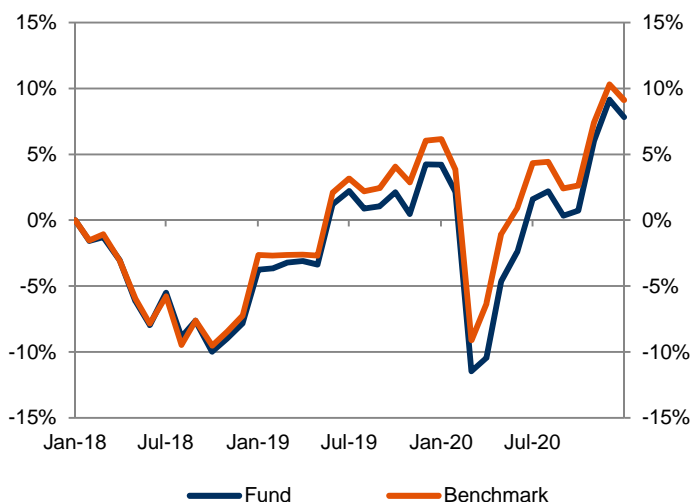


Sydinvest EM Sustainable Blended Debt acc I USD

Monthly Report - January 2021

4 February 2021

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	-1.21%	-1.21%	7.06%	6.16%	3.48%
Benchmark	-1.07%	-1.07%	6.33%	4.60%	2.80%
Performance	-0.14%	-0.14%	0.73%	1.56%	0.68%

Key Figures

Ratios, end of month	January	Change	December
Fund Yield to maturity	4.81%	0.25%	4.56%
Benchmark Yield to maturity	4.22%	0.12%	4.10%
Fund Duration	6.52	-0.21	6.74
Benchmark Duration	6.70	-0.04	6.75
No. of countries	35	0	35
Gov. bonds, %	96.06%	0.24%	95.82%
Quasi Sov., %	2.34%	-0.87%	3.21%
Cash, %	2.00%	0.50%	1.50%
Total AUM, mn USD	35.35	-0.43	35.78
NAV	119.46	-1.46	120.93
Avg. rating S&P	BBB-		BBB-
Beta, since inception	1.04	0.00	1.04
Track. Error, since inception	1.81%	0.00%	1.81%
Sharpe Ratio, since inception	0.26	-0.10	0.36
Info. Ratio, since inception	-0.23	-0.05	-0.18
Volatility, since inception	11.71%	-0.03%	11.73%
BM Weight of ESG country exclusion*	22.44%	22.44%	0.00%
BM Weight of Quasi-Sov. Oil & Gas excl.*	4.19%	-0.10%	4.29%
Total ESG exclusion.*	26.63%	22.34%	4.29%
Hard Currency Bond Weight, %	48.86%	-0.78%	49.64%
Local Currency Bonds Weight, %	49.53%	0.14%	49.39%

* 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).

ESG Blend Strategy Profile & Objective

The fund aims to deliver long-term excess return to the blended 50% JP Morgan EMBI Global Diversified + 50% JP Morgan GBI-EM Global Diversified benchmark through active management. The portfolio construction approach incorporates a systematic ESG research approach towards emerging market countries, FX and quasi-sovereign corporates where the fund manager use a conviction-based investment approach to find an attractive combination of ESG and good value.

Fund performance summary

The fund generated a return of minus 1.21% net of fees in January, which was 14bp lower than the return of its benchmark. The exclusion of benchmark countries and quasi sovereigns was a 15bp drag on the fund's performance in January. In hard currency performance Performance was affected positively by the overweights and asset allocations in Ukraine and Indonesia, the asset allocations in Brazil and Egypt, the overweight in Laos, the underweight and asset allocation in Panama as well as the ESG-related zero weight in PEMEX, the quasi-sovereign oil company from Mexico. Conversely the overweights in Mexico and Ecuador, the zero weights in El Salvador and Costa Rica as well as the ESG-related zero weights in Angola and China detracted from performance. In local currency the overweight and asset allocation in Mexico, the off-benchmark positions in Egypt and Ukraine as well as the ESG-related zero weight in Russia added to performance. Conversely the asset allocation in Indonesia, the underweight in Malaysia as well as the ESG-related zero weights in China and Turkey detracted from performance.

Portfolio Strategy and Changes

In hard currency we sold the fund's position in Codelco, the state-owned copper producer from Chile, in part due to ESG considerations. We replaced the Codelco exposure with sovereign bonds from Chile. We also reduced in Colombia. In Romania we moved a bit in from the long end of the curve. In Oman we switched part of the exposure. We added in Peru and the Dom. Rep. In local currency we added Ghana local bonds to the portfolio again.

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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Sydinvest EM Sustainable Blended Debt acc I USD

Monthly Report - January 2021

4 February 2021

EM Bond Markets – January

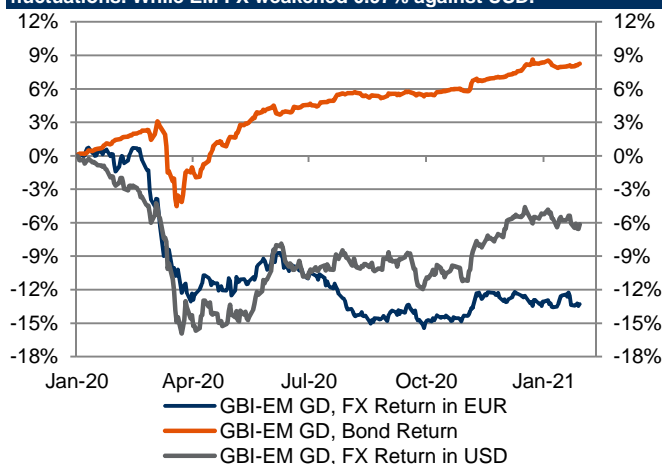
After several months of risk-on January was more subdued. Rising UST rates put a damper on markets including EM bonds and FX. Furthermore a deluge of new issues had to be digested. Rising oil prices on the other hand helped the market.

EM hard currency bonds and benchmark credit spreads were unchanged at 352bp. The yield to maturity of the benchmark rose by 17bp to 4.72%. The result was a monthly benchmark return of minus 1.09%. Higher UST rates were harder on the IG part of the benchmark. Overall the local benchmark yield to maturity rose by 5bp to 4.27%. This resulted in a benchmark bond return before exchange rate fluctuations of minus 0.10%. EM currencies weakened by 0.97% against USD and 0.27% against EUR. The total local benchmark return in USD was minus 1.07% in January.

EM hard currency bonds and benchmark credit spreads were unchanged at 352bp. The yield to maturity of the benchmark rose by 17bp to 4.72% due to higher UST rates.



Local benchmark ytm rose by 5bp to 4.27%. This resulted in a benchmark bond return of minus 0.10% before exchange rate fluctuations. While EM FX weakened 0.97% against USD.



Asset Class Outlook

Georgia held two runoff elections for the US Senate on 5 January, which crucially tipped the power in the US Senate to Joe Biden's Democrats. This outcome is in our view the best one for financial markets as it reduces the risk of political deadlock in the US with the Democrats now controlling both houses of government.

With respect to the impact of US foreign policy under Biden, we think that the main consequences for emerging markets are the following: The trade conflict with China will ease whilst digital and IP tension will increase. The US' relationship with Iran will see a reengagement after the collapse of the nuclear deal and sanctions can be removed. We see Qatar benefiting the most in the Middle East at the expense of Saudi Arabia but as a buyer of US military equipment this relationship is still important. Russia will once again be seen and treated as an adversary but is needed for smoothing relations with Iran. We do not rule out new sanctions towards Russia or Turkey. The relationship with Egypt might become strained if Sisi continues with the level of political repression tolerated under Trump. We see little change to the policy stance with Venezuela and Cuba.

There was something of a panic in global equity markets in January. This weakness and huge volatility in US equity markets spread to Europe and likewise impacted risk appetite in emerging markets bond and currency markets. It started as retail investors, mostly in the US and primarily through platforms like Reddit, had been utilising the power of the masses in what many have deemed to be a fight for social and economic justice against institutional investors, often hedge funds. Rich v poor, David v Goliath, long v short. Many hedge funds have been 'short' equities like Gamestop, which more than quadrupled in value in 2H 2020. These short sellers paid a heavy price when collectively retail investors kept buying the stock pushing it up an insane 1,625% in January, forcing one hedge fund to collapse and heavy losses on others.

In our view themes like this are typically fleeting. Inflated prices of such targeted stocks can only last for a certain time. Once the institutional money puts the right amount of capital behind the equity mispricing of these individual stocks, the rush for the exit door will be swift and many retail investors will get burned.

So whilst this phenomenon has received huge headlines and we see it currently spreading to commodity markets (silver), we do not see it to be the driving force going forward. There are of course risks that global equities are overvalued in general given the massive liquidity injections from global central banks and that this can spill over to risk appetite for emerging markets. The main drivers of risk appetite going forward in our view remain how quickly the vaccine rollout can happen versus all variants of Covid-19 and how quickly the global economy can reopen. On this we are encouraged by the initial phases of the vaccine rollouts. We maintain a neutral view between emerging market sovereign credit and emerging market sovereign local currency bonds.

Costa Rica reached a preliminary agreement with the IMF on a 3-year USD 1.75bn loan programme (Extended Fund Facility), which pushed bond prices around 5% higher. Whether the country can deliver on the agreed 4.75% of GDP fiscal consolidation by 2023 is another matter. We have our doubts and approval through parliament will undoubtedly face challenges and potential social unrest. We remain underweight.

There was continued interest for 'green' or 'social' bonds in places like Chile and Turkey but bond issuance from Laos again proved elusive. The frontier market country, after cancelling issuance in December, announced the deal was back on in January, only to then pull the plug after it declared that it needed to insert more disclosure to its offering documents. The suspicion however is that there is simply not enough investor support and the country could be on the brink of default as it runs out of financing options.

Ecuador will hold presidential elections on 7 February. The outcome looks very binary in terms of bond prices. If the more market friendly candidate Lasso were to prevail the outlook could be a significant rally in bond prices. Likewise were one of the more unorthodox candidates to win all bets are off. The economic programme with the IMF could come under serious threat in that instance. The outcome is close to call and we expect a second-round election in April to be necessary.

Sydivest EM Sustainable Blended Debt: Performance attribution

Performance Attribution

	Avg Wgt.	Fund	Benchmark	Performance
Allocation				0.00%
External Debt	50.00%	-0.55%	-0.54%	-0.01%
Local Debt	50.00%	-0.66%	-0.53%	-0.13%
Total	100.00%	-1.21%	-1.07%	-0.14%

Performance Attribution: Break-down

	Country	Asset	Interaction	FX Spot	Perf.
HC Excluded Countries	-0.05%	0.00%	0.00%	0.00%	-0.05%
HC Excluded Quasi-Sovereigns	0.03%	0.00%	0.00%	0.00%	0.03%
LC Excluded Countries	0.02%	0.00%	0.00%	-0.10%	-0.08%
Total, Excluded	-0.01%	0.00%	0.00%	-0.10%	-0.10%
HC, non-Excluded	0.04%	0.00%	-0.02%	0.02%	0.03%
LC, non-Excluded	0.03%	0.02%	0.01%	-0.07%	-0.02%
Total, non-Excl.	0.07%	0.01%	-0.02%	-0.05%	0.02%
Asset Class Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Cost	-0.05%	0.00%	0.00%	0.00%	-0.05%
Strategy Total Performance	0.02%	0.01%	-0.02%	-0.15%	-0.14%

ESG Excluded Countries: Top & Bottom

Hard Currency	OW/UW	Perf.	Local Currency	OW/UW	Perf.
Laos	0.50%	0.05%	Russia	-3.68%	0.06%
Mexico	-1.12%	0.03%	Turkey	-0.96%	-0.03%
China	-2.09%	-0.02%			
Angola	-0.54%	-0.03%			

Hard Currency: Active Strategies in non-excluded Countries*

	Average OW/UW	Country	Asset	Interaction	FX Spot	Total
Top 5 Contributors	1.57%	Ukraine	0.03%	0.04%	0.00%	0.08%
	-0.13%	Brazil	0.05%	0.00%	0.00%	0.05%
	2.58%	Indonesia	0.01%	0.01%	0.00%	0.04%
	1.09%	Egypt	0.02%	0.01%	0.00%	0.03%
	-0.81%	Panama	0.03%	-0.02%	0.00%	0.03%
Bottom 5 Contributors	1.69%	Uruguay	0.00%	0.00%	0.00%	-0.02%
	-0.46%	El Salvador	0.00%	0.00%	0.00%	-0.03%
	-0.38%	Costa Rica	0.00%	0.00%	0.00%	-0.03%
	0.37%	Ecuador	0.02%	0.01%	0.00%	-0.03%
	2.95%	Mexico	0.01%	0.02%	0.00%	-0.03%

Local Currency: Active Strategies in non-excluded Countries*

	Average OW/UW	Country	Asset	Interaction	FX Spot	Total
Top 5 Contributors	3.73%	Mexico	0.02%	0.02%	-0.02%	0.03%
	0.73%	Ukraine	0.00%	0.00%	0.01%	0.02%
	0.96%	Egypt	0.01%	0.00%	0.01%	0.02%
	0.18%	Ghana	0.00%	0.00%	0.01%	0.01%
	0.48%	Serbia	0.00%	0.00%	0.00%	0.01%
Bottom 5 Contributors	-0.74%	Hungary	0.01%	0.00%	-0.01%	-0.01%
	-0.85%	Romania	0.02%	-0.01%	0.00%	-0.01%
	1.00%	Colombia	0.01%	0.00%	-0.03%	-0.01%
	-0.84%	Malaysia	-0.01%	0.00%	0.00%	-0.01%
	0.92%	Indonesia	-0.06%	-0.01%	0.01%	-0.07%

* 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 29 January 2021

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	Senegal	2.31%	2.12%	-	-	5.06	8.62	0.10
	Mexico	4.33%	1.95%	-	-	11.55	9.51	0.27
	Indonesia	4.18%	1.88%	-	-	7.70	9.28	0.11
	South Africa	3.01%	1.73%	-	-	5.45	7.01	0.07
	Uruguay	2.91%	1.72%	-	-	11.77	12.26	0.20
5 Largest Underweights	Russia*	0.00%	-1.70%	-	-	0.00	8.00	-0.14
	Turkey*	0.00%	-1.79%	-	-	0.00	5.85	-0.10
	Saudi Arabia*	0.00%	-1.90%	-	-	0.00	9.45	-0.18
	United Arab Emirates*	0.00%	-1.91%	-	-	0.00	9.34	-0.18
	China*	0.00%	-2.13%	-	-	0.00	6.07	-0.13

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	8.21%	3.47%	8.38%	3.64%	5.02	5.45	0.15
	South Africa	5.18%	1.39%	5.42%	1.63%	7.58	6.52	0.15
	Colombia	3.74%	1.07%	3.74%	1.07%	5.30	5.31	0.06
	Peru	2.32%	0.98%	2.32%	0.98%	8.14	7.47	0.09
	Egypt	0.96%	0.96%	0.96%	0.96%	0.85	0.00	0.01
5 Largest Underweights	Romania	0.71%	-0.92%	0.71%	-0.92%	8.71	3.82	0.00
	Turkey*	0.00%	-0.96%	0.00%	-0.96%	0.00	2.64	-0.03
	Malaysia	2.57%	-0.98%	2.57%	-0.98%	6.01	5.53	-0.04
	Russia*	0.00%	-3.52%	0.00%	-3.52%	0.00	4.87	-0.17
	China*	0.00%	-5.00%	0.00%	-5.00%	0.00	5.06	-0.25

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

Rating distribution

S&P	
AAA	0.71%
AA	5.67%
A	9.91%
BBB	42.22%
BB	22.42%
B	17.47%
CCC and below	0.99%
Not rated	0.61%
Default	0.00%

Concentration risk

Country	Total Bond	HC Bond	LC Bond	Ccy Exp.
Mexico	12.54%	4.33%	8.21%	8.38%
Indonesia	9.82%	4.18%	5.64%	5.64%
South Africa	8.18%	3.01%	5.18%	5.42%
Brazil	6.17%	1.35%	4.82%	4.83%
Thailand	5.31%	0.00%	5.31%	5.31%
Colombia	4.86%	1.12%	3.74%	3.74%
Poland	4.48%	0.00%	4.48%	4.55%
Ukraine	3.51%	2.78%	0.73%	0.73%
Egypt	3.38%	2.42%	0.96%	0.96%

Duration distribution

Dur. Years	Weight	Avg. Dur.
0-2	11.99%	0.95
2-5	23.91%	3.93
5-10	45.52%	6.82
10-15	12.53%	11.82
15+	6.05%	16.94
Total	100.00%	6.66

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	0.54%	
Azerbaijan		X					X	0.47%	
Belarus		X		X			X	0.26%	
Benin		X					X	0.00%	
Cameroon	X	X					X	0.06%	
China		X		X				7.13%	
Congo, Democratic Republic of the	X	X		X	X		X	0.00%	
Congo, Republic of the	X	X					X	0.00%	
Cote D'Ivoire		X					X	0.00%	
Ethiopia		X					X	0.06%	
Guatemala		X					X	0.38%	
Honduras		X					X	0.14%	
Iraq		X					X	0.21%	
Laos		X					X	0.00%	
Lebanon		X		X			X	0.12%	
Mali	X	X			X		X	0.00%	
Mozambique		X					X	0.06%	
Nigeria							X	0.77%	
Pakistan		X					X	0.29%	
Papua New Guinea		X					X	0.04%	
Russia		X		X				5.22%	
Saudi Arabia		X		X				1.90%	
Tajikistan		X					X	0.03%	
Turkey		X					X	2.75%	
Uganda		X					X	0.00%	
United Arab Emirates		X		X				1.91%	
Venezuela	X	X		X	X		X	0.00%	
Zambia		X					X	0.10%	
Total Countries									Benchmark
28									22.44%

Excluded Quasi-Sovereign Companies from investable countries.

Country	Company	Bloomberg			Benchmark
		Ticker	Industry Sector	Industry Group	Weight
Bahrain	National Oil and Gas Holding (NOGA)	OILGAS	Energy	Oil&Gas	0.12%
Chile	Empresa Nacional del Petroleo	ENAPCL	Energy	Oil&Gas	0.12%
Croatia	Hrvatska Elektroprivreda	HRELEC	Utilities	Electric	0.04%
Georgia	Georgian Railway JSC	GRAIL	Industrial	Transportation	0.04%
Indonesia	Indonesia Asahan Aluminium Persero	IDASAL	Basic Materials	Mining	0.12%
Indonesia	Perusahaan Perseroan Persero	PLNIJ	Utilities	Electric	0.23%
Indonesia	Pelabuhan Indonesia II	PLBIJ	Industrial	Transportation	0.04%
Indonesia	Pertamina Persero	PERTIJ	Energy	Oil&Gas	0.30%
Kazakhstan	KazTransGas JSC	KZTGKZ	Energy	Pipelines	0.05%
Kazakhstan	KazMunayGas National Co JSC	KZOKZ	Energy	Oil&Gas	0.52%
Malaysia	Petroleum Nasional Bhd	PETMK	Energy	Oil&Gas	0.90%
Mexico	Comision Federal de Electricidad	CFELEC	Utilities	Electric	0.09%
Mexico	Petroleos Mexicanos	PEMEX	Energy	Oil&Gas	1.02%
Panama	Empresa de Transmision Electrica	EMTESA	Utilities	Electricities	0.03%
Peru	Petroleos del Peru SA	PETRPE	Energy	Oil&Gas	0.14%
Philippines	Power Sector Assets & Liabilities Man	PSALM	Financial	Diversified Finan Serv	0.07%
South Africa	Eskom Holdings SOC Ltd	ESKOM	Utilities	Electric	0.20%
South Africa	Transnet SOC Ltd	SAFTRA	Industrial	Transportation	0.05%
Trinidad And Tobago	Trinidad Generation UnLtd	TRNGEN	Utilities	Electric	0.04%
Trinidad And Tobago	Trinidad Petroleum Holdings Lt	TPHLTT	Energy	Oil&Gas	0.04%
Ukraine	NAK Naftogaz Ukraine	NAFTO	Energy	Oil&Gas	0.03%
Total Companies					Benchmark
21					4.19%