

AMUNDI FUNDS BOND EURO GOVERNMENT - IE

BOND ■

MONTHLY
REPORT

31/08/2016

Key information

Net Asset Value (NAV) : 1,427.12 (EUR)

NAV and AUM as at: 31/08/2016

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

ISIN code : (A) LU0518422273
(D) LU0521034792

Benchmark :
JP Morgan EMU Government Bond Investment
Grade

Morningstar Overall Rating © : 4

Morningstar Category © : EUR GOVERNMENT BOND

Number of funds in the category : 625

Rating date : 31/07/2016

Sales : Catherine Beco

Phone number : +352 2686 8064

Investment Objective

The objective of the Sub-Fund is to outperform the JP Morgan EMU Government Bond Investment Grade reference indicator over three years.

To achieve that objective, the Sub-Fund invests mainly in bonds denominated in euro and issued or guaranteed by a country having fully incorporated the euro as its national currency ("Euroland"). Investments non denominated in euro are systematically hedged.

The Sub-Fund may invest in financial derivative instruments for arbitraging, hedging against and/or overexposing to risks of interest rates, volatility and inflation.

The Sub-Fund does not aim to replicate the reference indicator and may therefore significantly deviate from it.

Risk & Reward Profile (SRRI)



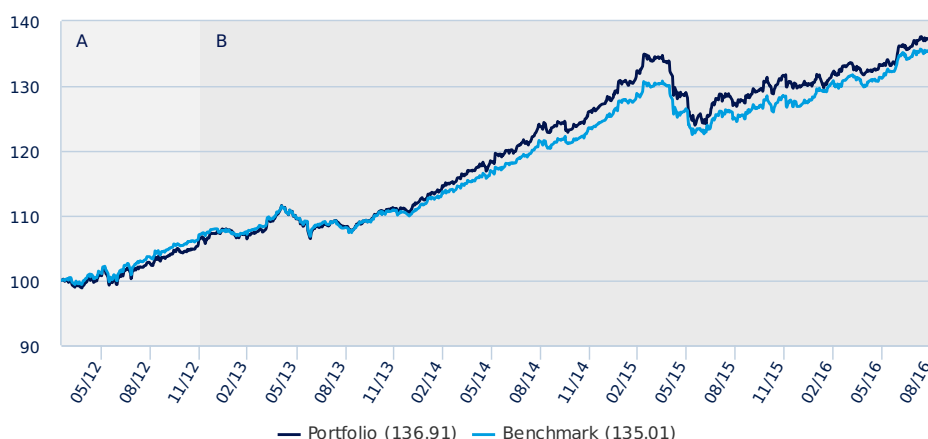
Lower risk, potentially lower rewards

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 16/03/2012 to 31/08/2016



A : During this period, the reference indicator of the sub-fund was JP Morgan EMU Government Bond.

B : Since the beginning of this period, the objective of the sub-fund is to outperform the JP Morgan EMU Government Bond Investment Grade reference indicator.

Cumulative returns *

Since	YTD 31/12/2015	1 month 29/07/2016	3 months 31/05/2016	1 year 31/08/2015	3 years 30/08/2013	5 years	Since 16/03/2012
Portfolio	5.36%	-0.09%	2.70%	7.73%	26.50%	-	36.91%
Benchmark	6.26%	-0.34%	2.82%	8.22%	24.81%	-	35.01%
Spread	-0.91%	0.25%	-0.12%	-0.49%	1.69%	-	1.90%

Calendar year performance *

	2015	2014	2013	2012	2011
Portfolio	1.82%	15.09%	3.39%	-	-
Benchmark	1.67%	13.38%	2.09%	-	-
Spread	0.16%	1.71%	1.30%	-	-

* 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	7.77	7.70
Average Rating	BBB+	A-
Yield To Maturity	0.52%	0.16%
SWMD ²	6.51	4.58
Spread ³	77	48
Number of lines	56	287

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	3.91%	4.46%	-
Benchmark volatility	3.69%	3.85%	-
Ex-post Tracking Error	1.54%	1.57%	-
Information ratio	-0.32	0.31	-
Sharpe ratio	2.04	1.84	-

Performance analytics

	Inception to date
Maximum drawdown	-8.14%
Recovery period (days)	379
Worst month	06/2015
Lowest return	-3.31%
Best month	04/2013
Highest return	3.30%



Isabelle Vic-Philippe

Head of Government Bonds & Inflation

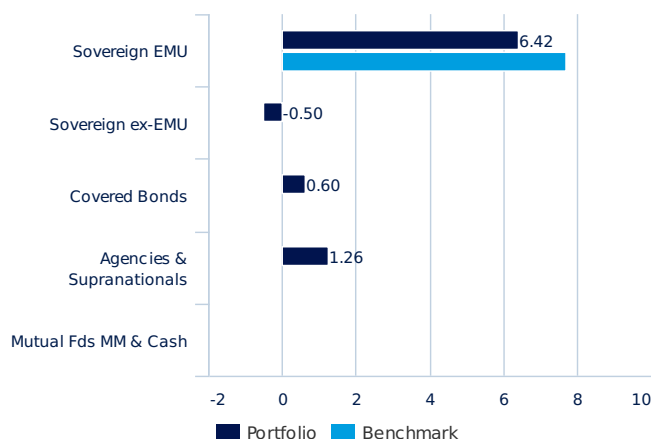
Management commentary

Between the BOE's 4 August easing measures (reduction of key rate to 0.25%, monthly purchases of £70bn, Bank bailouts) and the central bankers' meeting in Jackson Hole on 26 August, the market showed very little activity. The Fed is preparing for a rate increase in 2016 if job creations continue. The ECB's purchases maintained bearish pressure on rates. The German 10-year went from -0.11% to -0.05%. Peripheral spreads narrowed despite political uncertainties (Italian referendum and lack of government in Spain). Only Portugal's spread failed to improve, threatened by a fall in DBRS rating in October. The proportion of euro rates in negative territory is 45%.

The fund's performance improved as a result of narrower peripheral spreads. In response to the political uncertainties, this exposure was reduced to close to recent lows and weighted equitably between Spain and Italy. We sold off the US 2- and 5-year against Germany following the various more bullish speeches by members of the Fed. We took advantage of primary premiums at the end of the month to invest in the Slovenia 20-year against Italy and Finland 8-year against Germany. With rate volatility once again at a low, we've purchased some through an option strategy (Call Bund 168 and Put Bund 162) as US employment followed by central bank meetings (ECB on the 8th and the Fed on the 21st) could disrupt the current calm.

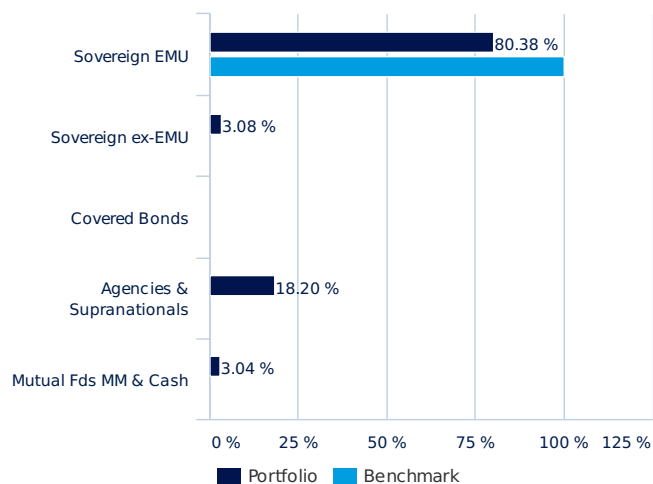
Portfolio breakdown by issuer

Modified duration



Includes derivatives

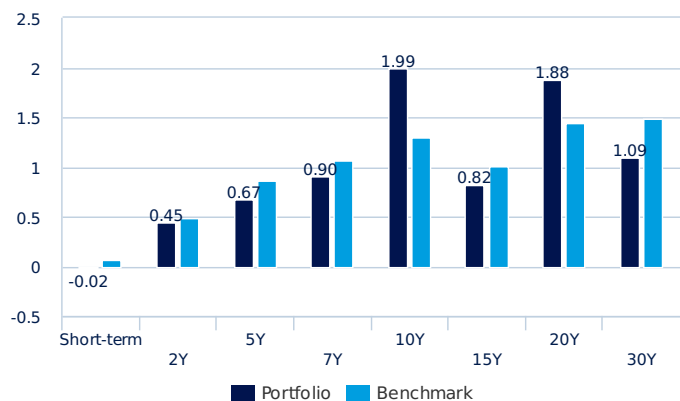
% of assets



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

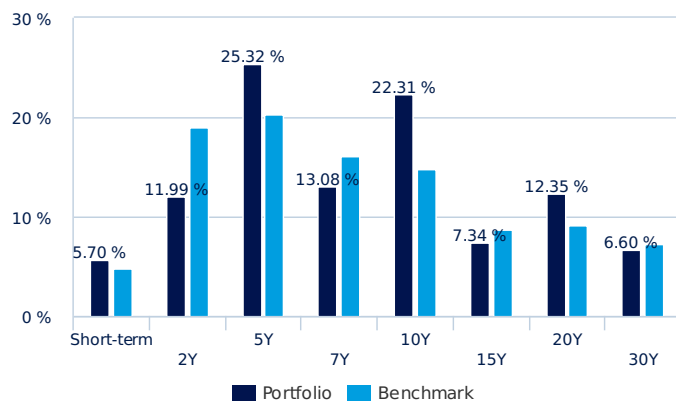
Portfolio breakdown by maturity

Modified duration



Includes derivatives

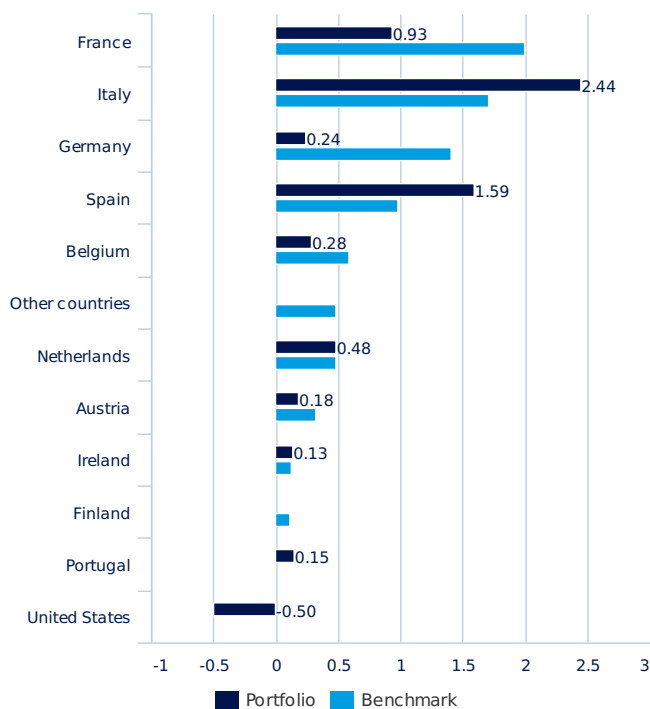
% of assets



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

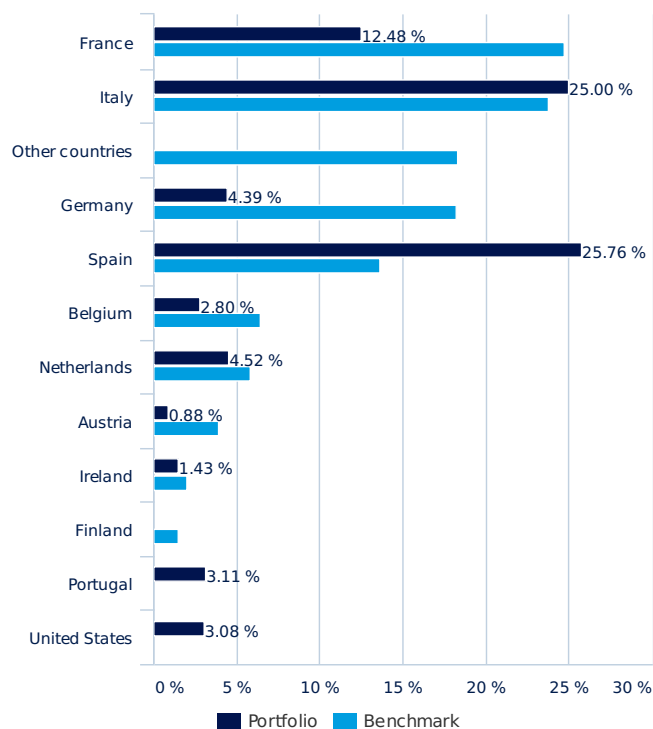
Portfolio breakdown by country

Modified duration



Only Government securities
Includes derivatives

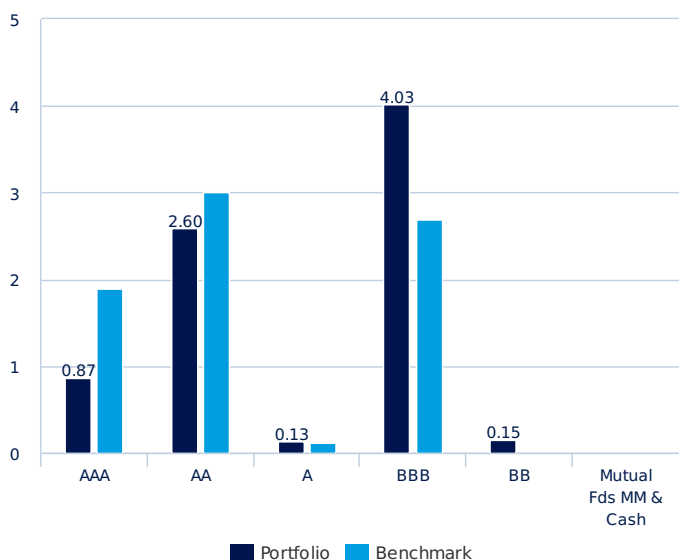
% of assets



Only Government securities

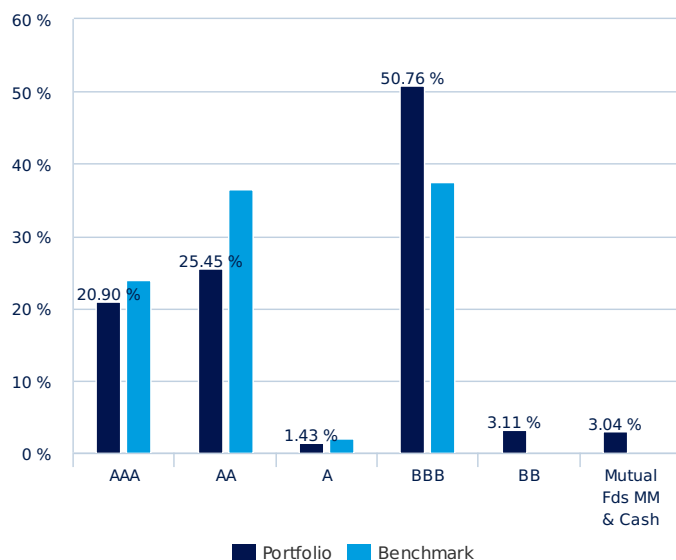
Portfolio breakdown by credit rating

Modified duration



Includes derivatives

% of assets



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

Main overweights

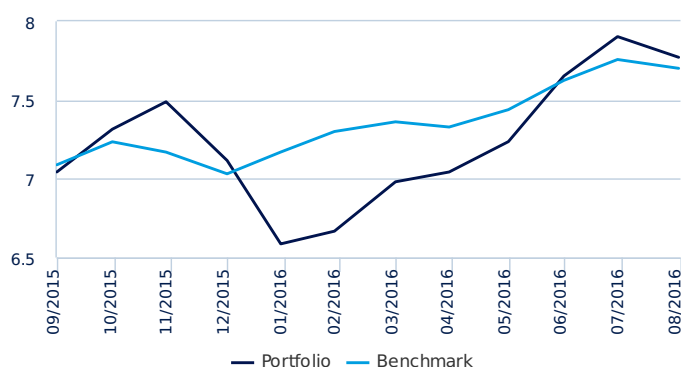
	Spread
Agencies	17.07%
Sovereign ex-EMU	3.08%
Supranationals	1.13%

Main underweights

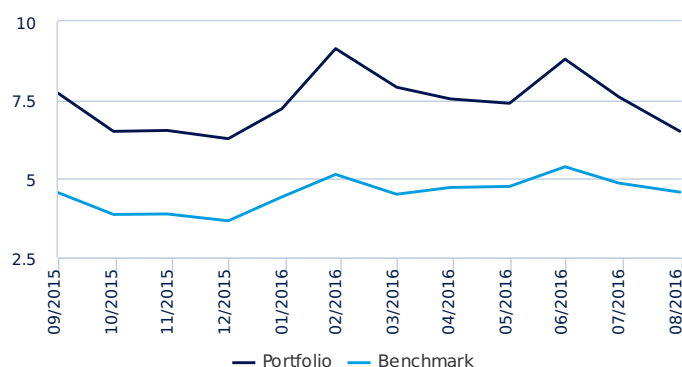
Sovereign EMU	-19.62%

Historical risk indicators

Modified duration



Spread Weighted Modified Duration (SWMD)



Main issuers

	Sector	% asset	Mod. duration	SWMD Portfolio	SWMD Benchmark
Sovereigns					
SPAIN (KINGDOM OF)	Sovereign EMU	25.76%	1.59	1.47	1.13
ITALIAN REPUBLIC	Sovereign EMU	25.00%	2.44	3.10	2.21
FRANCE	Sovereign EMU	12.48%	0.93	0.53	0.79
NETHERLANDS	Sovereign EMU	4.52%	0.48	0.05	0.06
GERMANY	Sovereign EMU	4.39%	0.24	0	0
PORTUGAL	Sovereign EMU	3.11%	0.15	0.39	-
UNITED STATES OF AMERICA	Sovereign ex-EMU	3.08%	-0.50	0	-
BELGIUM	Sovereign EMU	2.80%	0.28	0.10	0.23
IRELAND (REPUBLIC OF)	Sovereign EMU	1.43%	0.13	0.08	0.07
AUSTRIA (REPUBLIC OF)	Sovereign EMU	0.88%	0.18	0.06	0.08
Out of State Issuers					
DEXIA CLF-STATE GTY	Agencies & Supranationals	5.41%	0.34	0.18	-
KFW-KDT F WDERAUFBAU-STATE GTY	Agencies & Supranationals	3.64%	0.18	0.02	-
NEDERLANDSE WATERSCHAPSBANK	Agencies & Supranationals	3.00%	0.26	0.07	-
CAI CTL CRDT IMMO FR-STATE GTY	Agencies & Supranationals	2.75%	0	0.01	-
KOMMUNALBANKEN AS	Agencies & Supranationals	2.27%	0.21	0.08	-
EUROPEAN FINANCIAL STAB FACIL	Agencies & Supranationals	1.13%	0.27	0.11	-

Information

Fund structure	UCITS under Luxembourg law
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS BANK LUXEMBOURG
Sub-fund launch date	01/07/2010
Share-class inception date	01/07/2010
Share-class reference currency	EUR
Other subscription/redemption currencies	USD
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0518422273 (D) LU0521034792
Reuters code	LP68056639
Bloomberg code	(A) AMEUGIC LX (D) AMEUGID 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	0.40% IAT
Performance fees	Yes
Exit charge (maximum)	0%
Ongoing charge	0.62% (realized)
Minimum recommended investment period	3 years
Benchmark index performance record	03/12/2012: 100.00% JPM EMU GBI INVESTMENT GRADE 01/07/2010: 100.00% JPM EMU GOVERNMENT BOND INDEX (EMU GBI ALL MATS)

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