

**SHINING A LIGHT ON THE.....
Lord Abbett Global High Yield Fund**

AT A GLANCE

Investment Objective	
The investment objective of the Fund is to seek a high current income and the opportunity for capital appreciation to produce a high total return.	

Inception Date	3 October 2016
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000VB9B

Management	
Manager Name	Start Date
Steven Rocco	3 October 2016
Robert Lee	3 October 2016
Christopher Gizzo	1 April 2018

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	-
Large	-
Medium	-
Small	-
Micro	-

Top 10 Holdings		
Total number of holdings	517	
Assets in Top 10 Holdings	8.60%	
Name	Sector	% of Assets
Netflix, Inc. 3.88%	-	1.59%
Sprint Capital Corporation 6.88%	-	0.92%
Country Garden Holdings Company Limit...	-	0.89%
Sunac China Holdings Limited 7.25%	-	0.86%
China Evergrande Group 9.5%	-	0.81%
Yuzhou Properties Company Ltd 6%	-	0.81%
CCO Holdings, LLC/ CCO Holdings Capit...	-	0.77%
Cogent Communications Holdings, Inc. ...	-	0.72%
Aston Martin Capital Holdings LTD 6.5%	-	0.62%
TransDigm, Inc. 6.38%	-	0.61%

Volatility Measurements	
3-Yr Std Dev (volatility)	6.45%
3-Yr Mean Return (average)	5.10%

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FUND PERFORMANCE

Performance from 3 October 2016 to 29 February 2020:

	2016	2017	2018	2019	2020
Lord Abbett Global High Yield Bond Fund	5.47%	3.89%	1.69%	10.37%	2.32%
Vanguard Global Bond Index	-2.82%	2.00%	-0.11%	6.63%	3.09%
ICE BofA Global High Yield	5.61%	0.64%	2.67%	9.34%	2.18%

Performance over 12 months, 3 years, and since launch.

	1 year	3 years	Since launch
Lord Abbett Global High Yield Bond Fund	11.04%	16.11%	25.83%
Vanguard Global Bond Index	8.84%	11.55%	8.84%
ICE BofA Global High Yield	10.35%	12.80%	21.91%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This was our first introduction to the team. Lord Abbett are a US Fixed Income specialist investment manager. The strategy is a global high yield investment which enables the team to access a large market across different geographic locations, mainly in the US, but also Emerging Markets and Europe (including the UK).

Currently the fund is split 57.1% in the US, Developed Europe 16.4%, Emerging Markets 24.8% and other 2.2%. They operate a mix of top down and bottom up when looking for opportunities. By top down they are looking at economic trends, business cycles, industry outlook, competitive dynamics and regulatory environment.

In terms of bottom up they are looking at structure analysis, credit and liquidity profile, financial projections, operational initiatives and management assessment. In investing in Emerging Markets additional work is carried out around the rule of law, regulatory environment and currency.

Examples of investments in emerging markets would include the Ukraine, where they have a positive view on currency and appear to be within a sweet spot in the election cycle. In India they are seeing opportunities within the green energy sector.

In terms of movements within the portfolios they have started to take profits from emerging markets and move some of that to the US and Europe. This is a very tactical fund, so holdings tend to be less than a year. The team are constantly discussing and seeking new opportunities.

Over three years this fund is at the top of the table. It has also outperformed the index. It is worth adding that this is not a significant outperformance, but the index carries the potential for additional risk because there is no distinction between good and bad companies. If there is a crisis then bad

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companies suffer, and this is where the index could be dragged down. This is therefore for an active strategy like this.

One area where we would like to gain greater understanding is around the number of holdings, which seems very high, and how this compares to the index. It seems hard to understand how you can be active and tactical with so many holdings. It could be that they hold a number of debt instruments for one company and this reflects the higher number of holdings. We would also want to know if this apparent large number has an impact on performance.

In summary, this was an interesting introduction to the team. High yield carries additional risk and can come in and out of favour. We would certainly suggest further research around the holdings and comparison against other available strategies.

The source of information in this note has been provided by Lord Abbett and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.