

# AMUNDI FUNDS BOND GLOBAL INFLATION - IE

BOND ■

MONTHLY  
REPORT

31/07/2017

## Key information (source : Amundi)

Net Asset Value (NAV) : (A) 1,297.43 ( EUR )  
(D) 978.74 ( EUR )

NAV and AUM as at : 31/07/2017

Assets Under Management (AUM) :  
381.92 ( million EUR )

ISIN code : (A) LU0442406616  
(D) LU0442406707

Bloomberg code : CAMINFA LX

Benchmark :  
100% BARCLAYS WORLD GOVT INFLATION-  
LINKED BOND ALL MARKETS HEDGED

Morningstar Overall Rating © : 3

Morningstar Category © :  
GLOBAL INFLATION-LINKED BOND - EUR  
HEDGED

Number of funds in the category : 136

Rating date : 30/06/2017

## Investment Objective

The investment team seeks to achieve a performance close to that of the global inflation-indexed bond market. It implements an active, fundamental management style aiming to tap four major sources of performance: sensitivity to real rates, positioning on the real rate curve, arbitrage between indexed and fixed rate bonds and international diversification.

For classes DH :

The portfolio has a rate risk hedging (Hedged Duration). There is no index of reference.

## Risk & Reward Profile (SRRI)



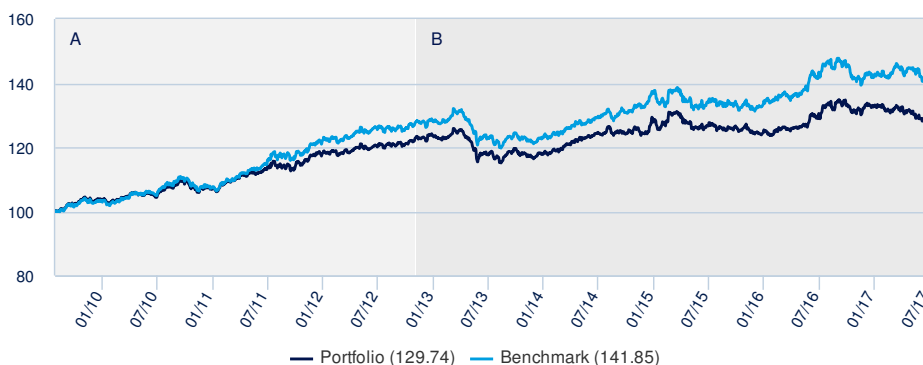
Lower risk, potentially lower rewards

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 25/08/2009 to 31/07/2017\*



A : During this period, the reference indicator of the sub-fund was Barclays Capital World Government Inflation Linked All Maturities Hedged Euro.

B : Since the beginning of this period, the reference indicator of the sub-fund is Barclays WGILB All Markets Euro Hedged.

## Cumulative returns \*

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	30/12/2016	30/06/2017	28/04/2017	29/07/2016	31/07/2014	31/07/2012	25/08/2009
Portfolio	-2.60%	0.54%	-2.06%	-0.61%	4.39%	7.28%	29.74%
Benchmark	-0.80%	-0.23%	-2.27%	-1.11%	9.83%	12.11%	41.85%
Spread	-1.80%	0.77%	0.20%	0.49%	-5.44%	-4.83%	-12.11%

## Calendar year performance \*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	7.12%	-0.08%	6.57%	-4.95%	4.43%	9.13%	4.53%	-	-	-
Benchmark	8.60%	-0.86%	9.35%	-4.95%	5.61%	11.76%	5.46%	-	-	-
Spread	-1.48%	0.78%	-2.78%	0%	-1.18%	-2.63%	-0.93%	-	-	-

\* 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.

## Fund statistics

	Portfolio	Benchmark
Modified duration <sup>1</sup>	11.14	12.53
Inflation Modified duration	11.93	-
Average Rating	A	A+
Nominal Yield	0.98%	1.67%
Real Yield	-0.80%	-0.40%
Break-even inflation	2.53%	2.07%
Number of lines	72	136

<sup>1</sup> Modified duration (in points) estimates a bond portfolio's percentage price change for 1% change in yield

## Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	5.45%	5.05%	4.99%
Benchmark volatility	6.09%	5.84%	5.61%
Ex-post Tracking Error	3.11%	2.96%	2.43%
Information ratio	0.20	-0.59	-0.37
Sharpe ratio	0.07	0.33	0.30

## Performance analytics

	Inception to date
Maximum drawdown	-8.58%
Recovery period (days)	352
Worst month	06/2013
Lowest return	-4.34%
Best month	01/2015
Highest return	3.41%



**Isabelle Vic-Philippe**  
Head of Government Bonds &  
Inflation



**Benjamin Cavallier**  
Portfolio manager

## Management commentary

In the Eurozone, economic trends remain positive and the outlook is very good for the rest of the year even though it will probably be hard to maintain the same level of positive surprises. Nonetheless, after a speech at Sintra at the end of June which had been considered very incisive by the markets (triggering a sharp rise in interest rates), Mario Draghi was far more cautious at the ECB meeting of July 20, stating that he did not wish for any excessive tightening in financial conditions. Therefore, the ECB remains prepared to reduce its purchases program in 2018 but does not want to announce its timetable prematurely.

This change in the ECB's attitude halted the rise in interest rates. The German 10-year rate, which had risen by 15bps to end June at 0.44% climbed to 0.55% in July before ending the month at 0.50%. For its part, the two-year rate dropped by 12bps, down from -0.56% to -0.68%. Peripheral country spreads widened until the middle of the month before easing significantly and ending the month below their end-June levels.

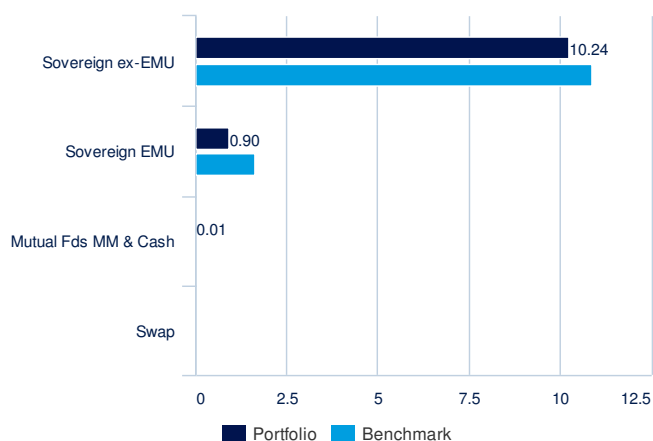
The continuing rise in euro inflation expectations that we had counted on last month occurred, despite the stability of nominal interest rates.

The 8% rise in the price of oil per barrel undoubtedly contributed but the publication at the end of the month of stronger than expected inflation figures confirmed the trend. The trend was particularly encouraging with regard to core inflation, which was once again higher than expected at 1.2%. We will need to keep a close eye on the ECB's reaction function in the context of the strong performance of the European currency, but the way remains open for continuing improvement in inflation expectations.

In the United States, the expansionary cycle is continuing. It is surprising by its duration (eight years) and by its slow pace (growth is forecast at 2% for 2017). Moreover, judging by the strength of the labor market, it shows no sign of running out of steam without, however, generating inflationary pressures. Indeed, despite a very low unemployment rate, there is still excess capacity in the labor market and the participation rate remain lower than before the crisis. This background of low inflation could prompt the Fed to defer its next interest-rate rise, which had been expected in December, but it is nonetheless expected to start its balance-sheet normalization process as from September. This environment naturally offered little support to US inflation expectations but these nonetheless followed the trend in euro inflation expectations and ended the month up by 8bps. Only UK inflation expectations ended the month down, by 6bps. While we remain neutral on US inflation expectations given the lack of visibility offered by the Trump administration, it seems fairly clear to us that the downward trend in UK inflation expectations is likely to deepen.

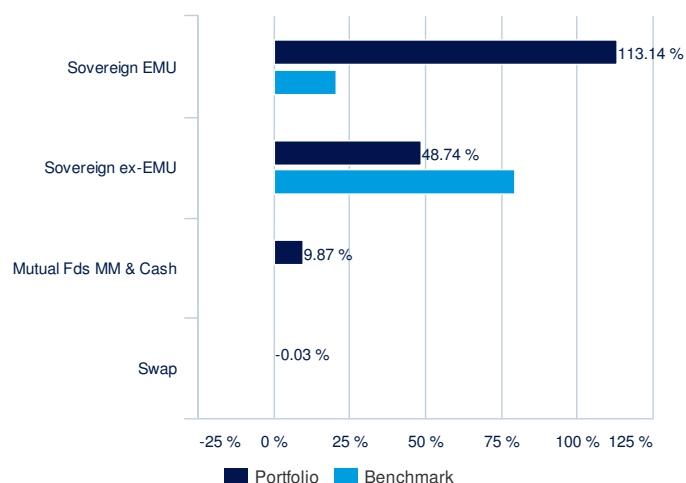
## Portfolio breakdown by issuer

### Modified duration



Includes derivatives

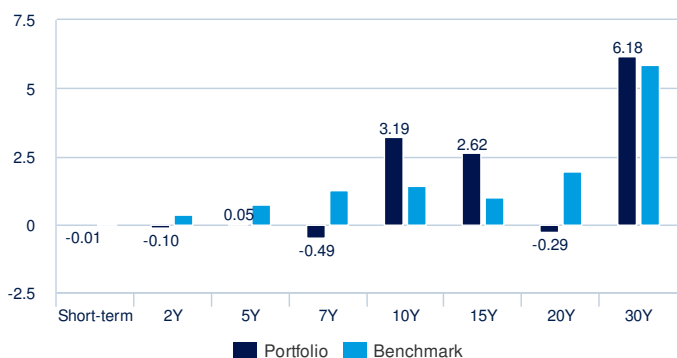
### % of assets



The total can be different by up to 100% as deferred cash is excluded

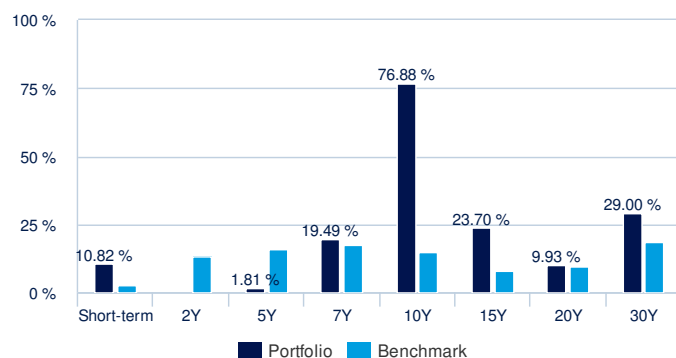
## Portfolio breakdown by maturity

## Modified duration



Includes derivatives

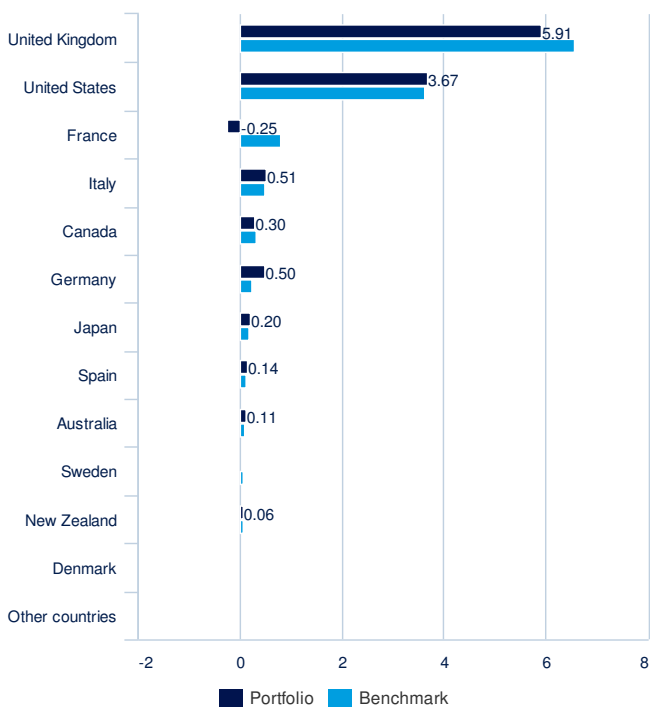
## % of assets



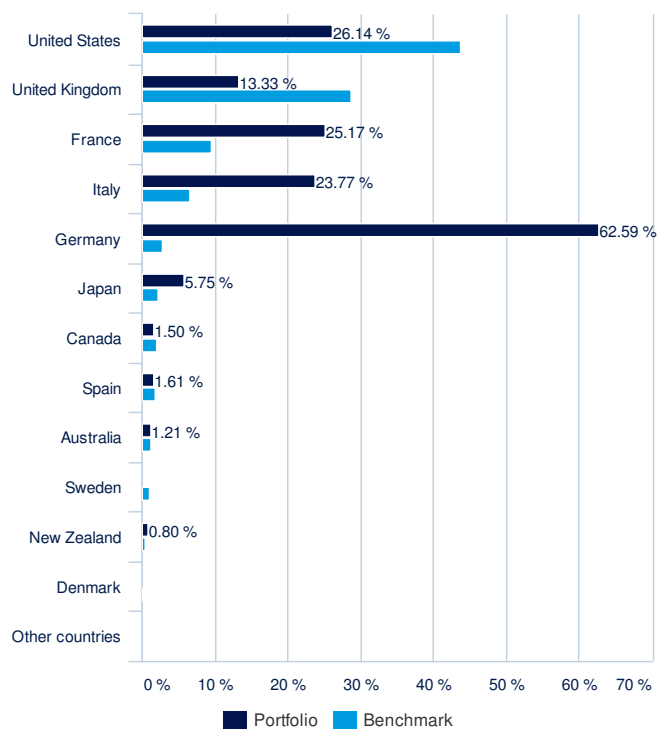
The total can be different by up to 100% as deferred cash is excluded

## Portfolio breakdown by country

## Modified duration

Only Government securities  
Includes derivatives

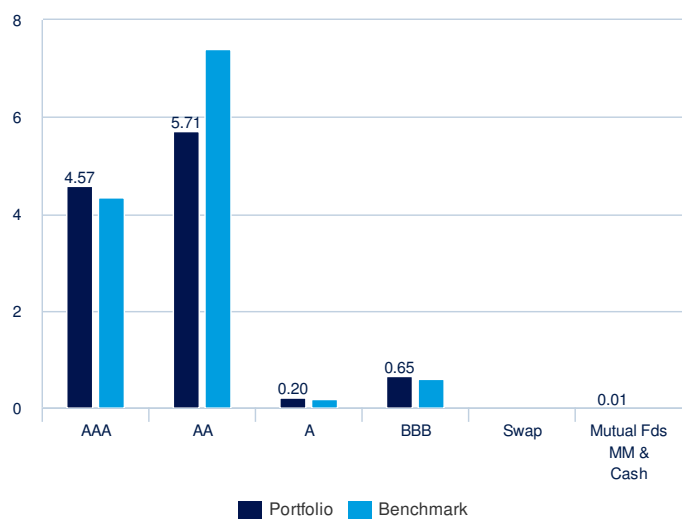
## % of assets



Only Government securities

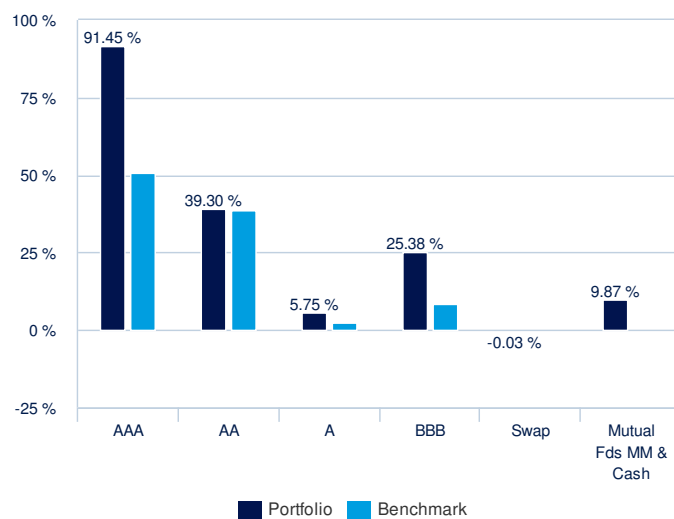
## Portfolio breakdown by credit rating

## Modified duration



Includes derivatives

## % of assets



The total can be different by up to 100% as deferred cash is excluded

Geographic distribution of the exposure to inflation anticipations  
(Modified duration)

EUR	13.38
GBP	-1.61
JPY	0.11
USD	0.06
<b>Total</b>	<b>11.93</b>

## Main issuers

	Sector	% asset	Mod. duration
<b>Sovereigns</b>			
GERMANY	Sovereign EMU	62.59%	0.50
UNITED STATES OF AMERICA	Sovereign ex-EMU	26.14%	3.67
FRANCE	Sovereign EMU	25.17%	-0.25
ITALIAN REPUBLIC	Sovereign EMU	23.77%	0.51
UNITED KINGDOM	Sovereign ex-EMU	13.33%	5.91
JAPAN	Sovereign ex-EMU	5.75%	0.20
SPAIN (KINGDOM OF)	Sovereign EMU	1.61%	0.14
CANADA	Sovereign ex-EMU	1.50%	0.30
AUSTRALIA (COMMONWEALTH OF)	Sovereign ex-EMU	1.21%	0.11
NEW ZEALAND	Sovereign ex-EMU	0.80%	0.06
<b>Out of State Issuers</b>			
	-	-	-

## Information

Fund structure	UCITS under Luxembourg law
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS Bank, Luxembourg Branch
Sub-fund launch date	25/08/2009
Share-class inception date	25/08/2009
Sub-fund reference currency	EUR
Share-class reference currency	EUR
Other subscription/redemption currencies	USD
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0442406616 (D) LU0442406707
Reuters code	(A) LP68025135 (D) LP68117187
Bloomberg code	(A) CAMINFA LX (D) CAMINFI LX
Minimum first subscription / subsequent	500000 Equivalent in EUR of USD / 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)	2.50%
Maximum direct annual management fees including taxes	0.45% IAT
Performance fees	Yes
Exit charge (maximum)	0%
Ongoing charge	0.72% ( realized )
Minimum recommended investment period	3 years
Benchmark index performance record	03/12/2012: 100.00% BLOOMBERG BARCLAYS WORLD GOVT INFLATION-LINKED BOND ALL MARKETS HEDGED 25/08/2009: 100.00% BLOOMBERG BARCLAYS CAPITAL WORLD INFLATION LINKED BOND HEDGED
Management fee (p.a. max)	0.45%

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