

AMUNDI FUNDS BOND EURO HIGH YIELD SHORT TERM - SE

FACTSHEET

31/12/2017

BOND ■

Key information (source : Amundi)

Net Asset Value (NAV) : 107.59 (EUR)
NAV and AUM as at : 29/12/2017
Assets Under Management (AUM) : 504.66 (million EUR)
ISIN code : LU0907331846
Bloomberg code : ABEHSEC LX
Benchmark : Merrill Lynch Euro High-Yield 1-3, Non Fin, BB-B, Constrained
Morningstar Overall Rating © : 1
Morningstar Category © : EUR HIGH YIELD BOND
Number of funds in the category : 408
Rating date : 30/11/2017

Investment Objective

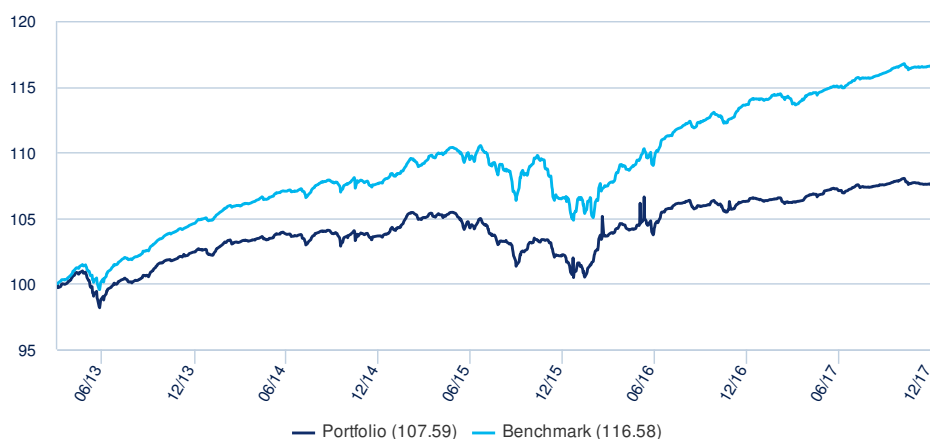
The objective of the Sub-Fund is to maximize income and capital growth ("total return") by combining interest income, capital appreciation and currency gains.

Information

Fund structure : UCITS
Sub-fund launch date : 02/04/2013
Share-class inception date : 02/04/2013
Eligibility : -
Type of shares : Accumulation
Minimum first subscription / subsequent : 1 thousandth(s) of (a) share(s) / 1 thousandth(s) of (a) share(s)
Entry charge (maximum) : 3.00%
Ongoing charge : 1.46% (Estimated 25/01/2017)
Exit charge (maximum) : 0%
Minimum recommended investment period : 4 years
Performance fees : Yes

Returns

Performance evolution (rebased to 100) from 02/04/2013 to 29/12/2017*



Risk & Reward Profile (SRRI)



- Lower risk, potentially lower rewards
- Higher risk, potentially higher rewards

The SRRI represents the risk and return profile as presented in the Key Investor Information Document (KIID). The lowest category does not imply that there is no risk. The SRRI is not guaranteed and may change over time.

Volatility

	1 year	3 years	5 years
Portfolio volatility	0.78%	2.30%	-

Volatility is a statistical indicator that measures an asset's variations around its average value. For example, market variations of +/- 1.5% per day correspond to a volatility of 25% per year.

Cumulative returns *

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	30/12/2016	30/11/2017	29/09/2017	30/12/2016	31/12/2014	-	02/04/2013
Portfolio	1.23%	-0.07%	0.06%	1.23%	3.82%	-	7.59%
Benchmark	2.58%	0.08%	0.45%	2.58%	8.27%	-	16.58%
Spread	-1.35%	-0.16%	-0.40%	-1.35%	-4.45%	-	-8.99%

Calendar year performance *

	2017	2016	2015	2014	2013
Portfolio	1.23%	3.97%	-1.36%	1.19%	-
Benchmark	2.58%	6.64%	-1.03%	2.93%	-
Spread	-1.35%	-2.67%	-0.33%	-1.74%	-

* Source : Amundi. The above results pertain to full 12-month period per calendar year. All performances are calculated net income reinvested and net of all charges taken by the Sub-Fund and expressed with the round-off superior. Past performance is not a reliable indicator of future performance. The value of investments may vary upwards or downwards according to market conditions.

BOND

**Jean Luc Thomas**
Portfolio Manager**Thierry Lebaupain**
Portfolio manager**Marina Cohen**
Head of Credit High Yield

Management commentary

Short-term European high yield gained +0.08% in December with tightening of spreads and carry more than offsetting the general rise in yields in the US triggered by adoption of the tax reform.

This rise in rates was also driven by the encouraging global macroeconomic outlook. The Eurozone PMI indicators have risen to a high, enabling the ECB to raise its growth forecasts. However, at its December monetary policy meeting, the ECB indicated that it remained cautious with regard to the outlook for inflation. It is therefore maintaining its accommodative monetary conditions for the moment. In the United States, as expected, the Fed proceeded to raise its interest rates for the third time in the year. It also is cautious with regard to the inflation outlook and intends to gradually continue the normalization already under way.

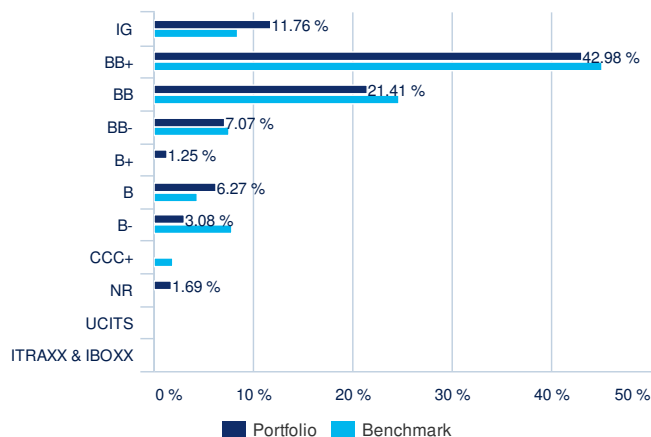
The technical factors were mixed over the period.

European HY funds recorded redemptions (-2.5% of AuM) and primary market activity remained robust in the two weeks before the Christmas break. The amounts issued stood at €5.3 billion for corporate bonds and €3.6 billion for financial bonds. However, although 2017 was a record year in terms of gross issuance with €100 billion, the net annual volume of new issues remains low at €3.9 billion compared with an average of €27 billion over the past five years. This is explained in particular by a high level of refinancing and more attractive conditions for issuers in the loans market.

The short-term European high yield market recorded a stronger performance than carry in 2017 (2.6%), boosted by the ECB's asset purchases program and by the improvement in micro- and macro-economic conditions. In 2018, this asset class should continue to be upheld by the positive economic environment in Europe, solid corporate fundamentals and a very low default rate (1.1% at 12 months according to Moody's). Although the ECB is to halve its purchases, it is expected to remain sufficiently accommodative to enable us to anticipate a 40bps tightening in spreads, offsetting a slight rise in rates in a moderate inflation environment. We are looking for total return of around 0.70%, driven mainly by carry.

Portfolio breakdown by credit rating

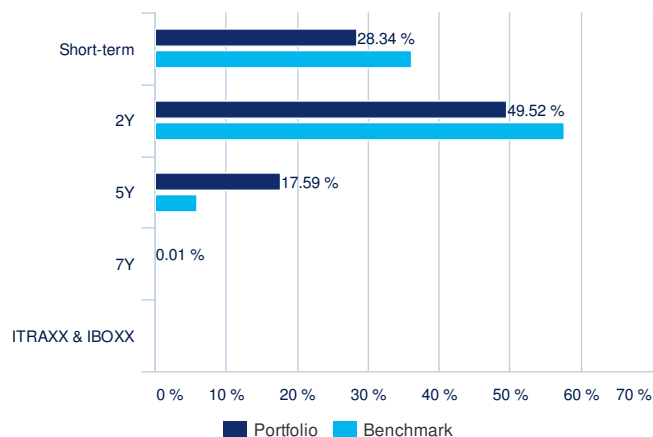
Exposure Risk



The Itraxx (and IBoxx) are indices comprising credit risk swaps (CDS). The chart shows % of assets, including Credit Default Swaps, excluding cash. The rating used is the median rating of the 3 agencies

Portfolio breakdown by maturity

Exposure Risk



The Itraxx (and IBoxx) are indices comprising credit risk swaps (CDS). The chart shows % of assets, including Credit Default Swaps, excluding cash. Maturity shall be understood as probable expiry of the credit risk as reflected by the market

Legal information

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