

# XIII ITINERARIO PREVIDENZIALE – PROMESSE LIQUIDE E SOLUZIONI SOLIDE

*An Unconstrained Approach to Emerging Market Debt*

September 2019

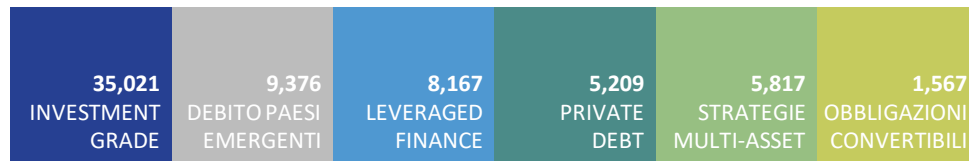
**Tommaso De Giuseppe**  
Head of Sales Italy

# Introduzione a Bluebay Asset Management

- BlueBay Asset Management è un gestore globale specializzato nel reddito fisso e nella gestione obbligazionaria attiva
- BlueBay ha US\$65 miliardi di assets in gestione e più di 400 tra dipendenti e partners, di cui 120 professionisti dell'investimento
- La sede principale è a Londra, con uffici a Zurigo, Lussemburgo, Monaco di Baviera, Tokyo, Stamford e Melbourne
- BlueBay occupa una posizione privilegiata unica, collocandosi infatti nel punto di convergenza fra gestori d'investimento tradizionali ed alternativi
- BlueBay fa parte del Gruppo Royal Bank of Canada

## AUM PER STRATEGIA (US\$M)

**US\$65,157M in totale**



## DEBITO EM BLUEBAY: ASSETS IN GESTIONE (US\$M)

EM Alternativo	518
EM Sovrano	3,749
EM Corporate	3,474
EM Aggregato	1,635
<b>Totale EM AuM</b>	<b>9,376</b>

## TEAM EM DI BLUEBAY

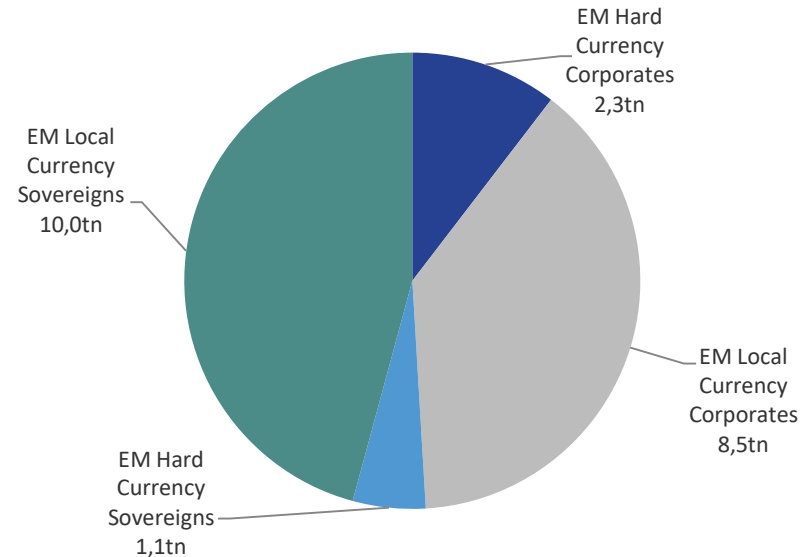
- Il team di Emerging Market include 30 professionisti dell'investimento, con un'esperienza media di 15 anni
- La remunerazione del team di gestione è collegata alla performance dei fondi
- I Fondatori/dipendenti partecipano significativamente negli AuM dei fondi

Fonte: BlueBay Asset Management, 31 Luglio 2019

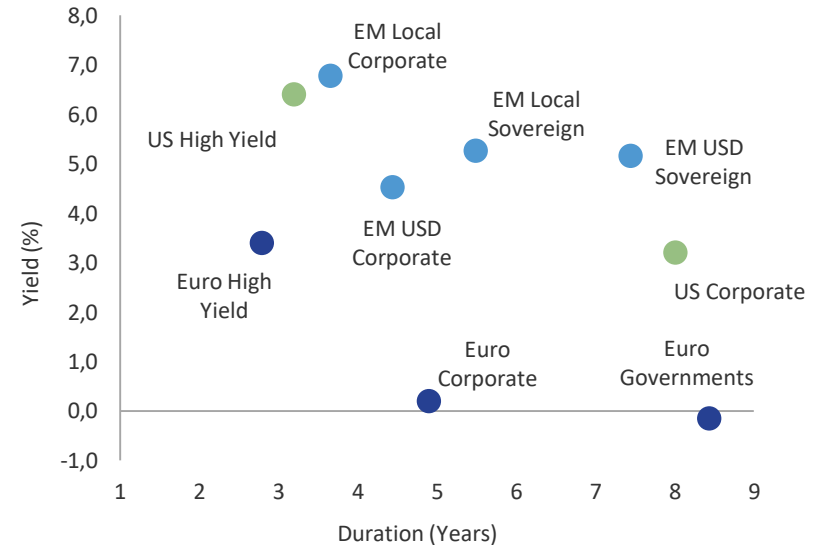
Note: **1** AuM esclude gli assets che non generano commissioni. Leveraged Finance include High Yield, Leveraged Loans, Distressed e Structured Credit; **2** Include oltre US\$419 milioni in mandati gestiti in strategie aggregate

# The emerging market fixed income landscape today

VAST UNIVERSE COMPRISING NEARLY US\$20 TRILLION OF DEBT



CHARACTERISTICS OF EMERGING MARKET DEBT ASSET CLASSES



Source: JP Morgan, BAML, as at 30 August 2019. Note: EM Corporate: JPM CEMBI Diversified; EM Local Corporate: Merrill Lynch Diversified Local Emerging Markets Non-Sovereign Index; EM USD Sovereign: JPM EMBI Global Div; EM Local Sovereign: JPM GBI-EM Global Diversified USD unhedged; US High Yield: ICE BAML US High Yield Index; US Corporate: ICE BAML US Corporate Index; Euro High Yield: ICE BAML Euro HY Index; Euro Corporate: ICE BAML Euro Corporate Index; Euro Governments: Bloomberg Barclays Capital Euro Aggregate Treasury Index

# Principali caratteristiche di un approccio unconstrained nel mondo Obbligazionario Emergente

1

Gestione dinamica e flessibile delle sotto-classi d'attivo

- *Flessibilità di allocazione tramite posizioni lunghe e corte su tassi d'interesse, rischio di credito e valute*

2

Strategia d'investimento senza benchmark focalizzata sulle idee d'investimento ad elevata convinzione

- *Posizioni maggiormente concentrate e investimento in titoli non compresi nei benchmark*

3

Profilo total return mira a limitare la volatilità con l'utilizzo di un ampio spettro di tecniche gestionali

- *Strumenti di hedging*
- *Fonti di rendimento decorrelate (nuove emission e titoli in situazione di difficoltà)*

# ① Active asset allocation across EM sub-asset classes

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EMFX 11.4%	Local Rates 10.8%	EM Corporate 38.6%	EM Corporate 13.5%	Local Rates 13.7%	EM Sovereign 17.4%	Local Rates -0.3%	Local Rates 8.2%	Local Rates 3.3%	EM Corporate 10.4%	EM Sovereign 10.3%	Local Rates 3.1%
Local Rates 6.7%	EM Sovereign -12.0%	EM Sovereign 29.8%	EM Sovereign 12.2%	EM Sovereign 7.3%	EM Corporate 17.0%	EM Corporate -1.7%	EM Sovereign 7.4%	EM Corporate 1.3%	EM Sovereign 10.2%	Local Rates 8.9%	EM Corporate -1.7%
EM Sovereign 6.2%	EM Corporate -15.4%	EMFX 11.7%	Local Rates 11.4%	EM Corporate 3.2%	Local Rates 13.7%	EM Sovereign -5.3%	EM Corporate 5.7%	EM Sovereign 1.2%	Local Rates 9.4%	EM Corporate 7.9%	EM Sovereign -4.2%
EM Corporate 3.5%	EMFX -16.0%	Local Rates 10.3%	EMFX 4.3%	EMFX -15.5%	EMFX 3.1%	EMFX -8.7%	EMFX -13.9%	EMFX -18.2%	EMFX -0.6%	EMFX 5.8%	EMFX -9.2%

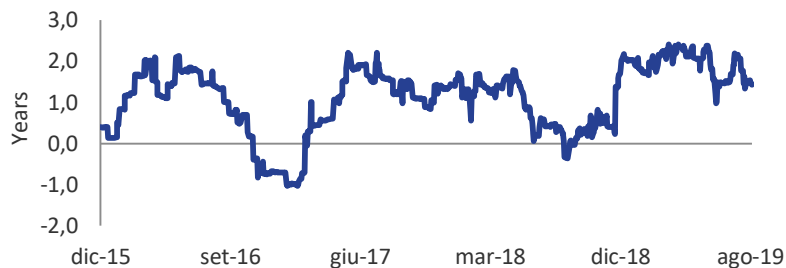
## Difference between the best and worst performing EM sub-asset classes

7.9%	26.8%	28.3%	9.2%	29.2%	14.3%	8.4%	22.1%	21.5%	11.0%	4.5%	12.3%
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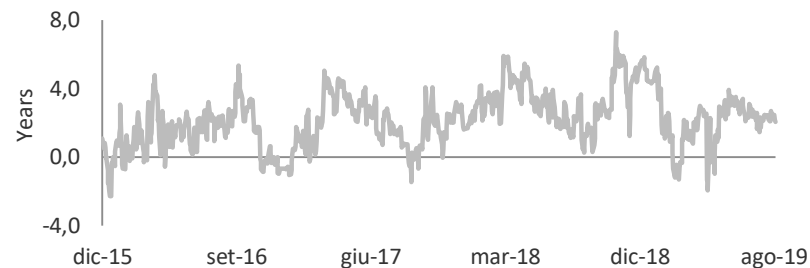
■ EM Sovereign   
 ■ EMFX   
 ■ EM Corporate   
 ■ Local Rates

# ① Actively managed exposure to rates, credit and FX

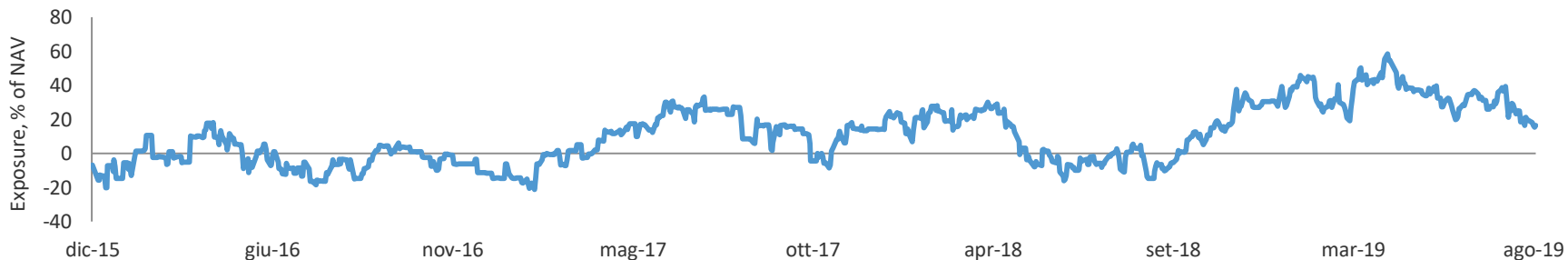
## LOCAL INTEREST RATE DURATION (YEARS)



## TOTAL SPREAD DURATION (YEARS)



## FX DELTA (+1%) (EXPOSURE, % OF NAV)



Source: BlueBay Asset Management, 31 December 2015 to 30 August 2019

## ② Off-benchmark opportunities more efficiently capitalised

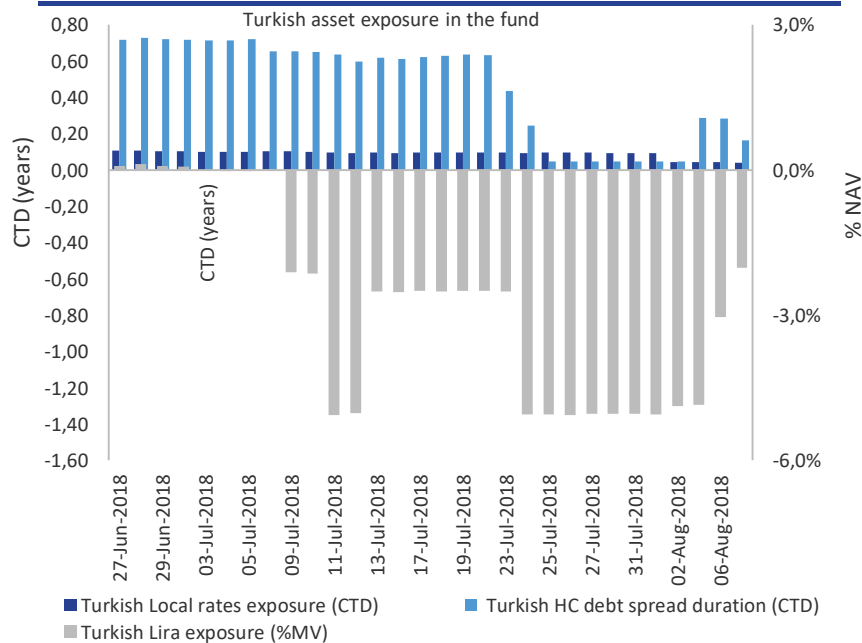
### UKRAINIAN GDP-LINKED WARRANTS (MAY 2040 INSTRUMENTS)



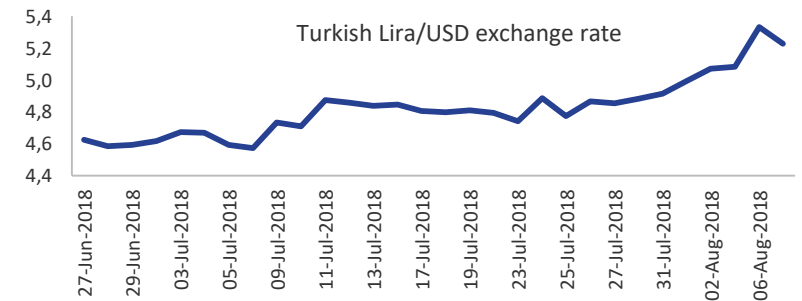
Source: Bloomberg, BlueBay Asset Management, 18 September 2019  
For information purposes only

# ③ Risk Management through currencies

## IMPLEMENTED TACTICAL SHORTS IN TURKISH LIRA IN Q3 2018



## HEDGING THROUGH TURKISH LIRA WORKED VERY WELL



## Q3 CONTRIBUTION OF TURKISH ASSETS IN THE FUND (BPS): 35BPS

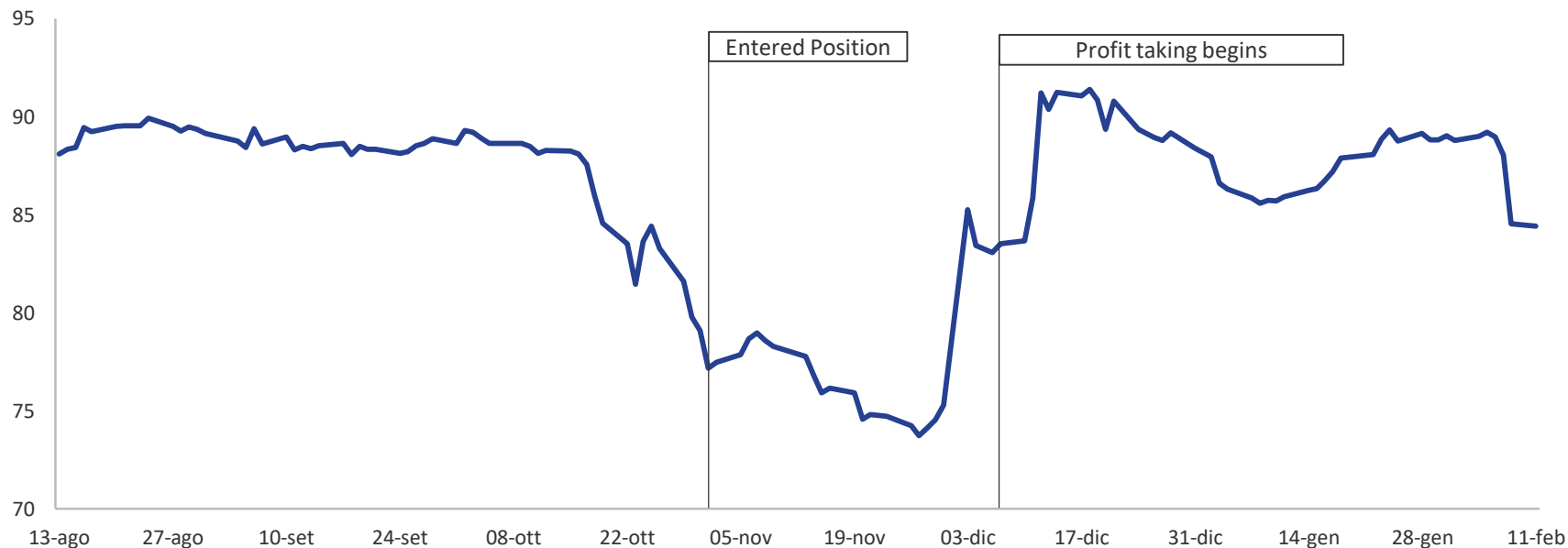


Source: Bloomberg, BlueBay Asset Management, February 2019, attribution impacts are indicative only  
For information purposes only



# ③ Mexican City Airport Trust (MEXCAT) bonds: an uncorrelated source of return

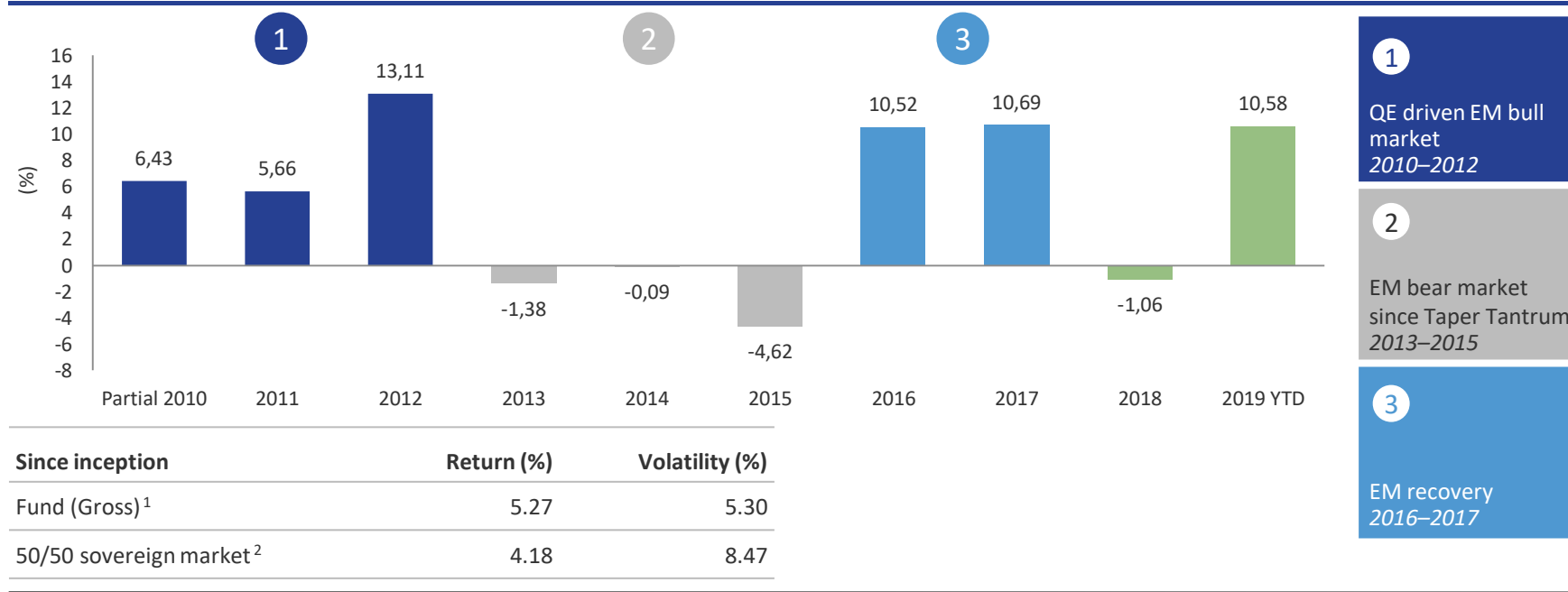
MEXCAT 2047 BONDS' PERFORMANCE (PRICE ON Y AXIS)



Source: Bloomberg, BlueBay Asset Management, 31 December 2017 to 31 January 2019  
For information purposes only

# Partecipazione ai rialzi di mercato e protezione nelle fasi di flessione

EMERGING MARKET UNCONSTRAINED BOND FUND: ANNUAL PERFORMANCE (GROSS OF FEES) (%) <sup>1</sup>



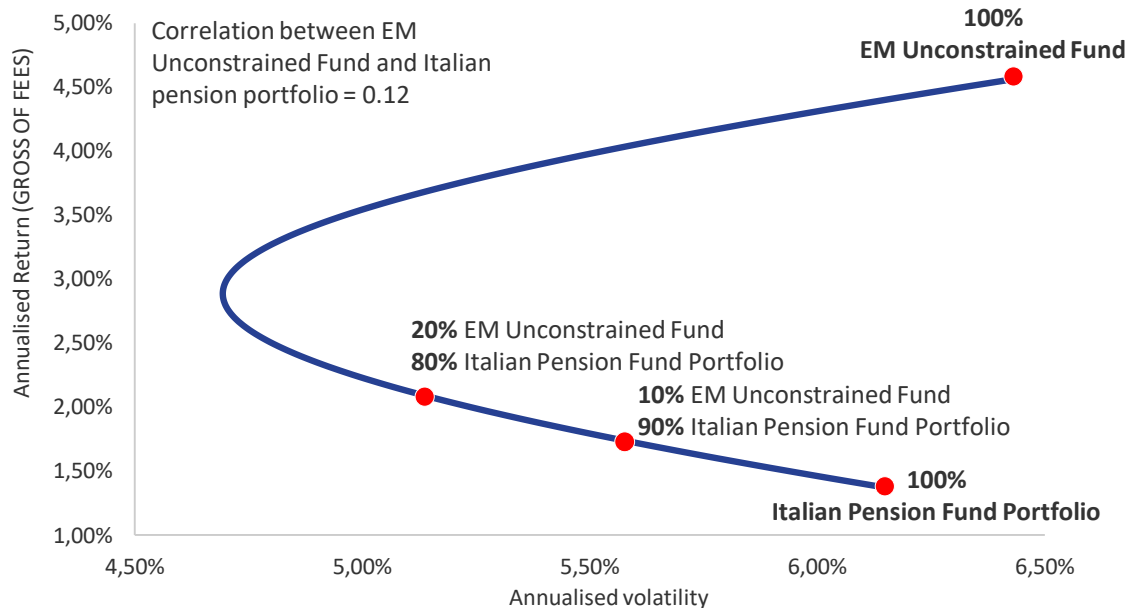
Source: BlueBay Asset Management, as at 13 September 2019

Note: 1 Fund inception date: 20 July 2010

Please refer to the Disclaimer located at the back of this presentation for important information regarding the past, gross performance shown above

# The potential benefits for a typical Italian institutional investor portfolio

## SIMULATED EFFICIENT FRONTIER (31 JULY 2015 TO 31 JULY 2019)



## ANALYSIS SUMMARY

We have taken a typical Italian pension fund portfolio<sup>1</sup> consisting of:

- 35% European bonds;
- 19% Alternatives;
- 14% Italian Equities;
- 14% Global Equities;
- 13% Property; and
- 5% Cash.

And studied the effect of an allocation to EM Unconstrained fund.

Notes: 1 Source: Mercer European asset allocation survey, 2018. The indices used to proxy the asset classes are for European Bonds: ICE BAML Euro Broad market; Alternatives: Morningstar Diversified Alternatives Index TR; Italian Equities: MSCI Italy index; Global Equities: MSCI world index; Property: MSCI Europe Real estate index; Cash: ICE BAML Euro currency overnight deposit index. Composite portfolio returns are hedged to euro. **EM Unconstrained Fund returns are for EUR hedged share class, gross of fees.** The simulation is based on the returns of the period from 31 July 2015 to 31 July 2019, source: BlueBay Asset Management. The above is for illustrative purposes only. BlueBay and the EM team do not have an existing portfolio that is managed according to these exact guidelines and specifications. It is important to note that although the portfolio is expected to be managed by the same portfolio management team, the above may have different investment objectives, guidelines and restrictions. No representation is being made that the illustrative portfolio above will or is likely to achieve performance similar to that shown.

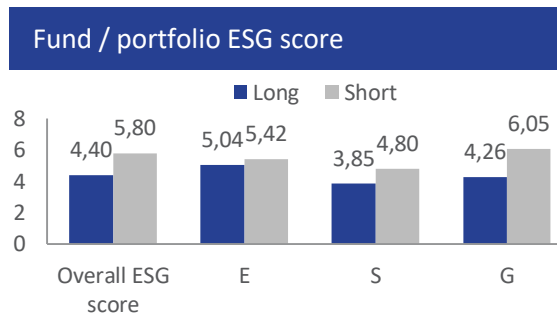
# Extract of ESG Investment Risk Summary Report

Best contributors to fund ESG score	Overall ESG score <sup>2</sup>	E <sup>1</sup>	S <sup>1</sup>	G <sup>1</sup>
ICBC Standard Bank PLC	8.33	7.44	7.78	9.29
United States Treasury Note/Bond	7.25	6.12	6.05	8.78
Ukraine Government International Bond	4.67	5.10	4.54	4.32

Poorest contributors to fund ESG score	Overall ESG score <sup>2</sup>	E <sup>1</sup>	S <sup>1</sup>	G <sup>1</sup>
Brazilian Government International Bond <sup>4</sup>	5.50	5.14	4.10	5.80
Colombia Government International Bond <sup>4</sup>	5.62	5.70	4.59	6.10
Korea International Bond <sup>4</sup>	7.02	5.82	6.97	7.17

Long positions in low scoring issuers	Overall ESG score <sup>2</sup>	E <sup>1</sup>	S <sup>1</sup>	G <sup>1</sup>
Petroleos de Venezuela SA	1.85	3.90	1.70	0.90
Scenery Journey Ltd	2.10	2.90	1.10	2.20
Escom Holdings SOC Ltd	2.15	4.00	2.60	1.00

Short positions in high scoring issuers	Overall ESG score <sup>2</sup>	E <sup>1</sup>	S <sup>1</sup>	G <sup>1</sup>
Korea International Bond	7.02	5.82	6.97	7.17
Argentine Republic Government International Bond	5.74	5.37	5.26	5.29
Colombia Government International Bond	5.62	5.70	4.59	6.10



Red flag issuers <sup>3,4</sup>	ESG <sup>2</sup>	E <sup>1</sup>	S <sup>1</sup>	G <sup>1</sup>
Petrobras Global Finance BV	3.45	4.60	5.00	2.10

Notes:

- 1 Issuer E (environment), S (social), and G (governance) subscore data is sourced from external ESG research providers: MSCI ESG Research. Industry averages are applied where coverage is unavailable (proxy scores)
- 2 We take the issuer subscores (E, S, and G) derived from the external research provider and generate our own internal issuer overall ESG score by applying pre-determined weighting (50% weighting for governance, 25% Environment, 25% Social). The scoring methodology ranges from 0 to 10, where 10 indicates strong ESG performance (so inferring low risk exposure). A score over 5 for the portfolio implies a portfolio currently tilted towards higher ESG scoring issuers.
- 3 Red flag issuers status is derived from MSCI ESG Research's ESG controversies service, which highlights corporate issuers involved in controversies related to international norms/conventions, with Red being very severe (other statuses are Yellow – severe and Green – minor)
- 4 Denotes a short position in the issuer (bought CDS)
- 5 Denotes proxy scores where issuers are not covered by MSCI ESG Research

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While gross of fee figures would reflect the reinvestment of all dividends and earnings, it would not reflect the deduction of investment management and performance fees. An investor's return will be reduced by the deduction of applicable fees which will vary with the rate of return on the fund. For example, if there was an annualised return of 10% over a 5-year period then the compounding effect of a 0.60% management fee and a 0.20% performance fee would reduce the annualised return to 9.32% (figures used are only to demonstrate the effect of charges and are not an indicator of future performance). In addition, the typical fees and expenses charged to a fund will offset the fund's trading profits. A description of the specific fee structure for each BlueBay strategy is contained in the fund's prospectus.

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