

# AMUNDI FUNDS EQUITY MENA - IU

FACTSHEET

31/10/2017

## EQUITY

### Key information (source : Amundi)

Net Asset Value (NAV) : (A) 1,435.23 ( USD )  
(D) 1,408.33 ( USD )

NAV and AUM as at : 31/10/2017

Assets Under Management (AUM) :  
57.09 ( million USD )

ISIN code : (A) LU0568613433  
(D) LU0568613516

Bloomberg code : SGMENAB LX

Benchmark : S&P Pan Arab Large Mid Cap

Comparative benchmark :  
100.0% S&P PAN ARAB COMPOSITE LARGE  
MIDCAP

Morningstar Overall Rating © : 4

Morningstar Category © :  
AFRICA & MIDDLE EAST EQUITY

Number of funds in the category : 103

Rating date : 30/09/2017

### Investment Objective

The objective of the Sub-Fund is to seek income and capital growth ("total return") by investing at least 67% of its total assets in shares and financial instruments replicating or based on shares ("equity-linked instruments") of companies of a country of Middle East and North Africa ("MENA") and listed on a market of a MENA country.

### Risk & Reward Profile (SRRI)



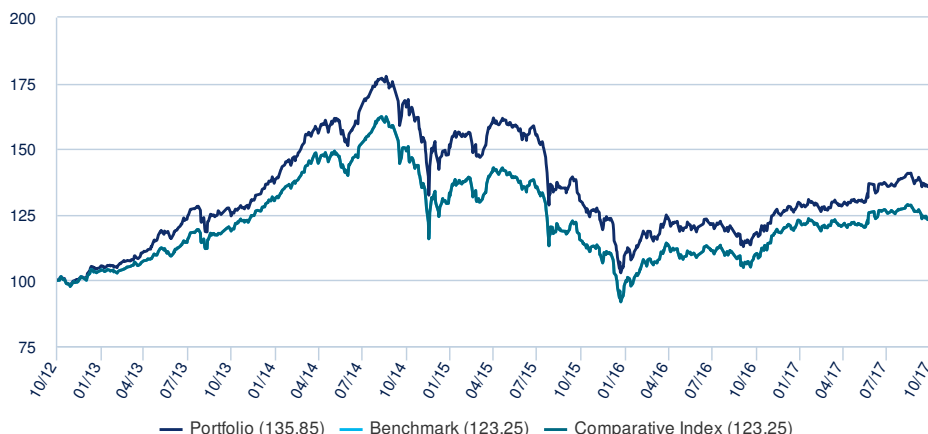
Lower risk, potentially lower rewards

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 31/10/2012 to 31/10/2017\*



### Cumulative returns \*

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	29/12/2016	28/09/2017	31/07/2017	31/10/2016	30/10/2014	31/10/2012	13/05/2008
Portfolio	7.30%	-1.57%	0.05%	14.84%	-18.12%	35.85%	-18.12%
Benchmark	2.67%	-2.40%	-1.79%	11.77%	-17.40%	23.25%	-
Spread	4.64%	0.83%	1.84%	3.07%	-0.72%	12.60%	-
Comparative Index	2.67%	-2.40%	-1.79%	11.77%	-17.40%	23.25%	-

### Calendar year performance \*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	2.41%	-16.49%	10.96%	32.49%	10.06%	-7.99%	14.78%	24.52%	-	-
Benchmark	8.83%	-14.58%	1.99%	26.62%	6.81%	-	-	-	-	-
Spread	-6.42%	-1.91%	8.97%	5.88%	3.25%	-	-	-	-	-
Comparative Index	8.83%	-14.58%	1.99%	26.62%	6.81%	-10.40%	-	-	-	-

\* 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

Total portfolio holdings 91

### Top ten issuers (% assets)

	Portfolio
AL RAJHI BANK	9.12%
SAUDI BASIC INDUSTRIES CORP	7.73%
EMAAR PROPERTIES PJSC	4.67%
NATIONAL BANK OF KUWAIT	4.51%
SAUDI ARABIAN MINING CO	3.71%
NATIONAL COMMERCIAL BANK	3.32%
NMC HEALTH PLC	3.28%
EASTERN TOBACCO	2.98%
CO FOR COOPERATIVE INSURANCE	2.95%
ATTIJARIWAFI BANK	2.77%
Total	45.03%

### Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	9.06%	18.52%	16.08%
Benchmark volatility	8.66%	18.85%	16.02%
Ex-post Tracking Error	2.85%	2.87%	3.27%
Information ratio	1.07	-0.09	0.63
Beta	0.99	0.97	0.98

### Performance analytics

	Inception to date
Maximum drawdown	-67.67%
Recovery period (days)	1985
Worst month	10/2008
Lowest return	-28.69%
Best month	04/2009
Highest return	20.75%

## EQUITY

**Remy Marcel**  
Portfolio manager**Carleen Sobczyk**  
Portfolio manager

## Management commentary

MENA equities, represented by the S&P Pan Arab Composite Large Midcap, were down (-2.4% in USD) in October. The region underperformed both emerging (+3.5%) and developed equities (+1.8%) while oil price continued its rally, ending the month +7.8% at USD60 on Brent, up from USD44 in June and the highest monthly close since July 2015 on the back of better demand and OPEC's inventories cut.

In October, among key MENA markets, the UAE (+2.0%) was the best performer as they manage economic soft landing amid fiscal pressures and the Emirates' first-half performance was better than last year, followed by Egypt (+1.2%) supported by the IMF's praise of the reform progress. Other key MENA markets Qatar (-1.8%), Oman (-1.9%), Bahrain (-2.0%) and Kuwait (-3.1%) lagged. Kuwait saw profit taking on the announcement that Kuwait will be included in the EM index beginning September 2018, but FTSE will decide by March whether to have a phased inclusion. Over the month, Saudi Arabia was the worst performing market (-4.2%), also impacted by FTSE decision to delay the Saudi inclusion decision to March 2018.

The portfolio outperformed the S&P Pan Arab Large Midcap again this month, thanks to stock selection and country allocation whereas sector selection had a negative impact. Country-wise, the benefit of overweighting the UAE, and to a lesser degree Egypt, were notable positive contributors. Sector-wise, the negative contribution from overweighting industrials in Kuwait and consumer discretionary in Saudi Arabia while underweighting real estate also in Saudi Arabia more than offset by the positive effect from overweighting consumer staples in Egypt and industrials in the UAE. Stock selection contributed positively over the month. Notable positive contributors included United Electronics Company in Saudi Arabia, as well as Yatas Yatak and Aselsan Elektronik in Turkey, whereas the main detractor was Riyadh Bank in Saudi Arabia.

Over the month, we increased our position to off-benchmark Turkey adding to consumer discretionary, and our overweight in Egypt notably through chemicals and consumer staples. We also reduced the overweight in Kuwait on industrials, while increasing further the underweight position on Qatar notably through financials as the on-going sanctions situation could lead to another wave of negative earnings revision.

Stock-wise, we continued adding to off-benchmark position on Turkish mattress manufacturer Yatas Yatak, which is likely to benefit from higher margins and higher market shares both domestically and via exports.

In terms of positioning, we are currently overweight on the UAE, Egypt, Turkey, and Kuwait while close to a neutral stance on Saudi Arabia and we have underweight positions on all other countries, notably Qatar.

The November 2016 OPEC Meeting paved the way for a better cooperation between Saudi Arabia and Russia and had consequences on the oil price. We expect the agreement to be extended at the next OPEC Meeting. The market should reach a more balanced equilibrium in the short to medium term, driven by positive developments on the supply side with first signs of lower oil production among non-OPEC countries. We maintain a scenario where oil price remains in the range of USD 45-55 in the medium term, which would be manageable for the MENA region to implement structural reforms and fiscal consolidation, and to reduce pressures on the USD peg maintained by GCC countries. However under a scenario of a sustained oil price around USD 40, the situation would be tighter for the region.

GCC countries still have large FX reserves and sovereign funds, which represent more than 250% of 2016 GCC GDP. There is a large backlog of assets for potential privatization and markets are becoming more accessible to foreign capital. Furthermore, government debt leverage in the GCC is still limited and is much lower compared to most other emerging market and developed market countries. Compared to some other emerging market oil producers, GCC countries still have decent buffers against lower oil prices.

Governments in the region will push investments in key areas of development like education and healthcare as was highlighted in the Saudi 2030 National Transformation plan, precisely to diversify their economies outside of energy and address the challenge of high unemployment among the young population. The Kingdom could also benefit from growing flows over the next few months with the potential inclusion in the MSCI Emerging Markets Index.

## Portfolio breakdown

## Main overweights (% assets)

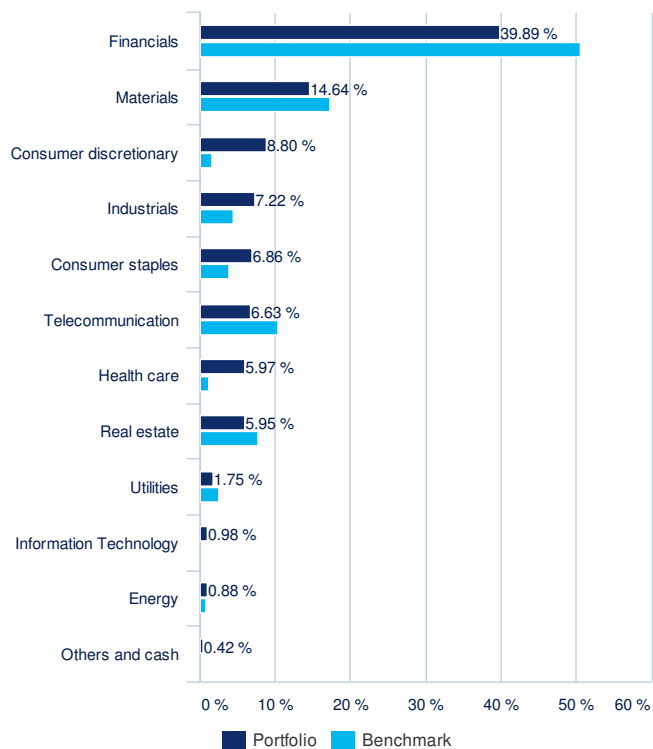
	Portfolio	Benchmark	Spread (P - B)
NMC HEALTH PLC	3.28%	-	3.28%
EASTERN TOBACCO	2.98%	0.24%	2.74%
HUMAN SOFT HOLDING CO KSC	2.57%	0.16%	2.42%
CO FOR COOPERATIVE INSURANCE	2.95%	0.60%	2.35%
NATIONAL BANK OF KUWAIT	4.51%	2.56%	1.94%
EMAAR PROPERTIES PJSC	4.67%	2.75%	1.91%
AL RAJHI BANK	9.12%	7.24%	1.88%
SAUDI ARABIAN MINING CO	3.71%	1.89%	1.82%
AL MOUWASAT MEDCL SERV CO	2.14%	0.34%	1.80%
ATTIJARIWafa BANK	2.77%	1.16%	1.61%

## Main underweights (% assets)

	Portfolio	Benchmark	Spread (P - B)
QATAR NATIONAL BANK SAQ	1.00%	2.67%	-1.67%
KUWAIT FINANCE HOUSE	0.37%	1.92%	-1.55%
INDUSTRIES QATAR	-	1.36%	-1.36%
EMIRATES TELECOM GROUP CO PJSC	1.65%	2.95%	-1.30%
RIYAD BANK	-	1.19%	-1.19%
AHLI UNITED BANK/BAHRAIN	-	1.03%	-1.03%
SAUDI ARAB FERTILIZR CO(SAFCO)	-	1.00%	-1.00%
OOREDOO QSC	-	0.91%	-0.91%
BANQUE CENTRALE POPULAIRE	-	0.82%	-0.82%
DAR AL ARKAN REAL ESTATE DEVEL	-	0.80%	-0.80%

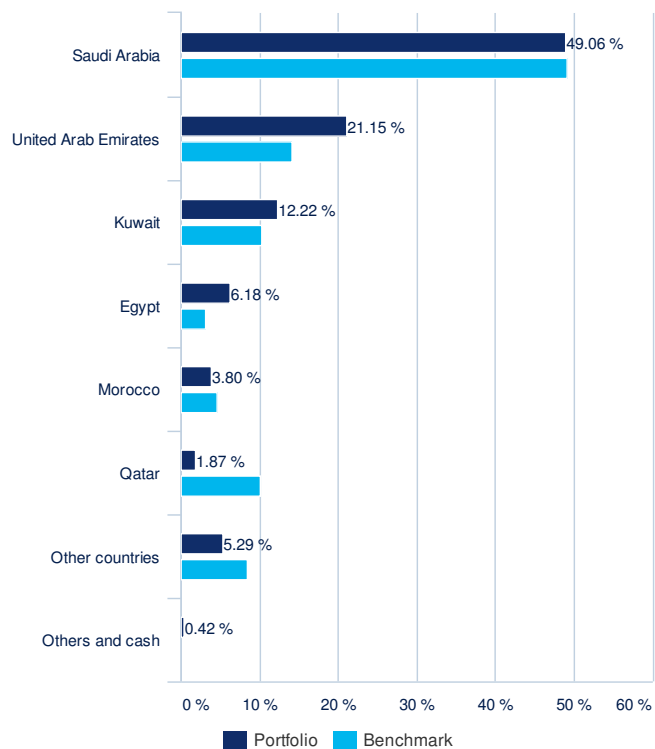
## EQUITY

## Sector breakdown



Excluding derivatives.

## Geographical breakdown



Excluding derivatives.

## EQUITY ■

## Information

Fund structure	UCITS
Applicable law	under Luxembourg law
Fund Manager	Amundi Luxembourg SA
Delegated Management Company	Amundi Asset Management
Custodian	CACEIS Bank, Luxembourg Branch
Share-class inception date	24/06/2011
Share-class reference currency	USD
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0568613433 (D) LU0568613516
Minimum first subscription / subsequent	500000 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	1.00% IAT
Maximum indirect annual management fees including taxes	-
Performance fees	Yes
Maximum performance fees rate (% per year)	20 %
Performance fees details	S&P Pan Arab Large Mid Cap
Exit charge (maximum)	0%
Ongoing charge	1.53% (realized) - 25/10/2016
Minimum recommended investment period	5 years
Benchmark index performance record	24/06/2011: 100.00% S&P PAN ARAB COMPOSITE LARGE MIDCAP 13/05/2008: None

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