



Fund Specification

Name:	Global Evolution Frontier Markets (Fixed Income)
Domicile:	Luxembourg
Legal Structure:	Open-end – SICAV – UCITS III
Share Classes:	Institutional: I, Retail: R
ISIN:	I: LU0501220262, R: LU0501220429
Bloomberg Code:	I: SXGFMFI LX, R: SXGFMFR LX
Minimum Investment:	I: €1mn, R: €300
Base Currency:	EUR
Return Profile:	Accumulating (i.e. no dividends paid)
NAV Calculation:	Daily
Pricing:	I: NAV +/- 1.00% (anti-dilution spread) R: NAV +/- Up Front or Redemption Fee
Portfolio Manager:	Global Evolution
Custodian Bank:	Bank of New York Mellon
Administrator:	Universal-Investment-Luxembourg S.A.
Auditor:	KPMG
Management Fee:	I: 1.00% p.a., R: 1.50% p.a.
Up Front Fee:	R: up to 5.00%
Redemption Fee:	R: up to 2.00%
Performance Fee:	10%
High Water Mark	Yes
Reporting:	Monthly
Contact:	em@globalevolution.com

Market Description

New and upcoming asset class of emerging markets characterised by relatively small and illiquid financial markets, even by emerging markets standards. Information is generally less available than in established emerging markets. However, what frontier markets lack in economic size, they make up for in potential. With a high projected real GDP growth over the next 5-10 years global frontier markets are expected to have a firm grip in the growth baton in many years to come. Performance drivers include untapped natural resources and economic potential, foreign direct investments, improving political and economic governance and development of local financial markets. Frontier markets is a much less crowded trade with very low participation from foreign investors and inefficient valuations due to the political and economic risk perception and the small and illiquid nature of the markets.

As such frontier markets represent an untapped long term potential that looks very compelling from a strategic perspective. Through our economic and political investment models, our access to an variety of local contacts and many years of experience investing in frontier markets Global Evolution is well equipped to identify investment opportunities with attractive risk-return characteristics and to benefit from first mover advantage. Fixed income instruments of frontier markets are governed by a combination of both international and local law. As such local currency debt instruments are more vulnerable to FX controls and other restrictions.

Investment Objective

The objective of the frontier markets strategy is to create attractive returns by utilizing a non-benchmark focused and diversified strategy within sovereign frontier emerging markets globally. The fund invests in hard currency and local currency instruments as well as foreign exchange. To achieve the investment objective Global Evolution will use a range of financial instruments (local currency debt instruments, hard currency debt instruments and foreign exchange) and derivative financial instruments (interest rate futures, interest rate swaps, total return swaps, credit default swaps, FX forwards, FX options and non-deliverable forwards). The majority of the assets of the strategy will normally be exposed to the denomination currency of the share class either through instruments in the denomination currency or by currency hedging.

Target Return: 10-12% p.a.

Main Risk Factors

Some of the main risk factors that may have a negative influence on performance and could lead to Global Evolution not reaching target returns are market developments, country crisis, global financial crisis, liquidity crisis etc. Please refer to www.globalevolution.com for full disclaimer.

Investment Approach

We apply a top-down approach characterised by a focus on macro and political risk, active country assessment, strategy and product selection. Investment opportunities are identified and analysed through a combination of extensive research and continuous monitoring of the entire relevant investment universe (we currently monitor as many as 125 countries). Each portfolio manager furthermore cultivates an extensive network of local contacts, including political analysts, government institutions and central banks. Importantly, this is complemented by regular country visits. We invest on an exceptionally diversified basis in order to maximise absolute returns with a minimal correlation to other asset classes. This is done with a strong focus on market direction as well as country allocation, relative value and risk management through a disciplined investment process centered on:

Market Watch:

We determine overall market direction based on global macro economic watch (global growth, inflation trends, global liquidity etc.), political watch (geopolitics, international conflicts and elections), global risk indicators (global interest rates, equity indices, commodity prices, FX etc.) and market technicals (investor surveys, inflow/outflows, supply pipeline and the relative pricing of the asset class to alternative risk).

Country Watch:

We determine the macro economical and political risk for each of the 125 countries we monitor. We use our proprietary Information Center to monitor, document and support the ongoing analysis of each emerging market country and determine the ongoing country allocation.

Relative Value:

The focus is to identify trade ideas through a number of both proprietary models as well as external models. Trade ideas could arise from monitoring cross country spreads, yield curve spreads, basis spreads, FX relative value trades and spread to rating.

Risk Management:

Risk management is a key component of our investment process and risk is carefully monitored. We utilize the latest technology with a strong focus on in-house build models for advanced portfolio and risk management.