

## INVESTMENT PHILOSOPHY

- TOBAM's mission statement is to provide rational and professional solutions to long term investors in the context of efficient markets.
- Maximum Diversification® approach aims to collect the full risk premium of an asset class while delivering outperformance and reducing volatility.
- TOBAM patented the mathematical definition of a portfolio's diversification: the Diversification Ratio® (DR).
- TOBAM's Fixed Income expertise combines the rigor of systematic management and the field expertise of a discretionary approach.

## WHY A CHOOSE A MATURITY STRATEGY and WHY NOW?

TOBAM's maturity strategy offers a 7%+ yield in EUR (9+% in USD) at a fixed horizon (<5 years) while offering diversification and liquidity (subject to swing price).\*

Besides that, the context is favourable:

- **HY Corporate balance sheets are still strong**
- **Yield curves have been flattening** or even inverting lately, meaning that investors are not rewarded anymore for the risk they are taking with longer durations
- **Valuation are historically attractive**: with average spread ~500bp the HY space is now an attractive source of carry.

## WHY CHOOSE TOBAM ANTI-BENCHMARK® GLOBAL HY STRATEGY 2027?

### Balanced Approach

- Well balanced exposure across spreads/sectors/region
- Average rating: BB-
- Inherently decreasing interest rate risk
- Max Diversification approach reduces risk
- SRRI: 4



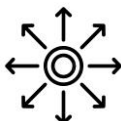
### Global exposure

- Global HY investment universe 4.5x times bigger than EUR short term emissions.
- Exposure to US markets potential
- Allows for the construction of a truly diversified portfolio



### Greater diversification

- Diversifying away from market concentration to mitigate default risk.



### ESG implementation

- Paris aligned strategy
- SFDR Article 8
- 100% fossil-fuel free
- TOBAM is a PRI signatory since 2010 (PRI Score: 5 Stars)\*\*



**The Anti-Benchmark Global HY 2027: a well diversified and diversifying investment strategy, in the current context of uncertainty.**

Data as of end May 23.

\*Subject to change, please read the pre-contractual documentation as soon as available, before investing.

\*\*Full PRI assessment report available online on [TOBAM website](https://www.tobam.com)

- Agile investment boutique with prominent shareholders & clients
  - Streamlined, efficient and straight-through processing
  - Patented, unique & transparent investment process
  - Recognized pioneer in alternative beta strategies
  - Value-added research focus

## KEY CHARACTERISTICS\*

DR <sup>2</sup>	5.9
Approx. number of issuers	113
YTM hedged	7.7% (EUR based) or 9.1% (USD based)
Expected Return*	6.3% (EUR based) or 7.3% (USD based)
Spread	~500bp
Average rating	BB-
Time to maturity	Target Maturity 2027
Regional exposure	41% North America / 45% Europe / 14% Asia+LATAM
Estimate capacity	€500m+
Income allocation and currency	Accumulating and Distributing – USD/EUR and USD/EUR hedged

\*subject to change, please read the pre-contractual documentation as soon as available, before investing

Data: TOBAM, as of May 2023

## RISKS

- Credit risk: This is the risk of depreciation in debt securities issued by a private-sector issuer or default by the latter. The value of the debt securities in which the Compartment is invested may decline, leading to a fall in net asset value.
- Interest rate risk: This is the risk of depreciation in fixed-income instruments deriving from interest-rate fluctuations. Should interest rates rise, the Compartment's net asset value may decline.
- Currency risk: Currency risk is the risk that the investment currencies may weaken in relation to the base currency of the portfolio (EUR). In the event of depreciation in foreign currencies, investors are thus exposed to a decline in the value of their units.
- Counterparty risk: The Compartment may incur a loss in the event of default by a counterparty with which certain transactions were conducted, leading to a decline in the Compartment's net asset value.

## ABOUT TOBAM

TOBAM is an asset management company offering innovative investment capabilities designed to increase diversification. Its mission is to provide rational and professional solutions to long term investors in the context of efficient markets.

TOBAM manages approx. \$6 billion (as of Dec 30, 2022). TOBAM's team is composed of 47 professionals.

**For more information, visit [www.tobam.fr](http://www.tobam.fr)**

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