

AM SURA – Latin America Corporate Debt USD

March 2024

The UCITS Latin America Corporate Debt USD offers investors a diversification strategy within the corporate fixed income issuers in the Latin America region. It focuses on a medium to long-term investment horizon, characterized by a moderate risk profile.

Portfolio Manager Comment

During the month of March, financial markets exhibited caution in anticipation of the Federal Reserve's (FED) monetary policy decision speech in the United States. The Fed, unanimously, decided to maintain the benchmark interest rates within a range of 5.25% to 5.50% for the fifth consecutive time. The U.S. central bank noted that while inflation is showing a downward trend and remains in line with its expectations, this does not imply an urgency to reduce the benchmark rate until confirming a sustainable convergence towards the 2.0% target. Faced with this decision and with macroeconomic data mostly exceeding expectations, investors are questioning whether the Fed should reconsider when and how many cuts for 2024, which currently stands at three cuts starting from June.

Meanwhile, during March, the U.S. sovereign bond yield curve showed a slight decrease of between 1 and 2 basis points for maturities less than 1 year, and an average of between 5 and 6 basis points for maturities greater than 1 year. With this, it accumulates an average increase of 30 basis points so far this year for maturities exceeding one year.

Description	
Morningstar category	Latin America Corporate Debt
UCITS launch date	11.12.2020
UCITS launch date serie "I"	11.12.2020
UCITS launch date serie "A"	30.03.2021
Currency	USD
Management fee	"I" up to 1.00%, "A" up to 2.00%
Net Assets (USD)	54.083.809,73
Benchmark	J.P. Morgan Corporate Broad Diversified EMBI Broad Latin America Index
Location	Luxemburgo
Fund type	UCITS
ISIN "I"	LU1789398580
ISIN "A"	LU1789398408
Ticker Bloomberg "I"	BBG00YPQC5C2
Ticker Bloomberg "A"	BBG00ZXB330
Distributions	Capitalisation
Minimum investment "I" USD	1.000.000
Minimum investment "A" USD	1.000

Top 10 Holdings

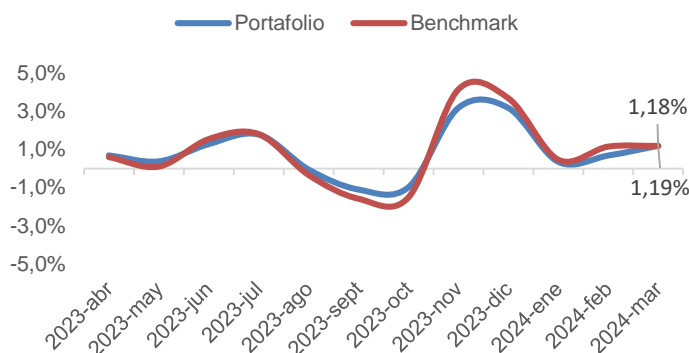
	Percentage
ECOPETROL SA	5,8%
PETROBRAS GLOBAL FINANCE	4,3%
YPF SOCIEDAD ANONIMA	3,7%
CEMEX SAB DE CV	3,5%
SUZANO AUSTRIA GMBH	3,4%
BANCO DE BOGOTA SA	3,0%
BBVA BANCOMER SA TEXAS	2,6%
HUNT OIL CO OF PERU	2,6%
ALSEA S.A.	2,5%
TRUST FIBRAUNO	2,4%
TOTAL	33,7%

Portfolio Managers

Joaquin Barrera
 Director of Fixed Income, 16 years of experience,
 CFA & CAIA.

ASSET CLASS	Fixed Income
STRATEGY	Active

Net Performance (Over the last 12 months)



Net Performance (MTD- YTD – SINCE INCEPTION)

As of March 2024		
	UCITS	Benchmark
MTD	1,19%	1,18%
YTD	2,22%	2,81%
INCEPTION	2,53%	5,18%

*Inception: Launch date 11.12.2020

Risk Spectrum



► Redemption

5 days

► Diversification



► Currency

USD 100%

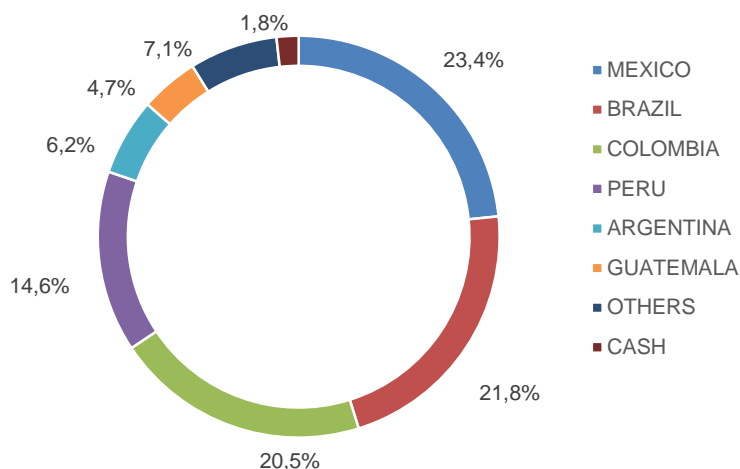
► Yield to Maturity

6,98%

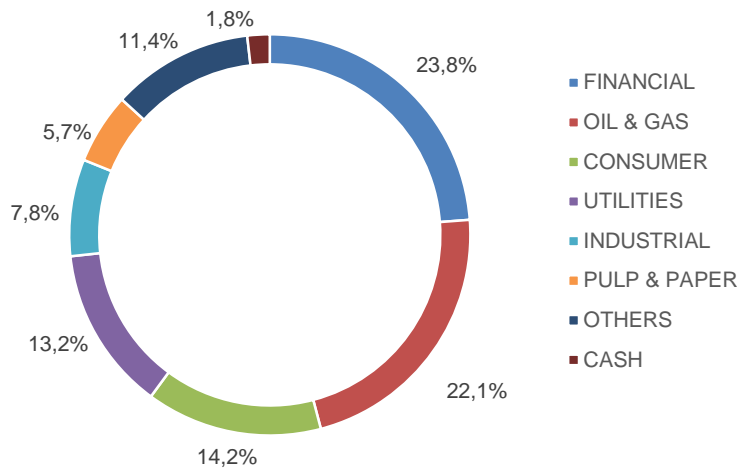
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Country Breakdown



Sector Breakdown



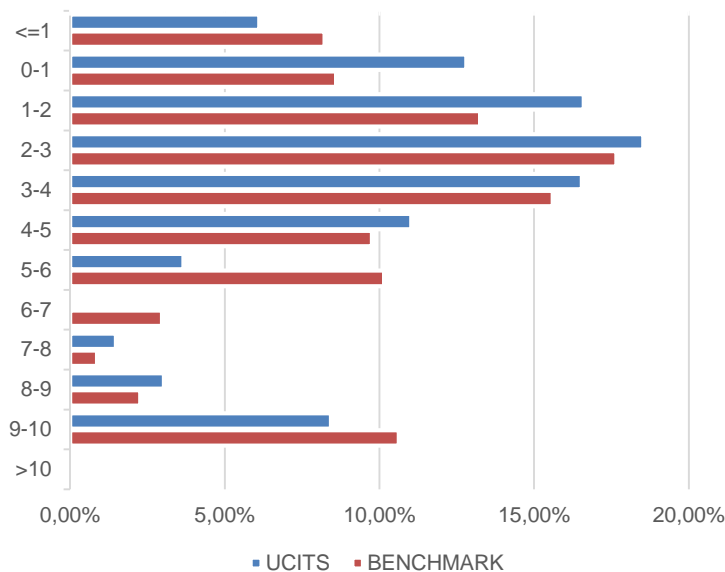
In the Latin American region, Central Banks continue with the cycle of cutting monetary policy rates. Mexico stands out, having decided to cut its reference rate by 25 basis points, setting it at 11.00%, momentarily diverging from the decision made by the Federal Reserve of the United States. Implicit inflation showed a slight increase in Chile, while a downward trend was observed in Mexico, Colombia, and Brazil.

In March, Latin American corporate bonds yielded a positive return of 1.2%, surpassed only by the African region with a return of 1.8%. This performance was driven by a compression of spreads across the region due to the slight adjustment of U.S. interest rates. In terms of credit quality, High Yield showed the best performance with 1.3%, while Investment Grade observed a return of 1.0%.

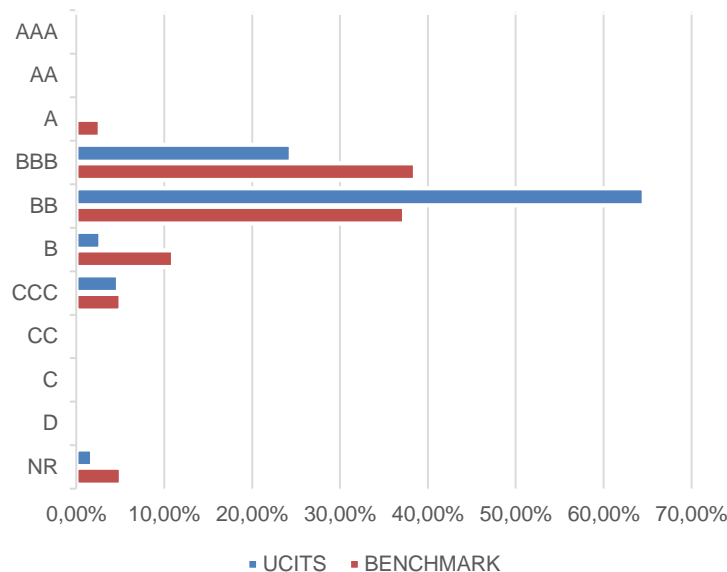
Within the Latin American region, Argentina and Mexico showed the best monthly performance with 2.1% and 1.4% respectively, with a spread contraction of 61 and 15 basis points. On the other hand, Brazil and Peru recorded the lowest monthly returns, both at 0.9%, with spread contractions of 10 and 15 basis points respectively.

In the Latin American currency market, the Mexican peso continues to show strength with an appreciation close to 2.0% year-to-date, while the Chilean peso has depreciated by approximately 10.0% over the same period, according to data as of the end of March. Portfolio performance in March was similar to that of the benchmark, standing at 1.2%. Year to date, the portfolio shows an underperformance of 60 basis points with a cumulative return of 2.2%, compared to 2.8% for the benchmark portfolio.

Duration Breakdown



Credit Ratings Breakdown



Average Modified Duration

4,27

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