

AMUNDI FUNDS CONVERTIBLE EUROPE - RE

FACTSHEET

31/12/2017

BOND ■

Key information (source : Amundi)

Net Asset Value (NAV) : (A) 102.43 (EUR)
(D) 103.58 (EUR)
NAV and AUM as at : 29/12/2017
Assets Under Management (AUM) :
701.48 (million EUR)
ISIN code : (A) LU0987194742
(D) LU0987194825
Benchmark :
100% TR EUROPEAN FOCUS CONVERTIBLE
HEDGED EURO
Morningstar Overall Rating © : 3
Morningstar Category © :
CONVERTIBLE BOND - EUROPE
Number of funds in the category : 242
Rating date : 30/11/2017

Investment Objective

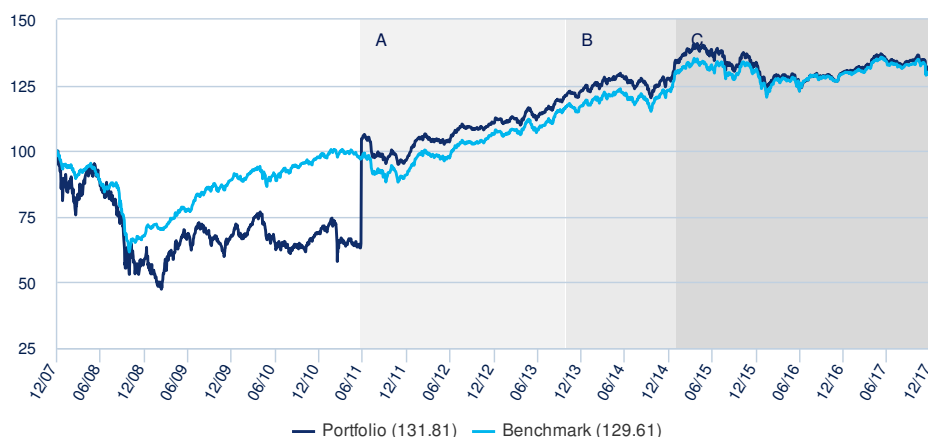
The sub-fund is mainly invested in convertible bonds with no constraints in terms of rating of the issuers listed or traded on Regulated Markets of any OECD Country denominated in EUR or other currencies by issuers having their registered office in Europe or carrying out a preponderant part of their business activities in Europe. The sub-fund offers the possibility to partially take part in the appreciation of equity markets while offsetting possible declines thanks to the bond behaviour of the asset class.

Information

Fund structure : UCITS
Share-class inception date : 28/10/2013
Eligibility : -
Type of shares : (A) Accumulation
(D) Distribution
Minimum first subscription / subsequent :
1 thousandth(s) of (a) share(s)
Dealing times :
Orders received each day D day before 14:00
Entry charge (maximum) : 4.50%
Ongoing charge : 1.10% (realized)
Exit charge (maximum) : 0%
Minimum recommended investment period : 4 years
Performance fees : Yes

Returns

Performance evolution (rebased to 100) from 31/12/2007 to 29/12/2017*



A : Simulation based on the performance from June 24, 2011 to October 27, 2013 of the "AE" share class of the Sub-Fund
B : Performance of the sub-funds since its launch date.
C : Since the beginning of this period, the sub-fund applies the current investment policy.

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	24/06/2011
Portfolio	1.32%	-2.23%	-1.78%	1.32%	3.41%	19.04%	25.91%
Benchmark	-0.03%	-2.88%	-2.28%	-0.03%	5.33%	21.76%	33.14%
Spread	1.34%	0.64%	0.50%	1.34%	-1.92%	-2.72%	-7.24%

Calendar year performance *

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Portfolio	1.32%	-2.49%	4.67%	3.62%	11.08%	14.29%	41.49%	1.42%	14.32%	-40.94%
Benchmark	-0.03%	-1.12%	6.56%	4.92%	10.17%	16.96%	-6.54%	9.19%	30.85%	-31.84%
Spread	1.34%	-1.36%	-1.88%	-1.30%	0.91%	-2.68%	48.03%	-7.77%	-16.53%	-9.10%

* 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

	Portfolio	Benchmark
Delta equity (1%) ¹	39.88%	35.67%
Modified duration ²	1.23	2.35

¹ Fund's sensitivity to a 1% variation of all underlying share prices

² Modified duration (in points) estimates a bond portfolio's percentage price change for 1% change in yield.

Volatility

	1 year	3 years	5 years
Portfolio volatility	4.82%	6.30%	6.26%

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.

BOND



Pierre Luc Charron

Head of Convertible Bonds Team



Jérôme Gunther

Portfolio manager

Management commentary

Performance was mixed on the European equity markets. The SX5E was down 1.71% while the MSCI Europe was positive at 0.82%. As the year drew to a close, the tendency was continued sector rotation and profit-taking. We observed a comparable tendency on the credit market. This cautious tendency is linked to the reappearance of specific risk such as Altice (SFR) and even Astaldi in the "High Yield" universe.

The most significant event is still the abrupt and sudden drop in the Steinhoff share price, it being one of the largest convertible bond issuers in the Eurozone, a retail specialist and owner of Conforama.

The asset class's performance during December was therefore closely correlated to that of the Steinhoff convertible bonds. The security is at the centre of a financial scandal of which the extent cannot yet be properly assessed, following which it instantly lost 90% and although the convertible bonds are protected by the value of its assets they still lost 45% of their value, significantly affecting the performance of the fund and of the Thomson Reuters indices.

In this very specific context where the fund's performance could be summarised by the Steinhoff dossier alone, we should however emphasise the positive aspects such as, firstly, the rising oil prices benefiting the whole sector and in particular the portfolio with TechnipFMC and BP, and secondly, the return of mergers and acquisitions within the universe. In fact after NH-Hoteles (hostelry) in November, there were various mergers in December, all in the real estate sector, between Hammerson and Intu Properties in England, Unibail and the Australian Westfield, and particularly the takeover bid by the German Vonovia for its Austrian neighbour Buwog which we held.

In 2018 this theme combined with the specific nature of the convertible bonds (protection clause in the event of change of control) is expected to be a performance driver for the asset class.

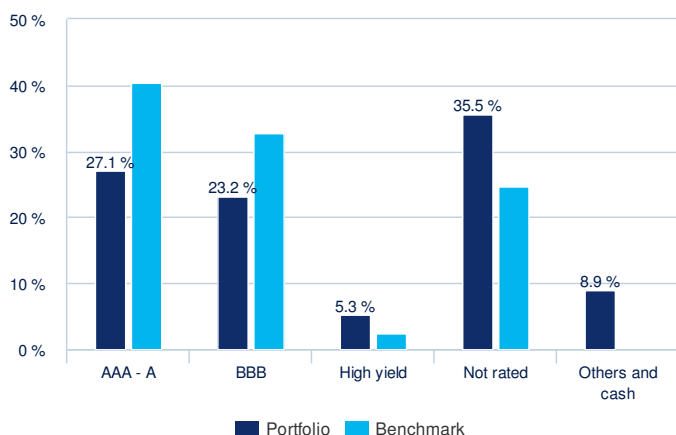
Within the portfolio we trimmed the convertible Foncière des Régions after excellent results and high share sensitivity, and reinforced the newly issued Maisons du Monde, which has a profile enabling us to taking advantage of the economic upturn in Europe and France in particular. In terms of options, we chose to modify our Technip strategy by exchanging most of our position on the bond for options. We also increased our exposure to Carrefour and Telecom Italia shares.

The primary market remained concentrated with a single issue, Deutsche Post, for €1bn, which was easily placed.

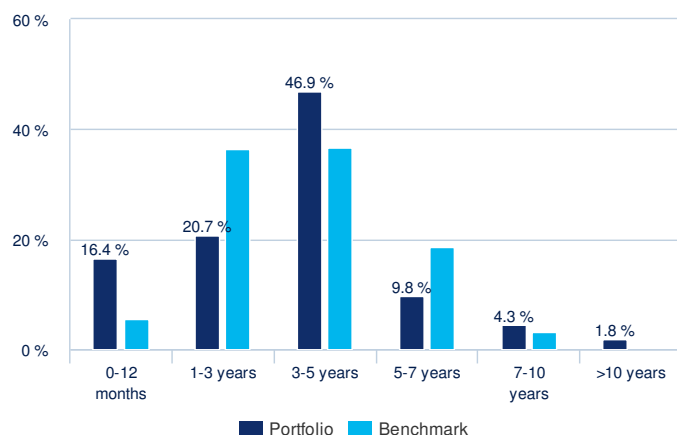
As the year begins, the good macroeconomic situation in Europe and reasonable share valuations have encouraged us to maintain our strategy of improving convexity, with the help of options, always seeking a good balance between participating in the upturn and the portfolio remaining resilient against any downturn.

Portfolio breakdown

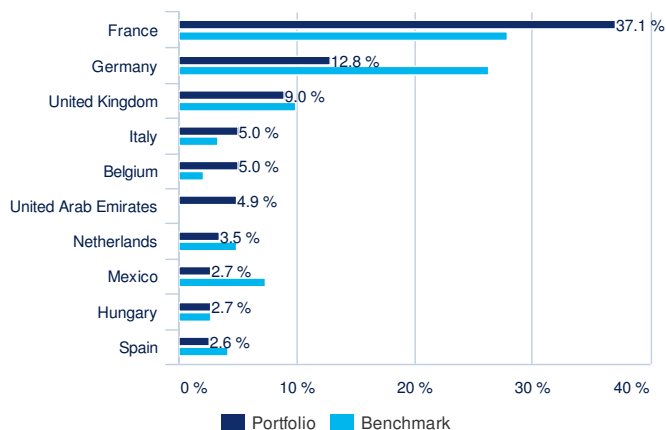
Breakdown by rating (Source : Amundi)



Portfolio breakdown by maturity



Top 10 issuer country



Main convertible bonds (in % of asset) - Top 10

	% asset
TOTAL 0.5% 12/22 CV	5.15%
AABAR/UNICREDIT 1% 3/22 CV	4.27%
IAG 0.625% 11/22 CV	4.09%
SAFRAN 0% 12/20 CV	3.35%
DEUTSCHE WOHNEN 0.6% 1/26 CV	3.28%
AIRBUS/DASSAULT 0% 06/21 CV	3.25%
AM MOVIL/KPN 5.5% 9/18CV	2.71%
HUNG/RICH 3.375% 4/19 CV	2.69%
LVMH 0% 02/21 CV	2.60%
RAG/EVONIK 0% 03/23 CV	2.59%
Total Top 10	33.98%

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Legal information

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