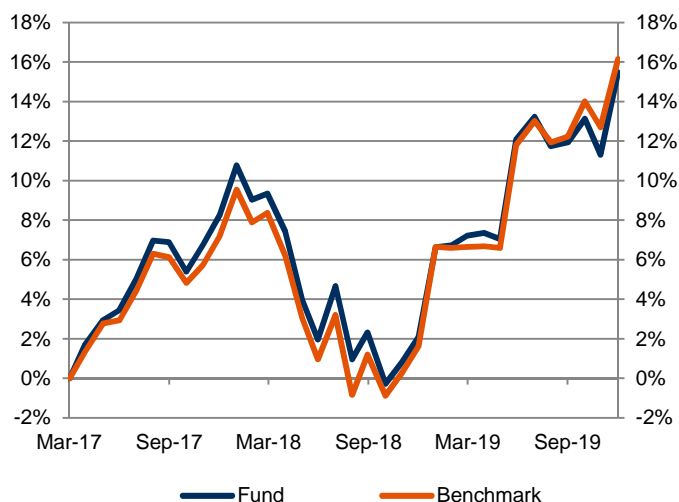


Sydinvest EM Sustainable Blended Debt acc I USD

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Historical return: Fund vs. Benchmark, % USD net of fee



Returns net of fees, end of month.

	Mth	YtD	-3 Mth	-6 Mth	-1 Yr
Fund	3.75%	13.09%	3.16%	3.01%	13.09%
Benchmark	3.07%	14.29%	3.50%	3.87%	14.29%
Performance	0.68%	-1.21%	-0.34%	-0.87%	-1.21%

Key Figures

Ratios, end of month	December	Change	November
Fund Yield to maturity	5.73%	-0.30%	6.03%
Benchmark Yield to maturity	4.93%	-0.09%	5.02%
Fund Duration	6.66	0.23	6.44
Benchmark Duration	6.43	0.04	6.40
No. of countries	36	6	30
Gov. bonds, %	96.40%	0.95%	95.45%
Quasi Sov., %	2.18%	-0.01%	2.19%
Cash, %	1.53%	-0.93%	2.45%
Total AUM, mn USD	34.17	1.23	32.93
NAV	115.48	4.17	111.31
Avg. rating S&P	BBB-		BBB-
Beta, since inception	0.96	0.02	0.95
Track. Error, since inception	1.12%	0.07%	1.05%
Sharpe Ratio, since inception	0.83	0.16	0.67
Info. Ratio, since inception	-0.20	0.26	-0.46
Volatility, since inception	6.92%	0.20%	6.72%
BM Weight of ESG country exclusion*	19.48%	-8.96%	28.44%
BM Weight of Quasi-Sov. Oil & Gas excl.*	3.98%	3.98%	0.00%
Total ESG exclusion.*	23.46%	-4.98%	28.44%
Hard Currency Bond Weight, %	49.21%	0.39%	48.82%
Local Currency Bonds Weight, %	49.37%	0.56%	48.81%

* Please refer to the last page in this report for a complete overview of the results from the ESG analysis. The table shows the benchmark weight of excluded sovereigns and quasi-sovereigns and the factors in the ESG approach that led to an exclusion (e.g. sanctions or a low SDG score).

Strategy Profile & Objective

The objective of the fund is to create an attractive return from active and diversified allocations into EM sovereign debt and FX instruments that is equal to or higher than the fund's benchmark measured over a three-year period. The investment approach is a combination of an independent ESG country exclusion and screening process and an opportunistic investment style driven by the manager's "best ideas of value" within the investment universe. The active investment allocation and the consistent exclusion of countries deemed unsustainable for investment will result in a blended EM debt portfolio that over time will deviate materially from the allocations of the fund's benchmark.

Fund performance summary

The fund generated a return of 3.75% net of fees in December, which was 68bp better than the return of its benchmark. The exclusion of benchmark countries was positive for the fund's performance in December. In hard currency performance was affected positively by the overweight in Ecuador, the ESG-related zero weights in China and Saudi Arabia, the overweights and asset allocation in Oman and Kenya as well as the underweight in the Philippines. Conversely the overweight and asset allocation in Romania, the overweight in Indonesia and the underweight in Uruguay detracted from performance. In local currency the overweights in Argentina, Colombia and South Africa as well as the ESG-related zero weights in Turkey and Thailand added to performance. Conversely the ESG-related zero weight in Russia as well as the overweights in Indonesia, the Dominican Rep. and Ghana were a drag on performance.

Portfolio strategy and changes

Due to changes in the ESG methodology we have divested in the Ivory Coast and Nigeria as well as several quasi-sovereign companies. On the other hand the same methodology changes made it possible for the fund to invest in Qatar, Kazakhstan, Thailand, Egypt and Oman. Apart from ESG-related changes we did the following: In hard currency we added in Laos. We made a switch in Ecuador from the short end to the long end. We added in Sri Lanka and reduced in the Dominican Rep.. In local currency we reduced in Chile while we added in Mexico.

Key Fund Information

Name of AIF/ Fund	Sydinvest EM Sustainable Blended Debt USD Acc KL
Investment Universe	Global Emerging Market Bonds Hard & Local Currency
Benchmark	50% JPM EMBI GD + 50% JPM GBI-EM GD (in USD)
Security Guidelines	Sovereign & quasi sovereign only
Duration Limits	Benchmark +/- 3 years
FX Exposure and Hedging	Hard currency hedged to USD, local currency unhedged
Unlisted Bond Limit	Maximum 10%
Financial Derivative Instruments Allowed	Hard and Local Currency Bonds, FX Forwards, NDFs, Deposits, Credit-Linked Notes.
Return Profile	Accumulated
Legal structure	UCITS IV
Country of domicile / Currency	Denmark / USD
Dealing day/NAV date	Daily
Initiation date	31.03.2017
ISIN CODE	DK0060792372
Bloomberg Ticker	SYEMSIU DC
TER (inclusive management fee)	0.65% p.a.
ADL charge on dealings	Mid market NAV + 0.5% in ADL
Investment Management Comp.	Syd Fund Management A/S, Denmark
Portfolio Advisor	Sydbank Emerging Markets, Denmark
Financial Regulator	FSA, Denmark (Finanstilsynet)
Custodian / TA	Sydbank A/S (Sub-custody: JP Morgan)

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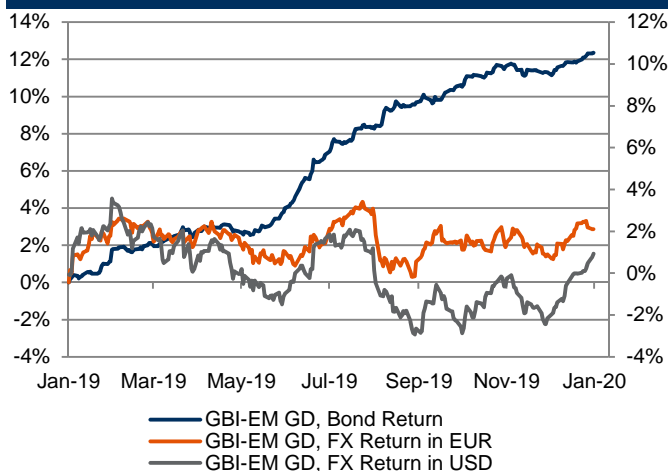
EM Bond Markets – December

A Phase 1 trade agreement between USA and China was announced in December and only needs signatures. The de-escalation of the trade war is positive and put the financial markets in a risk-on mode in December. After local rates rose in November rates are back to falling. Rates fell the most in Uruguay, Mexico and Turkey while the Czech Republic and Poland saw the most significant rate increases. On a benchmark level the yield to maturity fell by 4bp to 5.22%. The benchmark bond return before FX fluctuations was 0.94%. EM FX rallied in December. The Turkish lira was the only benchmark currency of importance that had a tough month. At the overall benchmark level the FX return was 1.34% in EUR and 3.17% in USD. The total benchmark return in USD was 4.13% in December. The risk-on mode also benefited EM hard currency bonds and the credit spread tightened by 34bp to 291bp. Even though US rates rose it was not enough to stop the yield to maturity of the benchmark from falling by 20bp to 4.93%. The monthly hard currency benchmark return was 2.01%. As expected in a month with risk-on and rising US rates High Yield (HY) bonds outperformed Investment Grade bonds significantly.

The credit spread on EM hard currency bonds tightened by 34bp to 291bp. Even though US rates rose it was not enough to stop the yield to maturity of the benchmark from falling by 20bp to 4.93%.



The benchmark bond return before FX fluctuations was 0.94%. Benchmark FX return was 1.34% in EUR and 3.17% in USD.



Asset Class Outlook

After all the posturing, we finally got a trade war ceasefire. President Donald Trump signed off on a Phase 1 trade deal with China, avoiding the introduction of a new round of US tariffs on about USD 160 billion of goods, which were set to be implemented on 15 December. The deal also includes a promise by the Chinese to buy more US agricultural goods. This development is clearly positive as it should ease trade policy uncertainty, which should support the global manufacturing sector and help business confidence. This in turn will help risk appetite for emerging market hard currency bonds.

Not only that, the US, Mexico and Canada agreed upon a revised NAFTA replacement trade agreement (USMCA). This is expected to fully take effect in 2020 and shows again that trade deals can get done.

With a Phase 1 US-China deal and a USMCA agreement in place, this should support risk appetite and emerging market spreads. However as we know Trump always comes back for more, so watch this space. But for now we do see a window of market calm and expect decent returns over the next few months at least.

Trade optimism was accompanied by reduced Brexit fears after the general election held in the UK on 12 December brought a strong majority for the Conservative government. This means that the Brexit withdrawal agreement can finally get approval, reducing uncertainty for the UK and the EU. A resolution to this issue is positive for both developed and emerging markets.

Given the prospect in 2020 of a continued easing of tensions between the world's two superpowers, we believe that stabilisation of growth around its current levels is the most likely scenario. A cyclical upturn could even happen as trade policy uncertainty diminishes. That particular outcome would remain supportive of emerging market local currency assets. We also expect the economic growth gap to get bigger between emerging markets and advanced economies, which would be supportive.

The OPEC+ group's decision on 5 December to deepen production quotas by 500k barrels per day shows the commitment to oil price stability. The decision was primarily made in order to balance the global oil market as excess oil supply would otherwise have flooded the market. This is in our view supportive of emerging market credit spreads as oil price stability around USD 60 per barrel is positive for oil exporters – especially now that the Middle Eastern countries are growing in importance in the asset class.

The main risks to emerging market hard currency assets remain a renewal of trade protectionist threats or a steep rise in US Treasury bond yields – neither of which do we envisage at this juncture. The risk of much slower growth in China would be a clear negative but this seems well managed currently.

Argentina saw Alberto Fernandez take over as president in December. With him likely to implement populist policies, the outlook is therefore troubling. Bond prices reflect a high likelihood of another default and the first signs of a restructuring offer for external bonds are becoming more visible. We expect an initial proposal along the lines of coupon payment delays and possible debt write-offs. The government wants an agreement with creditors by March 2020 in order to avoid destabilising macroeconomic effects. We do not think a broad solution on all types of debt is possible and hence expect a piecemeal solution for now. The risk is of course a broad default by Q1-Q2 2020 if no agreement can be reached.

The International Monetary Fund gave initial approval to a USD 5.5 billion lending programme for Ukraine. This was a relief after months of delay related to reducing the role of vested interests in the economy. Ukraine's efforts and reforms in strengthening the rule of law have been impressive under its new president. The result has been huge macroeconomic progress. However we are still awaiting clarity on potential liabilities in the banking sector before we can fully conclude on the reduction of the influence of oligarchs.

Ecuador passed a new tax reform that led to the successful resumption of its loan programme with the International Monetary Fund giving it access to USD 500m. The tax reform is expected to reduce the budget deficit by USD 1.2bn over two years. Bond prices rallied very strongly in December. We remain overweight.

We added exposure to Laos for the first time at a yield of 8.5%. It is in our view a good diversifier in the portfolio and is attractive compared especially to other Asian economies. It does have some external vulnerabilities such as especially low FX reserves and dependency on China but we do see the potential from its expected strong economic progress and large FDI investments which should bolster the economy over time. A potential bond benchmark entry in 2020 would also support the credit.

Sydivest EM Sustainable Blended Debt: Performance attribution

Performance Attribution

	Avg Wgt.	Fund	Benchmark	Performance
Allocation				0.00%
External Debt	50.00%	1.37%	1.01%	0.36%
Local Debt	50.00%	2.38%	2.06%	0.32%
Total	100.00%	3.75%	3.07%	0.68%

Performance Attribution: Break-down

	Country	Asset	Interaction	FX Spot	Perf.
HC Excluded Countries	0.11%	0.00%	0.00%	0.00%	0.11%
HC Excluded Quasi-Sovereigns	0.00%	0.00%	0.00%	0.00%	0.00%
LC Excluded Countries	-0.02%	0.00%	0.00%	0.20%	0.18%
Total, Excluded	0.09%	0.00%	0.00%	0.20%	0.30%
HC, non-Excluded	0.36%	-0.04%	-0.11%	0.08%	0.29%
LC, non-Excluded	0.19%	0.02%	0.02%	-0.05%	0.18%
Total, non-Excl.	0.55%	-0.01%	-0.09%	0.03%	0.47%
Asset Class Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Cost	-0.09%	0.00%	0.00%	0.00%	-0.09%
Strategy Total Performance	0.56%	-0.01%	-0.09%	0.23%	0.68%

ESG Excluded Countries: Top & Bottom

Hard Currency	OW/UW	Perf.	Local Currency	OW/UW	Perf.
China	-1.97%	0.04%	Turkey	-2.02%	0.12%
Saudi Arabia	-1.87%	0.03%	Thailand	-2.53%	0.09%
Egypt	-0.64%	-0.02%	Russia	-4.38%	-0.03%
Angola	-0.41%	-0.02%			

Hard Currency: Active Strategies in non-excluded Countries*

	Average OW/UW	Country	Asset	Interaction	FX Spot	Total	
Top 5 Contributors	1.69%	Ecuador	0.23%	-0.02%	-0.03%	0.00%	0.18%
	0.78%	Oman	0.01%	0.01%	0.01%	0.00%	0.04%
	-1.50%	Philippines	0.03%	0.00%	0.00%	0.00%	0.03%
	0.95%	Kenya	0.01%	0.01%	0.01%	0.00%	0.02%
	-0.80%	Malaysia	0.02%	0.00%	0.00%	0.00%	0.02%
Bottom 5 Contributors	0.85%	Ivory Coast	0.01%	0.00%	-0.02%	0.00%	-0.02%
	1.59%	Uruguay	-0.02%	0.00%	0.00%	0.00%	-0.02%
	0.59%	Nigeria	0.00%	-0.01%	-0.02%	0.00%	-0.02%
	2.38%	Indonesia	-0.03%	0.00%	0.00%	0.00%	-0.03%
	1.87%	Romania	-0.03%	0.00%	-0.01%	0.00%	-0.05%

Local Currency: Active Strategies in non-excluded Countries*

	Average OW/UW	Country	Asset	Interaction	FX Spot	Total	
Top 5 Contributors	0.16%	Argentina	0.10%	0.00%	0.00%	-0.01%	0.09%
	1.34%	Colombia	0.01%	0.00%	0.00%	0.06%	0.07%
	1.69%	South Africa	0.02%	0.00%	0.00%	0.03%	0.05%
	3.31%	Mexico	0.02%	0.00%	0.00%	0.00%	0.03%
	-2.03%	Hungary	0.02%	0.00%	0.00%	0.00%	0.03%
Bottom 5 Contributors	0.97%	Poland	-0.01%	0.00%	0.00%	0.00%	-0.01%
	-0.41%	Thailand	0.00%	-0.01%	0.00%	0.00%	-0.01%
	0.64%	Ghana	0.00%	0.00%	0.00%	-0.03%	-0.03%
	1.40%	Dominican Rep.	-0.01%	0.00%	0.01%	-0.05%	-0.05%
	1.18%	Indonesia	-0.02%	-0.02%	0.01%	-0.02%	-0.06%

*) The Strategy's total performance is a combination of the ESG excluded (mandatory underweights) as well as active over- and underweights relative to the benchmark.

Portfolio Summary – As at 31 December 2019

Five largest over- and under weights in the portfolio for Hard Currency (HC) Bonds

	Country	Bond Weight	O/U Weight	FX Weight	O/U FX Weight	Duration, PF	Duration, BM	Rel. Duration Cont.
5 Largest Overweights	Ghana	2.58%	2.06%	-	-	6.16	6.69	0.12
	Senegal	2.16%	1.96%	-	-	5.84	8.90	0.11
	South Africa	2.96%	1.72%	-	-	6.27	7.75	0.09
	Romania	2.28%	1.71%	-	-	13.31	6.90	0.26
	Oman	2.90%	1.67%	-	-	9.85	6.32	0.21
5 Largest Underweights	Philippines	0.00%	-1.50%	-	-	0.00	8.93	-0.13
	Russia*	0.00%	-1.67%	-	-	0.00	8.23	-0.14
	Turkey*	0.00%	-1.70%	-	-	0.00	6.13	-0.10
	Saudi Arabia*	0.00%	-1.85%	-	-	0.00	9.54	-0.18
	China*	0.00%	-1.96%	-	-	0.00	5.63	-0.11

Five largest over- and under weights in the portfolio for Local Currency (LC) Bonds

	Country	Bond Weight	O/U Weight	FX Weight	O/U FX Weight	Duration, PF	Duration, BM	Rel. Duration Cont.
5 Largest Overweights	Mexico	8.48%	3.48%	8.49%	3.49%	6.02	5.47	0.24
	South Africa	6.37%	1.63%	6.37%	1.64%	7.74	6.92	0.16
	Dominican Rep.	1.47%	1.39%	1.47%	1.39%	6.12	3.75	0.09
	Brazil	5.93%	0.93%	5.95%	0.95%	4.02	3.25	0.08
	Poland	5.39%	0.90%	5.41%	0.92%	4.67	4.20	0.06
5 Largest Underweights	Peru	0.56%	-1.20%	0.56%	-1.20%	8.37	7.72	-0.09
	Malaysia	1.50%	-1.57%	1.50%	-1.57%	3.97	5.28	-0.10
	Turkey*	0.00%	-1.89%	0.00%	-1.89%	0.00	2.99	-0.06
	Hungary	0.00%	-1.93%	0.00%	-1.93%	0.00	4.83	-0.09
	Russia*	0.00%	-4.42%	0.00%	-4.42%	0.00	4.75	-0.21

*) The country is excluded from the fund due to the ESG process. Please refer to the last page.

Rating distribution

S&P	
AAA	0.76%
AA	5.16%
A	9.38%
BBB	40.79%
BB	24.46%
B	17.54%
CCC and below	0.00%
Not rated	0.57%
Default	1.34%

Concentration risk

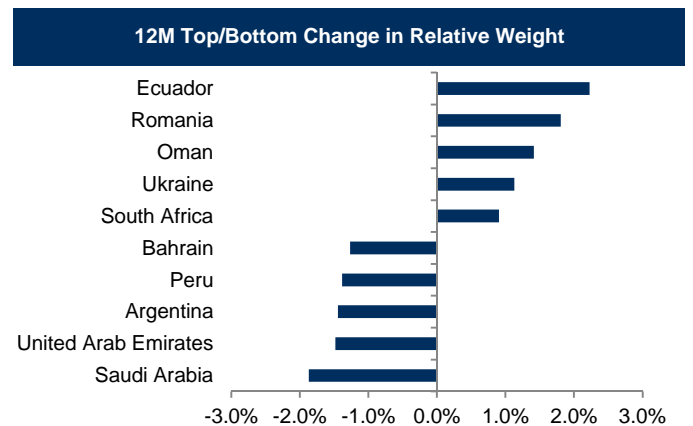
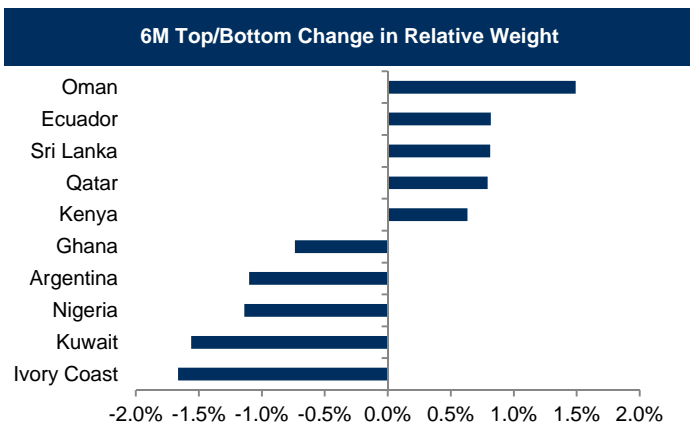
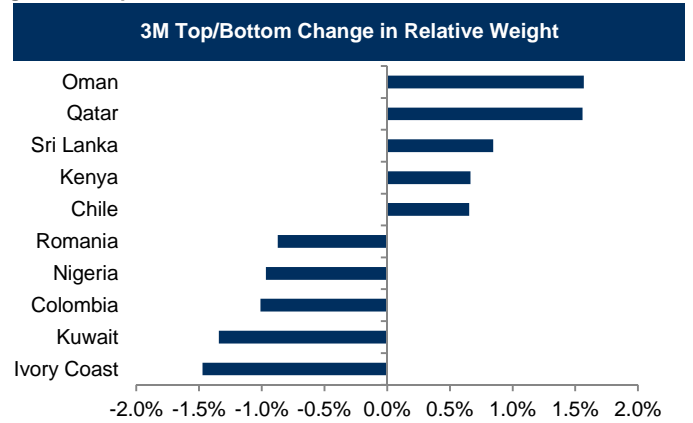
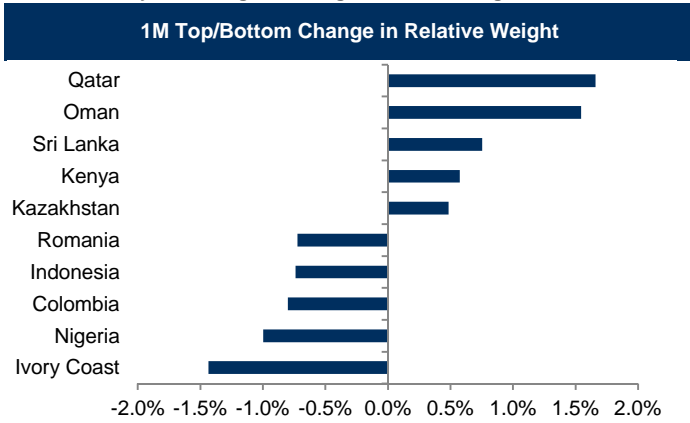
Country	Total Bond	HC Bond	LC Bond	Ccy Exp.
Mexico	11.73%	3.25%	8.48%	8.49%
South Africa	9.32%	2.96%	6.37%	6.37%
Indonesia	8.53%	3.70%	4.82%	4.82%
Brazil	7.03%	1.10%	5.93%	5.95%
Colombia	6.59%	2.64%	3.95%	3.95%
Poland	5.39%	0.00%	5.39%	5.41%
Thailand	3.98%	0.00%	3.98%	3.98%
Romania	3.44%	2.28%	1.16%	1.17%
Qatar	3.22%	3.22%	0.00%	0.00%

Duration distribution

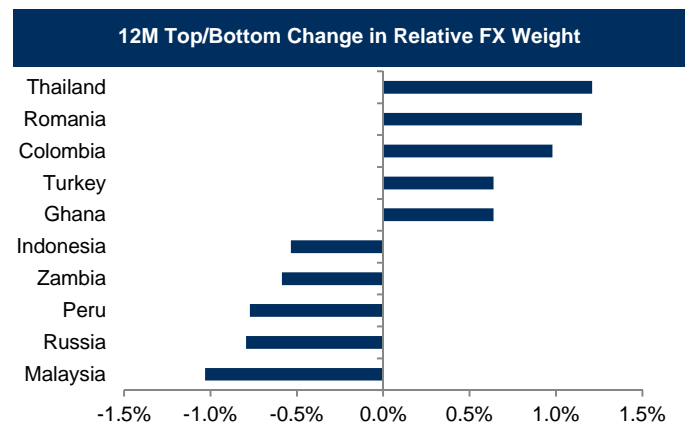
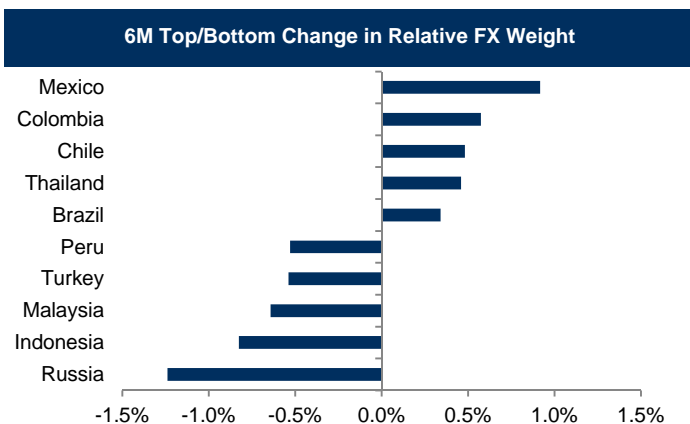
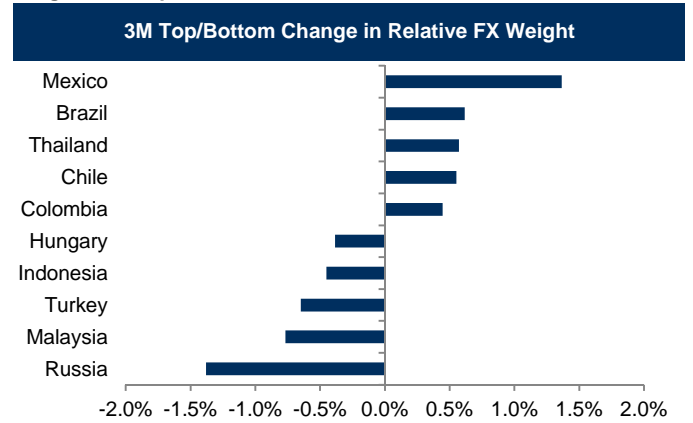
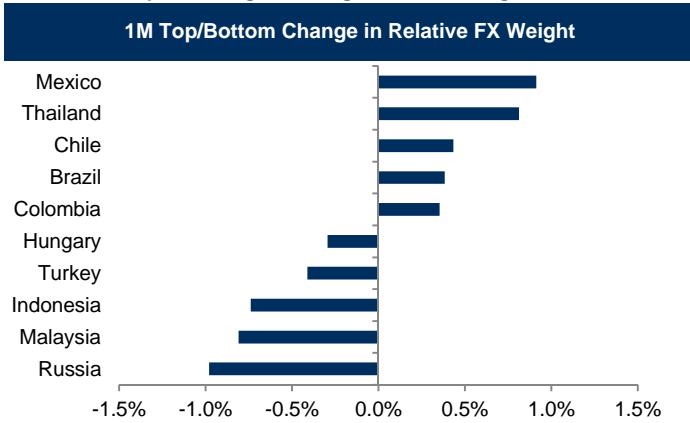
Dur. Years	Weight	Avg. Dur.
0-2	8.19%	0.92
2-5	20.37%	3.42
5-10	53.78%	6.55
10-15	11.72%	11.60
15+	5.94%	16.95
Total	100.00%	6.66

Sydneyinvest EM Sustainable Blended Debt: Historical Country Changes

Hard Currency: Five largest changes in the average over- and under weights in the portfolio.

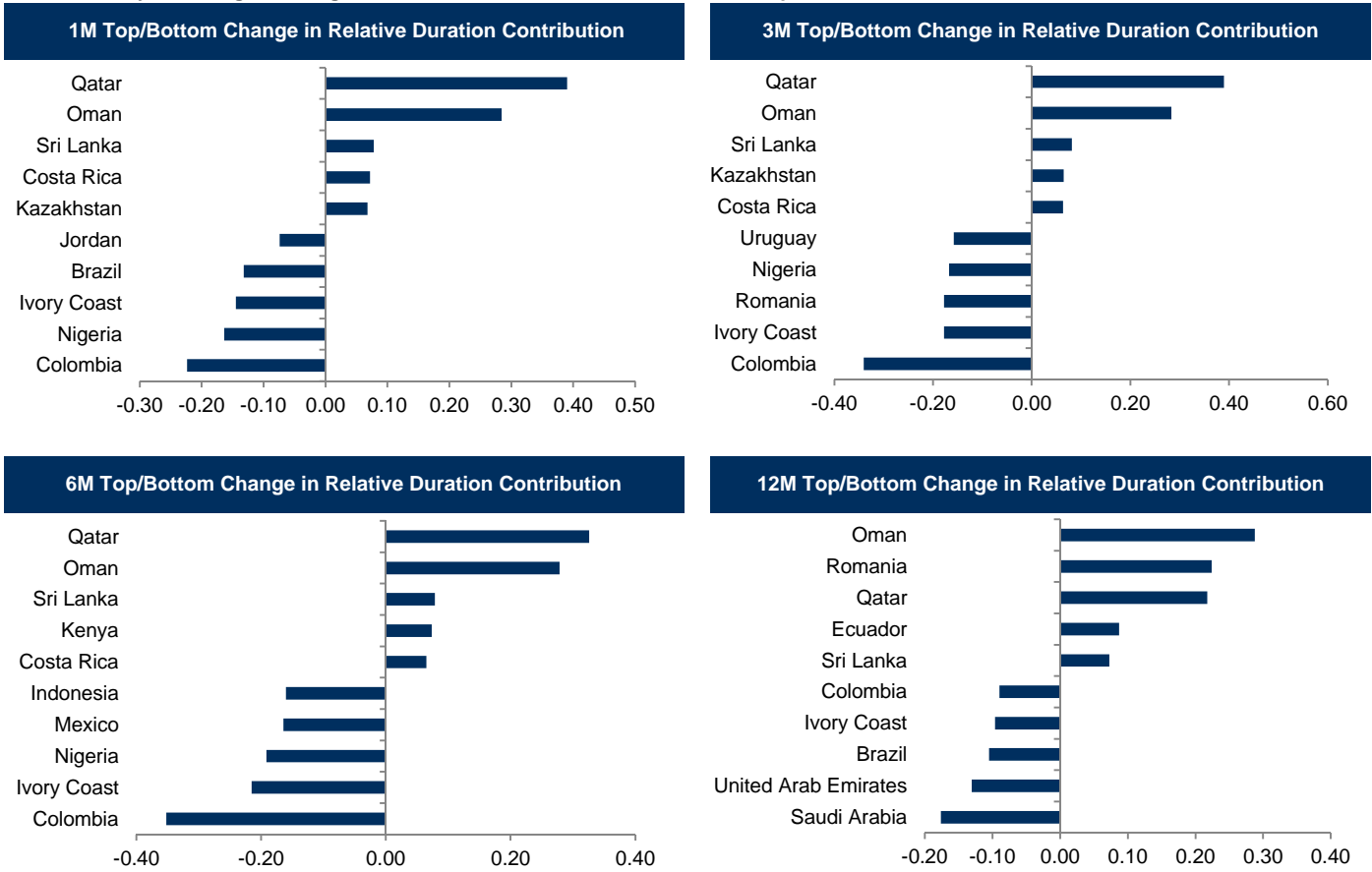


Local Currency: Five largest changes in the average over- and under FX weights in the portfolio.

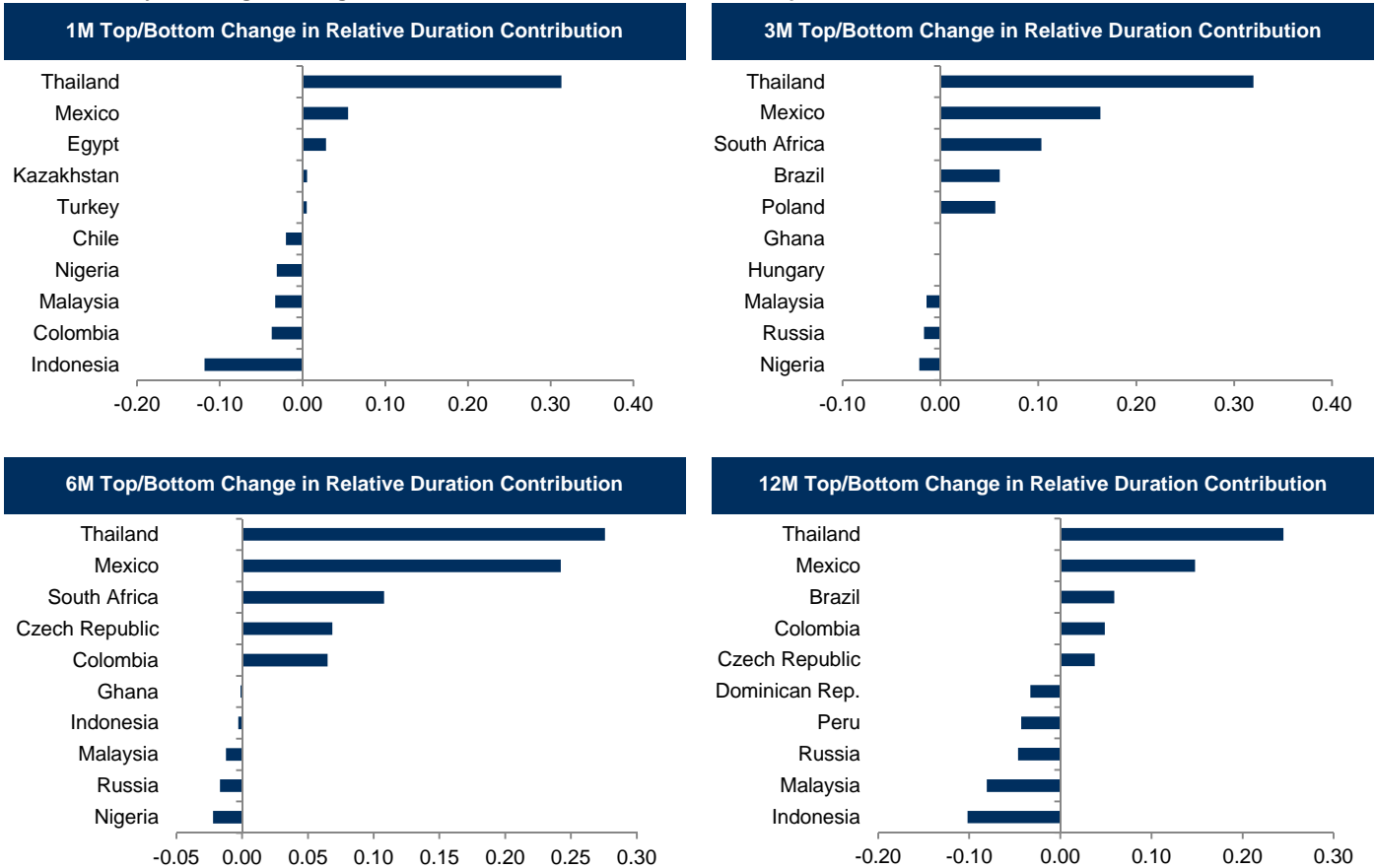


Sydivest EM Sustainable Blended Debt: Historical Duration Changes

Hard Currency: Five largest changes in the relative duration contribution in the portfolio.



Local Currency: Five largest changes in the relative duration contribution in the portfolio.



Sydinvest EM Sustainable Blended Debt: Country Exclusion Overview

Excluded countries that are either benchmark countries or have a bond market.

Country	Excluded		Sanctions		Sydbank Sovereign ESG		SDG	Benchmark
	CORE	PLUS	CORE	PLUS	CORE	PLUS	PLUS	Weight
Angola		X					X	0.65%
Azerbaijan		X				X		0.50%
Belarus		X		X				0.20%
Benin		X					X	0.00%
Cameroon		X				X	X	0.06%
China		X		X				1.96%
Congo (DRC)	X	X		X	X	X	X	0.00%
Congo-Brazzaville		X				X		0.00%
Cote d'Ivoire		X				X		0.25%
Ethiopia		X				X	X	0.08%
Gabon		X				X		0.17%
Guatemala		X				X		0.30%
Iraq	X	X			X	X		0.28%
Lebanon		X		X				0.53%
Malawi		X					X	0.00%
Mozambique		X					X	0.06%
Nigeria		X				X	X	0.81%
Pakistan		X				X		0.39%
Papua New Guinea		X				X	X	0.04%
Russia		X		X				6.10%
Saudi Arabia		X		X				1.85%
Tajikistan		X				X		0.03%
Tanzania		X					X	0.00%
Turkey		X				X		3.59%
Uganda		X				X	X	0.00%
United Arab Emirates		X		X				1.47%
Venezuela	X	X		X	X	X		0.00%
Zambia		X				X	X	0.16%
Total Countries								Benchmark
28								19.48%

Excluded Quasi-Sovereign Companies from investable countries.

Country	Company	Bloomberg			Benchmark
		Ticker	Industry Sector	Industry Group	Weight
Bahrain	Oil and Gas Holding Co BSCC/Th	OILGAS	Energy	Oil&Gas	0.16%
Chile	Empresa Nacional del Petroleo	ENAPCL	Energy	Oil&Gas	0.16%
Croatia	Hrvatska Elektroprivreda	HRELEC	Utilities	Electric	0.04%
Georgia	Georgian Railway JSC	GRAIL	Industrial	Transportation	0.04%
Indonesia	Indonesia Asahan Aluminium Per	IDASAL	Basic Materials	Mining	0.10%
Indonesia	Perusahaan Listrik Negara PT	PLNIJ	Utilities	Electric	0.23%
Indonesia	Pelabuhan Indonesia II PT	PLBIJ	Industrial	Transportation	0.04%
Indonesia	Pertamina Persero PT	PERTIJ	Energy	Oil&Gas	0.28%
Kazakhstan	KazTransGas JSC	KZTGKZ	Energy	Pipelines	0.06%
Kazakhstan	KazMunayGas National Co JSC	KZOKZ	Energy	Oil&Gas	0.50%
Malaysia	Petroleum Nasional Bhd	PETMK	Energy	Oil&Gas	0.44%
Mexico	Comision Federal de Electricidad	CFELEC	Utilities	Electric	0.11%
Mexico	Petroleos Mexicanos	PEMEX	Energy	Oil&Gas	1.12%
Oman	Oman Electricity Transmission	OMGRID	Utilities	Electricities	0.07%
Peru	Petroleos del Peru SA	PETRPE	Energy	Oil&Gas	0.17%
Philippines	Power Sector Assets & Liabilit	PSALM	Financial	Diversified Finan Serv	0.07%
South Africa	Eskom Holdings SOC Ltd	ESKOM	Utilities	Electric	0.19%
South Africa	Transnet SOC Ltd	SAFTRA	Industrial	Transportation	0.05%
Trinidad And Tobago	Trinidad Generation UnLtd	TRNGEN	Utilities	Electric	0.05%
Trinidad And Tobago	Trinidad Petroleum Holdings Lt	TPHLTT	Energy	Oil&Gas	0.05%
Ukraine	Ukraine Railways Via Rail Capi	RAILUA	Industrial	Transportation	0.04%
Total Companies					Benchmark
21					3.98%