



## The Power of Investment Grade High Yield Bonds

### The Excel High Income Fund

The Excel High Income Fund invests in a diversified portfolio of sovereign and corporate emerging market (EM) fixed income instruments in both USD and local currencies. It seeks to provide a monthly income distribution of approximately 5.7% and is ideal for investors seeking yield enhancement and diversification within the fixed income space.

## Why invest in emerging market bonds with Excel Funds?

### 1. Exceptional yield on an investment grade portfolio

EM government and corporate bonds offer significantly higher yields as compared to traditional bonds. For instance, the yield on a 5-year Government of Canada bond is currently 0.63%, compared to approximately 5.7% distributable yield offered by the Excel High Income Fund.

### 2. Potential for capital appreciation amidst declining inflation and interest rates

With inflation falling globally and central banks cutting interest rates, EM bonds offer the potential for capital appreciation along with relatively higher yields.

### 3. Extend your investment horizons in the wake of a weakening Canadian dollar

High quality EM corporate and government bonds are proving to be an attractive investment for investors seeking relative safety in the wake of a weakening Canadian dollar.

### 4. Large and growing investible universe

With more than 60 different EM countries issuing bonds, investors have exposure to different countries and regions with varying economic conditions, thus providing wide geographic diversification.

### 5. Stronger issuer fundamentals

The fiscal balance sheets of EM economies are much stronger than developed market (DM) economies. EM economic growth is higher, debt levels are lower, foreign reserves are greater, and their credit ratings have improved dramatically.

## 6. Improving quality of EM bonds

The majority of EM countries which issue sovereign and corporate debt have experienced significant improvements in their fiscal and monetary conditions in recent years, translating into higher credit ratings. Approximately two-thirds of the bonds on the EM bond benchmark, the JP Morgan GBI Emerging Markets Global Diversified Composite, are rated investment grade, compared to 2% two decades ago.

## 7. Increasing demand

EM bonds are attracting new sources of demand from institutional buyers, such as pension funds and insurance companies. The EM bond asset class remains underinvested but is growing rapidly.

## 8. Low correlation, greater diversification

EM bonds have a low correlation to other asset classes and represent a significant opportunity for investors to diversify their portfolios, optimize volatility and risk, while enhancing the potential for long-term returns.

## 9. Leading global asset manager

With approximately US\$1.1 trillion in assets under management worldwide,\* Amundi S.A., is a leading asset manager in the world.

## 10. Excel Funds Management “Your Authority in Emerging Markets”

Excel Funds is the only Canadian mutual fund company that specializes in the emerging markets. Our experienced in-house portfolio managers work in collaboration with world-renowned sub-advisors with established track records in investing in the emerging markets of the world. Through our network of sub-advisors, we have access to a knowledge base of over 200 portfolio managers and analysts on-the-ground globally, with over USD\$1.5 trillion in assets under management.



For more information on how Excel Funds can help you invest wisely in Emerging Markets call **1-855-392-3530** or visit [excelfunds.com](http://excelfunds.com).

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