

This is an advertisement. Please refer to the fund prospectus and offering documents, including the Key Information Document ("KID") or Key Investor Information Document ("KIID") as applicable, before making any final investment decisions. Investors should note that by making an investment they will own shares in the fund, and not the underlying assets.

NEUBERGER BERMAN

# Neuberger Berman Corporate Hybrid Bond Fund

30 September 2024

## FUND OBJECTIVE

The fund aims to increase the value of your shares through a combination of growth and income from investments in corporate hybrid bonds worldwide. Corporate hybrid bonds are securities issued by non-financial companies which have features of both bonds and equities. Investments will be mainly rated investment grade although there will be some exposure to sub-investment grade securities. Investment selections result from a framework of inputs including fundamental and quantitative research and analysis to identify issuers that are believed to be undervalued and have strong credit quality.

## MANAGEMENT TEAM

### Linus Claesson

Senior Portfolio Manager

### David M. Brown

Senior Portfolio Manager

### Antonio Serpico

Senior Portfolio Manager

### Sergejs Prala

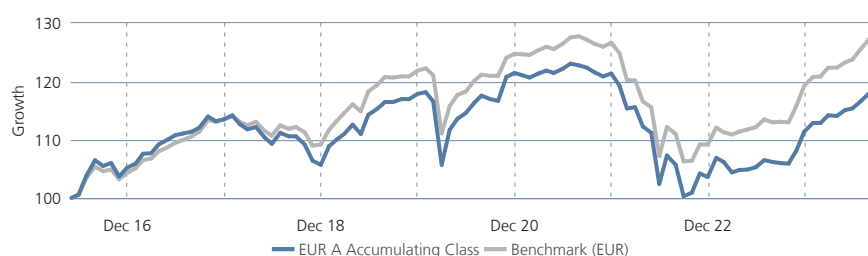
Senior Portfolio Manager

## FUND FACTS

Inception Date (Fund)	19 November 2015
Base Currency (Fund)	EUR
Fund AUM (EUR million)	2209.53
Domicile	Ireland
Vehicle	UCITS
Valuation	Daily
Settlement (Subscription)	T+3
Trading Deadline	11:00 (Dublin Time)
Regulator	Central Bank of Ireland
Benchmark	ICE BofA Global Hybrid Non-Financial 5% Constrained Custom Index (Total Return, Euro, Hedged)

## CUMULATIVE PERFORMANCE

Past performance does not predict future returns.



This chart shows how an investment of EUR 100 in the fund on its inception date would have performed and compares it against how a hypothetical investment of EUR 100 in the Benchmark(s) would have performed.

PERFORMANCE (%) <sup>1</sup>	1m <sup>2</sup>	3m <sup>2</sup>	YTD <sup>2</sup>	1y <sup>2</sup>	3y <sup>3</sup>	5y <sup>3</sup>	10y <sup>3</sup>	SI <sup>4</sup>
EUR A Accumulating Class	0.93	3.21	6.91	12.36	-0.91	0.44	-	2.12
Benchmark (EUR)	1.57	4.46	8.36	14.34	0.53	1.39	-	3.13

12 MONTH PERIODS (%) <sup>1</sup>	Sep14 Sep15	Sep15 Sep16	Sep16 Sep17	Sep17 Sep18	Sep18 Sep19	Sep19 Sep20	Sep20 Sep21	Sep21 Sep22	Sep22 Sep23	Sep23 Sep24
EUR A Accumulating Class	-	-	6.26	-1.34	5.33	0.43	4.62	-18.06	5.68	12.36
Benchmark (EUR)	-	-	6.49	0.71	7.56	0.24	5.20	-16.46	6.38	14.34

CALENDAR (%)	2015	2016 <sup>5</sup>	2017	2018	2019	2020	2021	2022	2023	2024 <sup>6</sup>
EUR A Accumulating Class	-	5.20	7.89	-6.87	11.54	3.05	-0.08	-14.66	7.53	6.91
Benchmark (EUR)	-	4.30	8.86	-3.82	11.64	2.39	1.48	-13.80	9.25	8.36

The fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The fund is not constrained by its benchmark, which is used for comparison purposes only. The fund gives some consideration to the benchmark constituents in the selection of securities and may not hold all or many of the benchmark's components.

<sup>1</sup>Performance to latest month end. YTD - Year to Date, SI - Since Inception, m - month, y - year. 12 month period based on month end NAVs.

<sup>2</sup>Returns for these periods are cumulative.

<sup>3</sup>Returns are annualised for periods longer than one year.

<sup>4</sup>Returns from 03 June 2016 to latest month end.

<sup>5</sup>Data shown since the share class inception date.

<sup>6</sup>Performance for the current calendar year is the year to date.

Fund performance is representative of the EUR A Accumulating Class and has been calculated to account for the deduction of fees. Investors who subscribe in a currency other than the base currency of the fund should note that returns may increase or decrease as a result of currency fluctuations. **Fund performance does not take account of any commission or costs incurred by investors when subscribing for or redeeming shares.**

## RISK CONSIDERATIONS

**Market Risk:** The risk of a change in the value of a position as a result of underlying market factors, including among other things, the overall performance of companies and the market perception of the global economy.

**Liquidity Risk:** The risk that the fund may be unable to sell an investment readily at its fair market value. In extreme market conditions this can affect the fund's ability to meet redemption requests upon demand.

**Credit Risk:** The risk that bond issuers may fail to meet their interest repayments, or repay debt, resulting in temporary or permanent losses to the fund.

**Interest Rate Risk:** The risk of interest rate movements affecting the value of fixed-rate bonds.

**Concentration Risk:** The fund's investments may be concentrated in a small number of investments and its performance may therefore be more variable than the performance of a more diversified fund.

**Counterparty Risk:** The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date.

**Operational Risk:** The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems including those relating to the safekeeping of assets or from external events.

**Derivatives Risk:** The fund is permitted to use certain types of financial derivative instruments (including certain complex instruments). This may increase the fund's leverage significantly which may cause large variations in the value of your share. Investors should note that the fund may achieve its investment objective by investing principally in Financial Derivative Instruments (FDI). There are certain investment risks that apply in relation to the use of FDI. The fund's use of FDI can involve significant risks of loss.

**Hybrid Securities Risk:** Hybrid securities are highly structured instruments that combine both equity and fixed income features. They generally carry a higher levels of credit risk as compared to less structured bonds. These include greater risk of coupon deferral, extension of the maturity date by the issuer as well as reinvestment risk due to early redemption. Investors should refer to the risk sections of the prospectus and supplements for further details.

**Currency Risk:** Investors who subscribe in a currency other than the base currency of the fund are exposed to currency risk. Fluctuations in exchange rates may affect the return on investment. Where past performance is shown it is based on the share class to which this factsheet relates. **If the currency of this share class is different from your local currency, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.**

For full information on these and other risks, please refer to the fund prospectus and offering documents, including the KID or KIID, as applicable.



## CONTACT

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Website: [www.nb.com](http://www.nb.com)

Calls are recorded

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## Neuberger Berman Corporate Hybrid Bond Fund

30 September 2024

## TOP 10 ISSUERS % (MV)

	Fund
Electricite De France	5.64
British Telecommunications	4.81
BP Capital Markets	4.41
Southern Electric Generating Co	4.36
Enbridge Energy Partners	3.92
Volkswagen	3.84
National Grid Gas	3.66
Veolia Environnement	3.65
Heimstaden Bostad Treasury BV	3.18
Centrica	3.16

## SECTOR ALLOCATIONS % (MV)

	Fund
Utility	52.42
Telecommunications	11.98
Energy	10.87
Real Estate	6.62
Cash	4.91
Local Authority	4.13
Consumer Cyclical	3.85
Basic Industry	3.40
Consumer Non-Cyclical	1.44
Health Care	0.38

## COUNTRY ALLOCATIONS % (MV)

	Fund
France	18.84
United Kingdom	17.84
United States	12.12
Germany	7.10
Belgium	6.27
Sweden	6.24
Netherlands	6.20
Spain	6.06
Canada	5.50
Australia	4.12
Italy	3.87
Denmark	2.46
Switzerland	1.71
Luxembourg	0.89
Portugal	0.79

## SECURITY CREDIT QUALITY % (MV)

	Fund
AA-	0.84
A-	4.82
BBB+	0.39
BBB	19.92
BBB-	54.20
BB+	16.32
BB	3.51

Credit quality ratings are based on the highest rating of three agencies (to the extent rated): Moody's, S&P and Fitch. For holdings that are rated by two or only one of the three agencies, the higher rating is used. Expressed in S&P nomenclature. Portfolio holdings, underlying ratings of holdings and credit quality composition may change materially over time.

## CURRENCY ALLOCATIONS % (MV)

	Fund
Euro	71.48
British Pound	18.92
United States Dollar	9.59

## YIELD TO CALL %

	Fund
Swiss Franc	2.81
Euro	4.83
United States Dollar	6.12
British Pound	6.59

## CHARACTERISTICS

	Fund
Yield to Call EUR (%)	4.83
OAS (Basis points)	256
Duration (years)	3.18
Number of Bonds	84
Number of Issuers	54
Average Credit Rating	BBB-

## DURATION DISTRIBUTION % (MV)

	Fund
Less than 1 Year	10.37
1 - 3 Years	27.43
3 - 5 Years	48.40
5 - 7 Years	9.22
7 - 10 Years	4.45
10 - 15 years	0.12

# Neuberger Berman Corporate Hybrid Bond Fund

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## A SHARE CLASS PERFORMANCE

Past performance does not predict future returns.

PERFORMANCE (%) <sup>7</sup>	Inception Date	1m <sup>8</sup>	3m <sup>8</sup>	YTD <sup>8</sup>	1y <sup>8</sup>	3y <sup>9</sup>	5y <sup>9</sup>	10y <sup>9</sup>	SI <sup>9</sup>
AUD A (Monthly) Distributing Class	23-09-2016	0.92	3.29	7.25	12.85	-0.14	1.20	-	2.93
EUR A (Monthly) Distributing Class	18-07-2016	0.95	3.13	6.93	12.35	-0.92	0.44	-	1.72
EUR A Accumulating Class	03-06-2016	0.93	3.21	6.91	12.36	-0.91	0.44	-	2.12
SGD A (Monthly) Distributing Class	02-08-2019	0.89	3.24	6.83	12.30	0.01	1.44	-	1.74
USD A (Monthly) Distributing Class	18-07-2016	1.08	3.63	8.23	14.21	0.98	2.19	-	3.76
USD A Accumulating Class	10-08-2016	1.07	3.59	8.15	14.20	0.95	2.20	-	3.53
USD A Distributing Class	23-04-2021	1.07	3.62	8.28	14.20	0.96	-	-	1.07
Benchmark (EUR)	-	1.57	4.46	8.36	14.34	0.53	1.39	-	3.13 <sup>10</sup>

12 MONTH PERIODS (%) <sup>7</sup>	Inception Date	Sep 14 Sep 15	Sep 15 Sep 16	Sep 16 Sep 17	Sep 17 Sep 18	Sep 18 Sep 19	Sep 19 Sep 20	Sep 20 Sep 21	Sep 21 Sep 22	Sep 22 Sep 23	Sep 23 Sep 24
AUD A (Monthly) Distributing Class	23-09-2016	-	-	8.96	1.34	7.80	1.20	5.34	-17.26	6.64	12.85
EUR A (Monthly) Distributing Class	18-07-2016	-	-	6.23	-1.34	5.35	0.33	4.71	-18.10	5.72	12.35
EUR A Accumulating Class	03-06-2016	-	-	6.26	-1.34	5.33	0.43	4.62	-18.06	5.68	12.36
SGD A (Monthly) Distributing Class	02-08-2019	-	-	-	-	-	1.79	5.50	-16.87	7.16	12.30
USD A (Monthly) Distributing Class	18-07-2016	-	-	8.22	1.21	8.53	2.64	5.46	-16.74	8.28	14.21
USD A Accumulating Class	10-08-2016	-	-	8.18	1.11	8.58	2.69	5.56	-16.74	8.19	14.20
USD A Distributing Class	23-04-2021	-	-	-	-	-	-	-	-16.78	8.30	14.20
Benchmark (EUR)	-	-	-	6.49	0.71	7.56	0.24	5.20	-16.46	6.38	14.34

CALENDAR (%)	Inception Date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 <sup>11</sup>
AUD A (Monthly) Distributing Class	23-09-2016	-	0.21 <sup>12</sup>	10.68	-4.39	13.77	3.70	0.55	-13.56	8.14	7.25
EUR A (Monthly) Distributing Class	18-07-2016	-	1.67 <sup>12</sup>	7.92	-6.93	11.52	3.05	-0.05	-14.72	7.57	6.93
EUR A Accumulating Class	03-06-2016	-	5.20 <sup>12</sup>	7.89	-6.87	11.54	3.05	-0.08	-14.66	7.53	6.91
SGD A (Monthly) Distributing Class	02-08-2019	-	-	-	-	3.57 <sup>12</sup>	4.11	0.77	-13.05	8.32	6.83
USD A (Monthly) Distributing Class	18-07-2016	-	2.35 <sup>12</sup>	10.04	-4.30	14.79	4.87	0.74	-12.77	9.73	8.23
USD A Accumulating Class	10-08-2016	-	0.40 <sup>12</sup>	9.96	-4.35	14.87	4.86	0.79	-12.79	9.75	8.15
USD A Distributing Class	23-04-2021	-	-	-	-	-	-	0.22 <sup>12</sup>	-12.83	9.67	8.28
Benchmark (EUR)	-	-	4.30 <sup>10</sup>	8.86	-3.82	11.64	2.39	1.48	-13.80	9.25	8.36

The fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The fund is not constrained by its benchmark, which is used for comparison purposes only. The fund gives some consideration to the benchmark constituents in the selection of securities and may not hold all or many of the benchmark's components.

<sup>7</sup>Performance to latest month end. YTD - Year to Date, SI - Since Inception, m - month, y - year. 12 month period based on month end NAVs.

<sup>8</sup>Returns for these periods are cumulative.

<sup>9</sup>Returns are annualised for periods longer than one year.

<sup>10</sup>Data shown since inception of the EUR A Accumulating Class.

<sup>11</sup>Performance for the current calendar year is the year to date.

<sup>12</sup>Data shown since the share class inception date.

Where a benchmark is shown, the benchmark shown is provided in the base currency of the fund and therefore may not be a fair representative comparison to the hedged currency share class shown. The difference in the currency exposure and currency fluctuations in an unhedged benchmark may cause an unintended differential in any performance or risk comparison.

## Neuberger Berman Corporate Hybrid Bond Fund

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## A SHARE CLASS DATA

Share Class	NAV	Initial Sales Charge (Max)	Ongoing Charges	Management Fee	Minimum Investment
AUD A (Monthly) Dist	8.19	5.00%	1.30%*	1.20%	1,000
CHF A Dist	10.26	5.00%	1.30%**	1.20%	1,000
EUR A (Monthly) Dist	8.30	5.00%	1.30%*	1.20%	1,000
EUR A Acc	11.91	5.00%	1.30%*	1.20%	1,000
SGD A Monthly Dist	16.81	5.00%	1.30%*	1.20%	1,000
USD A (Monthly) Dist	8.70	5.00%	1.30%*	1.20%	1,000
USD A Acc	13.27	5.00%	1.30%*	1.20%	1,000
USD A Dist	9.48	5.00%	1.29%*	1.20%	1,000

Share Class	Inception Date	Morningstar Category™	ISIN	Bloomberg	VALOR
AUD A (Monthly) Dist	23-09-2016	Other Bond	IE00BD5YX427	NBCHAAD ID	34017654
CHF A Dist	15-02-2024	Other Bond	IE000216PTU2	NBCHYBC	132624402
EUR A (Monthly) Dist	18-07-2016	EUR Subordinated Bond	IE00BDHBH727	NBCAMDE ID	32881257
EUR A Acc	03-06-2016	EUR Subordinated Bond	IE00BYV1RN13	NBCHAAE ID	32590652
SGD A Monthly Dist	02-08-2019	Other Bond	IE00BJR5T361	NBCHSAD ID	49085778
USD A (Monthly) Dist	18-07-2016	Other Bond	IE00BDHBH610	NBCHADU ID	32881254
USD A Acc	10-08-2016	Other Bond	IE00BD0PCH68	NBCHUAA ID	33554311
USD A Dist	23-04-2021	Other Bond	IE00BMT63Q97	NBCHAUJ ID	110988200

\*The ongoing charge figure (which includes the management fee) is an annual charge based on expenses for the period ending 31 December 2023

\*\*The ongoing charge figure (which includes the management fee) is an annual charge based on estimated expenses.

Some share classes listed are subject to restrictions, please refer to the fund's prospectus for further details.

Investors who subscribe in a currency different from their local currency should note that the costs may increase or decrease as a result of currency and exchange rate fluctuations.

# Neuberger Berman Corporate Hybrid Bond Fund

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## ESG DISCLOSURES

The fund complies with the Sustainable Finance Disclosure Regulation (the "SFDR") and is classified as an Article 8 SFDR fund. Neuberger Berman believes that Environmental, Social and Governance ("ESG") factors, like any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy.

## IMPORTANT INFORMATION

Except for performance, the data shown is for the fund and is not specific to the share class, it has not been adjusted to reflect the different fees and expenses of the share class.

Performance of another share class may vary from the results shown based on differences in fees and expenses, and currency.

Source: Neuberger Berman, Blackrock Aladdin, Bloomberg and Morningstar.

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The KID may be obtained free of charge in Danish, Dutch, English, Finnish, French, German, Greek, Icelandic, Italian, Norwegian, Portuguese, Spanish and Swedish (depending on where the relevant sub-fund has been registered for marketing), and the prospectus and prospectus supplements may be obtained free of charge in English, French, German, Italian and Spanish, from [www.nb.com/europe/literature](http://www.nb.com/europe/literature), from local paying agents (a list of which can be found in Annex III of the prospectus), or by writing to Neuberger Berman Investment Funds plc, c/o Brown Brothers Harriman Fund Administration Service (Ireland) Ltd, 30 Herbert Street, Dublin 2, Ireland. In the United Kingdom the key investor information document (KIID) may be obtained free of charge in English at the same address or from Neuberger Berman Europe Limited at their registered address.

Neuberger Berman Asset Management Ireland Limited may decide to terminate the arrangements made for the marketing of its funds in all or a particular country.

A summary of the investors' rights is available in English on: [www.nb.com/europe/literature](http://www.nb.com/europe/literature)

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Indices are unmanaged and not available for direct investment.

An investment in the fund involves risks, with the potential for above average risk, and is only suitable for people who are in a position to take such risks. For more information please read the prospectus which can be found on our website at: [www.nb.com/europe/literature](http://www.nb.com/europe/literature).

**Past performance is not a reliable indicator of current or future results.** The value of investments may go down as well as up and investors may not get back any of the amount invested. The performance data does not take account of the commissions and costs incurred by investors when subscribing for or redeeming shares.

The value of investments designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

Tax treatment depends on the individual circumstances of each investor and may be subject to change, investors are therefore recommended to seek independent tax advice.

Investment in the fund should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Diversification and asset class allocation do not guarantee profit or protect against loss.

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# Neuberger Berman Glossary of Terms

**ABS (Asset-Backed Security):** A security that is backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities.

**Accumulating (Acc) Class:** Any class in respect of which the directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends.

**Alpha:** The risk-adjusted excess return on an investment in the Fund compared to the benchmark.

**Annualised Performance:** The returns from a period of time longer than one year, expressed as a yearly geometric average return.

**AUM:** Assets Under Management.

**Average Credit Quality:** A weighted average of the credit ratings of all of the bonds in the portfolio.

**Base Currency:** The currency in which the net asset value of each portfolio is evaluated.

**Basis point (Bps):** Basis point (Bps) refers to a unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001).

**Beta:** A measure of the systematic risk of a portfolio relative to the benchmark based on historical returns. The beta of the benchmark will always be 1. For example, a portfolio with a beta above the benchmark (as in, more than 1) indicates that the portfolio has greater volatility than the benchmark and would be expected to outperform in up markets and expected to underperform in down markets.

**Bmrk/Benchmark:** An index that is used to compare the performance of a fund, or that is used with the purpose of tracking the return of such index, or that is used to define the asset allocation of a portfolio or to calculate performance fees.

**Cash Equivalent:** A short-term money-market instrument, such as a Treasury bill or repurchase agreement, of such high liquidity and safety that it is easily converted into cash.

**Core Strategy:** The Core strategy is the portion of the portfolio invested mainly in short- to medium-term investment grade bonds with maturity on average less than 3 years.

**Credit Rating / Credit Quality** — A rating assigned by an agency such as Moody's, Standard & Poor's, Fitch Ratings or others to a bond or loan, or an issuer of bonds or loans, which conveys the agency's assessment of the bond or issuer's probability of default. These ratings typically have letter designations (such as AAA, B, CC). "Credit Quality" is often used synonymously to describe a bond or loan, an issuer, or a portfolio of bonds or loans.

**Cumulative Performance:** The returns generated by an investment over an entire specified period, as opposed to the performance of an investment over each discrete period of, for example, one month, one quarter or one year.

**Distributing (Dist) Class:** Any class in respect of which the directors intend to declare dividends out of net income and capital on a semi-annual basis in accordance with the Articles and as specified in the "Distribution Policy" section in Prospectus.

**Domicile:** The geographical location where a fund is incorporated.

**Duration:** This measurement is used as an indication of the sensitivity to interest rate movements of the price of a bond. Longer duration indicates greater sensitivity.

**Duration Distribution:** The portfolio's allocation to different groups of bonds, where those groups are determined by the bonds' durations. Duration is a measure of the sensitivity of the price of a bond or loan to changes in its interest rate.

**ESG:** ESG represents Environmental issues, (such as the impact on natural resources), Social issues (such as human rights) and Governance, (being the way in which the company is run).

**Financial Derivative Instruments (FDI):** Financial instruments that are linked to some other specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right; their value derives from the price or level of the underlying asset or indicator. Examples include futures, options and swaps contracts.

**High Yield:** A security or asset, usually a bond or loan, that has received a rating below BBB-/Baa3, or not even received a rating from a nationally recognised statistical rating organisation (NRSO). Sometimes referred to as "speculative-grade", "non-

investment grade" or "junk" bonds or loans.

**Information Ratio (IR):** The expected active return, relative to its benchmark of reference, of an investment strategy (Alpha) divided by its tracking error. This is a measure of the efficiency with which an investment strategy takes risk against its benchmark.

**Initial Sales Charge (Max):** The maximum amount that an investor in an investment fund may be required to pay when investing in the fund, expressed as a percentage of the value of the investment.

**Investment Grade:** A security or asset, usually a bond or loan, that has received a rating from a leading credit ratings agency of BBB/Baa or above.

**KID / KIID (Key Investor Information Document / Key Information Document):** A short document that fund management companies are required to provide for investors, giving the key facts and figures about an investment fund.

**Management Fee:** The fixed annualised fee that an investor pays in order to have assets managed in an investment fund or by an investment manager.

**Maturity:** The date upon which an asset, for example a bond or derivative, must be redeemed by its issuer. In the case of a bond, this is the date upon which the final coupon is paid and the principal is returned to investors. In the case of a derivative, this is the date upon which the contract expires.

**Market Value (MV):** Used to describe the current value of the portfolio's assets.

**NAV (Net Asset Value):** The net asset value of a portfolio.

**NRSO:** Nationally Recognised Statistical Rating Organisation.

**OAS (bps):** The "Option-Adjusted-Spread" ("OAS") is the difference, in basis points ("bps"), between the yield of an asset and the yield of a benchmark rate such as the risk free rate cash index, adjusted to take account of the value of options embedded in that asset. Some bonds and loans, for example, give the issuer the option to "call" the security earlier than the maturity date (in other words, to redeem and repay the principal value to the investor early).

**Ongoing Charge Figure (OCF):** The ongoing charge figure represents the annual costs of a fund, and it includes the ongoing costs of running the fund, such as operating costs, management costs, administration costs, distribution costs and transaction costs incurred as a result of buying or selling investments. The ongoing charge figure does not include one-off costs such as entry or exit charges and performance fees. The ongoing charge figure replaced the Total Expense Ratio (TER).

**Portfolio Price:** The weighted average of the market prices of securities held in a portfolio. Typically used for bond portfolios.

**Quasi-Sovereign:** Quasi-sovereign bond issuers include official government-backed agencies, local government entities, and corporations that are wholly-owned by sovereigns, or in which sovereigns hold more than 50% of the voting rights.

**R-Squared:** A statistical measure representing the percentage of an investment portfolio's movements that can be explained by movements in the benchmark. A high R-squared (between 85 and 100) indicates the portfolio's performance patterns have been historically in line with the benchmark.

**Settlement (Subscription):** The process by which securities or units in an investment fund are delivered in exchange for cash.

**Share Class:** Classes represent ownership in the same fund but charge different fees. This can enable shareholders to choose the type of fee structure that best suits their particular needs.

**Sharpe Ratio:** Characterises how well the return of the Fund compensates the investor for the risk taken relative to a risk free cash investment. When comparing two funds versus a common benchmark, the one with a higher Sharpe Ratio provides better return for the same risk (or, equivalently, the same return for lower risk).

**Sovereign:** A government.

**Sub Sovereign:** Government entities below the sovereign. Examples include states, regions, local authorities and municipalities.

**Spread Duration:** The sensitivity of the price of a security to changes in its credit spread. The credit spread is the difference between the yield of a security and the yield of a benchmark rate, such as a cash interest rate or government bond yield.

**Standard Deviation:** Measures the historical volatility of the Fund's return. Standard deviation is a statistical measure of the

dispersion of a set of data relative to its mean value. The higher the standard deviation, the wider the variability of the returns is and the higher the portfolio risk. In investment the term is usually applied to a series of historical returns, and is often referred to as "volatility".

**Supranational:** An entity formed by two or more central governments to promote economic development for the member countries. Supranational Institutions finance their activities by issuing bond debt.

**Tactical Strategy:** The tactical strategy is the portion of the portfolio invested mainly in Eurozone government bonds (rated A or below) with maturity above 3 years and non-investment grade bonds.

**Time to Maturity:** The remaining life of a debt instrument.

**Tracking Error:** A measure of the volatility of the difference between the return to an investment strategy and the return to its benchmark. It is a measure of how closely the strategy's performance may differ from that of the benchmark. A higher tracking error implies that a portfolio is actively managed versus its benchmark.

**Trading Deadline:** The last point on each day at which a request to subscribe or redeem units in an investment fund can be submitted to the fund management company. Requests to trade submitted after this deadline will be executed the next day.

**Vehicle:** Any structure established to accept cash from investors with which to make investments in assets and securities. Examples include closed- or open-ended collective investment funds, limited partnerships, and exchange traded funds.

**Volatility:** Also referred to as the standard deviation of the stream of returns to an asset, portfolio, market or benchmark.

**Yield to Call:** The yield of a bond or note if you were to buy and hold the security until the call date, but this yield is valid only if the security is called prior to maturity. Some bonds and notes, for example, give the issuer the option to "call" the security earlier than the maturity date (in other words, to redeem and repay the principal value to the investor early). The date the issuer calls the security is the call date.

**Yield to Maturity:** The total annualised return anticipated on a bond if it is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate.

**Yield to Worst:** The lowest potential annualised total return that can be received on a bond without the issuer defaulting. This can be different from the yield to maturity because it assumes that the issuer will exercise any option it has to "call" the security at the earliest opportunity (to redeem and repay the principal value to an investor early).

**Weighted Average Current Yield (years):** The mean average yield of a portfolio of bonds or loans, where each holding is weighted according to its size in the portfolio, and where yield is calculated simply by dividing the annual coupon payments for the portfolio by the current market value of the portfolio. The measure is used to compare bonds' or loans' estimated short-term returns, as opposed to their estimated returns over the longer term or until maturity.

**Weighted Average Duration (years):** The mean average duration of a portfolio of bonds or loans, where each holding is weighted according to its size in the portfolio. Duration is a measure of the sensitivity of the price of a bond or loan to changes in its interest rate.

**Weighted Average Yield to Maturity (%):** The market value weighted average yield for individual securities in the portfolio. The yield to maturity for a security is the discount rate that makes the present value of future cash flows equal its current market price plus accrued interest, assuming the security is held till maturity. The calculation of yield to maturity (YTM) takes into account the current market price, par value, coupon rate and time to maturity. It is assumed that all coupons are reinvested at the YTM rate.

**Weighted Average Yield to Worst (%):** The mean average yield of a portfolio of bonds or loans, where each holding is weighted according to its size in the portfolio, and where yield is the worst available when calculated to maturity, and calculated to take account of call options (the right of the borrower to pay back principal before maturity), put options (the right of the lender to demand payment of principal before maturity), or any other special features.