

# MetLife Emerging Markets Hard Currency Debt Fund

September 2023

## Inception Date

September 26, 2023

## Total Strategy Assets<sup>1</sup>

\$65.9 million

## Portfolio Managers

Thomas Smith  
Todd Howard, CFA

## Benchmark

J.P. Morgan Emerging Market Bond  
Index Global Diversified

## Investment Manager

MetLife Investment Management  
Europe Limited

## Investment Vehicle

MetLife Investment Management  
UCITS ICAV

## Domicile

Ireland

## Dealing

16.00, Dublin

## SFDR

Article 8

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate attractive current income and total return through business cycles and changing market conditions.

## POLICY

The Fund seeks to meet its investment objective by investing in publicly traded debt securities (i.e., bonds or structured notes) of sovereign, quasi-sovereign (guaranteed or owned by a national government) and corporate issuers in emerging markets. Such securities may be fixed or floating rate and denominated in either hard currencies (USD, EUR, GBP, JPY, and CHF) or local currencies. No minimum investment grade rating applies.

## OUR STRENGTHS

We believe our key competitive strengths are:

- **People** — Our platform is truly global. We have long-term experience in Emerging Markets, navigating through economic cycles and changing market conditions. Our global credit research team provides local coverage and knowledge of relevant emerging markets.
- **Process** — The portfolio construction process blends a top-down country view with focused bottom-up security selection. Fluid communication among team members facilitates continuous idea generation.
- **Size** — Our size helps ensure there is sufficient diversification at the portfolio level, combined with our ability to source new issue allocations around the globe, and remain sufficiently nimble to reposition the portfolio as market opportunities arise.
- **Sustainability** — Analysts assess business model resilience and issuer response to the ESG factors impacting their business with active engagement a key to managing investment risk.

## PHILOSOPHY AND PROCESS

We believe emerging market securities are frequently mispriced based on their exposure to country, currency, and credit risk.

We seek to exploit inefficiencies in the market and provide clients with excess returns to the benchmark by:

- Conducting proprietary, in-depth fundamental sovereign and corporate research
- Focusing on global relative value across the credit spectrum
- Constructing diversified portfolios with attractive risk / reward characteristics
- Utilizing both US dollar and non-dollar securities

1. As of 31. March 2023. Stated at estimated fair value (unaudited) of EM Hard Currency Debt strategy of public fixed income assets. Total Strategy Assets include all assets managed by MIM in the EM Hard Currency Debt strategy and may include certain assets that are not included in Composite Assets (as presented in GIPS® Composite Statistics and Performance table) for EM Hard Currency Debt.

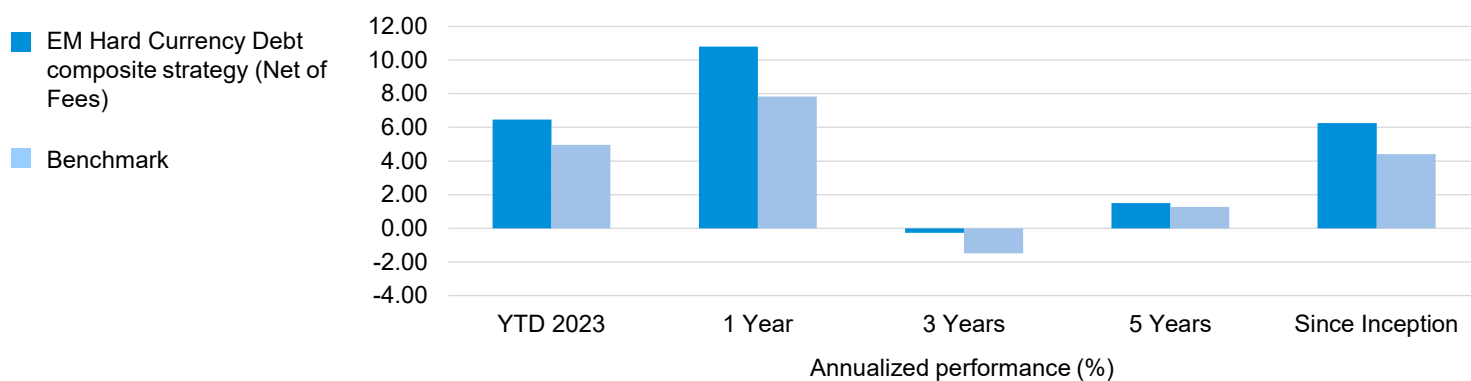
## ALPHA DRIVERS

- Focus on security selection, currency selection and country selection as the primary sources of alpha.
- Seek to achieve excess returns to the benchmark by applying bottom-up security selection within a framework that provides a top-down macroeconomic overlay.
- Believe in the ability to turn the portfolio over to source new ideas at attractive levels and aim to exit positions with rich valuations.
- Find opportunities that are attractive on a global basis.

## Typical Targets<sup>1</sup>

|  |        |
|--|--------|
| <b>USD Sovereign / Quasi-Sovereign (%)</b> | 70-100 |
| <b>Corporates (%)</b>                      | 0 - 30 |
| <b>NON-U.S. Dollar EM (%)</b>              | 0 – 15 |
| <b>Cash (%)</b>                            | 0 - 15 |

## COMPOSITE STRATEGY PERFORMANCE (%)<sup>2</sup>



| Annualized performance (%)                      | YTD 2023    | 1 Year       | 3 Years      | 5 Years     | Since Inception |
|---|-------------|--------------|--------------|-------------|-----------------|
| <b>EM Hard Currency Debt composite strategy</b> | <b>6.47</b> | <b>10.80</b> | <b>-0.27</b> | <b>1.50</b> | <b>6.25</b>     |
| Benchmark                                       | 4.96        | 7.84         | -1.49        | 1.27        | 4.40            |

| 12 month rolling returns (%)                    | 1 July 2018 – 30 June 2019 | 1 July 2019 – 30 June 2020 | 1 July 2021 – 30 June 2021 | 1 July 2021 - 30 June 2022 | 1 July 2022 – 30 June 2023 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>EM Hard Currency Debt composite strategy</b> | <b>9.97</b>                | <b>-1.22</b>               | <b>10.06</b>               | <b>-18.65</b>              | <b>10.80</b>               |
| Benchmark                                       | 10.29                      | 1.05                       | 7.44                       | -17.49                     | 7.84                       |

1. Any portfolio targets and/or limits are used to illustrate the Investment Manager's current intentions and may be subject to change without notice.

2. As of June 30, 2023. Past performance is not indicative of future results. Past performance relates to the EM Hard Currency Debt composite strategy. Net of fee returns reflect the deduction of investment advisory fees and are calculated in the same manner as gross of fee returns. Net of fee returns are calculated using the highest fee rate disclosed in the Form ADV. Fees for separate accounts may be negotiable depending upon asset size and type of account.

## COMPOSITE STRATEGY CHARACTERISTICS<sup>1</sup>

|                                   | Yield To Maturity (%) | Effective Duration (years) | Average Credit Quality |
|-----------------------------------|-----------------------|----------------------------|------------------------|
| <b>EM Hard Currency Debt</b>      | <b>8.60</b>           | <b>5.90</b>                | <b>Ba1 / BB+</b>       |
| JP Morgan EMBI Global Diversified | 7.44                  | 5.96                       | Ba1 / BB+              |

## SECTOR POSITIONING<sup>1</sup>

| REGIONS              | Market Value (%)      |   |
|----------------------|-----------------------|---|
|                      | EM Hard Currency Debt | Active Weight vs. JP Morgan EMBI Global Diversified |
| NORTH AMERICA        | <b>5.8</b>            | 5.5   |
| EMERGING EUROPE      | <b>13.8</b>           | 3.5   |
| LATIN AMERICA        | <b>34.2</b>           | 1.2   |
| ASIA                 | <b>12.2</b>           | -5.9  |
| MIDDLE EAST / AFRICA | <b>34.0</b>           | -4.3  |

| REGIONS    | Market Value (%)      |   |
|------------|-----------------------|---|
|            | EM Hard Currency Debt | Active Weight vs. JP Morgan EMBI Global Diversified |
| EMBI       | <b>71.7</b>           | -28.3   |
| CEMBI      | <b>20.7</b>           | 20.7  |
| NON-DOLLAR | <b>3.1</b>            | 3.1   |
| CASH       | <b>4.5</b>            | 4.5   |

## CREDIT QUALITY DISTRIBUTION<sup>1</sup>

| RATINGS    | Market Value (%)      |   |
|------------|-----------------------|---|
|            | EM Hard Currency Debt | Active Weight vs. JP Morgan EMBI Global Diversified |
| AAA/Cash   | <b>6.3</b>            | 6.3   |
| AA         | <b>4.0</b>            | -2.8  |
| A          | <b>11.4</b>           | -5.2  |
| BBB        | <b>25.6</b>           | -1.9  |
| BB & Below | <b>52.7</b>           | 3.6   |

## TOP 5 CORPORATE SECTORS<sup>1</sup>

| SECTORS         | Market Value (%)      |   |
|-----------------|-----------------------|---|
|                 | EM Hard Currency Debt | Active Weight vs. JP Morgan EMBI Global Diversified |
| OIL & GAS       | <b>13.7</b>           | 7.9   |
| UTILITIES       | <b>4.8</b>            | 2.5   |
| CONSUMER        | <b>1.5</b>            | 1.4   |
| TMT             | <b>1.2</b>            | 1.2   |
| METALS & MINING | <b>2.0</b>            | 0.7   |

1. As of June 30, 2023. The characteristics displayed are for a representative account for this investment strategy. Actual account characteristics may differ. The benchmark data is that of the JP Morgan EMBI Global Diversified. All data above is provided for illustrative purposes only. This data is supplemental to the information required in a GIPS® compliant document. Credit ratings reflect the index provider's credit quality methodology. Average quality excludes cash and securities that are not rated.

## COMPOSITE STATISTICS AND PERFORMANCE

| Year                                      | Gross-of-fee Return | Net-of-fee RETURN | Benchmark Return <sup>1</sup> | Number Of Portfolios | Dispersion Stdv <sup>2</sup> | Composite 3 Yr Stdv <sup>3</sup> | Benchmark 3 Yr Stdv <sup>3</sup> | Composite Assets | Total Firm Assets (BB) |
|---|---------------------|-------------------|-------------------------------|----------------------|------------------------------|----------------------------------|----------------------------------|------------------|------------------------|
| <b>6/1/2016 (Inception) to 12/31/2016</b> | 4.04%               | 3.71%             | 3.54%                         | ≤ 5                  | N/A                          | N/A                              | N/A                              | \$103,453,691    | \$526.8                |
| <b>2017</b>                               | 10.29%              | 9.69%             | 7.96%                         | ≤ 5                  | N/A                          | N/A                              | N/A                              | \$114,071,200    | \$554.3                |
| <b>2018</b>                               | -1.03%              | -1.58%            | -1.65%                        | ≤ 5                  | N/A                          | N/A                              | N/A                              | \$112,847,701    | \$548.8                |
| <b>2019</b>                               | 17.96%              | 17.35%            | 13.09%                        | ≤ 5                  | N/A                          | 3.88%                            | 2.86%                            | \$132,957,513    | \$600.0                |
| <b>2020</b>                               | 11.42%              | 10.86%            | 7.13%                         | ≤ 5                  | N/A                          | 12.22%                           | 8.42%                            | \$148,165,444    | \$659.6                |
| <b>2021</b>                               | 2.90%               | 2.36%             | 0.91%                         | ≤ 5                  | N/A                          | 11.94%                           | 8.17%                            | \$151,952,413    | \$669.0                |
| <b>2022</b>                               | -11.23%             | -11.69%           | -12.26%                       | ≤ 5                  | N/A                          | 13.98%                           | 9.84%                            | \$467,766,937    | \$579.8                |
| <b>Q1 2023</b>                            | 1.43%               | 1.30%             | 2.24%                         | ≤ 5                  | N/A                          | 10.33%                           | 7.45%                            | \$474,462,982    | \$592.6                |

Past performance is not indicative of future results. The information presented is only available for institutional client use.

1. The performance benchmark for the EM Hard Currency Debt Composite is the J.P. Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index, which includes U.S. dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. The EM Hard Currency Debt strategy does not invest in all regions or sectors within the benchmark. It is impossible to invest directly in an unmanaged index. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees, or other costs.

2. The dispersion of annual returns is measured by the standard deviation among asset-weighted gross-of-fee portfolio returns represented in the composite for the full year. "N/A" is an indication that the information is not statistically meaningful due to an insufficient number of portfolios (five or fewer) in the composite for the entire year. Standard deviation is only presented for accounts managed for a full calendar year.

3. The three-year annualized standard deviation measures the variability of the gross-of-fee composite and the benchmark returns over the preceding 36-month period. It is not presented for quarter-ends and periods when 36 monthly composite returns are unavailable.

For purposes of the Global Investment Performance Standards ("GIPS") compliance, the "Firm" is defined as MetLife Investment Management ("MIM"). MIM is MetLife, Inc.'s institutional investment management business. The Firm is defined to include all accounts captured in MetLife's Assets Under Management. On September 15, 2017, MetLife, Inc. ("MetLife") acquired Logan Circle Partners ("LCP") and the Firm was redefined as of July 1, 2019, to include LCP in the MIM assets.

MetLife Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MetLife Investment Management has been independently verified for periods January 1, 2011 through December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The EM Hard Currency Debt Composite has had a performance examination for the periods June 1, 2016 through December 31, 2020. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The creation date of the EM Hard Currency Debt Composite is June 1, 2016, and the inception date is June 1, 2016.

The EM Hard Currency Debt strategy seeks to generate current income and total return over changing market conditions by investing primarily in U.S. dollar-denominated government and quasi-sovereign bonds domiciled in emerging markets countries, while having limited exposure (up to 30%) to corporate bonds and focusing on country and security selection across the credit spectrum. Derivatives make up a part of the composite strategy and the Firm utilizes futures, forwards, and interest rate swaps. Effective March 1, 2021, the EM Hard Currency Debt Composite contains fully discretionary, fee-paying fixed income accounts with assets exceeding \$50 million, managed in accordance with the applicable composite strategy except as otherwise excluded herein. Prior to March 1, 2021, there was no minimum account size for the EM Hard Currency Debt Composite. The composite includes all portfolios managed on a discretionary basis according to the applicable composite strategy except as otherwise excluded herein. The Firm maintains a list of composites and descriptions, a list of limited distribution pooled funds and their descriptions, and a list of broad distribution pooled funds, all of which are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS® reports are available upon request.

The performance benchmark for the EM Hard Currency Debt Composite is the J.P. Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index. The J.P. Morgan EMBI Global Diversified Index includes U.S. dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. The EMBI Global Diversified Index limits the current face amount allocations of the bonds in the Index and caps the maximum weight of countries at 10%. The EM Hard Currency Debt strategy does not invest in all regions or sectors within the benchmark. It is impossible to invest directly in an unmanaged index. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees, or other costs.

Returns are based on fully discretionary accounts under management and may include terminated accounts. The dispersion of annual returns is measured by the standard deviation among asset weighted gross-of-fee portfolio returns represented within the composite for the full year. Dispersion is not calculated for composites with five or fewer accounts for the whole period.

Performance returns are presented gross and net-of-fees, include the reinvestment of all income and are calculated in U.S. dollars. Dividend income has been recorded before the deduction of applicable withholding taxes. Returns calculated gross-of-fees do not reflect the deduction of our investment management fees. Net returns have been calculated by reducing the monthly gross returns by the twelfth root of the highest stated ADV fee for the strategy. The investment management fee schedule for the EM Hard Currency Debt Composite is 0.45% on the first \$50 million, 0.40% on amounts from \$50 million to \$150 million, and 0.35% on amounts over \$150 million. The highest stated ADV fee is 0.45%. Investment management fees are described in Part 2A of the Firm's Form ADV. 100% of the composite assets are comprised of non-fee-paying portfolios for the periods presented. Individual client returns will be reduced by investment management fees and other expenses that the account may incur. Fees have a compounding effect on cumulative results. Actual investment management fees incurred by clients may vary.

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