Amundi Chenavari Credit Fund - Class SI EUR

FACTSHEET

Marketing Communication

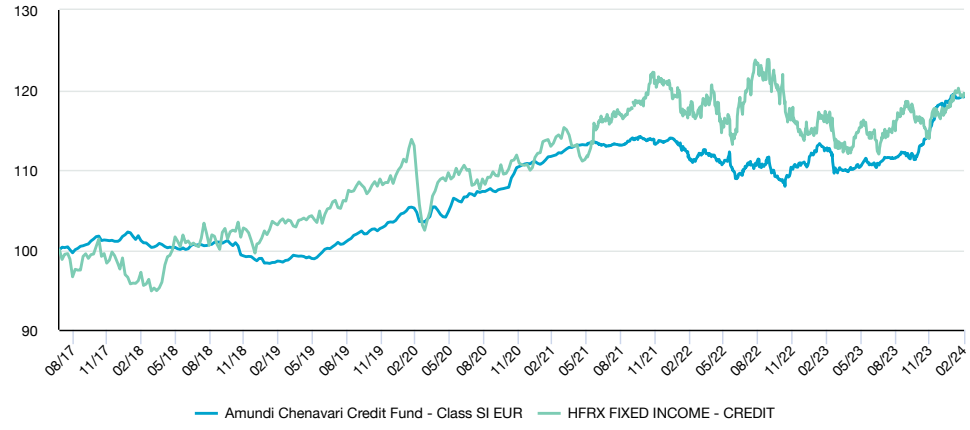
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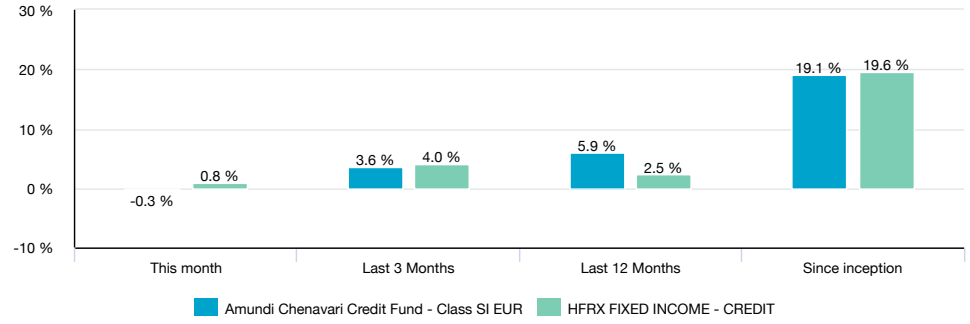
INVESTMENT OBJECTIVE

The Amundi Chenavari Credit Strategy is a European-focused Long / Short Credit Fund which aims to achieve positive risk-adjusted returns in both tightening and widening spread environments. The fund is based on a fundamental, credit spread neutral approach that seeks consistent absolute returns and invests in liquid instruments to enable a dynamic trading approach.

PERFORMANCE SINCE INCEPTION (Source : Fund Admin)



PERFORMANCE ANALYSIS (Source : Fund Admin) *



** These indicators are based upon weekly returns calculation*

HISTORICAL MONTHLY RETURNS* (Source : Fund Admin)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	0.00%	-0.38%	0.89%	1.14%	-0.45%	-0.13%	1.07%
2018	1.06%	-0.94%	-0.86%	0.38%	-0.36%	-0.27%	0.62%	-0.02%	0.32%	-0.44%	-1.26%	-0.48%	-2.27%
2019	-0.42%	0.24%	0.13%	0.51%	-0.31%	0.79%	0.93%	0.36%	0.95%	0.39%	0.30%	0.77%	4.74%
2020	1.11%	0.60%	-1.33%	1.08%	-0.19%	1.18%	0.94%	0.31%	-0.05%	0.46%	2.36%	0.42%	7.05%
2021	-0.05%	0.89%	0.62%	0.52%	0.15%	0.09%	-0.17%	0.05%	0.78%	-0.04%	-0.60%	0.37%	2.63%
2022	-0.51%	-1.60%	0.51%	0.00%	-0.72%	-1.91%	1.35%	0.79%	-0.66%	-1.66%	1.28%	0.84%	-2.34%
2023	1.12%	0.23%	-2.29%	0.02%	0.56%	0.14%	0.61%	0.15%	0.33%	0.32%	2.39%	2.88%	6.56%
2024	0.99%	-0.25%	-	-	-	-	-	-	-	-	-	-	0.73%

*Since inception : 25/07/2017

FUND FACTS

Legal Structure	Amundi Alternative Funds II PLC
Inception Date of the Fund	19/06/2015
Inception Date of the Class	25/07/2017
Share Class Currency	EUR
Available Currency Classes	EUR, USD
ISIN Code	IE00BYSGCK11
Bloomberg Code	LYXCSIE ID
Investment Manager	Amundi Asset Management
Sub-Investment Manager	-
Administrator	SS&C Financial Services (Ireland) Limited
Liquidity (1)	Daily
Subscription/Redemption Notice	On D day 1:00 pm CET
Valuation Day	See prospectus
Total Fund Assets	551.07 (million EUR)
NAV per Share	119.14 (EUR)
NAV per Share at inception	100 (EUR)
Management Fee max.(2)	1.20%
Class Performance Fee (2)	Yes
Administration Fee max.(2) (3)	0.35%
Long Exposure*	102.00%
Short Exposure	48.46%
Net Exposure (long - short)	53.54%
Gross Exposure (long + short)	150.46%

RISK ANALYSIS (Source : Fund Admin)

	Since inception
Volatility (PTF)	2.49%
Volatility (Index)*	6.46%
Sharpe ratio (PTF)	0.97
Sharpe ratio (Index)*	0.39
Maximum drawdown (PTF)	-5.46%
Maximum drawdown (Index)*	-10.72%

**100.0% HFRX FIXED INCOME - CREDIT*

IMPORTANT NOTE

Official NAV is calculated as of every Tuesday, subject to holidays and certain extraordinary events. Performance is based on the Class's last official NAV, and the Index level as of the same day.
The Fund complies with the UCITS Directive and has been approved by the Central Bank of Ireland on February 14, 2013. Please refer to the Fund's prospectus for a full disclosure of the Fund's characteristics.
(1) Under normal market conditions, Lyxor intends to offer the LIQUIDITY mentioned above. However, the LIQUIDITY is not guaranteed and there are circumstances under which such LIQUIDITY may not be possible. Please refer to the Fund's legal documentation for complete terms and conditions.
(2) For any additional information regarding fees, please refer to the relevant fees section of the Fund's Prospectus.
(3) The Fund is subject to an Administrative Expenses Fee at a rate of up to 0.35% of the Net Asset Value of each Class of the Fund per annum
Prospective investors should consult with their independent financial advisor with respect to their specific investment objectives, financial situation or particular needs to determine the suitability of investment. There can be no assurance that the investment objective of the Fund will be achieved and investment results may vary substantially over time. Investments in the Fund places an investor's capital at risk. The price and value of investments may fluctuate and investors may lose all or a substantial portion of their investment. Past performance is not indicative of future results. PAST PERFORMANCE IS NOTE A RELIABLE INDICATOR OF FUTURE RESULTS.

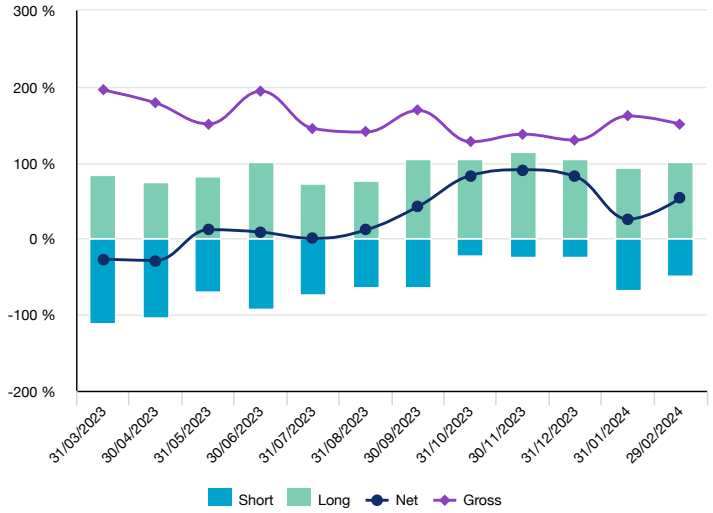
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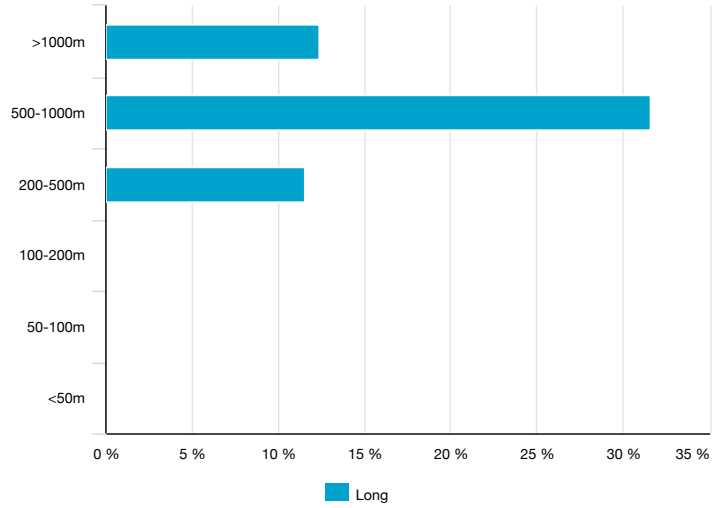
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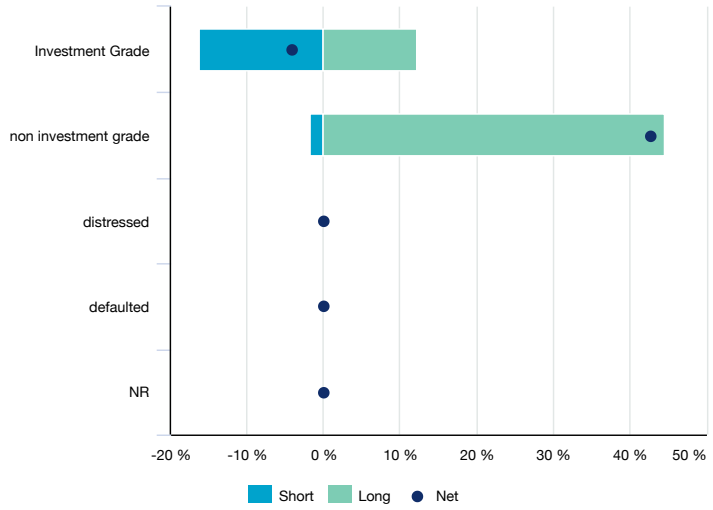
MONTHLY STRATEGY EXPOSURE FOR LAST 12 MONTHS



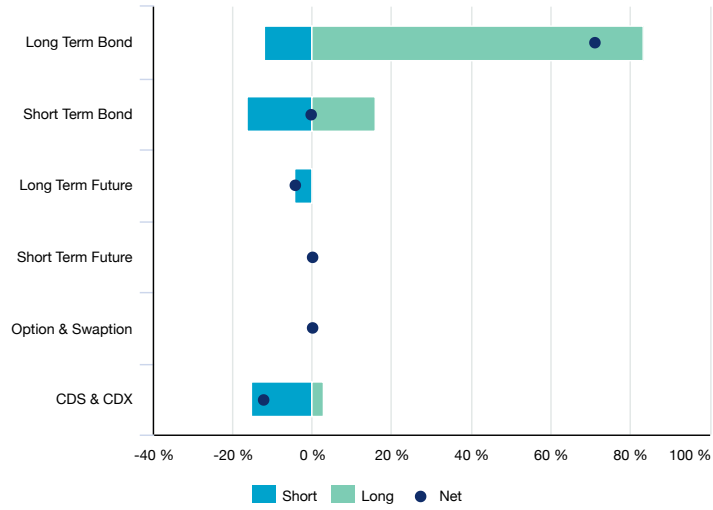
BONDS BY ISSUE SIZE



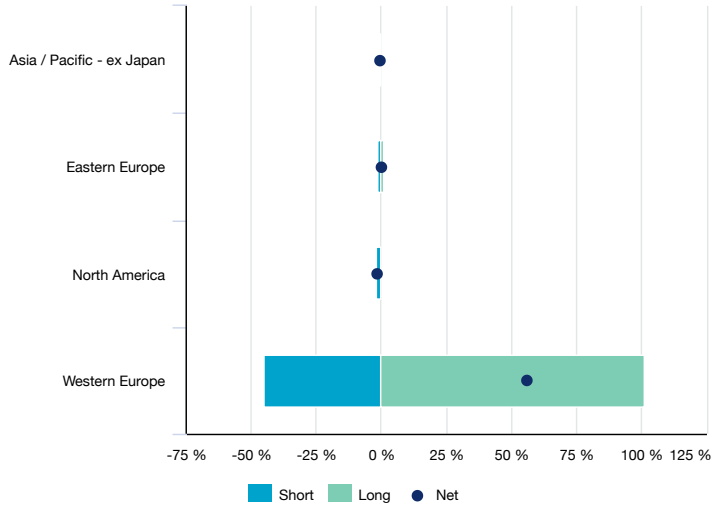
NET EXPOSURE OF BONDS BY RATING



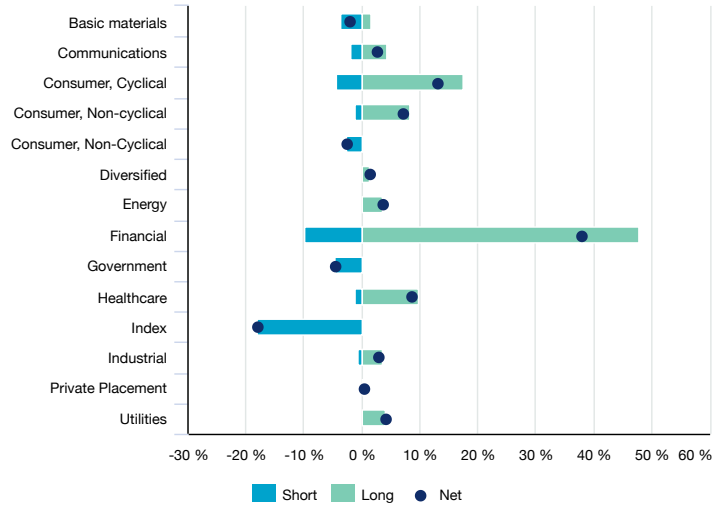
NET EXPOSURE OF FI - CREDIT BY ASSET CLASS



GEOGRAPHICAL BREAKDOWN



SECTOR ALLOCATION



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MONTHLY COMMENTARY (Source: Amundi)

Management commentary

Amundi Chenavari Credit Fund net performance for February 2024 was -0.14% (class SI USD) driven by Corporate (-0.06%) and by Financials (-0.08%). February saw investors recalibrate rate-cut bets closer to central bank forecasts driven by sticky inflation, while equity markets across the Atlantic reached record highs amid sustained optimism over artificial intelligence.

In the U.S., the core PCE index, the Fed's preferred inflation gauge, registered a 0.4% monthly increase in January (vs 0.1% in December). The U.S. labour market also recorded a stronger-than-expected payrolls report with wages up 4.5% in the 12 months through January (vs. 4.3% last month). Both factors have contributed to investors effectively ruling out a March rate cut as the Fed strives to bring down inflation to its 2% target.

In the Eurozone, YoY headline inflation marginally eased to 2.8% in January (vs 2.9% in December) and the YoY core inflation decreased to 3.3% (vs 3.4% in December). Negotiated wage growth, closely watched by the ECB to determine the timing of rate cuts, also declined to 4.5% in Q4 2023 (vs 4.7% in Q3). Meanwhile, the negative Q4 GDP print confirmed that the U.K. slipped into a technical recession in the second half of 2023, while headline inflation was cooler than expected, remaining unchanged at 4% in January.

Against this backdrop, equities rallied strongly with the STOXX Europe 600 increasing by +1.84% notching an all-time high, whilst the S&P 500 and Nasdaq also reached their highest all-time levels, rising by +5.17% and +6.12%, respectively, propelled by the outperformance of the 'Magnificent 7' stocks. In synthetic credit, both the iTraxx Xover and CDX HY returned to tighter levels, with spreads tightening by -23bp and -21bp, respectively. In global bonds, both the U.S. 10Y (+34bp) and the German 10Y Bund (+25bp) rose sharply to 4.25% and 2.41%, respectively.

CORPORATE

In the European corporate credit market, February extended the rally we saw in January, with the Bloomberg European High Yield benchmark pushing +0.37% higher in the month. This was the result of a further tightening in spreads, which more than offset the move higher in rates following a pullback in expectations of rate cuts this year. In the HY primary market, it was an extremely quiet month, with only a handful deals placing. As has been the theme of this year so far, refinancing was once again the main use of proceeds as fresh supply continues to be limited. The strategy itself only participated in some IG new issues which came at an attractive premium, such as Siemens and KPN.

The Corporate book finished the month slightly down, -0.12% at the allocation level and -0.06% at the Fund level, mostly driven by the short portion of the portfolio but the strategy continues to be positive year-to-date. In single names, long Cirsa, Ziggo and PureGym were the top performers, whilst rates hedges also added positively to performance.

During the month, Cirsa reported solid 4Q'23 results with sales up +7.7% and EBITDA up +5.5% for the quarter. Net leverage stood at 3.6x, which was flat quarter-on-quarter, but much improved from 2022 (4.1x at end of December), and deleveraging continues to be the main financial target for the company. EDF posted strong results during the month. FY EBITDA stood at €39.9bn, bouncing back after a difficult 2022, driven by improved French nuclear production. Debt was reduced by €10bn over the year, and net leverage stood at 1.36x, well below their target of 2.5x. The hybrid bonds finished the month roughly +1pt higher and were another top positive contributor to the strategy. However, this positive performance was offset, with short United Group, Renault and long BT being the largest single name detractors, whilst credit hedges also added negatively.

As was the case in January, with spreads continuing to move tighter, Chenavari used this as an opportunity to take profits on some names which Chenavari felt had exacerbated their upside, adding in new names and topping up on some existing names which Chenavari considers have the most room to rally further. Chenvari continues to operate with a long bias, and still sees many attractive long and short opportunities in the market, despite the lack of supply.

FINANCIALS

February was another relatively good month for Financials credit with spreads continuing to tighten, especially in the AT1 space, although the total return performance was affected by higher rates on the back of investors continuing to push out rates cuts further into 2024. € and $ AT1 spreads ended the month -26bp and -29bp tighter, respectively, on very strong technicals. In the absence of any foreseeable short term catalyst, investors continue to chase high coupon AT1s offering relatively attractive yields and carry opportunities. This was evident in the book-building of primary deals where strong demand caused the deals to squeeze significantly and secondary to reprice significantly tighter. For instance, Standard Chartered printed a $1bn PNC6 AT1 at 7.875%, well below where existing Standard Chartered AT1s were trading, causing existing bonds to reprice >1pts higher. Upper in the capital stack, € T2s were -8bp tighter while € Seniors were -10bp tighter, leading to some decompression.

Earnings season was in full swing in the month and Q4 results were broadly positive, especially for periphery names. The trend was for profitability continuing to hold up on the back of resilient NII, benign asset quality with broadly supportive 2024 profit guidance. Of note, following some profit warnings issued overseas (NY Community Bancorp in the U.S. and Aozora in Japan) due to U.S. commercial real estate (CRE) exposures, German names came under pressure given their real estate exposure. Excluding some CRE specialised lenders such as Deutsche PBB and Aareal Bank, both exposed to U.S. and German CRE where Chenavari expects profitability to be challenged this year by higher provisions, Chenavari thinks national champions like Deutsche Bank and Commerzbank should see limited impacted by any deterioration in real estate given their business diversification and sound profitability. In the strategy, the group remains constructive on Deutsche Bank and Commerzbank (the latter with no exposure to U.S. CRE) and took advantage of the correction to top up the exposure, for instance on CMZB 4.25% C28 offering a yield-to-call of >10%.

The primary market was particularly active with €49.7bn issued from European banks, well above 2023's level of €34.9bn. This means that YTD issuance has amounted to €121bn and so has exceeded the amount of €120bn issued in 2023. Chenavari thinks the pipeline will remain busy as the groups expects that banks will try to frontload most of the 2024 funding in H1'24, thus avoiding any potential periods of high volatility in conjunction with U.S., EU, and UK political elections. To be noted, the month has seen 8 AT1 deals, all from core banks and all for refinancing purposes, except the new UBS AT1. In the strategy, Chenavari was disciplined and decided to pass on most of the deals as secondaries were offering more attractive yields.

The Financials book finished the month slightly down, -0.17% at the allocation level and -0.08% at the Fund level, mostly driven by negative MtM on the German bank AT1 exposure, whilst the squeeze in credit hedges also negatively impacted the book. On the other hand, the top positive performers were the positions on Novo Banco and RBI.

MAIN RISKS

Risk of losses : The price of Shares can go up as well as down and investors may not realise their initial investment. The investments and the positions held by the Fund are subject to (i) fluctuations in the Strategy (ii) market fluctuations, (iii) reliability of counterparties and (iv) operational efficiency in the actual implementation of the investment policy adopted by the Fund in order to realise such investments or take such positions. Consequently, the investments of the Fund are subject to, inter alia, the risk of declines in the Strategy (which may be abrupt and severe), market risks, credit exposure risks and operational risks. At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Shares. Due to the risks embedded in the investment objective adopted by the Fund, the value of the Shares may decrease substantially and even fall to zero, at any time.

Counterparty risk : the Fund is exposed to the risk that any credit institution with which it has concluded an agreement or a transaction could become insolvent or otherwise default. If such an event occurs, you could lose a significant part of your investment.

Credit risk : the Fund is exposed to the risk that the credit quality of any direct or indirect debtor of the Fund (be it a state, a financial institution or a corporate) deteriorates or that any such entity defaults. This could cause the net asset value of the Fund to decline.

Operational risk and asset custody risk : in the event of an operational failure within the management company, or one of its representatives, investors could experience delays or other disruptions.

Liquidity risk: in certain circumstances, financial instruments held by the Fund or to which the value of the Fund is linked could suffer a temporary lack of liquidity.

This could cause the Fund to lose value, and/or to temporarily suspend the publication of its net asset value and/or to refuse subscription and redemption requests.

Risk of using FDI : the Fund invests in financial derivative instruments in order to reach its investment objective. These instruments may include a range of risks which could lead to their adjustment or result in their early termination. This could lead to the loss of a part of your investment.

Capital at risk : the initial capital invested is not guaranteed. As a consequence, investor's capital is at risk and the amount originally invested may not be recovered.

Please refer to the Fund's Prospectus for a complete description of the Investment Risks.

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(1) such benchmark may be subject to methodological or other changes which could affect the value of the relevant transaction; or
(2) (i) may become not compliant with applicable laws and regulations (such as the European Benchmark Regulation), (ii) may cease to be published, or (iii) the supervisor or administrator of any such benchmark may make a statement that the relevant benchmark is no longer representative, and as a consequence the relevant benchmark may be replaced by another benchmark which may have an adverse and material impact on the economics of the relevant transactions..

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