

# AMUNDI FUNDS BOND GLOBAL EMERGING HARD CURRENCY - SE

BOND ■

MONTHLY  
REPORT

31/01/2017

## Key information (source : Amundi)

Net Asset Value (NAV) : 108.93 ( EUR )  
NAV and AUM as at : 31/01/2017  
Assets Under Management (AUM) :  
689.49 ( million EUR )  
ISIN code : LU0907913627  
Benchmark :  
100% JPM EMBI GLOBAL DIVERSIFIED HEDGED  
EURO

## Investment Objective

The Sub-Fund aims to outperform, over an investment horizon of 3 years, the "JP MORGAN EMBI Global Diversified Hedged Euro" index by investing at least 50% of the Sub-fund net assets in bonds and/or convertible bonds from Developing Countries issuers and denominated in a G5 Currency.

## Risk & Reward Profile (SRRI)



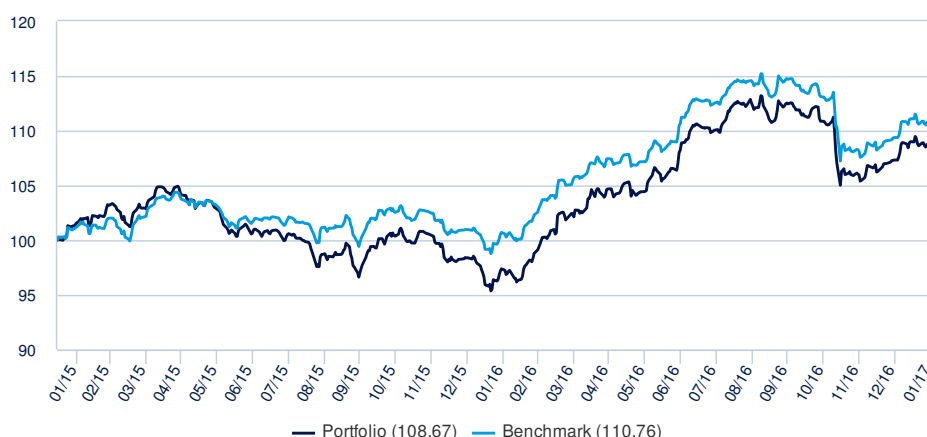
Lower risk, potentially lower rewards

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.

## Returns

Performance evolution (rebased to 100) \* from 14/01/2015 to 31/01/2017



## Cumulative returns \*

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	30/12/2016	30/12/2016	31/10/2016	29/01/2016	-	-	14/01/2015
Portfolio	1.25%	1.25%	-1.97%	11.59%	-	-	4.14%
Benchmark	1.27%	1.27%	-2.04%	9.98%	-	-	5.11%
Spread	-0.01%	-0.01%	0.07%	1.61%	-	-	-0.97%

## Calendar year performance \*

	2016	2015	2014	2013	2012
Portfolio	9.07%	-	-	-	-
Benchmark	8.32%	-	-	-	-
Spread	0.75%	-	-	-	-

\* Source : Amundi. Returns are annualised returns for periods exceeding 1 year (365 days basis). 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. Past performance is not a reliable indicator of future performance. The value of investments may vary upwards or downwards according to market conditions.

## Fund statistics

	Portfolio	Benchmark
Yield	5.06%	4.29%
Modified duration <sup>1</sup>	6.25	6.41
SWMD <sup>2</sup>	22.10	18.94
Average rating <sup>3</sup>	BB	BB+
Total portfolio holdings	151	-
Issuer number	84	-

<sup>1</sup> Modified duration (in points) estimates a bond portfolio's percentage price change for 1% change in yield  
<sup>2</sup> SWMD : spread-weighted modified duration  
<sup>3</sup> Based on cash bonds and CDS but excludes other types of derivatives

## Performance analytics

	Inception to date
Maximum drawdown	-9.12%
Recovery period (days)	113
Worst month	11/2016
Lowest return	-4.43%
Best month	06/2016
Highest return	3.60%

## Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	7.38%	-	-
Benchmark volatility	6.61%	-	-
Ex-post Tracking Error	1.65%	-	-
Information ratio	0.97	-	-
Sharpe ratio	1.63	-	-

**Sergei Strigo**Head of Emerging Markets Debt  
Management – Portfolio manager**Maxim Vydrine, CFA**

Portfolio manager

## Management commentary

January marked a slow start to the year, with the key event being the inauguration of Donald Trump as the 45th president of the United States. Ongoing expectations of fiscal easing and inflationary policies under a Trump presidency kept US treasury yields steady, with the 10 year yield hovering around 2.5%. In Europe, a combination of the ECB's decision a couple of months earlier to cut back bond purchases to €60 bn a month starting in March, and the highest Eurozone inflation print in four years at 1.9%, helped by higher oil prices feeding through, pushed 10 year German bund yields to 0.4%. The UK also saw higher than expected inflation at 1.6%, as a result, 10 year UK gilt yields rose to around 1.4%. Overall global investment grade credit outperformed government bonds, although absolute returns diverged as US credit was positive, while European credit was negative. After months of strengthening, the US dollar gave back some strength after the US Federal Reserve made it clear that they would remain on hold until they can assess the impact of Mr. Trump's policies on the US economy. In that context, there was a sense of uneasy calm for EMD assets in January. Local EM has got back more than half of its losses following the elections and EM sovereign hard currency spreads are now tighter than they were on November 8th. In January, Hard currency sovereign, corporates and local currency debt in EM returned 1.44%, 1.24%, and 2.25%, respectively in USD terms.

The fund (IE share) returned 1.35% on the month and outperformed its benchmark by 0.08%. We did not change much to our positions during the month and our most important overweight remain Argentina, Brazil, Russia and Indonesia. Argentina returned to the bond market in January with USD 7bn of issuance, meeting its full-year USD denominated bond issuance target. We used this opportunity to increase our exposure to the country.

## Performance attribution

	01/2017	2017	2016	2015	2014	2013
	-	-	-	-	-	-
<b>Duration Management</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.35</b>	<b>-0.92</b>	<b>-1.21</b>	<b>0.78</b>
Global bond exposure	0	0	-0.24	-0.58	-1.88	0.42
Market allocation	0.01	0.01	-0.07	0.17	0.48	0.20
Yield curve segment allocation	-0.02	-0.02	-0.04	-0.51	0.19	0.17
<b>Emerging Bonds</b>	<b>0.18</b>	<b>0.18</b>	<b>3.80</b>	<b>0.52</b>	<b>2.01</b>	<b>1.83</b>
Emerging market exposure	0.10	0.10	1.43	-0.22	0.94	0.37
Emerging market arbitrage	0.08	0.08	2.37	0.74	1.07	1.46
<b>Trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fixed &amp; variable fees</b>	<b>-0.09</b>	<b>-0.09</b>	<b>-1.47</b>	<b>-0.76</b>	<b>-0.82</b>	<b>-0.73</b>
<b>Performance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess return</b>	<b>0.08%</b>	<b>0.08%</b>	<b>1.98%</b>	<b>-1.16%</b>	<b>-0.02%</b>	<b>1.88%</b>
<b>Absolute Portfolio Performance</b>	<b>1.35%</b>	<b>1.35%</b>	<b>10.30%</b>	<b>-0.42%</b>	<b>7.07%</b>	<b>-3.69%</b>

Out performance attribution for the institutional share class

## Statistical risk indicators (ex-ante)

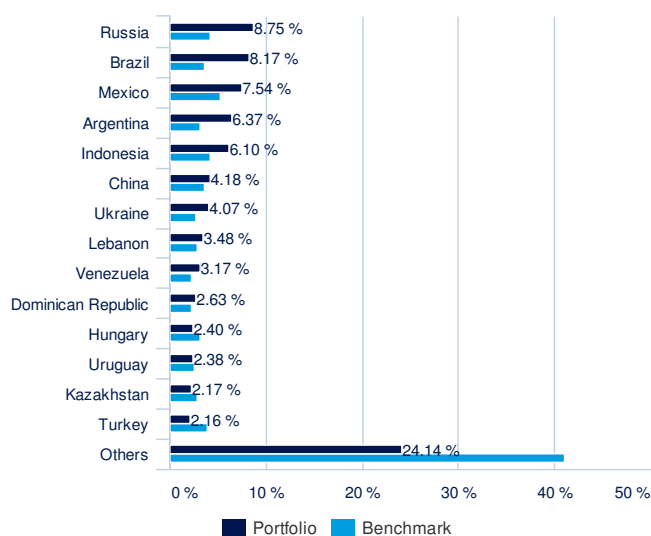
	Portfolio
<b>Total risk Tracking Error</b>	<b>1.36%</b>
<b>Bond risk</b>	<b>-</b>
Yield curve segment allocation	0.13%
Global bond exposure	0.11%
Swap spread	0.21%
Global bond market allocation	0.93%
<b>Credit risk</b>	<b>-</b>
Credit	0.01%
Emerging bond exposure	1.94%
<b>Currency risk</b>	<b>-</b>
Emerging currencies allocation	0%
Fx inter-bloc (EUR, JPY, CAD)	0.01%
Fx intra-bloc	0.01%
US Dollar exposure	0.02%
<b>Equity risk</b>	<b>-</b>
Global equity exposure	0%
Sector allocation	0%
Global equity market allocation	0%
<b>Diversification effect</b>	<b>2.00%</b>

Source RiskMetrics

Equity Risk refers to the contribution of Equity exposure

## Portfolio breakdown by country

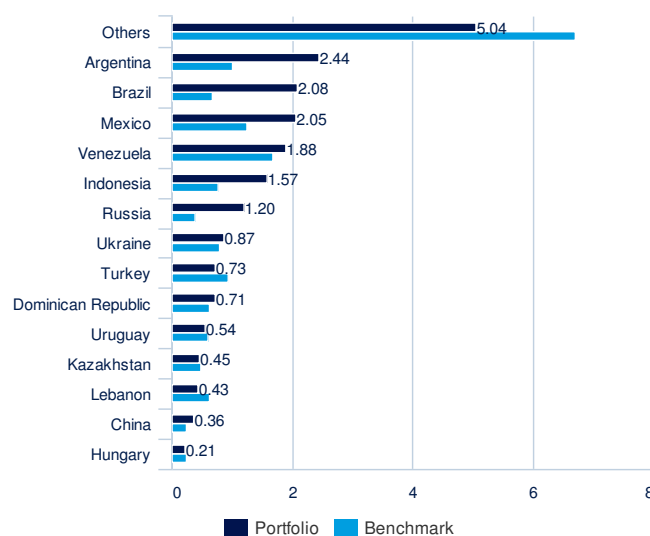
% of assets \*



\* Includes derivatives &amp; credit default swaps.

## Portfolio breakdown by country

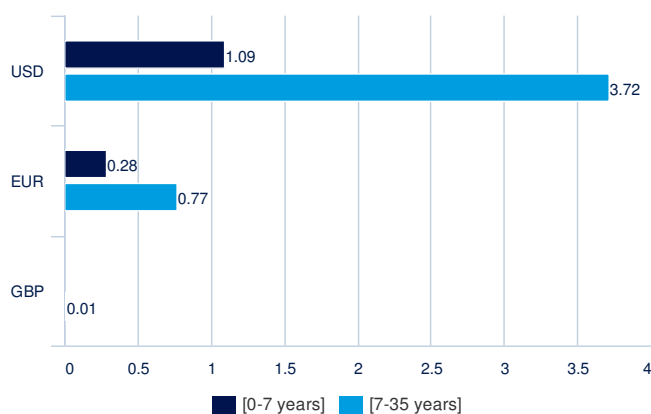
Spread Weighted Modified Duration (SWMD) \*



\* Includes derivatives &amp; credit default swaps.

## Global risk allocation per yield curve segment

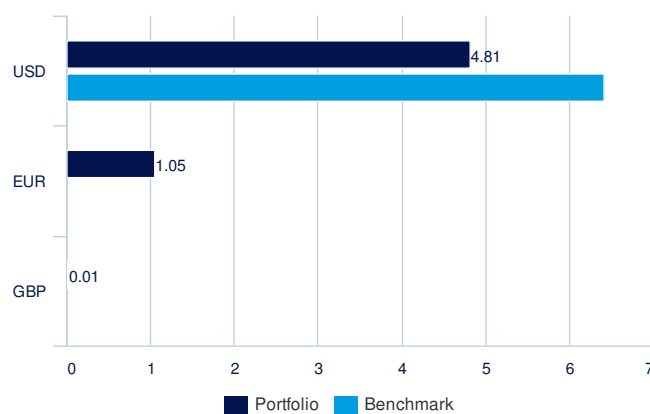
Modified duration



\*\*\* Includes derivatives

## Global risk allocation per yield curve

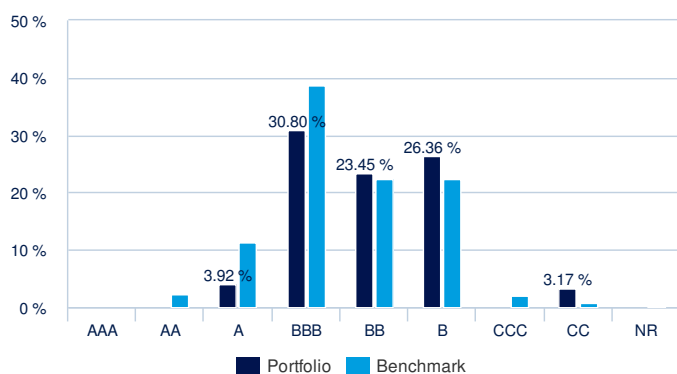
Modified duration \*\*\*



\*\*\* Includes derivatives

## Portfolio breakdown by credit rating

% of assets \*\*



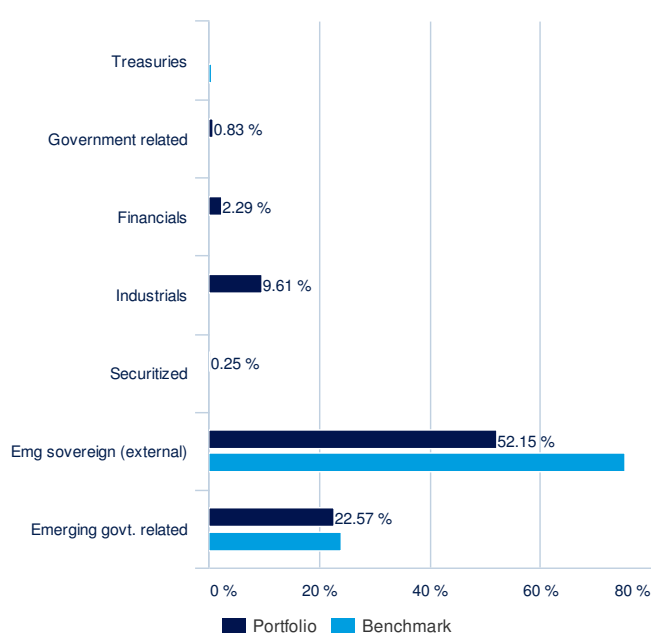
\*\* Includes Credit Default Swaps

## Breakdown by rating &amp; sector

	Investment grade % of assets	Speculative grade % of assets
Emg sovereign (external)	19.27%	32.88%
Securitized	0.25%	-
Government related	0.30%	0.54%
Industrials	2.64%	6.97%
Financials	0.58%	1.71%
Emerging govt. related	11.68%	10.88%
<b>Total</b>	<b>34.71%</b>	<b>52.99%</b>
Includes Credit Default Swaps		

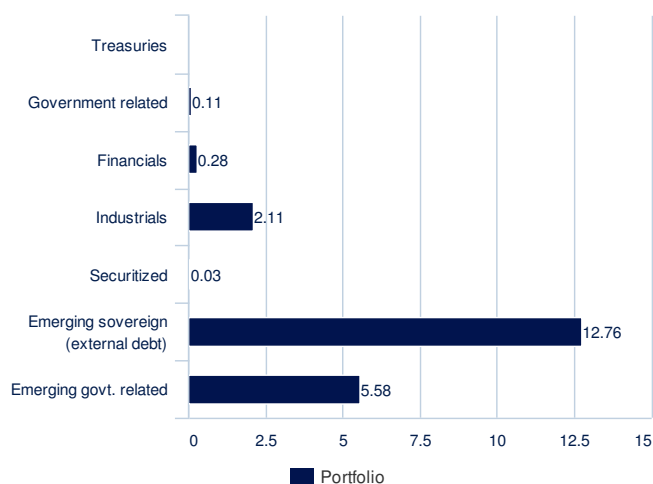
## Sector allocation

## % of assets



Includes Credit Default Swaps

## Spread Weighted Modified Duration (SWMD) \*\*



\*\* Includes Credit Default Swaps

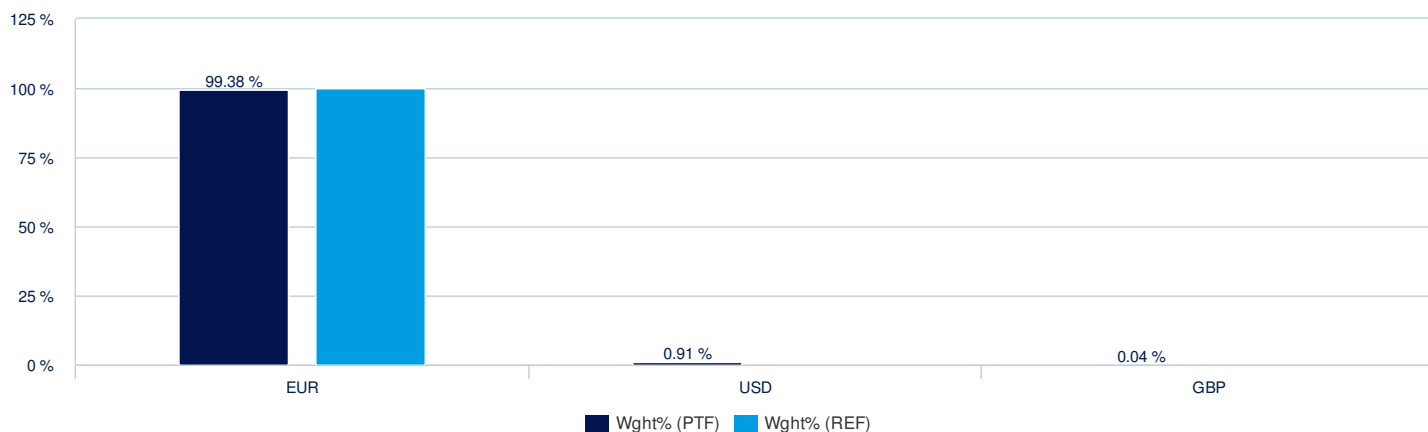
	% of assets	% of assets (benchmark)
<b>Treasuries</b>	0%	0.52%
Treasuries	0%	0.52%
<b>Government related</b>	0.83%	-
Supranationals	0.30%	-
Local authorities	0.54%	-
<b>Financials</b>	2.29%	-
Banks & building societies	1.84%	-
Specialised financial	0.45%	-
<b>Industrials</b>	9.61%	-
Energy	4.64%	-
Consumer cyclical	0.52%	-
Consumer non-cyclical	1.11%	-
Transportation	0.71%	-
Telecom. & technology	1.37%	-
Basic materials	1.26%	-
<b>Securitized</b>	0.25%	-
Covered bonds	0.25%	-
<b>Emerging sovereign (external debt)</b>	52.15%	75.38%
Emerging sovereign (ext debt)	52.15%	75.38%
<b>Emerging govt. related</b>	22.57%	24.10%
Emerging govt. related : Utilities	1.45%	1.99%
Emerging govt. related : Agencies	1.32%	6.99%
Emerging govt. related : Industrials	16.00%	10.87%
Emerging govt. related : Financials	3.80%	4.25%

## Top 15 issuers \*\*

	Sector	Country	% asset
ARGENTINA (REPUBLIC)	Emerging sovereign (external debt)	ARGENTINA	5.32%
PETROLEOS MEXICANOS (PEMEX)	Emerging govt. related	MEXICO	5.17%
INDONESIA	Emerging sovereign (external debt)	INDONESIA	3.80%
UKRAINE	Emerging sovereign (external debt)	UKRAINE	3.78%
PETROBRAS GLOBAL FINANCE BV	Industrials	BRAZIL	3.49%
LEBANESE REPUBLIC	Emerging sovereign (external debt)	LEBANON	3.48%
TURKEY	Emerging sovereign (external debt)	TURKEY	3.21%
PETROLEOS DE VENEZUELA SA	Emerging govt. related	VENEZUELA	3.17%
DOMINICAN REPUBLIC	Emerging sovereign (external debt)	DOMINICAN REPUB	2.63%
ESKOM HOLDINGS LTD	Emerging govt. related	SOUTH AFRICA	2.47%
HUNGARY (REPUBLIC OF)	Emerging sovereign (external debt)	HUNGARY	2.40%
URUGUAY	Emerging sovereign (external debt)	URUGUAY	2.38%
RUSSIA	Emerging sovereign (external debt)	RUSSIA	2.38%
VNESHECONOMBANK	Emerging govt. related	RUSSIA	2.38%
UNITED MEXICAN STATES	Emerging sovereign (external debt)	MEXICO	2.37%

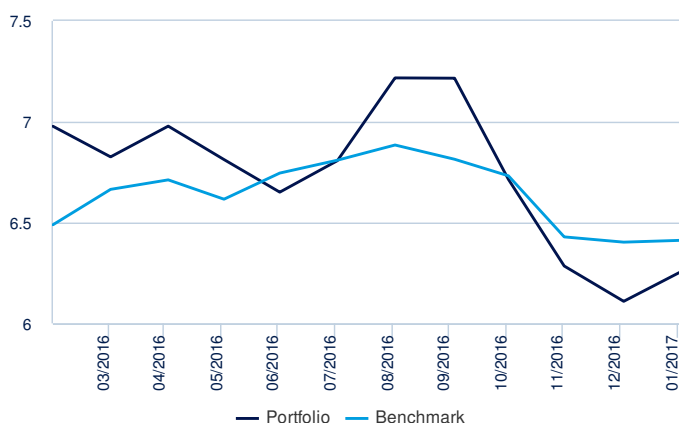
\*\* Includes Credit Default Swaps

## Top 25 currency risk allocation (% of assets)

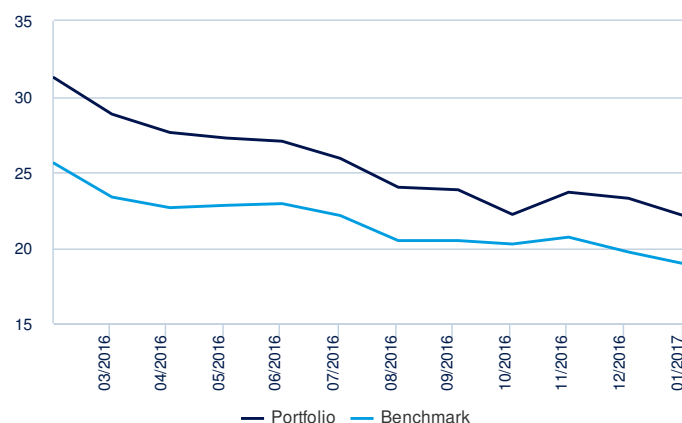


## Historical risk indicators

## Modified duration



## Spread Weighted Modified Duration (SWMD)



## Information

Fund structure	UCITS under Luxembourg law
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS Bank, Luxembourg Branch
Sub-fund launch date	27/05/2014
Share-class inception date	27/05/2014
Sub-fund reference currency	EUR
Share-class reference currency	EUR
Type of shares	Accumulation
ISIN code	LU0907913627
Bloomberg code	ABGESEC LX
Minimum first subscription / subsequent	1 thousandth(s) of (a) share(s) / 1 thousandth(s) of (a) share(s)
Frequency of NAV calculation	Daily
Dealing times	Orders received each day D day before 14:00
Entry charge (maximum)	3.00%
Maximum direct annual management fees including taxes	1.60% IAT
Performance fees	Yes
Exit charge (maximum)	0%
Ongoing charge	2.19% (realized)
Minimum recommended investment period	3 years
Benchmark index performance record	31/03/2003: 100.00% JPM EMBI GLOBAL DIVERSIFIED HEDGED

## Legal information

This document is provided for information purposes only and does not constitute a recommendation, a solicitation, an offer, advice or an invitation to purchase or sell any units or shares of the fund (FCP), collective employee fund (FCPE), SICAV, SICAV sub-fund or SICAV investing primarily in real estate (SPPICAV) (collectively, "the Funds") described herein and should in no case be interpreted as such. This document is not a contract or commitment of any form. Information contained in this document may be altered without notice. The management company accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained in this document. The management company can in no way be held responsible for any decision or investment made on the basis of information contained in this document. The information contained in this document is disclosed to you on a confidential basis and shall not be copied, reproduced, modified, translated or distributed without the prior written approval of the management company, to any third person or entity in any country or jurisdiction which would subject the management company or any of the funds, to any registration requirements within these jurisdictions or where it might be considered as unlawful. Not all of the funds are systematically registered in all jurisdictions of all investors. Investment involves risk. The past performances shown in this document, and simulations based on these, do not guarantee future results, nor are they reliable indicators of future performance. The value of an investment in units or shares of the funds may fluctuate according to market conditions and cause the value of an investment to go up or down. As a result, fund investors may lose all or part of the capital originally invested. All potential investors in the funds are advised to ascertain whether such an investment is compatible with the laws to which they are subject and the tax implications of such an investment prior to investing, and to familiarise themselves with the legal documents in force for each fund. Unless stated otherwise, the management company is the source of the data in this document. Unless stated otherwise, the data in this document are correct as at the date specified under MONTHLY REPORT at the beginning of this document.

This material is solely for the attention of institutional, professional, qualified or sophisticated investors and distributors. It is not to be distributed to the general public, private customers or retail investors in any jurisdiction whatsoever nor to "US Persons". Moreover, any such investor should be, in the European Union, a "Professional" investor as defined in Directive 2004/39/EC dated 21 April 2004 on Markets in Financial Instruments ("MiFID") or as the case may be in each local regulations and, as far as the offering in Switzerland is concerned, a "Qualified Investor" within the meaning of the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 (CISA), the Swiss Collective Investment Schemes Ordinance of 22 November 2006 (CISO) and the FINMA's Circular 08/8 on Public Offering within the meaning of the legislation on Collective Investment Schemes of 20 November 2008. In no event may this material be distributed in the European Union to non "Professional" investors as defined in the MiFID or in each local regulation, or in Switzerland to investors who do not comply with the definition of "qualified investors" as defined in the applicable legislation and regulation.