

# AMUNDI FUNDS EQUITY MENA - IHE

MONTHLY  
REPORT

30/06/2015

EQUITY ■

## Key information

Net Asset Value (NAV) : 1,609.14 ( EUR )  
NAV as at : 30/06/2015  
Assets Under Management (AUM) :  
115.79 ( million EUR )  
ISIN code : LU0568613607  
Bloomberg code : SGMENBH LX  
Benchmark :  
100.0% S&P PAN ARAB COMPOSITE LARGE  
MIDCAP  
Eligibility : -

## 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)



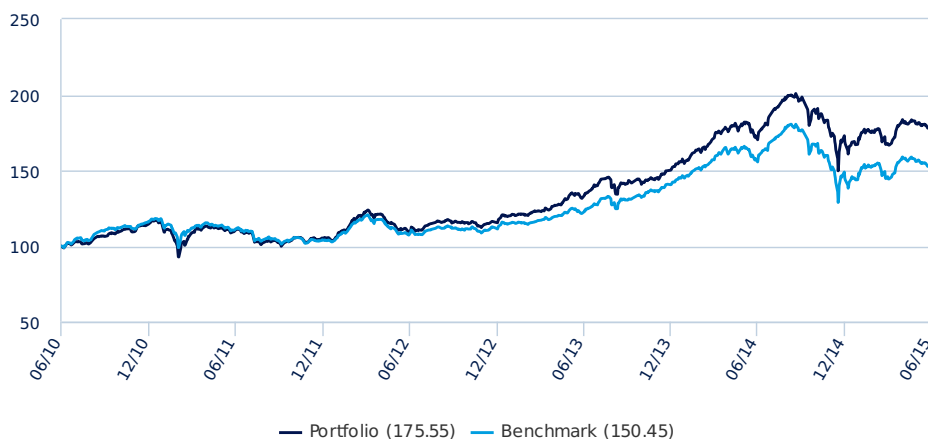
Lower risk, potentially lower rewards

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) \*



## Fund statistics

Total portfolio holdings 93

### Top ten issuers (% assets)

	Portfolio
COMMERCIAL INTERNATIONAL BANK	4.76%
SAUDI BASIC INDUSTRIES CORP	4.55%
SAMBA FINANCIAL GROUP	4.54%
NATIONAL COMMERCIAL BANK	4.11%
EMAAR PROPERTIES PJSC	4.04%
SAUDI TELECOM CO	3.67%
BANQUE SAUDI FRANSI	3.50%
AL MOUWASAT MEDCL SERV CO	2.91%
FIRST GULF BANK PJSC	2.73%
JARIR MARKETING CO	2.67%
<b>Total</b>	<b>37.48%</b>

## Cumulative returns \*

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	31/12/2014	28/05/2015	31/03/2015	30/06/2014	28/06/2012	30/06/2010	13/05/2008
Portfolio	4.83%	-2.93%	5.10%	3.09%	61.43%	75.55%	-11.20%
Benchmark	4.72%	-3.49%	4.14%	-3.32%	40.23%	50.45%	-11.26%
Spread	0.11%	0.55%	0.96%	6.41%	21.20%	25.10%	0.06%

## Calendar year performance \*

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Portfolio	11.04%	30.67%	9.56%	-8.13%	14.87%	22.11%	-	-	-	-
Benchmark	1.99%	26.62%	6.81%	-10.40%	17.32%	18.39%	-	-	-	-
Spread	9.05%	4.06%	2.75%	2.27%	-2.45%	3.71%	-	-	-	-

\* 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.

## Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	22.53%	15.32%	15.76%
Benchmark volatility	23.46%	15.35%	14.91%
Ex-post Tracking Error	3.01%	3.41%	3.90%
Information ratio	2.14	1.56	0.87
Sharpe ratio	0.14	1.08	0.74
Beta	0.95	0.97	1.02

## Performance analytics

	Inception to date
Maximum drawdown	-68.34%
Worst month	10/2008
Lowest return	-29.29%
Best month	04/2009
Highest return	20.51%

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

## Management commentary

MENA markets went down this month on the weakness of oil prices and beginning of Ramadan, which slowed down trading. S&P Pan Arab Large Midcap decreased -3.5% (net return in USD) underperforming MSCI Emerging Markets (-2.3%).

UAE (+3%) posted the best performance among key MENA equity markets on retail speculative trading and relisting of Amlak Finance. The June rally in UAE was dominated by retail names. The main gainer Amlak Finance drove local sentiment as the stock rallied +172.6% in local currency since its June 2nd relisting. Trading in Amlak was halted six-and-a-half years ago before the United Arab Emirates' government intervened to rescue the company from insolvency. Since the suspension, Amlak cut its workforce by more than half and restructured \$2.7 billion of liabilities. The company has also reduced its exposure to proprietary real-estate assets and focused on property financing. Emaar Properties, which holds a 45 percent stake in Amlak, was flattish in USD terms over the month. Among winners was Dubai Parks (+11.9%) as the company made the cut into FTSE EM Index.

Saudi Arabia was the worst performer (-7.1%) over the month on crude oil decline and geopolitical concerns. Bombings in Saudi's Eastern region and a Saudi national being found responsible for the Shiite mosque bombing in Kuwait are spreading the threat of militant attacks and risk of geopolitical escalation in the region. SABIC (-7.7%) ended down on deflated oil prices and Iran's indication that it will double its oil exports as soon as sanctions get lifted. NCB (-6.8%) has issued Sukuk bonds to strengthen its Basel III capital base.

Egypt posted a -4.9% performance in June on growing tensions in the Sinai. Fitch Ratings affirmed the country's B rating, five levels below investment grade.

Qatar closed in positive territory (+2.7%) as negative news flow on the 2022 World Cup quieted down; nonetheless June turnover was weak on lack of news flow and investors remaining cautious regarding FBI's continuing corruption investigation.

The portfolio slightly outperformed the S&P Pan Arab Large Midcap in June, mainly due to sector selection and stock picking, whereas country allocation had a negative impact. From a country perspective, positive contribution from overweight of UAE was more than mitigated by underweight Kuwait and Qatar and overweight Saudi Arabia. Sector wise, overweight Health Care and Consumer Discretionary, both in Saudi Arabia were this month's main contributors whereas overweight Industrials in Saudi Arabia was the main detractor. As far as stock picking is concerned, the positive contribution was especially due to Financials such as Commercial International Bank and Bupa Arabia Coop Insurance and Industrials such as Saudi Airlines Catering Co.

In terms of country positioning, the portfolio has an overweight position on Egypt, UAE and Saudi Arabia, and an underweight position on the other countries, notably Morocco, Kuwait and Qatar.

The major changes over the month were to decrease exposure to UAE, Qatar and Kuwait through Financials, and to increase exposure to Saudi Arabia, notably through Materials and Consumer Staples.

Even though we have reduced our underweight position in materials over the recent months, we continue to see better risk/reward in the domestic sectors such as consumption and healthcare. In two favored countries, Saudi Arabia and UAE, these sectors are seeing continued fiscal support from government and lower oil revenues have not yet translated into material budget cuts. Consumer's disposable income keeps increasing and meeting pent-up demand given low penetration rates.

Egypt is one of our main conviction. Within the country we are still favoring banks which benefit from loan growth pick up, specifically on incremental investments on improved political stability and high profitability as well as consumption. We remain of the view that the risk of protracted drop in Brent price is limited as we anticipate at some point discipline from non-OPEC oil producers, as well as a gradual demand recovery.

## Portfolio breakdown

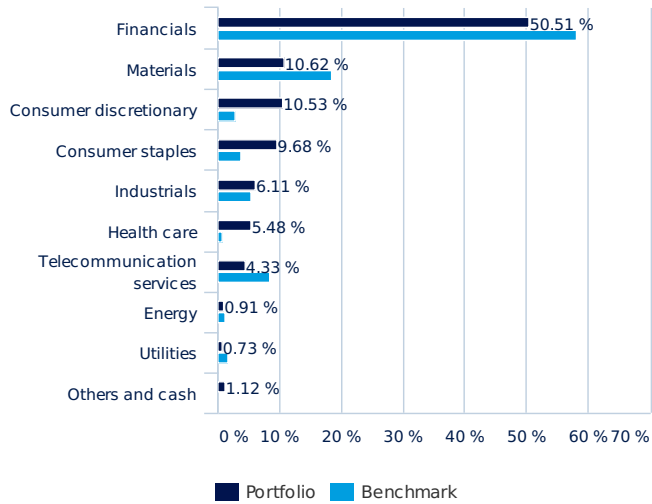
### Main overweights (% assets)

	Portfolio	Benchmark	Spread (P - B)
AL MOUWASAT MEDCL SERV CO	2.91%	-	2.91%
COMMERCIAL INTERNATIONAL BANK	4.76%	2.11%	2.65%
SAMBA FINANCIAL GROUP	4.54%	2.20%	2.34%
BUPA ARABIA COOP INSURANCE CO	2.27%	-	2.27%
KUWAIT PROJECTS CO HLG KSC	2.47%	0.37%	2.10%
BANQUE SAUDI FRANSI	3.50%	1.54%	1.97%
SAUDI AIRLINES CATERING CO	2.24%	0.34%	1.90%
SAUDI TELECOM CO	3.67%	1.80%	1.87%
JARIR MARKETING CO	2.67%	0.92%	1.75%
EMAAR PROPERTIES PJSC	4.04%	2.33%	1.71%

### Main underweights (% assets)

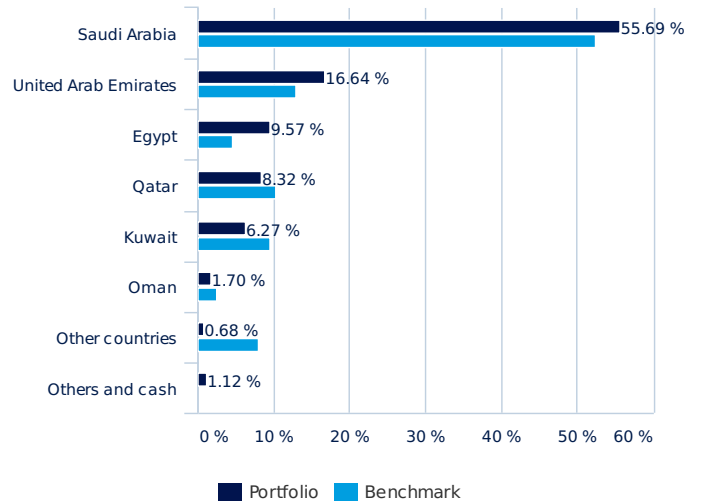
	Portfolio	Benchmark	Spread (P - B)
AL RAJHI BANK	-	5.73%	-5.73%
ETIHAD ETISALAT CO	0%	1.33%	-1.33%
RIYAD BANK	-	1.27%	-1.27%
SAUDI BASIC INDUSTRIES CORP	4.55%	5.80%	-1.25%
NATIONAL BANK OF ABU DHABI	-	1.19%	-1.19%
DAMAC PROPERTIES DUBAI CO PJSC	-	1.16%	-1.16%
SAUDI ELECTRICITY CO	-	1.13%	-1.13%
MOBILE TELECOMMUNICATIONS CO K	-	1.13%	-1.13%
KUWAIT FINANCE HOUSE	0.53%	1.58%	-1.04%
SAVOLA	0.69%	1.70%	-1.01%

Sector breakdown



Excluding derivatives.

Geographical breakdown



Excluding derivatives.

Fund information

Fund structure	UCITS Luxembourgeois
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS BANK LUXEMBOURG
Share-class inception date	24/06/2011
Share-class reference currency	EUR
Type of shares	Accumulation
ISIN code	LU0568613607
Minimum first subscription / subsequent	500000 Equivalent en EUR de USD / 1 thousandths of a share
Frequency of NAV calculation	Daily
Dealing times	Orders received each day dealing 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
Performance fees trigger point (%)	20 %
Performance fees details	S&P Pan Arab Large Mid Cap
Exit charge	0%
Ongoing charge	1.54% ( realized ) - 02/02/2015
Minimum recommended investment period	5 years
Benchmark index performance record	13/05/2008: 100.00% S&P PAN ARAB COMPOSITE LARGE MIDCAP

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This document is designed exclusively for institutional, professional, qualified or sophisticated investors and distributors. It is not meant for the general public or private clients of any jurisdiction or those qualified as 'US Persons'. Approved investors in regard to the European Union are those which are defined as "Professional" investors in Directive 2004/39/EC of 21 April 2004 "MiFID" or, as the case may be, as defined under each local legislation and, insofar as the offer in Switzerland is concerned, "qualified investors" as set forth in the federal Law on Collective Investments (LPCI), the Ordinance on collective investments of 22 November 2006 (OPCC) and the FINMA 08/8 Circular regarding the legislation on collective investments of 20 November 2008. This document shall not, under any circumstance, be sent within the European Union to non "Professional" investors as defined by the MFI or under each local legislation, or in Switzerland to those investors which are not defined as "qualified investors" in the applicable law and regulations.

## Legal information

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