

# 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

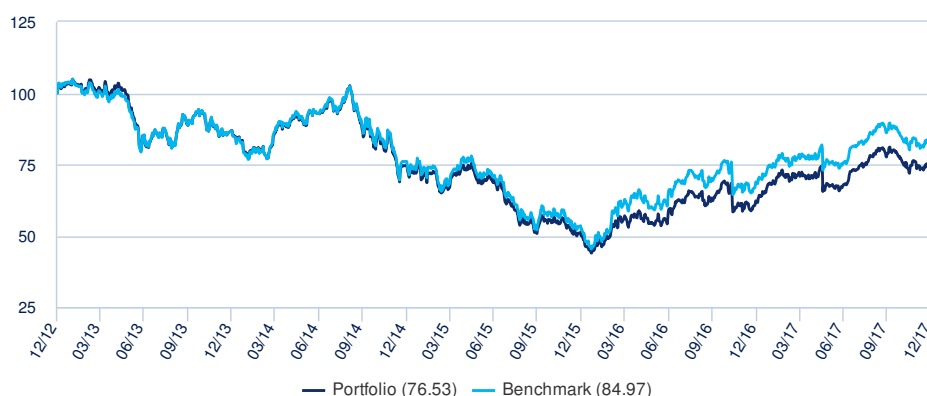
The investment objective is to outperform the index representing a booming zone: Latin American equity markets. The team taps three main sources of value added: country selection –key to mastering the emerging market risk–, sector selection and stock picking, to benefit from the companies offering the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

Since	YTD 30/12/2016	1 month 30/11/2017	3 months 29/09/2017	1 year 30/12/2016	3 years 31/12/2014	5 years 31/12/2012	Since 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)



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%
BRADSPAR 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.

## EQUITY ■

## 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.

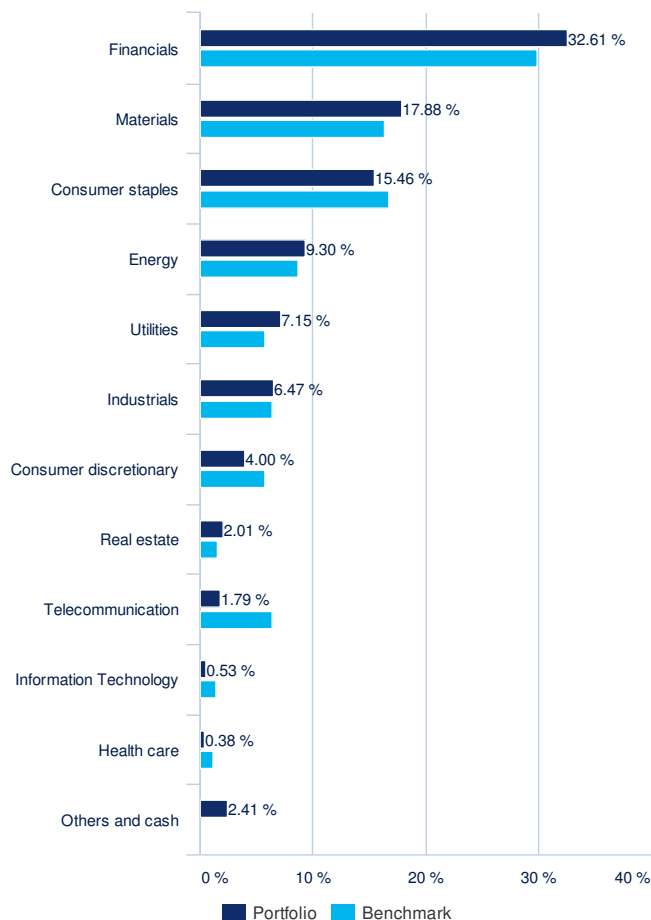
The fund performed in line with its index in the month. Positive stock picking contributions mainly from energy, staples and financials in Brazil, as well as from materials and staples in Mexico were offset by negative country allocation, essentially from our large underweight Chile. The main changes 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

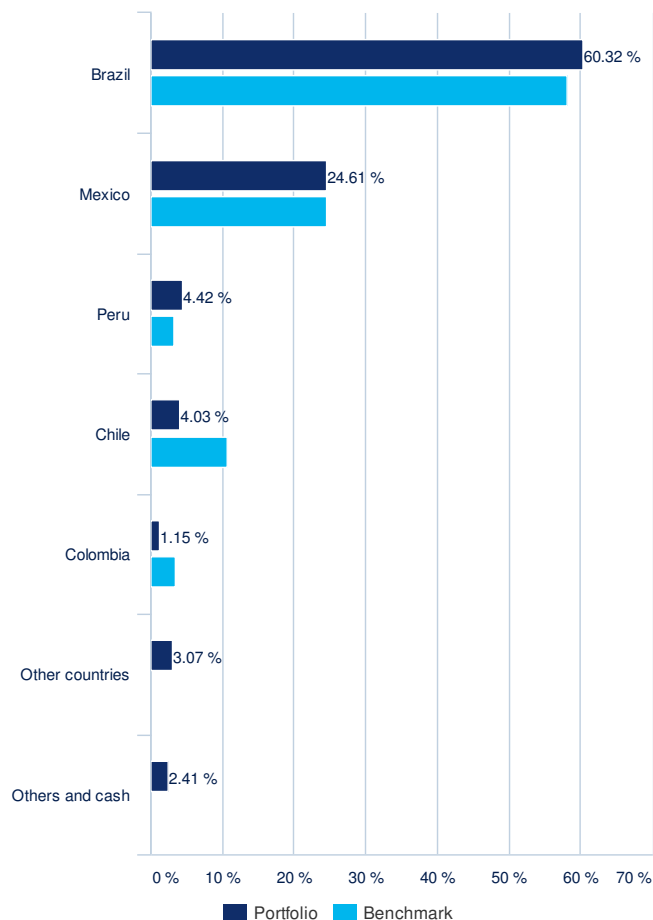
## EQUITY

## Sector breakdown



Excluding derivatives.

## Geographical breakdown



Excluding derivatives.

## Legal information

Amundi Funds is a UCITS organised as an open-ended investment company (société d'investissement à capital variable, "SICAV") under the laws of the Grand Duchy of Luxembourg, and is regulated by the Commission de Surveillance du Secteur Financier ("CSSF"). Number of registration RCS B68.806. UK retail investors will not have any protection under the UK Financial Services Compensation Scheme. There will be no right to cancel an agreement to purchase fund units under section 15 of the UK Financial Services Conduct of Business Sourcebook. AMUNDI FUNDS EQUITY LATIN AMERICA, which is a sub-fund of Amundi Funds, has been recognised for public marketing in United Kingdom by the Financial Conduct Authority (FCA). The issuer of this document is Amundi, 90 Boulevard Pasteur, 75730 Cedex 15 - France, registered in France under number GP 04000036, authorised and regulated by the Autorité des Marchés Financiers. This document is not a Prospectus. The offering of shares in Amundi Funds can only be made using the official Prospectus. The latest prospectus, the key investor information document ("KIID"), the articles of incorporation as well as the annual and semi-annual reports are available free of charge from the facilitating agent (Amundi London Branch, 41 Lothbury, London EC2R 7HF, United-Kingdom) and on our website [www.amundi.com](http://www.amundi.com). The latest available prospectus, more specifically on risk factors, as well as the KIID should be consulted before considering any investment. The data source of this document is Amundi except otherwise mentioned. The date of these data is indicated under the mention MONTHLY REPORT at the top of the document except otherwise mentioned. Warnings: Please read the Prospectus carefully before you invest. Remember that the capital value and the income from investments may go down as well as up and that changes in rates of exchange between currencies may have a separate effect also causing the value of the investments to decrease or to increase. Past performance is not necessarily a guide to future performance. Investors may not get back the amount they originally invested. Investors should note that the securities and financial instruments contained herein may not be suitable for their investment objectives.

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