

# ENHANCE YOUR YIELD

## WITH EMERGING MARKET BONDS

### iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF

#### Fund description

The iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF (IHEB) is a fixed-income fund that provides AUD hedged exposure to global emerging market bonds. It holds both investment grade and high yield USD-denominated emerging market bonds issued by sovereign and quasi-sovereign entities.

#### Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a major allocation of their portfolio or less
- with a minimum investment timeframe of 5 years, and
- with a medium risk/return profile

#### Benefits of investing in IHEB



##### Seek income

Use to diversify a portfolio and seek potentially higher levels of income.



##### Diversification

Diversified exposure to global USD-denominated emerging markets government and quasi-government bonds across the credit spectrum in a single fund.



##### Currency hedged

Gain international exposure while seeking to minimise the impact of AUD/USD volatility.

#### Fund details

<b>Ticker</b>	IHEB
<b>Currency</b>	AUD
<b>Exchange</b>	ASX
<b>Distribution frequency</b>	Tri-Annually
<b>Inception date</b>	4 December 2015
<b>Asset class</b>	Fixed Income
<b>Benchmark</b>	J.P. Morgan EMBI Global Core Index (AUD Hedged)
<b>Management fee</b>	0.51%
<b>Fund data</b>	<a href="#">Fact sheet and data</a>

#### Fund features

**1**

**Transparency:** Full transparency to the securities held by IHEB, published on the website

**2**

**Daily liquidity:** Tradable daily when the ASX is open with T+2 settlement

**3**

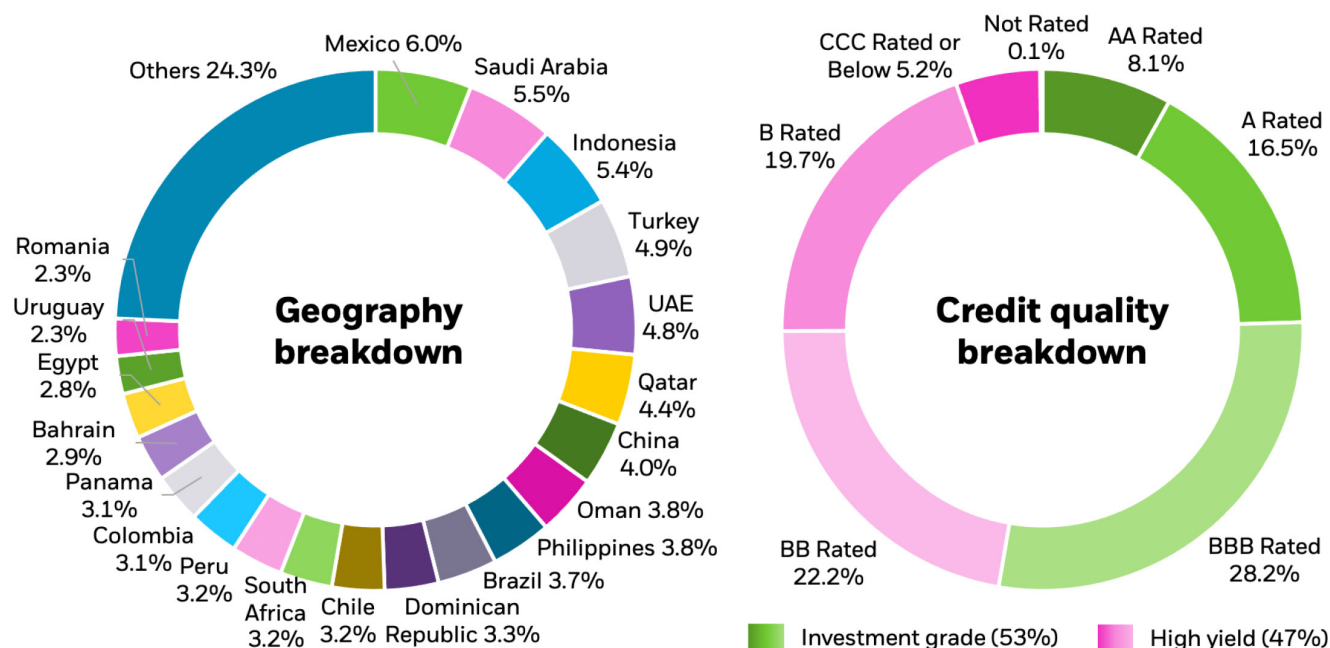
**Cost-effective:** An all-inclusive and transparent annual management fee of just 0.51%

There is no guarantee that a positive investment outcome will be achieved. Diversification and asset allocation may not fully protect you from market risk. While the investment approach described herein seeks to control risk, risk cannot be eliminated.

# What is in IHEB?

IHEB gives investors exposure to the **global emerging markets bond market** in a single fund. The fund aims to provide investors access to USD-denominated emerging market bonds issued by sovereign and quasi-sovereign entities across the credit spectrum.

The Fund provides **tri-annual distribution** payments and provides for **daily liquidity**.



Source: BlackRock, as of 28 February 2023. May not add up to 100% due to rounding.

Credit rating as defined by Barclays Rating methodology. Under Credit Quality Breakdown – Investment grade exposures refer to BBB Rated and above, High yield exposures refer to BB rated and below.

Note: IHEB invests in units of the iShares J.P. Morgan \$ EM Bond UCITS ETF, an underlying Irish-domiciled iShares ETF that aims to track the performance of a non-AUD hedged version of the fund's index, and applies a monthly currency hedge back to AUD through the use of foreign currency forward contracts.

## Don't forget about interest rate risk

Investors looking to invest in IHEB are still exposed to interest rate risk (duration). IHEB holds fixed rate bonds which are exposed to varying levels of duration risk based on each securities coupon rate, yield and remaining time until maturity. Bonds with longer maturities are more sensitive to changes in interest rates, and therefore carry a higher level of duration risk. A bond's value decreases as interest rates (yields) rise and increases as interest rates (yields) decline. It is important for investors to carefully consider the duration of their fixed income investments and to regularly review and adjust their portfolio to manage duration risk.

## IMPORTANT INFORMATION

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