Share class B / Currency USD

# JB BF Local Emerging-USD

Lower risk

31.08.2016

### **Marketing Material**

## Investment focus and suitability

The fund invests primarily in bonds issued by debtors in emerging markets and/or which are denominated in or pegged to the respective local currency. Particular attention is currently paid to ensuring a broad diversification of currencies. The fund is suitable for investors with a high risk tolerance as an additional basis in a globally diversified portfolio. The additional diversification effect results, in particular, from the low correlation to the global equity markets.

Fund classification	Bond Funds: Government								
Duration risk	Non	ie	Low		Medium			High	
Credit risk	Non	ie	Low		Medium			High	
Investment risk	1	2	3	4	1	5	6	7	
	4							-	

Higher risk

# Performance in %



in %	YTD	1M	3M	6M	1Y	3Y p.a.	5Y p.a.	10Y p.a.	since launch p.a.
Fund	13.47	-0.26	5.57	12.80	8.17	-1.80	-2.72	4.00	6.38
BM	6.44	0.22	3.13	7.06	5.62	-2.31	-2.52	2.47	4.84
Rolling perf.	31.08. - 31.08.		31.08.2 - 31.08.2		31.08.201 31.08.201		.08.2012		08.2011 08.2012
Fund		8.17	-19	9.86	9.2	3	-6.54		-1.53
ВМ		5.62	-14	1.59	3.3	5	-0.79		-4.84

Past performance is not an indicator of current or future trends. The performance values refer to the net asset value and are calculated without the commission and costs incurred on issue, redemption or swapping (e.g. transaction and custody costs of the investor).

### **Statistics**

Volatility fund/benchmark (%)	11.37 / 7.00 <sup>1</sup>	Tracking Error (%)	5.79 <sup>1</sup>
Information ratio/Sharpe ratio	0.09 / -0.181	Correlation	0.91 <sup>1</sup>
Jensen Alpha/Beta	1.99 / 1.481		
Average maturity in years	7.47	Modified Duration	4.92
Yield to Maturity (nominal) (%)	7.18		

<sup>1</sup> computed over 3 years

Important legal information
Sources: Bloomberg, Rimes, GAM. Please note the important legal information at the end of this document. Before subscribing, read the prospectus and the KIID which are available at www.jbfundnet.com or from your distributor.

## Base data

NAV per share	USD 274,86
Total fund assets	USD 5`347,85 m
Base currency	USD
Available currencies	CHF, EUR, GBP, USD
Share class	B (accumulation)
Security code ISIN	LU0107852195
Security code CH	1047925
Invest. manager	GAM International Management Ltd.
Fund management company	GAM (Luxembourg) S.A.
Legal structure	SICAV under Luxembourg law
Date activated	28.04.2000
Domicile	Luxembourg
Benchmark	JPM ELMI+ (Composite)
Total expense ratio	1.96% (31.12.2015)
Management fee	1.40%
Commission	Issue: max. 3.00% Redemption: max. 2.00% <sup>2</sup>
Registered in	AT BE CH CY DE DK EE ES FI FR GB IE IS IT LB LI LT LU LV NL NO PT SE

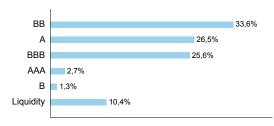
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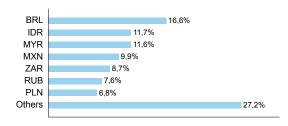
#### **Largest positions**

Security	Interest rate	Country	%
US Treasury Bills	0,000%	US	6,89
Republic of Mexico	10,000%	MX	3,96
Republic of Brazil	10,000%	BR	3,67
Republic of Brazil	10,000%	BR	3,17
Republic of Mexico	8,000%	MX	2,80
Total			20,49

# Structure by rating



# Structure by currency



<sup>&</sup>lt;sup>2</sup> Only if no issuing commission was charged.

Julius Baer Multibond -Local Emerging Bond Fund (UCITS)



# JB BF Local Emerging-USD

Share class B / Currency USD 31 08 2016 Marketing Material

#### **Comments**

In net terms, a flat result for the asset class, after market nerves in the run-up to Jackson Hole, with FX in particular reversing earlier gains. Oil-exporters

Performance contribution and portfolio changes
Political noise in South Africa which undermined the future of the finance minister spooked South African markets and this was a clear underperformer this month. Versus the index, the Colombia underweight detracted the most from performance, as the FX rallied strongly on a higher oil price and the signing of a peace accord with rebel group, FARC. On the flipside an overweight in fellow oil-exporter Russia supported performance. The Fund moved its Indonesia position to overweight via the FX on solid fundamentals.

#### Outlook and strategy

Evolving credit conditions suggest that EM growth is likely to improve relative to DM growth into the end of the year, and would be consistent with capital outflows from EM being close to or past their peak. A narrowing growth differential in EM's favour has typically proved supportive for EM FX.

### **Opportunities**

The fund invests in a broadly diversified bond universe and seeks various opportunities for returns.

The fund gives investors easy access to the emerging markets. Many of these countries may offer attractive potential returns in various asset classes. A highly qualified and experienced management actively manages the fund on the basis of a fundamental valuation approach. The objective is to identify the potential investments that, in the Investment manager's opinion, are most attractive and to generate interesting and profitable opportunities for

The fund invests broadly across various bond categories, currencies and countries, in accordance with its flexible investment strategy. The fund gives investors easy access to high yield bonds, which may offer attractive potential returns in various countries and sectors.

#### **Risks**

The fund invests in bonds, which may be subject to significant fluctuations in value. Bonds are subject to issuer risk, credit risk and interest rate risk. The fund may invest in derivatives, which are subject to the risks of their underlying markets or underlying instruments as well as issuer risks and often involve higher risks than direct investments.

The fund may invest in securities of issuers that the market does not view as having good creditworthiness. These securities are subject to comparatively high volatility, and the possibility that they may even lose their value completely cannot be ruled out.

The fund invests in securities from emerging markets where prices can fluctuate significantly and where, in addition to social, political and economic uncertainties, operating and supervision conditions may deviate from the standards prevailing in developed markets.

The fund may invest in assets denominated in various currencies, giving rise to exchange rate risks which may be hedged. If the currency in which the past performance is displayed differs from the currency of the country in which an investor resides, due to exchange rate fluctuations, the performance shown may increase or decrease if converted into the investor's local currency.

## **Glossary**

Alpha (Jensen's): Jensen's Alpha measures the performance of an investment (fund) in relation to its benchmark. A positive alpha means that the value of the fund has generated a higher return than the benchmark.

Benchmark (BM): An index that can be used by an investment fund as the basis of comparison for assessing the performance achieved.

Beta: the beta coefficient describes to what extent the price of a share tracks the value of an index, i.e. if the share performs better or worse than the market.

Correlation: a statistic measurement which shows the linear relationship (or degree of parallel movement) between two series of figures, for example the performance of two equity investments.

Duration: refers to the period of time that capital is tied into a monetary or bond investment or in other debt securities, and determines the sensitivity of the price to interest rate changes. Unlike residual maturity, the duration also takes into account interest payments and other inflows from invested capital Funds of Funds: These are investment funds which invest their fund assets in other target funds.

High water mark: the high water mark principle establishes a cap on or allows for a potential rise in performance fees. According to this principle, the investment fund manager only receives the relevant remuneration when the fund exceeds the highest level of return that it has ever achieved. Information ratio: the information ratio expresses the ratio of additional returns generated to the extra risk involved. The value generated can be used to evaluate active management.

Modified duration: a risk indicator that measures the effect of price fluctuations on a bond issue or a portfolio of bond issues.

Residual maturity: time remaining until a bond must be repaid.

Sharpe ratio: the Sharpe ratio (risk-adjusted performance) is generated by calculating the difference between the average annualised return and the risk-free return. The resulting figure is divided by the annualised standard deviation of the returns. The higher the Sharpe ratio, the better the fund performance in relation to the risk potential of its portfolio.

Total Expense Ratio (TER): the TER is a measure of the total annual expenses incurred by a fund and is expressed as a percentage. It allows an accurate comparison of the costs of funds from different companies to be made.

Tracking error: the tracking error measures the divergence between the return of a fund in relation to its benchmark.

Volatility: a risk indicator demonstrating the fluctuation range (for example of the price or return of a security or fund unit) over a defined period; volatility is most often calculated using standard deviation. The higher the volatility, the greater the fluctuation range. Yield to maturity: the yield to maturity is the average yield generated by an investment each year if it is held until expiry.

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Julius Baer Multibond -Local Emerging Bond Fund (UCITS)



# JB BF Local Emerging-USD

Share class B / Currency USD 31 08 2016 Marketing Material

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