

AMUNDI FUNDS BOND EURO CORPORATE SHORT TERM - IE

MONTHLY
REPORT

31/07/2017

BOND ■

Key information (source : Amundi)

Net Asset Value (NAV) : (A) 1,026.33 (EUR)
(D) 1,020.96 (EUR)

NAV and AUM as at : 31/07/2017

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

ISIN code : (A) LU0945150927
(D) LU0945151065

Bloomberg code : AFBEIEC LX

Benchmark :
100.0% BARCLAYS EURO AGGREGATE
CORPORATE 1-3 YEARS

Morningstar Overall Rating © : 4

Morningstar Category © :
EUR CORPORATE BOND - SHORT TERM

Number of funds in the category : 190

Rating date : 30/06/2017

Investment Objective

The objective of the Sub-Fund is to outperform the reference indicator Barclays Euro Aggregate Corporate 1-3 over a minimum investment of 18 months by selecting bonds mainly denominated in Euro offering the highest level of potential capital gain at short and mid-term.

Risk & Reward Profile (SRII)



Lower risk, potentially lower rewards

Higher risk, potentially higher rewards

The SRII 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 SRII is not guaranteed and may change over time.

Returns

Performance evolution (rebased to 100) from 31/07/2007 to 31/07/2017*



A : Simulation based on the performance from March 2, 1990 to November 6, 2014 of the French fund « Amundi Crédit 1-3 » managed by Amundi, feeder of « Amundi Funds Bond Euro Corporate 1-3 » as from November 7, 2014.

B : Performance of the Share Class 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	30/06/2017	28/04/2017	29/07/2016	31/07/2014	31/07/2012	02/03/1990
Portfolio	1.90%	0.66%	1.16%	2.16%	3.30%	10.27%	247.70%
Benchmark	0.50%	0.33%	0.24%	0.73%	3.49%	10.30%	-
Spread	1.39%	0.33%	0.91%	1.42%	-0.19%	-0.03%	-

Calendar year performance *

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	2.21%	-1.40%	2.20%	2.63%	6.72%	-0.09%	1.43%	7.15%	6.90%	1.37%
Benchmark	1.56%	0.59%	2.38%	2.29%	7.33%	1.26%	3.28%	10.96%	1.68%	3.24%
Spread	0.65%	-2.00%	-0.18%	0.33%	-0.62%	-1.35%	-1.84%	-3.82%	5.22%	-1.87%

* 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 ¹	1.97	1.94
Average Rating	BBB-	BBB+
Yield To Maturity	0.82%	0%
SWMD ²	5.27	1.27
Spread ³	131	65
Number of lines	117	426

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

² SWMD : spread-weighted modified duration

³ Spread: difference in yield between a corporate bond and its reference government bond (Germany for the Euro zone).

Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	1.12%	1.54%	1.35%
Benchmark volatility	0.52%	0.54%	0.64%
Ex-post Tracking Error	1.15%	1.34%	1.09%
Information ratio	1.22	-0.04	-0.01
Sharpe ratio	2.20	0.85	1.57

Performance analytics

	Inception to date
Maximum drawdown	-13.55%
Recovery period (days)	140
Worst month	02/2009
Lowest return	-4.99%
Best month	03/2003
Highest return	6.31%



Hervé Boiral
Head of Euro Credit



Alexandra Van Gysegem
Head of Credit Investment Grade



Yaël Muscat
Portfolio Manager

Management commentary

In the United States, the expansionary cycle is continuing. It is surprising by its duration (eight years) and by its slow pace. Moreover, judging by the strength of the labor market, it shows no sign of running out of steam without, however, generating inflationary pressures. 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.

In the Eurozone, economic trends remain positive and the outlook is very good for the rest of the year. Nonetheless, Mario Draghi was far more cautious at the ECB meeting on July 20 than he had been in his Sintra speech at the end of June.

This change in the ECB's attitude halted the rise in interest rates. The German 10-year rate, which had risen by 15bps in June, ending the month at 0.44%, climbed to 0.55% in July before dropping back to end the month at 0.50%. For its part, the two-year rate dropped by 12bps, down from -0.56% to -0.68%.

The improvement in macroeconomic conditions and in the political environment in Europe over the past quarter has accompanied a contraction in spreads to their lowest level since April 2015. The spread on the Barclays Euro-Aggregate Corporate 1-3 index contracted by 5bps in July, ending the month at 65bps.

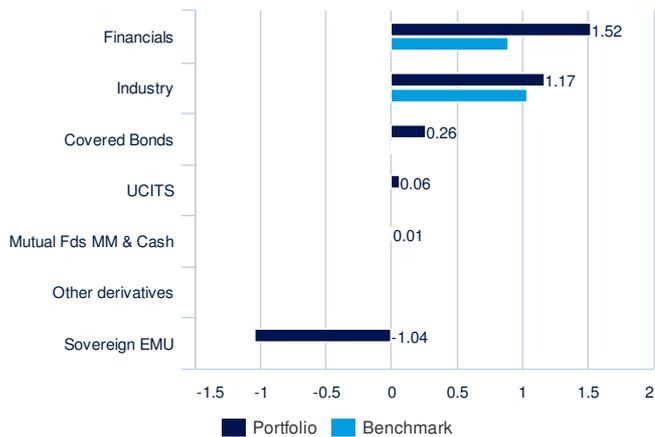
The index posted a gain of 0.33% in July, outperforming government bonds by 18bps.

We believe the monetary policy normalization process will be gradual so as not to perturb the economic agents.

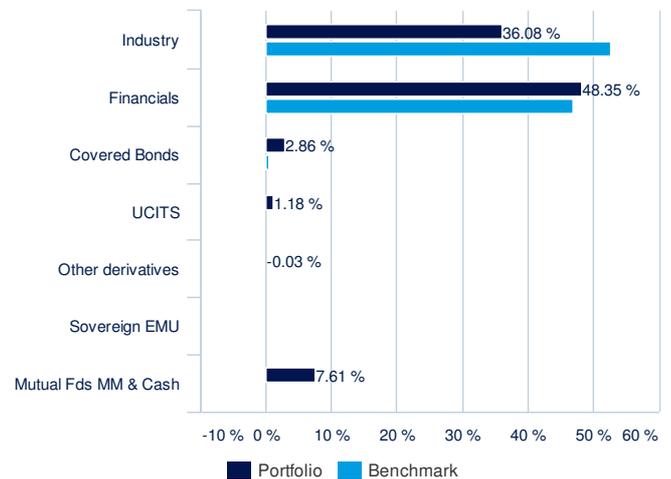
We continued our strategy of overexposure to the asset class and the positioning on high-beta assets (corporate hybrid debt and financial subordinated debt), which continues to bear fruit in a very favorable environment.

Portfolio breakdown by issuer

Modified duration



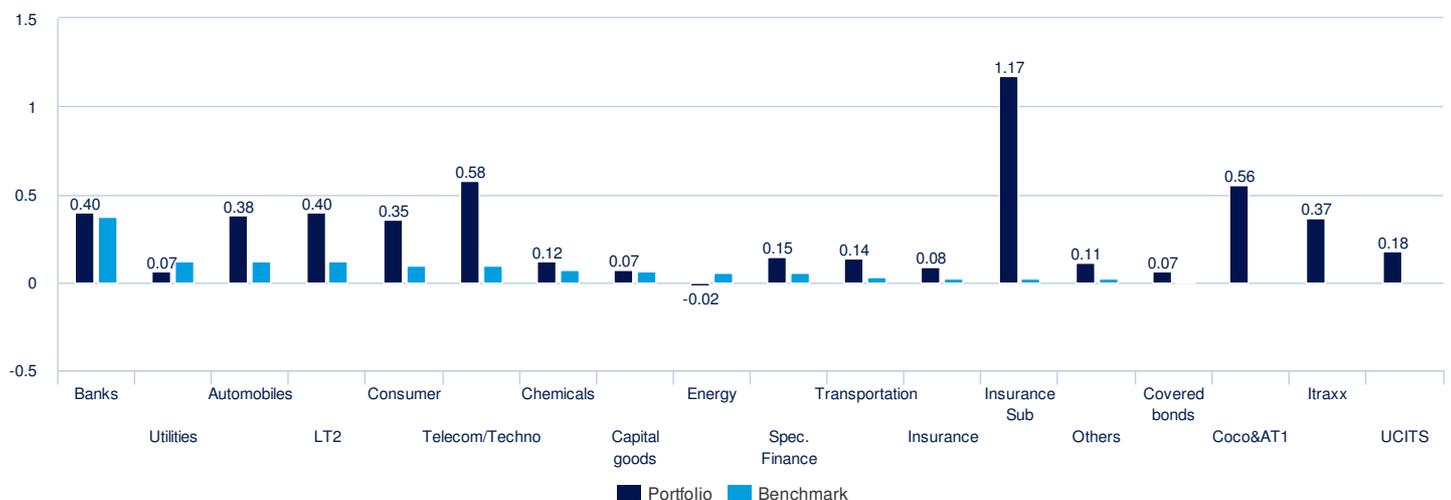
% of assets



Includes derivatives

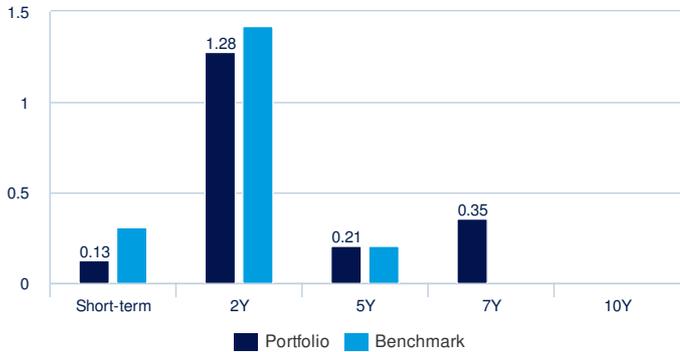
The total can be different by up to 100% as deferred cash is excluded

Sector Allocation (in units of SWMD)



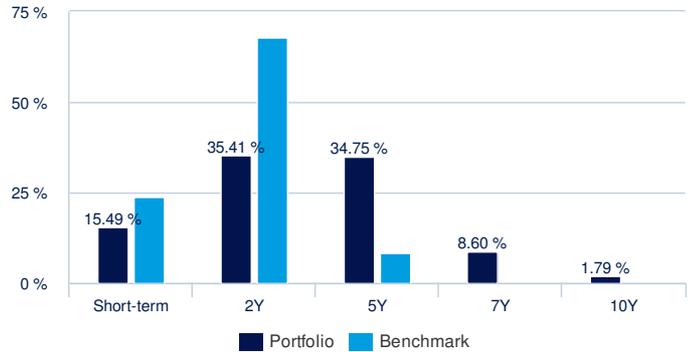
Portfolio breakdown by maturity

Modified duration



Includes derivatives

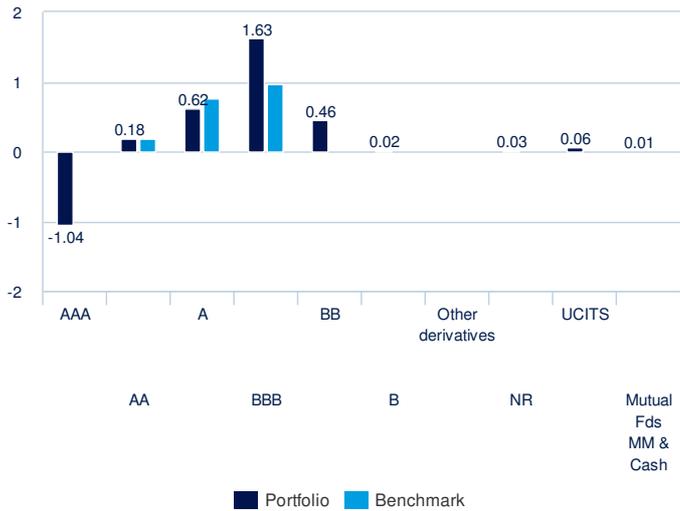
% of assets



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

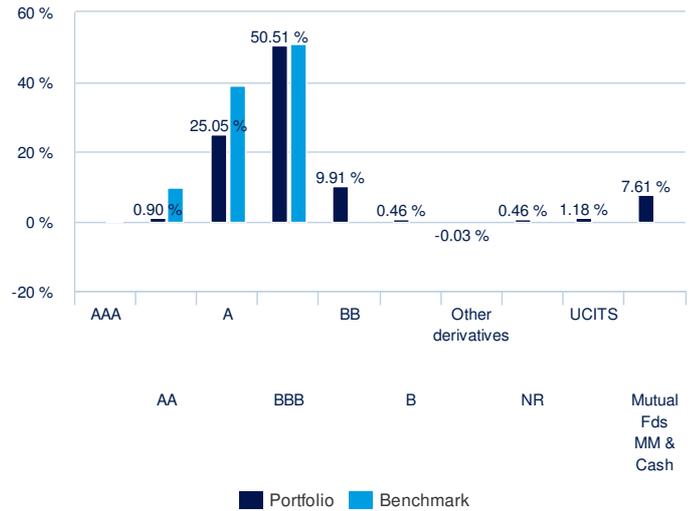
Portfolio breakdown by credit rating

Modified duration



Includes derivatives

% of assets

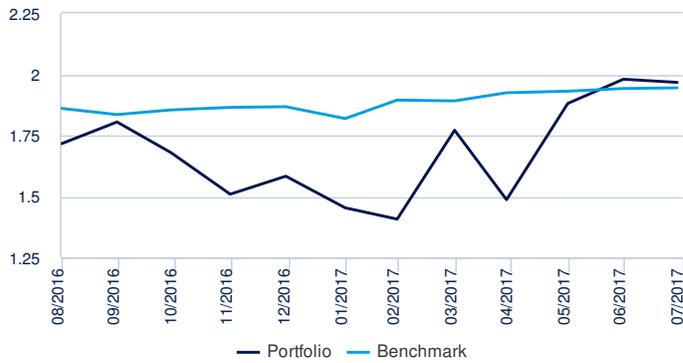


The total can be different by up to 100% as deferred cash is excluded

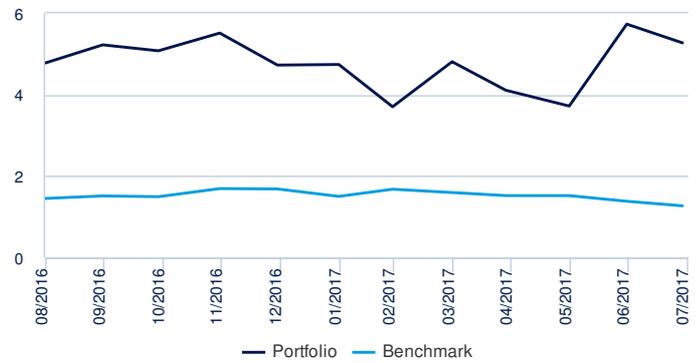
	Spread
Main overweights	
Insurance Sub	16.77%
Coco&AT1	5.01%
Telecom/Techno	2.65%
Covered bonds	2.47%
Transportation	1.89%
Main underweights	
Banks	-21.32%
Utilities	-6.50%
Energy	-4.73%
Capital goods	-4.19%
Consumer	-3.82%

Historical risk indicators

Modified duration



Spread Weighted Modified Duration (SWMD)



Main issuers

	Sector	% asset	Mod. duration	SWMD Portfolio	SWMD Benchmark
Sovereigns					
-					
Out of State Issuers					
-					
CAP GEMINI SA	Industry	3.04%	0.09	0.06	-
ASSICURAZIONI GENERALI SPA	Financials	2.53%	0.06	0.04	0.01
DEUTSCHE BOERSE AG	Financials	2.50%	0.08	0.13	-
HANNOVER FINANCE SA	Financials	2.48%	0.07	0.07	-
CAISSE NTLE PREVOYANCE-CNP ASS	Financials	2.44%	0.09	0.11	-
AXA SA	Financials	2.39%	0.06	0.07	0.01
CONTINENTAL AG	Industry	2.36%	0.04	0.03	0
VOLKSWAGEN INTL FIN NV	Industry	2.35%	0.07	0.20	0.02
DNB BANK ASA	Financials	2.25%	0.10	0.14	0.01
CLOVERIE PLC FOR ZURICH INSUR	Financials	2.21%	0.04	0.04	0
AVIVA PLC	Financials	2.14%	0.02	0.01	0
ALD SA	Industry	2.06%	0.10	0.10	-
CASINO GUICHARD PERRACHON SA	Industry	2.02%	0.12	0.31	-
CARNIVAL CORP	Industry	1.92%	0.04	0.03	0
MORGAN STANLEY	Financials	1.78%	0	0.01	0

Information

Fund structure	UCITS under Luxembourg law
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS Bank, Luxembourg Branch
Sub-fund launch date	07/11/2014
Share-class inception date	07/11/2014
Sub-fund reference currency	EUR
Share-class reference currency	EUR
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0945150927 (D) LU0945151065
Reuters code	LP68363201
Bloomberg code	(A) AFBIEC LX (D) ABECSTI 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	0.30% IAT
Performance fees	Yes
Exit charge (maximum)	0%
Ongoing charge	0.53% (realized)
Minimum recommended investment period	18 Months
Benchmark index performance record	14/05/2002: 100.00% BLOOMBERG BARCLAYS EURO AGGREGATE CORPORATE 1-3 YEARS 04/01/1999: 100.00% - CLOS - JPM EMU GOVT BND 1-3 YR 03/01/1992: 100.00% - CLOS - CNO STATE BOND 1-3 YR 02/03/1990: None
Management fee (p.a. max)	0.30%

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