

SG OBLIG CORPORATE 1-3 - I

MONTHLY
REPORT

31/07/2017

BOND ■

Key information (source : Amundi)

Net Asset Value (NAV) : 2,802.29 (EUR)

NAV and AUM as at : 31/07/2017

Assets Under Management (AUM) :

627.61 (million EUR)

ISIN code : FR0000448870

Bloomberg code : SGEURSP FP

Benchmark :

100% BARCLAYS EURO AGGREGATE CORPORATE
1-3 YEARS

Investment Objective

The fund's objective is to achieve dynamic capital gains on markets in the EURO zone. Its portfolio mainly consists of bonds and notes denominated in the currencies of the EURO zone, issued by all types of issuers with a rating of at least BBB (Standard & Poor's). Where necessary, the fund may invest in bonds and notes denominated in European currencies which do not belong to the EURO zone.

Risk & Reward Profile (SRRI)



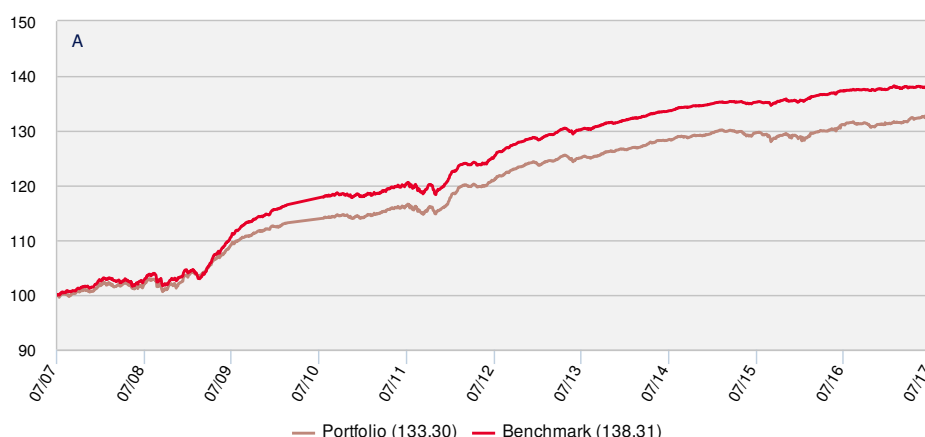
Lower risk, potentially lower rewards

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.

Returns

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



A : During this period, the OPCVM is managed with a new reference indicator

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	30/12/1998
Portfolio	1.62%	0.59%	0.96%	1.68%	3.80%	10.05%	81.53%
Benchmark	0.50%	0.33%	0.24%	0.73%	3.49%	10.30%	101.69%
Spread	1.12%	0.27%	0.72%	0.95%	0.31%	-0.25%	-20.15%

Calendar year performance *

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	1.58%	-0.04%	2.14%	1.90%	7.01%	1.40%	2.17%	9.39%	1.60%	1.78%
Benchmark	1.56%	0.59%	2.38%	2.29%	7.34%	1.26%	3.28%	10.96%	1.68%	3.25%
Spread	0.01%	-0.64%	-0.24%	-0.40%	-0.33%	0.14%	-1.11%	-1.57%	-0.08%	-1.47%

* 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	1.98	1.94
Average Rating	BBB	BBB+
Yield To Maturity	0.84%	0%
SWMD ²	5.52	1.27
Spread ³	133	65
Number of lines	171	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	0.79%	0.99%	0.98%
Benchmark volatility	0.39%	0.51%	0.66%
Ex-post Tracking Error	0.64%	0.64%	0.55%
Information ratio	1.44	0.16	-0.08
Sharpe ratio	2.56	1.47	2.05

Performance analytics

	Inception to date
Maximum drawdown	-5.64%
Recovery period (days)	405
Worst month	10/2002
Lowest return	-2.26%
Best month	05/2003
Highest return	2.80%

Management commentary

The credit market continued to perform very well in July, 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 index contracted by 10bps in July, ending the month at 92bps (synthetic - 3bps at 53bps). The 1-3 year index posted a gain of 0.33% in July, outperforming Govies (with equivalent duration) by 18bps. High-beta credit continued to achieve strong performances, illustrating investors' search for yield. Insurance (particularly the subordinated segment) and metals & mining were the best performers whereas the cyclical consumer goods sector posted the worst underperformance. Corporate hybrid debt once again delivered a strong performance in July (+1.32%), bringing the annual performance to +8.16%.

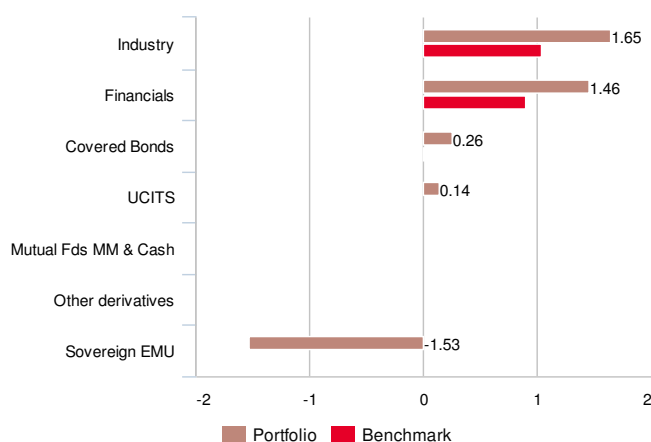
The market was fueled by a robust economic environment. In the Eurozone, economic trends remain positive and the outlook is very good for the rest of the year. Nonetheless, Mario Draghi was far more cautious at the ECB meeting on July 20 than he had been in his Sintra speech at the end of June. This change in the ECB's attitude halted the rise in interest rates. The German 10-year rate, which had risen by 15bps to end June at 0.44% climbed to 0.55% in July before ending the month at 0.50%.

The fund outperformed its benchmark over the period thanks to its credit overweighting, particularly on high beta securities. Credit exposure remained stable with a bias in favor of the financial sector. We remain constructive with regard to August. In effect, we believe the monetary policy normalization process will be gradual so as not to perturb the economic agents. We expect credit spreads to remain stable out to the end of the year, or even to tighten a little more as corporate fundamentals are currently stronger than in 2015, when credit premiums tightened to 89bps. Moreover, in June and July, credit spreads showed a negative correlation relative to returns on euro government bonds.

With regard to duration, the fund's modified duration is the same as that of its benchmark (1.98). The portfolio's investments are concentrated on the 2-5-year section.

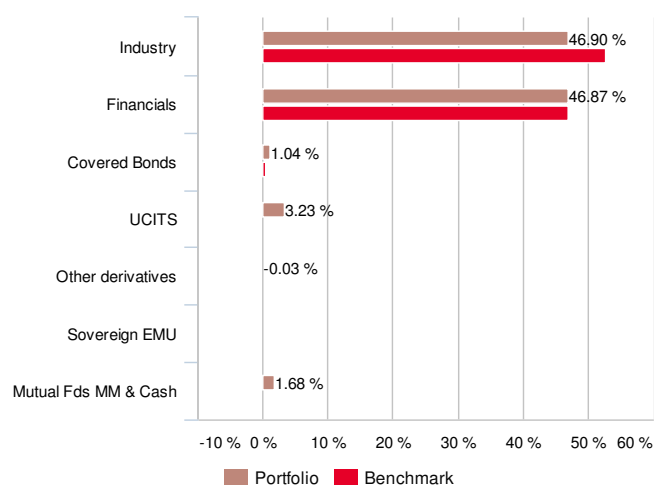
Portfolio breakdown by issuer

Modified duration



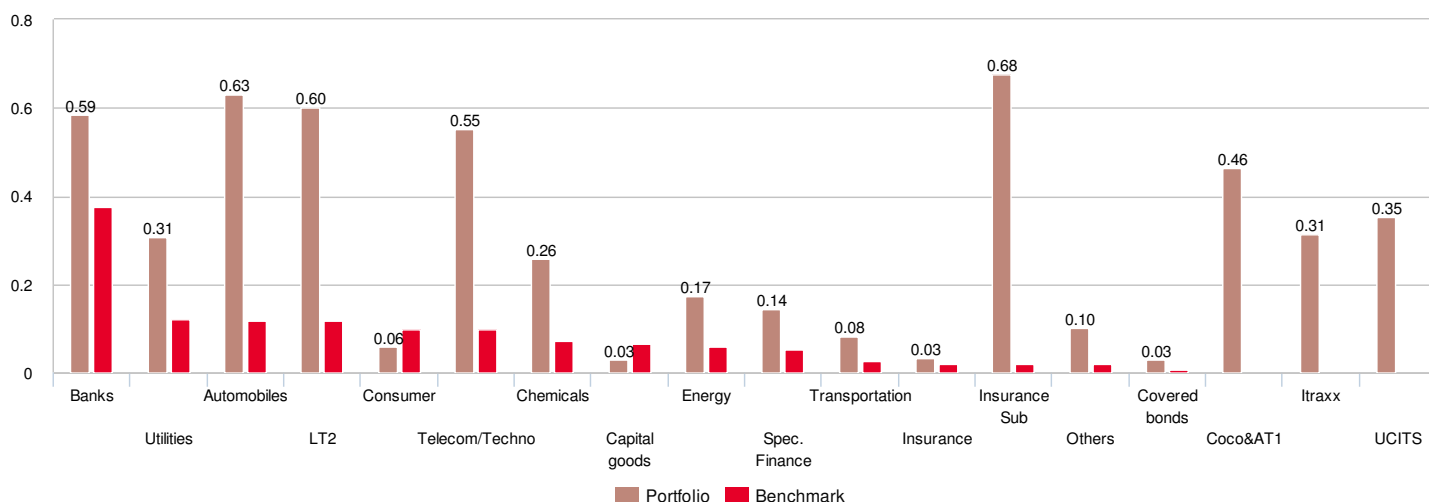
Includes derivatives

% of assets



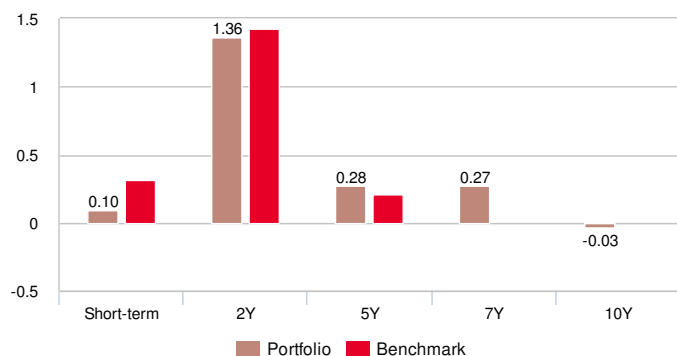
The total can be different by up to 100% as deferred cash is excluded

Sector Allocation (in units of SWMD)



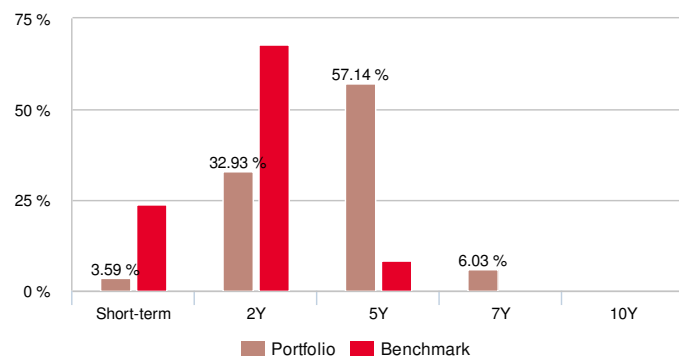
Portfolio breakdown by maturity

Modified duration



Includes derivatives

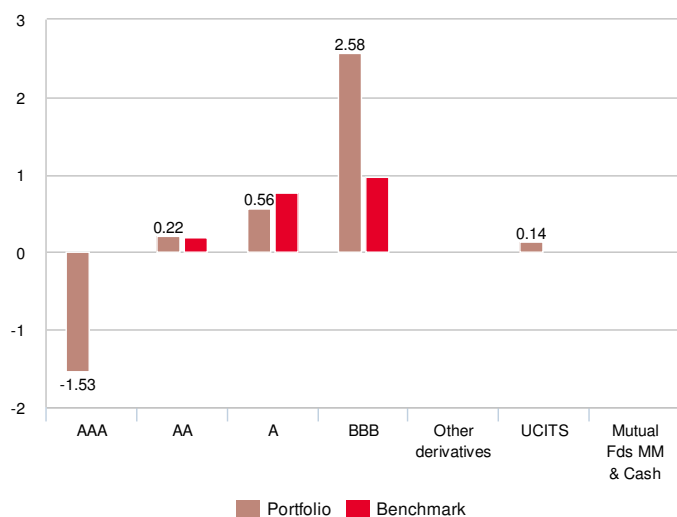
% of assets



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

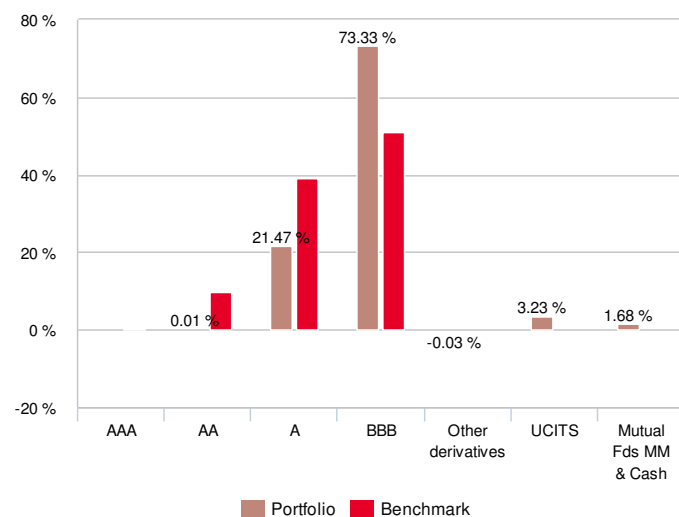
Portfolio breakdown by credit rating

Modified duration



Includes derivatives

% of assets



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

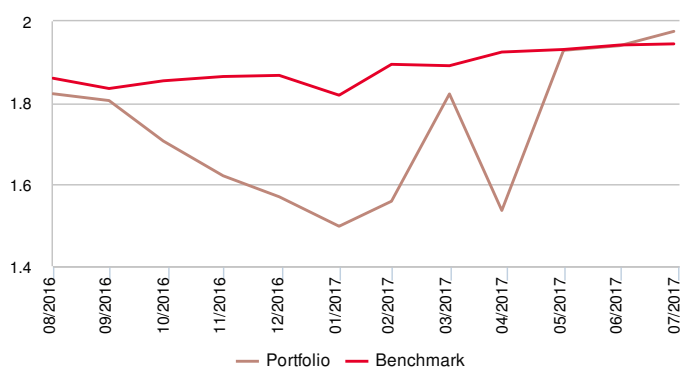
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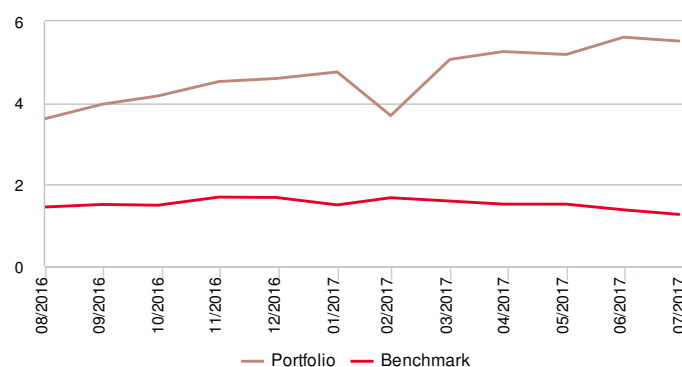
	Spread
Main overweights	-
Insurance Sub	8.64%
LT2	4.72%
Automobiles	4.02%
Coco&AT1	3.55%
Telecom/Techno	3.16%
Main underweights	-
Banks	-15.95%
Consumer	-5.96%
Capital goods	-3.28%
Utilities	-2.55%
Energy	-2.14%

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	-	-	-	-	-
VOLKSWAGEN INTL FIN NV	Industry	3.82%	0.16	0.37	0.02
FCE BANK PLC	Industry	3.38%	0.13	0.12	0
FCA BANK SPA IRELAND	Industry	2.89%	0.07	0.07	0.01
COOPERATIEVE RABOBANK UA	Financials	2.63%	0.09	0.20	0.02
HSBC HOLDINGS PLC	Financials	2.41%	0.05	0.18	0.01
GOLDMAN SACHS GRP INC	Financials	2.40%	0.03	0.08	0.01
CAISSE NTLE PREVOYANCE-CNP ASS	Financials	2.27%	0.08	0.10	-
BNP PARIBAS	Financials	1.81%	0.07	0.18	0.01
BANK OF AMERICA CORP	Financials	1.81%	0	0.06	0
ASSICURAZIONI GENERALI SPA	Financials	1.72%	0.08	0.18	0.01
LEASEPLAN CORP NV	Financials	1.63%	0.05	0.04	0.01
AMERICA MOVIL SAB DE CV	Industry	1.55%	0.06	0.14	0.01
AXA SA	Financials	1.55%	0.04	0.04	0.01
BHP BILLITON FINANCE LTD	Industry	1.50%	0.05	0.09	0
MORGAN STANLEY	Financials	1.31%	0.01	0.04	0

Information

Fund structure	Mutual Fund (FCP) under French law
Fund Manager	Société Générale Gestion
Custodian	SOCIETE GENERALE
Sub-fund launch date	10/12/1998
Share-class inception date	10/12/1998
Sub-fund reference currency	EUR
Share-class reference currency	EUR
Type of shares	Accumulation
ISIN code	FR0000448870
Reuters code	LP60042382
Bloomberg code	SGEURSP FP
Minimum first subscription / subsequent	200000 Euros / 1 thousandth of a share
Frequency of NAV calculation	Daily
Entry charge (maximum)	2.00%
Maximum direct annual management fees including taxes	0.75% IAT
Performance fees	Yes
Exit charge (maximum)	0%
Ongoing charge	0.53% (realized)
Minimum recommended investment period	> 2 Years
Benchmark index performance record	30/11/2006: 100.00% BLOOMBERG BARCLAYS EURO AGGREGATE CORPORATE 1-3 YEARS 28/03/2002: 100.00% BLOOMBERG BARCLAYS EURO- AGGREGATE (E) 30/12/1998: 100.00% CGBI EMU GOVT BOND ALL MATS. (E)

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