

# Euro Government Bonds

a subfund of the ABN AMRO Multi-Manager Funds

31/07/2014

## Fund manager's comment

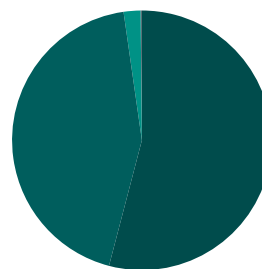
In the Euro Zone, PMIs show a negative inflection for all countries, except for Spain and to a lesser degree Ireland. French indicators are much weaker (48) than the rest. The composite index for the region is 52.8. Geopolitical risks (Middle-East, Ukraine) emerged and the flight to quality on bunds was also motivated by monetary easing, duration capitulation trades, Portuguese volatility and pressure from regulatory bodies ("liquidity buffer"). The 10Y German rate continued its rally and dropped 0.08%, ending the month at 1.17%. The impact was a bit stronger on peripheral debts (-0.08% for the 10Y Spain/Germany spread).

AAMMF FoM Euro Government Bonds performed in line with the benchmark in July.

The Natixis mandate outperformed the benchmark. During this month, the global duration remained mostly above the benchmark's, between 98% and 106%, because they anticipated that this rally would reach the technical objective of 1.15% on 10Y German rate. The impact of this strategy was small and positive. Strategies on sovereign debts (country/curve) had a positive impact on relative performance. Overexposures to Italy, Spain and Germany were maintained, with an underexposure to France. The most significant impacts were on Spain, Italy and Germany. Diversification on supranational remained unchanged: EIB and EFSF, which slightly outperformed sovereigns, with a small positive impact on relative performance.

The Blackrock mandate outperformed the benchmark. Country positioning contribution was positive mainly due to tactical trading in Portugal in the aftermath of the BES story. The front end flattening bias has worked in the aftermath of the ECB decision. Positions in inflation-linked bonds have detracted as European inflation continues to mark new lows. An underweight in duration detracted as bund yields have moved lower.

## Manager breakdown



Blackrock	54.08%
Natixis	43.66%
Cash	2.10%
Liquidity	0.16%

## Risk and reward profile

The Risk level of this Fund of Mandates structure is generally determined by its asset allocation, the investment markets and economic sectors, as well as the currency breakdown.



The Risk and Reward profile of the Fund of Mandates is based on the variations in value that an investment in this Fund of Mandates has experienced. The classification of the Fund of Mandates is a reasonably accurate reflection of the risk of the Fund of Mandates over past market conditions. Historical data used in determining the profile is not a reliable indication for the risk inherent in any future circumstances and events that differ from what the Fund of Mandates has undergone in the past. The Risk and Reward profile of a Fund of Mandates is an indicator but not a target or a guarantee and may shift over time. The lowest risk category does not involve that the Fund of Mandates is free of risk. Higher possible returns generally also imply higher possible risks.

## Fund facts

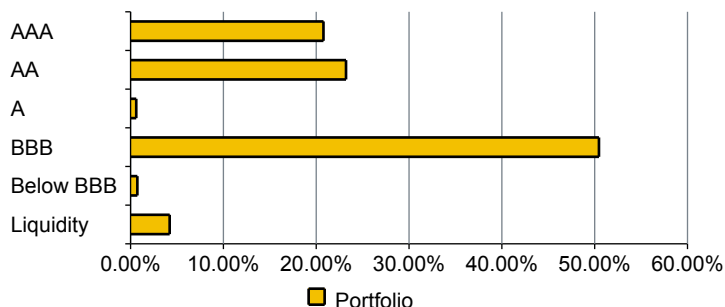
Class of shares:	Class C2
Currency:	EUR
Inception date:	30/11/2009
AUM:	EUR 1100 million
NAV per share:	EUR 113.07
Minimum investment:	5000 (EUR or USD)
Management fee:	0.47%
Sales charge (max.):	5.00%
Redemption fees (max.):	1.00%
ISIN Code:	LU0454042937
Bloomberg code:	ABNEUGC LX

## Multi-manager funds of mandates

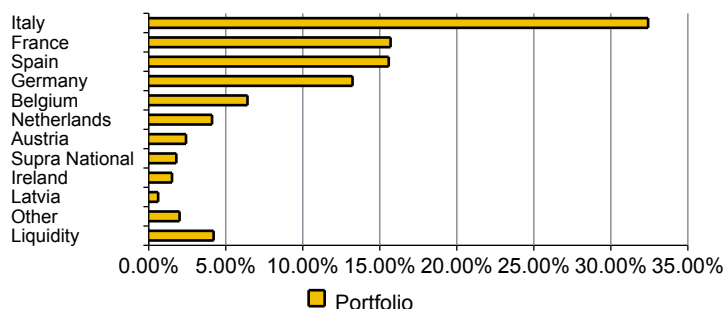
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### Rating breakdown



### Geographic breakdown



### Top holdings

SPAIN GOVERNMENT BOND	4.95%
ITALY BUONI POLIENNALI DEL TESORO	4.30%
ITALY BUONI ORDINARI DEL TESORO BOT	3.94%
ITALY BUONI POLIENNALI DEL TESORO	3.54%
BUNDESREPUBLIK DEUTSCHLAND	3.43%
SPAIN GOVERNMENT BOND	3.41%
FRANCE GOVERNMENT BOND OAT	3.38%
BELGIUM GOVERNMENT BOND	2.47%
EURO-SCHATZ FUT SEP14 XEUR 20140908 EXPO	2.17%
EURO-BOBL FUTURE SEP14 XEUR 20140908 EXPO	2.10%

### Performance

	1 month	3 months	YTD	1 Year	3 Years	5 years	Since 11/2009
Fund in EUR	0.55%	2.20%	5.92%	7.30%	13.58%	-	13.07%
Benchmark* in EUR	0.50%	2.08%	5.46%	6.92%	21.25%	-	21.35%
Performance indicator** in EUR	0.50%	2.08%	5.46%	6.92%	15.04%	-	15.15%

\* BofA ML EMU Direct Government 1-10Y (EUR) - net return

\*\* Citi EMU Government Bond Index since launch and BofA ML EMU Direct Government 1-10Y (EUR) since 30/04/2011

Source: State Street

Fund of Mandates performance figures have been calculated net of fees, and on a total return basis with dividends received reinvested. All data in this newsletter is unaudited. Past performance is no guarantee of future returns. The net asset value of the Fund of Mandates may fluctuate and may go down as well as up.

#### Important Information

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### Fund profile

**Focus:** The Fund of Mandates may delegate the management to external (non A.A. Advisors) managers and invests in euro denominated bonds and/or other debt instruments issued by a member state of the European Union being part of the euro zone. The key selection criteria used to select external managers are the experience and strength of the managers; their investment philosophy and process, and proven risk-adjusted performance.

**Management Style:** The Funds of Mandates will only delegate part of its assets to managers, selected in accordance with severe qualitative and quantitative criteria.

**Objective:** The Fund of Mandates aims to provide capital appreciation over the medium term by investing in euro denominated bonds and/or other debt instruments issued by a member state of the European Union being part of the euro zone.

**Suitability:** The Funds of Mandates may be suitable for investors who are seeking for a broad access to the euro government bond market using recognised expertise of external managers. The investors recognise that a medium-to long-term view is required in order to achieve optimal capital growth.

### Fund portrait

#### MAJOR SOURCES OF RETURN

Duration  
Spread  
Credits

#### DEBTORS

Government  
Agencies  
Corporates