# AMUNDI FUNDS EQUITY LATIN AMERICA - RU

FACTSHEET

31/12/2017

EQUITY

## Key information (source : Amundi)

Net Asset Value (NAV) : **(A) 91.00 ( USD )**
**(D) 85.66 ( USD )**

NAV and AUM as at : **29/12/2017**

ISIN code : **(A) LU0823047039**
**(D) LU0823047112**

Assets Under Management (AUM) :
**180.79 ( million USD )**

Sub-fund reference currency : **USD**

Share-class reference currency : **USD**

Benchmark : **100% MSCI EM LATIN AMERICA**

Morningstar Overall Rating © : **3 stars**

Morningstar Category © : **LATIN AMERICA EQUITY**

Number of funds in the category : **294**

Rating date : **30/11/2017**

## Investment Objective

The investment objective is to outperform the index representing a booming zone: Latin American equity markets. The team taps three main sources of value added: country selection –key to mastering the emerging market risk–, sector selection and stock picking, to benefit from the companies offering the best upside potential.

## Information

Fund structure : **UCITS**

Sub-fund launch date : **21/02/1994**

Share-class inception date : **15/10/2012**

Eligibility : -

Type of shares : **(A) Accumulation**
**(D) Distribution**

Minimum first subscription / subsequent :
**1 thousandth(s) of (a) share(s) / 1 thousandth(s) of (a) share(s)**

Entry charge (maximum) : **4.50%**

Ongoing charge : **1.55% ( realized 30/06/2017 )**

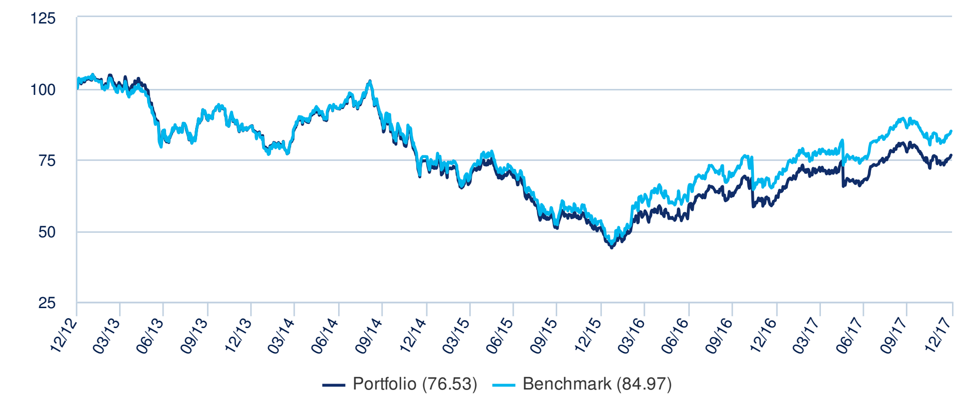
Exit charge (maximum) : **0%**

Minimum recommended investment period : **5 years**

Performance fees : **Yes**

## Returns

### Performance evolution (rebased to 100) from 31/12/2012 to 29/12/2017*




### 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 | 31/12/2012 | 22/02/1994 |
| **Portfolio** | 23.61% | 4.17% | -2.64% | 23.61% | 2.49% | -23.47% | 568.08% |
| **Benchmark** | 23.74% | 4.44% | -2.34% | 23.74% | 11.83% | -15.03% | - |
| **Spread** | -0.14% | -0.28% | -0.30% | -0.14% | -9.34% | -8.44% | - |

### Calendar year performance *

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Portfolio** | 23.61% | 22.86% | -32.51% | -14.05% | -13.13% | 8.42% | -23.43% | 17.35% | 123.16% | -52.48% |
| **Benchmark** | 23.74% | 31.04% | -31.04% | -12.30% | -13.36% | 8.66% | -19.35% | 14.66% | 103.77% | -51.41% |
| **Spread** | -0.14% | -8.18% | -1.48% | -1.75% | 0.23% | -0.24% | -4.08% | 2.70% | 19.39% | -1.07% |

* 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.

### Risk & Reward Profile (SRRI)

1 2 3 4 **6** 5 7

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.**

### Fund statistics

| | |
|---|---|
| **Total portfolio holdings** | 99 |

### Top ten issuers (% assets)

| | Portfolio |
|---|---|
| BANCO BRADESCO SA | 6.87% |
| INVESTIMENTOS ITAU SA | 6.42% |
| PETROLEO BRASILEIRO SA | 6.10% |
| BRADESPAR SA | 4.73% |
| GRUPO FINANC BANORTE SAB DE CV | 3.89% |
| BANCO DO BRASIL SA | 3.79% |
| JBS SA | 3.60% |
| FOMENTO ECONOMICO MEXICANO SAB | 3.50% |
| CREDICORP LTD | 3.35% |
| GRUMA SAB DE CV | 2.59% |
| **Total** | **44.85%** |

### Volatility

| | 1 year | 3 years | 5 years |
|---|---|---|---|
| **Portfolio volatility** | 16.35% | 21.72% | 22.26% |
| **Benchmark volatility** | 15.37% | 23.39% | 23.30% |

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.

## Management commentary

In 2017, Latin America equities (+23.7% in USD, net returns) underperformed Emerging Markets (+37.3%), mostly due to the great result of the technology sector (above 60% return), which made Emerging Markets (EM) the best performing region in the world. In December, however, technology performed poorly, leading Latin America (+4.4%) to outperform EM (+3.6%). Strong December performance for global equities came on the back of robust global economic data and the signature in the US of the much debated tax reform plan into law, posing upside risks to US economic growth. Oil continued its rally to reach its highest level since 2015 on the back of strong global fundamentals. Chile came in ahead in December (+15.7%), boosted by the Sebastian Pinera victory in the elections and a sharp rebound of copper prices which led the Chilean peso to appreciate by more than 5% in the month. Colombia followed with the second best monthly gain (+7.8%) on stronger Brent. Brazil (+4.6%) paired gains with the region. Economic indicators and confidence continued to show recovery while, on the political front, the government postponed the social security reform vote to February 2018. Mexico was flat in December, mostly due to a 5% MXN depreciation on NAFTA renegotiation uncertainties. Performance was the worst in the region. On the macroeconomic front, inflation took a toll on consumption while Banxico resumed rate hikes in December (+425bp since December 2015). Peru underperformed (+1.1%) on continued political noise stemming from PPK's near impeachment (rejected in Congress) and the presidential pardon to former president Alberto Fujimori. Consumer confidence sank in December and business leaders' support toward PPK continues to weaken given slow policymaking. Frontier market Argentina gained +6.7% during the month thanks to strong reforms advances and improved activity indicators. The country topped the Latin America performance chart in 2017 (up 73.5%) driven by investors feeling more confident with the continuation of President Macri's structural reforms and positive macroeconomic data.

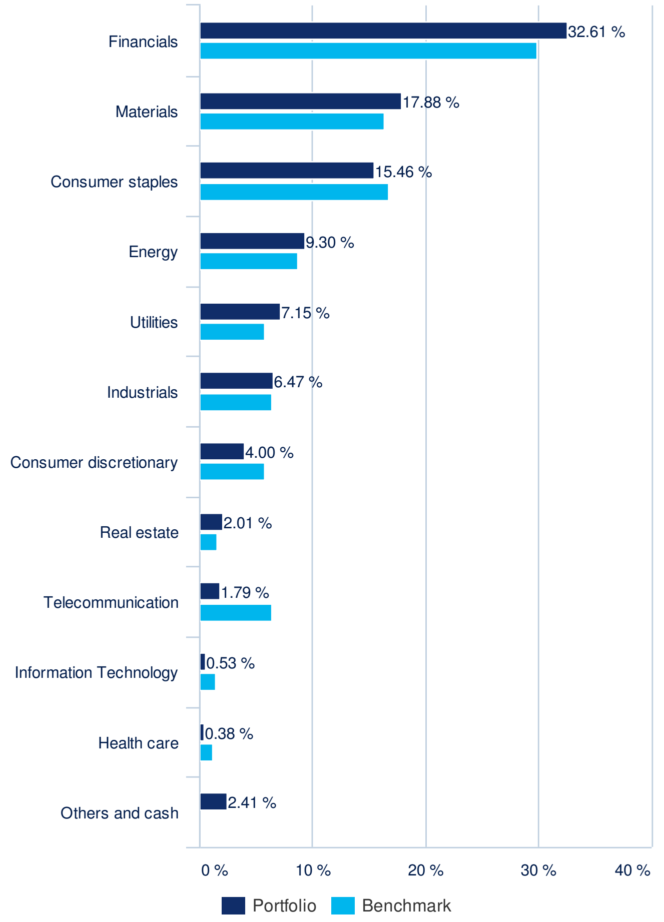
The fund performed in line with its index in the month. Positive stock picking contributions mainly from energy, staples and financials in Brazil, as well as from materials and staples in Mexico were offset by negative country allocation, essentially from our large underweight Chile.The main changes in December were to increase the relative weight of Mexico (through Grupo Alfa and Banorte, both on attractive entry points) and Argentina (through BYMA, the local stock exchange, as a promising capital market development story with decent valuation). Conversely the relative weight of Chile was reduced, essentially as a result of the country's strong monthly outperformance.

With the uncertain outcome of two key presidential elections in the coming months (Mexico and Brazil), we are currently favouring **Argentina** where a virtuous political and economic cycle is in place, although inflation has been higher than expected and needs to be closely monitored. **Peru** also remains overweight, but less than in the past: The economy should rebound nicely in 2018, but political risks have increased and valuations are less enticing. We also overweight **Brazil**: Despite uncertainties around the voting of a watered down pension reform in February and the presidential election in October (which are likely to increase the volatility of both the exchange rate and the stock market), we expect continuous economic momentum and positive earnings growth to support the market. The main risk is that a fiscally unorthodox president is elected. We mainly overweight companies that offer operational leverage, turnaround potential, as well as selected companies with FX revenue stream at discounted valuations to hedge some of the currency risk. We are neutral **Mexico** where we will look for attractive entry points if the market becomes overly pessimistic on NAFTA talks and the mid-2018 presidential election. We overweight some selected banks (relative valuation, high rates and low delinquencies), materials (metals and cement) and some resilient consumer companies with USD-based revenues (mainly Gruma that should also benefit from lower tax rates in the USA). Still tough macroeconomic imbalances and prospects combined with low market liquidity drive our underweight stance on **Colombia**. **Chile** also continues to be underweight as valuations continue to look expensive even in the light of a more likely pick-up in economic growth following the recent election of Pinera.

## Portfolio breakdown

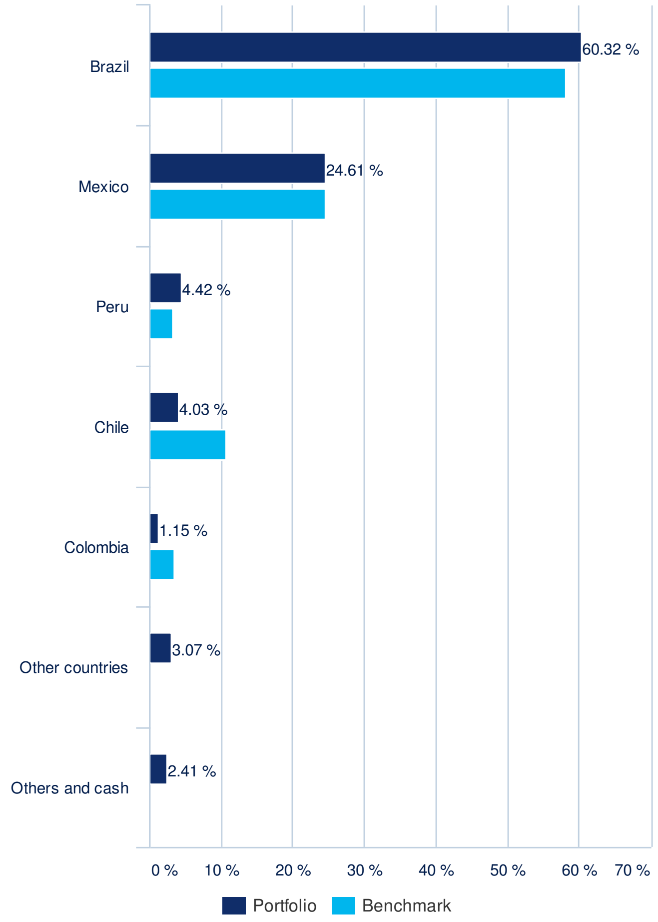
## EQUITY

### Sector breakdown




Excluding derivatives.

### Geographical breakdown




Excluding derivatives.

## Legal information