



# BTG Pactual SICAV Latin American Corporate Debt Fund

Monthly Report June 2021

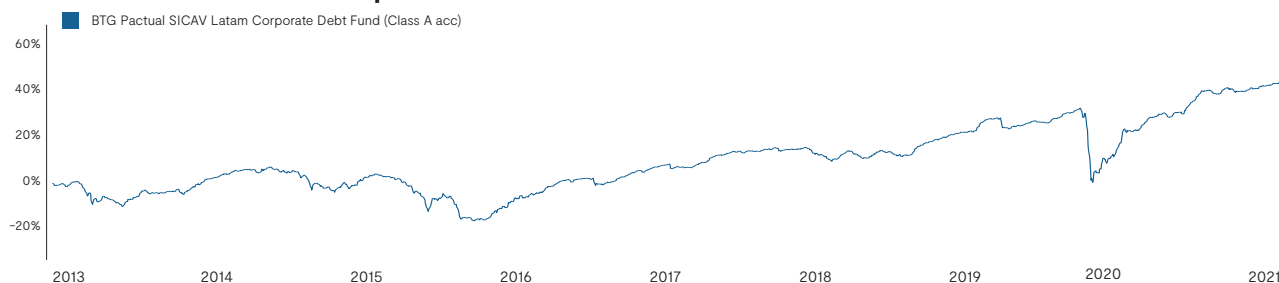
## Cumulative Performance

	MTD	1 year	3 year	4 year	Since Inception
<b>A (acc)<sup>1</sup></b>	1.02%	16.00%	27.19%	31.09%	39.15%
<b>I (inst)<sup>2</sup></b>	1.06%	16.40%	-	-	24.86%
<b>A (dist)<sup>3</sup></b>	0.67%	11.07%	-	-	9.22%

## Annual Performance

	YTD	2020	2019	2018	2017	2016
<b>A (acc)<sup>1</sup></b>	2.54%	8.32%	12.94%	-1.58%	11.77%	16.31%
<b>I (inst)<sup>2</sup></b>	2.71%	8.68%	13.32%	-1.30%	-	-
<b>A (dist)<sup>3</sup></b>	0.27%	2.28%	-	-	-	-

## Performance Since Inception



\*The class I was dormant from 12/01/2016 to 05/09/2018.

<sup>1</sup>Performance of Class A (acc) net of Fees. Past performance is not a reliable indicator of future results.

<sup>2</sup>Performance of Class I net of Fees. Past performance is not a reliable indicator of future results.

<sup>3</sup>Performance of Class A (dist) net of Fees. Past performance is not a reliable indicator of future results.

### INVESTMENT OBJECTIVE

The primary objective of the Fund is to achieve a high level of income, with the opportunity for capital gain, by investing primarily in a diversified portfolio of Latin American corporate debt securities.

### KEY RISK

The Fund is not guaranteed and your investment is at risk. The fund may invest in bonds, the value of which depends on the issuer being able to make its payments. There is always a risk that the issuer will fail to do so which may result in your investment suffering a loss. The fluctuation in value of currencies or the conversion from one currency to another can adversely affect the return of your investment.

Investments in emerging markets are potentially more illiquid (cannot quickly and easily be converted into cash) than those in established markets.

<b>Custodian</b>	J.P. Morgan Bank Luxembourg S.A.
<b>Base currency</b>	USD
<b>Currencies available</b>	USD, EUR
<b>Share calculation</b>	Every Business Day
<b>Subscription/Redemption</b>	Daily
<b>Fund AUM</b>	USD 145.60 m
<b>Strategy AUM<sup>4</sup></b>	USD 160.62 m

	USD Share Class A (acc)
<b>Annual management charge</b>	Up to 1.50%
<b>Ongoing charges<sup>5</sup></b>	1.26%
<b>Minimum initial investment</b>	US\$ 1,000
<b>Launch date</b>	18 March 2013
<b>ISIN Code</b>	LU0866202517

	USD Share Class I
<b>Annual management charge</b>	Up to 1.00%
<b>Ongoing charges<sup>5</sup></b>	0.93%
<b>Minimum initial investment</b>	US\$ 1,000,000
<b>Launch date<sup>6</sup></b>	18 March 2013
<b>ISIN Code</b>	LU0866203242

	USD Share Class A (dist)
<b>Annual management charge</b>	Up to 1.00%
<b>Ongoing charges<sup>5</sup></b>	1.25%
<b>Minimum initial investment</b>	US\$ 1,000
<b>Launch date</b>	03 February 2020
<b>ISIN Code</b>	LU0969511913

<sup>4</sup>Total AUM considering the same strategy managed through other investment vehicles. <sup>5</sup>The ongoing charges figure is based on the expenses from 30/06/2021 and may vary from year to year. <sup>6</sup>This share class was dormant from 17/01/2017 to 23/10/2018.

Please refer to the Important Information at the end of this document. All Information as of June 30, 2021 unless otherwise stated.



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<sup>8</sup> Including The Following countries: Guatemala, Jamaica, Paraguay, El Salvador, Panama, Argentina, Dominican Republic, Venezuela, Costa Rica, Trinidad and Tobago

### RISK X RETURN

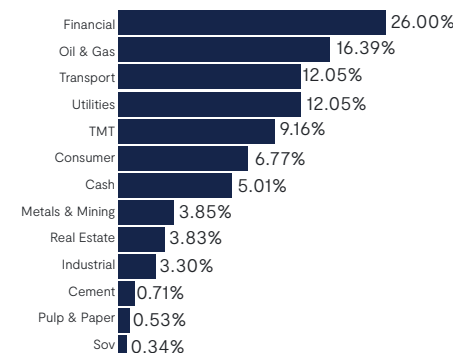
	Since Inception		
	Class A (acc)	Class I	Class A (dist)
% Since Inception	39.15%	24.86%	2.56%
Annualized Ret.	4.14%	8.87%	1.85%
Std. Dev	0.33%	0.41%	0.55%
Annualized Std. Dev	5.18%	6.58%	8.66%
Sharpe <sup>7</sup>	0.63	1.22	0.18

<sup>7</sup> Assuming that risk-free rate is 1-Month Libor.

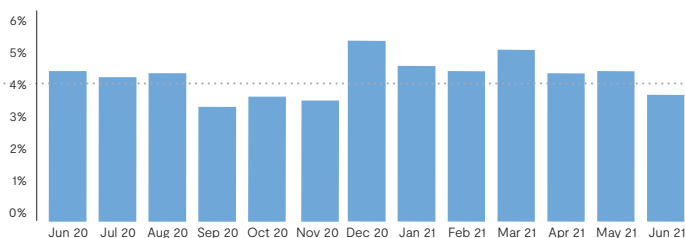
### STATISTICS

	Fund
Yield to Worst	5.2
Avg. coupon	5.9
Avg. maturity	6.4
Yield to maturity	5.6
Duration	4.5
Average Rating	BB-
Issuers	50
Issues	61

### EXPOSURE BY SECTOR

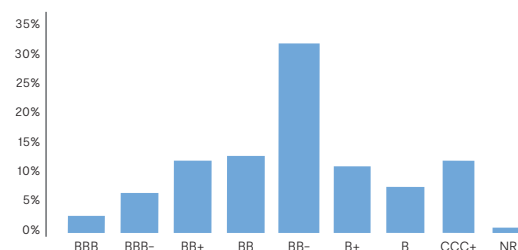


### YIELD<sup>9</sup>



<sup>9</sup>Yield of Share class A Dist.

### RATINGS<sup>10</sup>



<sup>10</sup>Figure does not consider the cash and cash equivalent investments.

### PORTFOLIO MANAGERS' COMMENTS

The Fund returned +1.06% net in June, resulting in a 2021 YTD return of +2.71% net. We believe the asset class offer elevated real yield and their longer-term economic growth prospect and debt to GDP ratios compare favourably to developed nations.

We still believe –(even more than last month)– that HY has more room to tighten, and then more cushion to absorb UST volatility. We have attractive relative valuation versus DM credits, mainly in the high yield side (the spread differential between J.P. Morgan CEMBI Index and Barclays US Corporate Bond Index at the end of June increase the differential from 1.04 Std Devs to 1.22x Std Devs). Having said that, Latam HY still remained one of the highest pick-up to US HY within EM.

In the latest event in Andean countries, Fitch downgraded Colombia, making it lose investment grade status in a context of high spending pressures. Perú, after a thought election (50.1% Castillo vs 49.9% Keiko), Castillo will be sworn in on July 28. Despite the market is pricing a high probability that Castillo is not a game changer for Peru, the implementation of Castillo government plan could lead to a sharp deterioration. However, it's fair to mention that credit metrics are robust. Finally, Argentina was reclassified by MSCI from emerging market to stand status and in the political spectrum they are gradually moving to electoral mode, with parties discussing coalition and candidates ahead of July deadlines.

In Mexico, after mid-term election we expect a more stable political and macro outlook. With that being said, we have increased the exposure to 27% from 20.6% in June. And Brazil, progress of the Covid vaccination program, gradual reopening of the economy, and renewed fiscal stimulus keep us positive.



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## Contacts

São Paulo 55 11 3383 2000  
Rio de Janeiro 55 21 3262 9600  
New York 1 212 293 4600  
London 44 20 7647 4900