



CPR AM expands fixed income range with CPR Invest - Smart Beta Credit ESG Fund

- *Fund will invest in euro-dominated investment grade credit bonds*
- *Defensive risk profile (aims to achieve a return comparable to the euro-denominated investment grade credit market, with a lower risk over the long term)*
- *Integrates CPR AM's ESG criteria to exclude companies with the worst overall ESG scoring and the worst ratings on specific E, S, and G criteria*
- *Follows the recent launch of Education and Climate Change thematic equities funds*

London, 5th February 2019 - CPR Invest - Smart Beta Credit ESG is an open-ended fund incorporated in Luxembourg that aims to achieve a return comparable to the euro-denominated investment grade credit market, with a lower risk over the long term.

The Fund is managed by Fanny Jacquemont and is based on a quantitative model developed by CPR AM's research team.

Julien Daire, head of fixed income and credit, said: "Investors are constantly searching for yield in this low interest rate environment. But because of on-going geopolitical uncertainty, accessing credit with the lowest level of risk possible is more critical than ever."

To achieve the optimal risk-reward ratio over a long-term horizon, the Fund's investment universe focuses on securities with a maturity of less than five years within the BBB- to BB rated segments of the market. The team will closely look at the specific risks associated with credit issuers, because especially on credit markets performance is not significantly better when premium securities are selected, but returns can be largely impacted if lower quality securities are selected. Specific risk is therefore determined by non-financial and financial criteria :

- Integrating ESG criteria in the investment process provides additional non-financial data that complements traditional market and credit risk analysis. This sustainable approach allows the manager to exclude companies based on both the worst overall ESG scoring and the worst ratings for some specific E, S and G criteria, chosen for their financial materiality.
- Our team of credit analysts also excludes any issuers with default or downgrade risk.

The fund underweights securities most impacted by an increase in spreads and overweights those offering higher returns.

CPR AM's quantitative model incorporates a liquidity risk factor which is particularly important for credit. The team carefully monitors micro-level asset class liquidity that is of critical importance in times of market stress. The final portfolio contains about 300 securities.

The Fund is registered in Austria, Belgium, Spain, Finland, France, Netherlands, Czech Republic, United Kingdom and Sweden.

Noémie Hadjadj-Gomes, Deputy Head of Research at CPR AM, added: *“Smart Beta credit strategies are attractive in the current environment as they provide diversification to traditional credit without incurring duration risk, additional credit risk, or behavioural investing bias.”*

CPR Invest – Smart Beta Crédit ESG is designed for investors wishing to gain exposure to investment grade bonds denominated in euro with a defensive risk profile and/or an awareness of ESG criteria.

More information :

[CPR AM risk based ESG approach also works for corporate bonds](#) by Antoine Gougeon, Research Engineer

[How do you build a low-risk credit strategy?](#) by Noémie Hadjadj-Gomes, Deputy Head of Research

CARACTERISTIQUES – CPR INVEST – SMART BETA CREDIT ESG

GENERAL				
Management company	CPR Asset Management			
Legal form	Sub-fund of the Luxembourg SICAV CPR Invest			
Inception date	06/12/2018			
Minimum recommended period	More than 3 years			
Reference currency	EUR			
Registration countries	Austria, Belgium, Czech Republic, Finland, France, the Netherlands, Spain, Sweden, Switzerland (pending), United Kingdom			
SHARE CLASS	A-Acc / A-Dist	I-Acc	E-Acc	R-Acc
ISIN code	C : LU1902444584 D : LU1902444667	LU1861294582	LU1902445045	LU1902444824
Investor type	All investors	Institutional investors	Institutional investors "Early birds"*	Distributors without retrocessions
Share class launch date	06/12/2018			
Share class reference currency	EUR			
Currency hedge	Non-euro investments are aimed to be hedged against the euro.			
Appropriation of income	Accumulation or distribution	Accumulation	Accumulation	Accumulation
ORDERS	A-Acc / A-Dist	I-Acc	E-Acc	R-Acc
Minimum 1st subscription	1 fraction of share	€ 100 000	€ 100 000	1 fraction of share
Valuation frequency	Daily			
Centralisation time (Luxembourg time)	Before 2:00 p.m. on the basis of the NAV as at D			
S/R value date	D+2			
Custodian	CACEIS Bank, Luxembourg branch			
FEES**	A-Acc / A-Dist	I-Acc	E-Acc	R-Acc
Max. subscription fee	5,00 %			
Max. redemption fee	None			
Max. management fee p.a. (incl. tax)	1,00%	0,50%	0,40%	0,60%
Max. administration fee p.a.	0,30 %	0,20 %	0,20 %	0,30 %

Max. conversion fee (incl. tax)	None	5,00%
Performance fees***	20% of the performance of the sub-fund above the reference assets, incl. tax, within the limit of 1% of net assets	

PROFILE

Management objective: outperform the Reference indicator with lower risk, over any 3-year period, while integrating Environmental, Social and Governance (E, S, and G – or, when taken together, ESG) criteria in the investment process.

Reference indicator: Bloomberg Barclays Euro-Agg corporate Total Return Index denominated in the currency of each relevant Share Class.

Investment universe	Bonds denominated in euro issued by private issuers around the world
Duration range (interest rates)	[0; +6]
Duration range (credit)	[0; +6]

RISKS**

Risk of capital loss	Yes
Interest rates and credit risk	Yes
Market risk	Yes
Counterparty risk	Yes
Liquidity risk	Yes

RISK SCALE (SRRI)****

Lower risk, typically lower rewards		Higher risk, typically higher rewards				
1	2	3	4	5	6	7

Data as of 16/01/2019 - Synthetic information to be completed by the consultation of the legal documents for the fund. Any subscription is made on the basis of the most recent Key Investor Information Document (KIID) which contained essential information regarding the fund. Not all share classes or units and, as the case may be, share categories are registered for sale in all countries. Investors may contact CPR Asset Management for further information. - * First subscribers at fund inception until a certain threshold or a certain period is reached - ** Please consult the KIID or the prospectus for a comprehensive explanation of all fees and risks related to the fund. - ***A detailed explanation of the performance fees or variable fees is provided in the KIID and prospectus which are available upon request at CPR Asset Management or on the website www.cpr-am.com - **** Synthetic Risk and Reward Indicator (SRRI) corresponds to the risk and reward profile as per the KIID and may change over time. The lowest level of risk does not mean « risk free ».

About the Fixed Income and Credit Management Team:

For nearly 3 decades, the company has developed multidisciplinary expertise in fixed income management thanks to the expertise of 8 managers, under the responsibility of Julien Daire, with an average experience of more than 13 years. This division manages nearly €24 billion, including more than €9 billion in fixed income expertise with innovative credit and pure inflation strategies.

A propos de CPR Asset Management :

CPR Asset Management is an AMF-approved management company, a wholly-owned subsidiary of the Amundi Group, which is autonomous in its development and management.

CPR AM is exclusively dedicated to the management of third-party assets (institutional, corporate, insurance, private banking, fund managers and asset managers) in France and abroad and covers the main asset classes (equities, convertible, diversified, fixed income and credit). At the end of December 2018, assets under management amounted to more than €47.5 billion.

Responsible investment is one of its founding pillars and ESG remains an essential commitment. With nearly €6.5 billion under management, the company selects investments according to a specific methodology to take into account ESG risk factors and impact measures deployed on a range of dedicated solutions and open products for all asset classes.

Information :

This document is for information purposes only and is intended for journalists and press and media professionals only. The information is provided for the sole purpose of allowing journalists and media and press professionals to have an overview, regardless of how they use it, and CPR AM declines any responsibility for the information.

CPR Asset Management, limited company with a capital of € 53 445 705 - Portfolio management company authorised by the AMF n° GP 01-056 - 90 boulevard Pasteur, 75015 Paris - France – 399 392 141 RCS Paris.

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