

Fixed income

Candriam has a strong track record in designing and managing fixed income solutions across asset classes.

Candriam manages a wide range of bond funds, more than 80% of which have been awarded between a three and five-star rating by Morningstar for their strong risk-adjusted returns. The company's approach to fixed income is based on three key beliefs. Firstly, that bond markets are inefficient, which has led Candriam to build detailed valuation frameworks to exploit pricing anomalies. Secondly, since bonds have an asymmetric risk profile, the team carries out rigorous bottom-up research that specifically integrates ESG factors, supported by proprietary credit rating models, to select the most attractive bond issues. Finally, unwanted risks can sometimes be embedded during portfolio construction. To adequately address this issue, Candriam employs a strict risk-budgeting process to minimize the risks.

Key centres of excellence

Candriam operates a wide range of highly successful fixed income strategies, all of which are available as mutual funds or customisable mandates. The fixed income team consists of over 40 investment professionals, including portfolio managers, as well as fundamental and quantitative analysts with an average of over 13 years of industry experience. The team encapsulates four centres of expertise Global Credit, Convertible Bonds, Global Bonds, and Emerging Market Debt. Each unit includes experienced analysts that focus on assigned sectors, as well as seasoned portfolio managers that are responsible and accountable for specific funds. They are also supported by a team of

quantitative analysts. The distinct units are in constant interaction with each other, fostering team synergies and facilitating cross-fertilization of ideas across expertise and sub-segments of the fixed income universe. Each centre of excellence offers a wide range of investment strategies that include long only, unconstrained and SRI funds, catering to a wide range of investor risk profiles.

Enhancing the offering

Growth in fixed income assets has been accompanied by an expansion of the product range through the launch of innovative solutions that respond to market challenges. In late 2017, Candriam launched one of the first ESG High Yield strategies on the market, while the first ESG Emerging Market Debt fund was launched as early as December 2016. There was strong demand for these strategies throughout 2018, and since their inception, both funds have posted strong returns. To meet the evolving needs of clients, Candriam has adapted its offering in 2018 by launching an unconstrained EM Debt Total Return strategy as well as a Floating Rate Notes strategy. These product launches reflect the continuous desire of Candriam to anticipate investor needs and respond to market challenges.

€38bn

AUM in fixed income