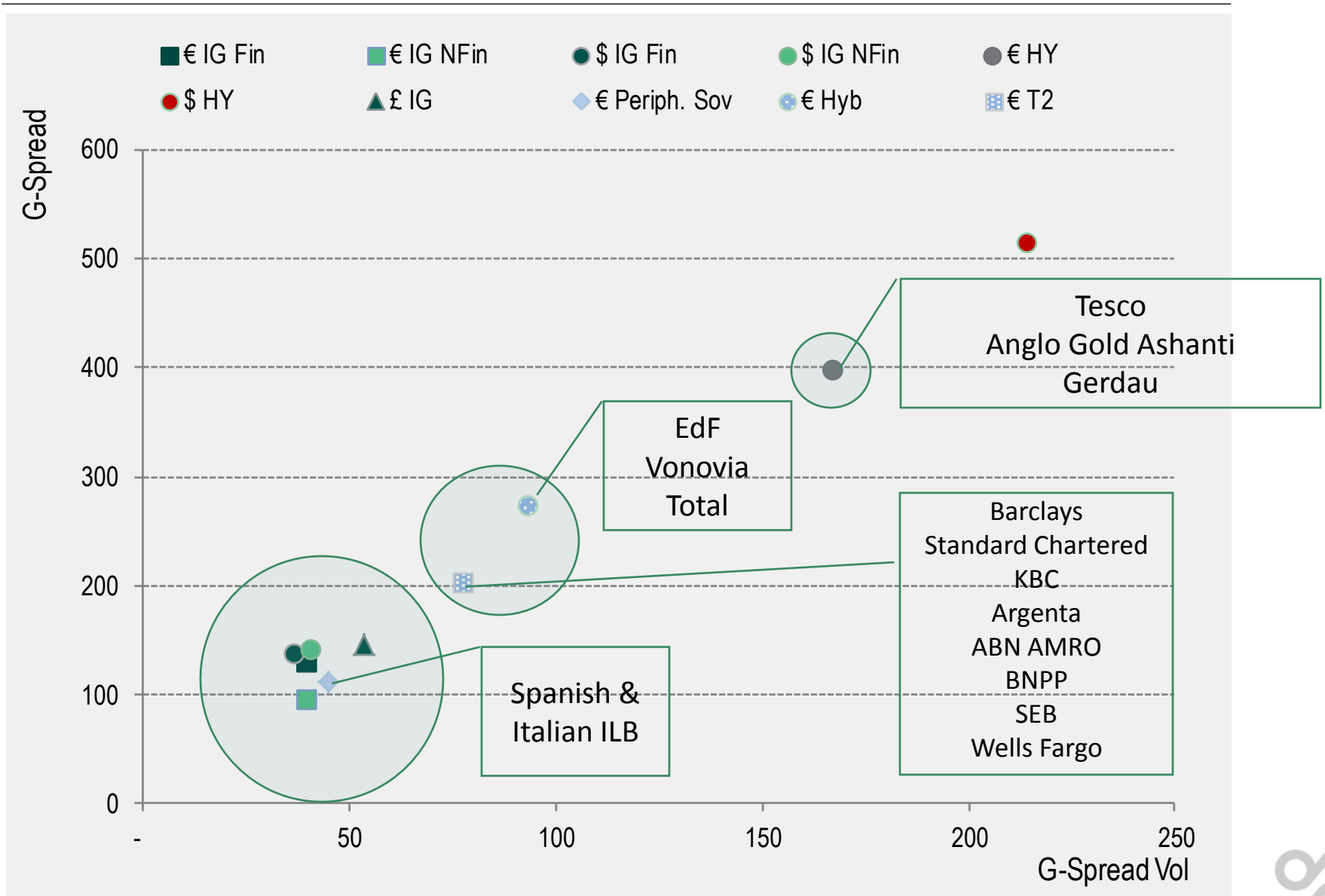
17 Oct 2016

Petercam L Bonds Universalis

	Univers
YTW	1.76
YTW (ModDur Weighted)	1.95
ModDur	3.46
AUM (MM)	461.10
Rating	A
DTS	12.66
LCS	0.51



Positioning corporate credit



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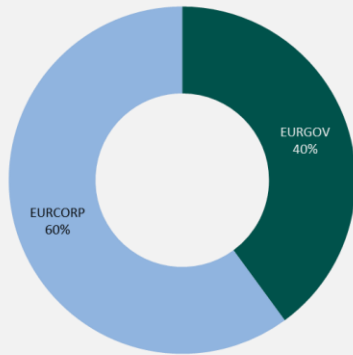
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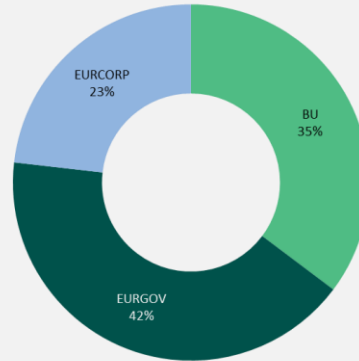
Improving diversification

The Most Diversified Portfolio



Higher returns

...adding Bond Universalis...



Higher Yield

Less duration



	Without BU	With BU
Annualized Return	2.3%	2.5%
Annualized Risk	3.0%	3.7%
Maximum Drawdown	-5.0%	-5.9%
Yield	0.43%	0.77%
Duration	6.38	4.61

Without BU With BU

Annualized Return 2.3% 2.5%

Annualized Risk 3.0% 3.7%

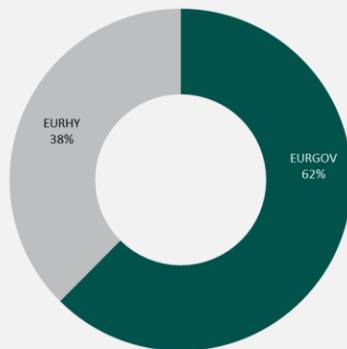
Maximum Drawdown -5.0% -5.9%

Yield 0.43% 0.77%

Duration 6.38 4.61

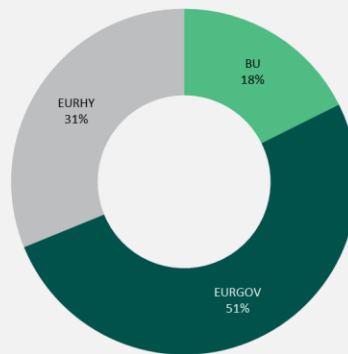
DEFENSIVE PROFILE

The Most Diversified Portfolio



Lower drawdowns

...adding Bond Universalis...



Higher Yield

Less duration



	Without BU	With BU
Annualized Return	3.0%	3.0%
Annualized Risk	3.7%	3.7%
Maximum Drawdown	-7.7%	-7.2%
Yield	1.28%	1.34%
Duration	4.91	4.61

Without BU With BU

Annualized Return 3.0% 3.0%

Annualized Risk 3.7% 3.7%

Maximum Drawdown -7.7% -7.2%

Yield 1.28% 1.34%

Duration 4.91 4.61

ACTIVE PROFILE

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Why invest unconstrained in bonds today ?


- Flexible approach allows to bypass specific sectors
- Attractive alternative for yield-seeking investors
- We source and assemble bond risk premia globally across liquid bond markets
- Our credit selection is researched by dedicated analysts
- We respect a defined volatility range through a proven risk control process
- We avoid complacency
- Our portfolio construction includes protection against the unknown




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