

CIBC EMERGING MARKETS LOCAL CURRENCY BOND FUND

Why invest in this fund?

Multiple source of alpha

CIBC Asset Management’s Emerging Market (EM) Local Currency bond investment process seeks to add value through the integration of quantitative inputs with rigorous, qualitative fundamental research-based country allocation and security selection across a broad investment universe. Maximizing sources of information increases the ability of the investment team to achieve long-term performance targets, and to deliver relatively smooth performance.

Expected return and diversification benefits

EM debt offers the potential for attractive risk-adjusted returns. It also offers attractive diversification benefits, reflecting low historical correlations with many traditional asset classes. These facets both argue in favor of a strategic allocation to EM debt as an important building block of a well-constructed portfolio.

Attractive yield

One of the most compelling reason to invest in EM debt is its historical yield advantage over developed market bonds.

Why invest in local currency emerging market bonds?

EM bonds can be issued by emerging market countries in hard currencies, predominantly U.S. dollars, or in the currency of the country of issue. Local currency EM debt can offer attractive yields in countries with developing capital markets and is often relatively uncorrelated to developed market interest rate cycles – they are largely driven by local inflation and interest rates.

Local currency EM debt can offer attractive diversification for a portfolio and the inclusion of an active currency overlay is expected to add an additional source of return.

Fund at a glance

Investment objective: To generate income and modest long-term capital appreciation by investing primarily in fixed income securities of emerging market countries denominated in local currencies.

Exposure

- Seeking income with a moderate degree of capital growth.
- Seeking to invest in high quality EM debts offering the potential for higher yield.
- Medium to long-term investment time horizon.

Risk: Low to Medium

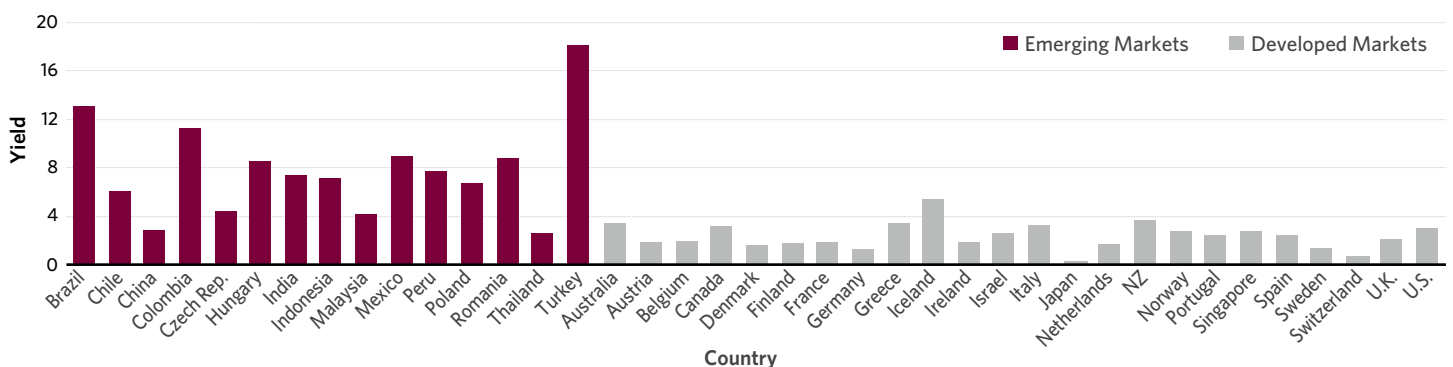
Fund details

Series A:	ATL5030
Management fee:	1.25%
Fixed administration fee:	0.10%
Series F:	ATL5031
Management fee:	0.75%
Fixed administration fee:	0.05%

U.S. dollar purchase option available upon request.

Emerging vs developed markets - Data as of June 2022

10 year government bond yields



Investment philosophy and process

CIBC Asset Management's disciplined, rules-based investment process integrates proprietary quantitative inputs with qualitative fundamental country and credit research. Analysis of ESG (Environmental, Social, Governance) risk factors is integrated with traditional economic and financial risk factors during portfolio construction.

1. Ranking models

- Transparent quantitative ranking of broad investment universe that includes 33 developed markets and emerging markets.
- Rank ordering of universe based on the following factors: Carry, Value, Cycle, and Momentum.

2. Macro-economic regime

- Assess macro-economic regime to determine optimal active risk and factor exposures.

3. Fundamental country research

- Detailed analysis of idiosyncratic country and non-model themes.
- Use fundamental qualitative insight to adjust quantitative rank ordering of investment universe.

4. Portfolio construction

- Calculate risk using internal and external models.
- Calibrate risk to opportunities and environment. Understand risk contribution from every exposure, region, and identified risk factor.
- Allocate risk where we have the strongest quantitative signals and highest fundamental conviction.

What sets us apart



Continuity of leadership

Our Multi-Asset and Currency management team leadership has been in place since 2002. This continuity has allowed the team to embed the same broad investment philosophy across asset classes throughout this time; and has also allowed a coherent evolution of the investment strategy, encompassing new data sources and innovative quantitative techniques. This process has now been expanded to include emerging market debt.



Strength of team

Average industry experience for our currency and global fixed income professionals is 21 years. The team collectively has broad experience including investment consulting, central bank policy advisory work, risk management, third-party research, and proprietary trading.



Quantitative and qualitative fundamental research

Our investment process combines rigorous quantitative models with top-down macroeconomic and bottom-up fundamental insight. This integration of models and expertise has proven to be holistic in nature; resulting in a coherent investment process that has resulted in attractive long-term performance across a variety of asset classes.

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