

NN (L) EMERGING MARKETS DEBT (LOCAL BOND)

SUBFUND DESCRIPTION

data as of 28.12.2018

Investment policy

The fund pursues the investment objective of the sub-fund by investing up to 100% of the sub-funds assets in shares of the NN (L) Emerging Markets Debt (Local Bond) foreign fund isolated as part of an NN (L) open-end investment fund with variable capital (SICAV). NN (L) US Emerging Market Debt (Local Bond) invests at least two-thirds investments in debt securities, money market instruments, instruments derivatives and deposits, with strategic focus on exposures forward interest rates of emerging markets. The debt securities and money market instruments, mainly issued by and/or denominated or characterized by exposure in countries currencies emerging markets of Latin America, Asia, Central Europe, Eastern Europe and Africa. Up to one-third of the portfolio may be invested in fixed income transferable securities, derivatives and money market instruments issued by other countries, denominated and characterized by an exposure in convertible currencies (e.g. Euro, USD).

Investor profile

The sub-fund is aimed at investors who are willing to invest for a period of at least 4 years, expect higher profits than in the case of deposits and accept relatively high risk associated with investments in debt securities, money market instruments, instruments derivatives and deposits, with strategic focus on exposures forward interest rates of emerging markets and/or currency risk of markets emerging and, in the case of debt securities and money market instruments, mainly issued by and/or denominated or characterized by exposure in countries currencies emerging markets of Latin America, Asia, Central Europe, Eastern Europe and Africa (at least two-thirds of the portfolio) and investments in fixed income transferable securities, derivatives and money market instruments issued by other countries, denominated and characterized by an exposure in convertible currencies (e.g. Euro, USD)(up to one third of the portfolio), and additionally accept the average risk of Polish Zloty exchange rate fluctuations to other currencies, in particular USD.

RISK

Investment risk

lower risk lower return potentially						higher risk higher return potentially
1	2	3	4	5	6	7
relatively high						

The risk profile is determined based on the methodology used in the document: Key Investor Information. Historical data used to assign the risk category cannot predict the future risk profile of the fund. The fund objective does not include achieving the relevant risk category. The risk and return profile may change in the future. The lowest risk category (1) does not mean risk-free investment.

Risk and performance ratios data as of 31.12.2018

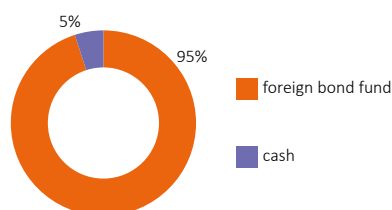
	1 year	3 years	5 years
Standard deviation	12,13%	11,96%	11,69%
Sharpe Ratio	-0,92	0,26	-0,26
Alpha Ratio	-2,98%	-1,44%	-1,21%
Beta Ratio	1,09	1,07	1,06
R ² Ratio	99,00%	99,00%	99,00%
Tracking Error	1,63%	1,45%	1,30%

Risk ratios are calculated for the source fund (USD) and its benchmark. EURIBOR 3M is accepted as the risk-free rate.

Overview

Sub-fund type	debt instruments
Benchmark	none
Sub-fund inception date	23.01.2012
Assets (28.12.2018)	PLN 104.07 mil
Share value	PLN 85.30
Minimum initial investment	PLN 200
Minimum subsequent investment	PLN 50
Maximum distribution fee	5.00%
Management fee	1.80%
Fund currency	PLN
Currency of source fund	USD

Asset allocation



Recommended minimum investment horizon



TOTAL RETURNS

Change in share value

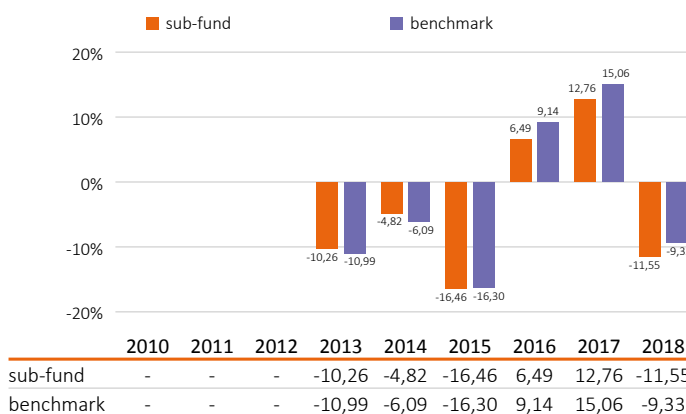
for the period from 23.01.2012 to 28.12.2018



Sub-fund total returns % as of 28.12.2018

	1 m	3 m	6 m	12 m	36 m	60 m	120 m	YTD	max
sub-fund	0,04	-0,32	-3,43	-11,55	6,20	-15,55	-	-11,55	-14,70
source fund	0,29	0,44	-2,10	-9,33	13,86	-10,50	-	-9,33	-11,25

Annual sub-fund total returns % for each year



PORTFOLIO PROFILE

Top holdings in the portfolio data as of 31.12.2018

name	share in portfolio
Government Of Mexico 10.0% 05-dec-2024	4,43%
Government Of Indonesia 7.0% 15-may-2022	4,05%
Government Of South Africa 8.0% 31-jan-2030	3,76%
Government Of Brazil 10.0% 01-jan-2021	2,32%
Government Of Brazil 0.0% 01-jul-2020	2,11%
Government Of Brazil 10.0% 01-jan-2023	2,10%
Government Of Hungary 5.75% 22-nov-2023	1,99%
Government Of Mexico 6.5% 10-jun-2021	1,98%
Government Of Poland 3.0% 17-mar-2023	1,80%
Government Of South Africa 10.5% 21-dec-2027	1,71%

GLOSSARY

Standard deviation is one of the most popular statistical measures that shows how much the total returns of the fund have changed in the past. The higher the ratio, the higher the risk of the investment in a fund share.

R², i.e. the square of the Pearson product-moment correlation coefficient, is one of more popular statistical measures showing the degree of correlation of a series of data with a benchmark.

Sharpe Ratio describes to what extent the achieved rate of return rewards the risk taken by the investor by investing in high-risk assets. The measure enables to maximise the return and also minimise the risk, which can be achieved by selecting a fund with the highest positive value of the ratio.

Alfa is a measure indicating the possibility and scale of change in the price of the analysed instrument on the assumption that the value of the benchmark does not change. It can be a positive or negative value.

Beta is a measure showing the sensitivity to changes in the price of the analysed instrument in comparison with the change of a benchmark. A beta of 1.0 means that the expected 10% increase in the value of a benchmark will result in a 10% increase in the value of the analysed instrument (the share value in the case of funds). The higher the beta value, the riskier the investment.

Tracking Error enables to evaluate the consistency of effects of the investment policy of a manager with benchmark's returns. The lower the TE value, the smaller the possible resulting differences.

Rating Anliz Online is fund's rating taking into account both quantitative (such as returns) and qualitative factors. A fund analysis involves an in-depth examination of the four basic areas that determine the current behaviour of the fund and its behaviour in the future: managers and the investment process; investment policy and portfolio; portfolio characteristics; returns of the fund, the risk, costs and fees. The more stars are awarded, the better the rated quality of the fund. To put it very simply, 4 or 5 stars mean that relevant funds are worthy of interest in the first place because their characteristics show potential performance beyond the average in the relevant group.

Benchmark is a point of reference to evaluate results of fund's asset management. The following may be used, among others, as a benchmark: stock market index, inflation, return on certain government bills, or their relevant combinations.

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