AMUNDI FUNDS BOND GLOBAL - SHE

Amundi
ASSET MANAGEMENT

October 2014

Management guidance

The investment objective is to outperform the global OECD bond benchmark over three years through the dynamic allocation of the ex-ante Tracking-error on interest rates and foreign exchange OECD markets. The investment team diversifies this allocation among Top-down strategic positions (both directional and relative value), Bottom-up tactical bets, and trading.

Reference index
100% JPM GBI GLOBAL ALL MATS HEDGED (WORLD HEDGED)

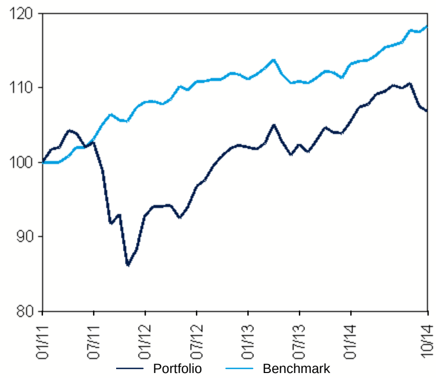
AUM (million)
EUR 225,88

Net asset value
EUR 106,84

Valuation date 31/10/14

Characteristics	
Class	SHE
Fund launch date	28/12/90
Class Launch date	22/11/10
Reference currency	EUR
Other dealing Currency	EUR
Minimum investment	1 thousandth unit(s)/share(s)
Share Class	C
ISIN Code	LU0557862678
Subscription fees	3,00 % **max**
Redemption fees	**None**
Out-performance fees	YES
Switching fees	**None**
Annual management fees	1,00 % IAT
NAV Frequency	Daily
Subscription / Redemption	
- Orders received each D before 2 p.m	
- Orders executed on :	Forward pricing
Reuters Code	-
Bloomberg Code	AGBSHEC LX

NAV EVOLUTION (Basis 100 by share)



RISK INDICATORS

rolling years	1 year	3 years
Portfolio Volatility	3,24 %	4,98 %
Benchmark Volatility	2,11 %	2,58 %
Ex-post Tracking Error	2,53 %	4,08 %
Information Ratio	-1,31	0,22
Portfolio Modified Duration*	5,93	
Benchmark Modified Duration*	7,18	

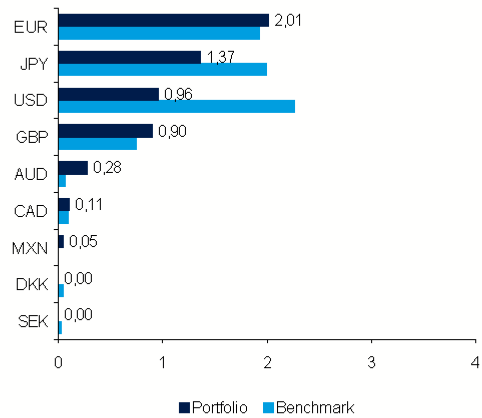
**Modified duration (in points) estimates a bond portfolio's percentage price change for a 1% change in yield.*

PERFORMANCES (net of fees)

	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	Since
Since	*30/09/2014*	*31/07/2014*	*30/04/2014*	*31/12/2013*	*31/10/2013*	*31/10/2011*	*31/01/2011*
Portfolio	-0,68 %	-2,80 %	-2,13 %	2,87 %	2,06 %	14,87 %	6,84 %
Benchmark	0,74 %	1,85 %	3,41 %	6,31 %	5,37 %	11,92 %	18,26 %
Spread	-1,42 %	-4,65 %	-5,53 %	-3,44 %	-3,31 %	2,95 %	-11,42 %

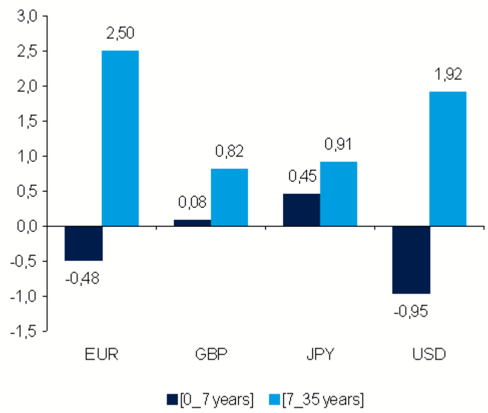
GLOBAL BOND RISK ALLOCATION PER YIELD CURVE

(MD points*)



GLOBAL RISK ALLOCATION PER YIELD CURVE SEGMENT

(MD points*)



MANAGEMENT COMMENT

US GDP release was positive with a Q3 GDP growth printing higher than expected (3.5%yoy vs. 3.0% expected) while data remain relatively weak in Europe. As expected, the Fed QE has come to an end, through a modestly hawkish FOMC statement, as the Committee now sees the underutilization in the labour market as "gradually diminishing" rather than "significant". In Japan, the BoJ surprised markets by expanding the asset purchasing program.
The month was also marked by the mass downgrades to global growth and inflation forecasts and the accompanying downbeat mood at the annual IMF meetings. That sparked a massive flight to quality in mid-month which sent 10yr US rates rallying from 2.20% to 1.86% - only to bounce back over the following two weeks. The AQR/stress test failed to significantly impact corporate bond spreads.
In this context, G4 rates finished the month lower and our underweight duration posted moderate losses. The corporate bond market was mixed bag as European issues tightened and their US & UK counterparts widened; Eurozone Peripheral spreads globally widened.
Regarding FX, our long USD position posted gains vs. EUR, JPY and CAD. Commodity currencies, namely NZD and AUD, regained some lost ground vs CAD. European FX, long GBP/EUR, NOK/SEK underperformed. Emerging currency performance had a negative contribution.