

AMUNDI FUNDS BOND GLOBAL EMERGING CORPORATE - IU

BOND ■

MONTHLY
REPORT

31/12/2016

Key information (source : Amundi)

Net Asset Value (NAV) : (A) 1,390.90 (USD)
(D) 982.17 (USD)

NAV and AUM as at : 30/12/2016

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

ISIN code : (A) LU0755947636
(D) LU0755947719

Benchmark :
100% JP MORGAN CEMBI BROAD DIVERSIFIED

Investment Objective

The Sub-Fund aims to maximize the total investment returns consisting of a combination of interest income and capital appreciation by investing at least two thirds of its net assets in bonds denominated in G4 currencies issued by companies of Developing Countries, Singapore and/or of Hong Kong. To create value, the investment team uses a four-step process combining top-down and bottom-up approaches.

Risk & Reward Profile (SRRI)



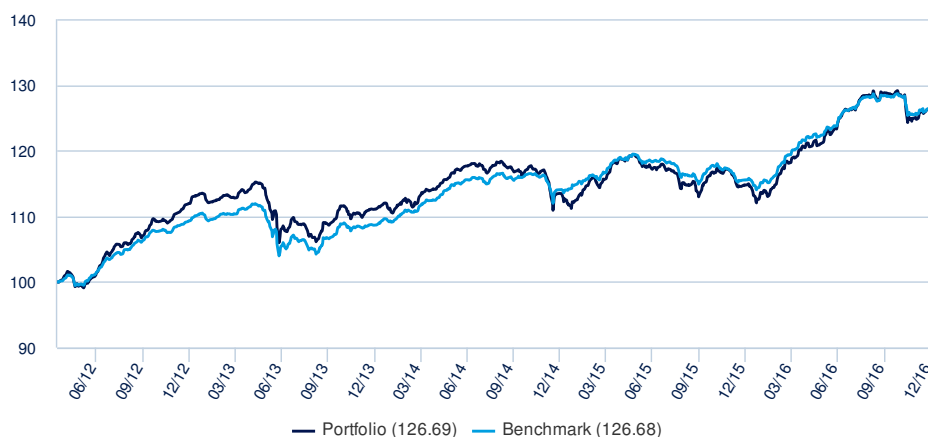
Lower risk, potentially lower rewards

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 13/04/2012 to 30/12/2016



Cumulative returns *

| Since | YTD 31/12/2015 | 1 month 30/11/2016 | 3 months 30/09/2016 | 1 year 31/12/2015 | 3 years 31/12/2013 | 5 years - | Since 13/04/2012 |
|-----------|-------------------|-----------------------|------------------------|----------------------|-----------------------|--------------|---------------------|
| Portfolio | 10.40% | 1.32% | -1.61% | 10.40% | 4.49% | - | 5.14% |
| Benchmark | 9.65% | 0.78% | -1.32% | 9.65% | 5.25% | - | 5.14% |
| Spread | 0.75% | 0.53% | -0.29% | 0.75% | -0.76% | - | 0% |

Calendar year performance *

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------|--------|--------|--------|--------|------|
| Portfolio | 10.40% | 1.14% | 2.17% | -0.80% | - |
| Benchmark | 9.65% | 1.30% | 4.96% | -0.60% | - |
| Spread | 0.75% | -0.16% | -2.79% | -0.20% | - |

* Source : Amundi. Returns are annualised returns for periods exceeding 1 year (365 days basis). 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. 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 |
|--------------------------------|-----------|-----------|
| Yield | 6.20% | 5.48% |
| Modified duration ¹ | 4.30 | 4.34 |
| SWMD ² | 15.32 | 12.11 |
| Average rating ³ | BB+ | BBB- |
| Total portfolio holdings | 125 | - |
| Issuer number | 102 | - |

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 Based on cash bonds and CDS but excludes other types of derivatives

Performance analytics

| | Inception to date |
|------------------------|-------------------|
| Maximum drawdown | -8.02% |
| Recovery period (days) | 323 |
| Worst month | 06/2013 |
| Lowest return | -4.12% |
| Best month | 03/2016 |
| Highest return | 3.49% |

Risk analysis (rolling)

| | 1 year | 3 years | 5 years |
|------------------------|--------|---------|---------|
| Portfolio volatility | 4.62% | 4.83% | - |
| Benchmark volatility | 3.26% | 3.42% | - |
| Ex-post Tracking Error | 1.86% | 1.96% | - |
| Information ratio | 0.39 | -0.40 | - |
| Sharpe ratio | 2.18 | 0.90 | - |



Maxim Vydrine, CFA

Portfolio manager

Management commentary

To conclude a year 2016 full of surprises for the financial markets, December 2016 has been one of the more busy months of December for years with important central bank meetings and impactful political events in DM and EM space.

In the DM world starting with the Eurozone, the ECB surprised markets by announcing the level of monthly bond purchases would be reduced to €60 bn starting in March 2017, and announcing at the same time that the programme would be extended to December 2017. The Austrian presidential election went again the recent populist vote and the Italian December referendum resulted in an overwhelming lead for the "no" vote. This was consistent with polls and markets largely shrugged off the results but started to focus again on the Italian banking sector instead. In the US, The Federal Reserve raised rates by 25 bps and signalled that the pace of rate rises could quicken while markets tried also to work-out what policies to expect from a Trump presidency as Mr Trump started to appoint members of his advisory team. In the EM world, BanRep in Colombia and Central Bank of Mexico both surprised markets by unexpectedly cutting rates for the first one (first cut after more than 3% of tightening since mid-2015) and by hiking its policy rate by 0.5% for the second one. Other key central bank meetings were less impactful, with both the Central Bank of Turkey and the Central Bank of Russia leaving their policy rates on hold when at the same time, Russia and Turkey worked together on a ceasefire resolution in Syria. The political warming between those two countries did not seem to be affected by the murder of the Russian ambassador to Turkey on December 20.

In that context and after a tough month of November, EM assets rebounded well in December with Local Currency returning 1.9%, Hard Currency Sovereign 1.3% and Hard Currency Corporate 0.8% in USD terms, all outperforming their DM peers. The fund (IU share) returned 1.32% on the month and outperformed its benchmark by 0.54%. This monthly outperformance was mostly driven by both our geographical allocation (long on Russia, Brazil and Argentina and short on Asia) and our slight overweight on HY issuers.

Performance attribution

| | 12/2016 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------------------|--------------|--------------|---------------|---------------|---------------|--------------|
| | - | - | - | - | - | - |
| Duration Management | -0.01 | -0.12 | -0.21 | -1.12 | 0.81 | 0.10 |
| Global bond exposure | -0.01 | -0.06 | -0.18 | -1.77 | 0.42 | -0.05 |
| Market allocation | 0 | -0.03 | -0.07 | 0.44 | 0.36 | 0.05 |
| Yield curve segment allocation | 0 | -0.03 | 0.04 | 0.21 | 0.03 | 0.10 |
| Emerging Bonds | 0.66 | 1.84 | 0.87 | -0.83 | -0.37 | 3.72 |
| Emerging market exposure | 0.19 | 1.23 | -0.22 | -0.18 | 0.04 | 1.33 |
| Emerging market arbitrage | 0.33 | 0.41 | 0.56 | 0.06 | -0.44 | 1.10 |
| Emerging Sector | 0.12 | 0.22 | 0.34 | 0.31 | 0.04 | 0.15 |
| Bond selection | 0.02 | -0.02 | 0.19 | -1.02 | -0.01 | 1.15 |
| Fees | - | - | - | - | - | - |
| Fixed & variable fees | -0.12 | -0.97 | -0.82 | -0.84 | -0.65 | -1.18 |
| Performance | - | - | - | - | - | - |
| Excess return | 0.53% | 0.75% | -0.16% | -2.79% | -0.21% | 2.64% |
| Absolute Portfolio Performance | 1.32% | 10.40% | 1.14% | 2.17% | -0.80% | 11.95% |

Out performance attribution for the institutional share class

Statistical risk indicators (ex-ante)

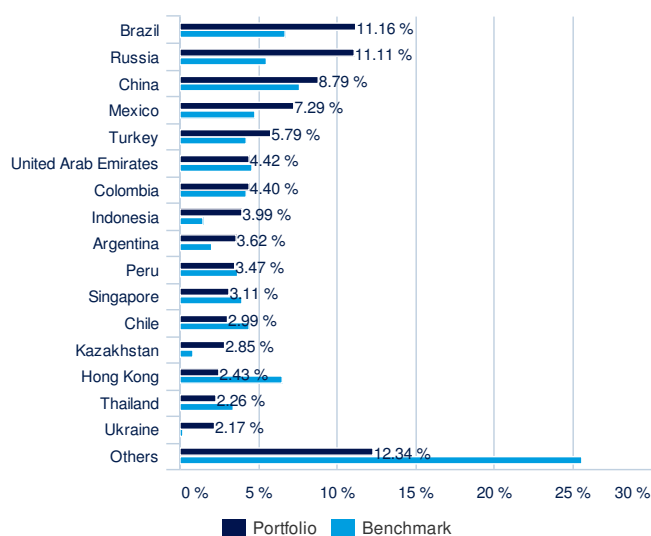
| | Portfolio |
|----------------------------------|--------------|
| Total risk Tracking Error | 1.49% |
| Bond risk | - |
| Yield curve segment allocation | 0.08% |
| Global bond exposure | 0.02% |
| Swap spread | 0.13% |
| Global bond market allocation | 0.46% |
| Credit risk | - |
| Credit | 0.01% |
| Emerging bond exposure | 1.16% |
| Currency risk | - |
| Emerging currencies allocation | 0% |
| Fx inter-bloc (EUR, JPY, CAD) | 0.01% |
| Fx intra-bloc | 0% |
| US Dollar exposure | 0.02% |
| Equity risk | - |
| Global equity exposure | 0% |
| Sector allocation | 0% |
| Global equity market allocation | 0% |
| Diversification effect | 0.40% |

Source RiskMetrics

Equity Risk refers to the contribution of Equity exposure

Portfolio breakdown by country

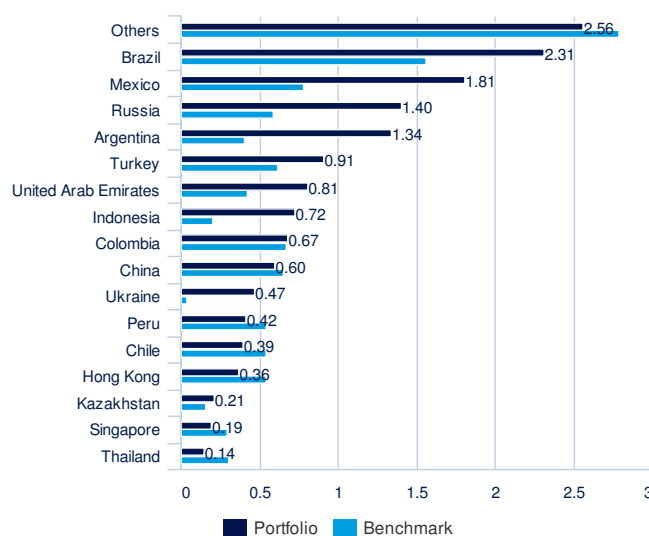
% of assets *



* Includes derivatives & credit default swaps.

Portfolio breakdown by country

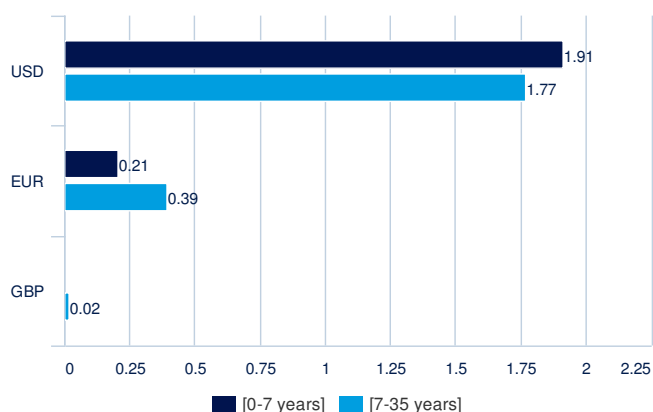
Spread Weighted Modified Duration (SWMD) *



* Includes derivatives & credit default swaps.

Global risk allocation per yield curve segment

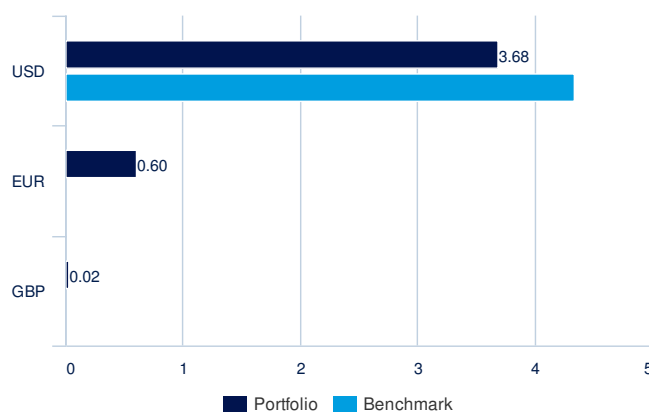
Modified duration



*** Includes derivatives

Global risk allocation per yield curve

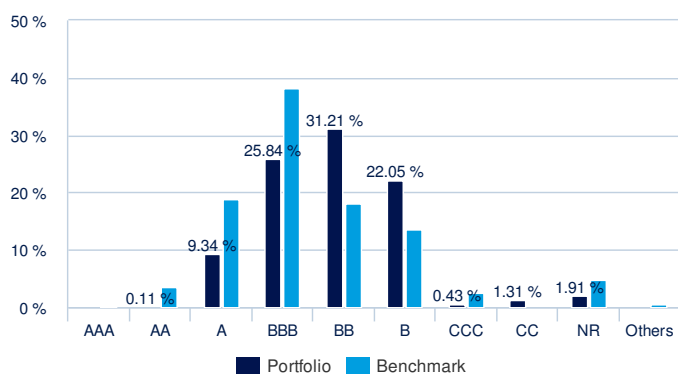
Modified duration ***



*** Includes derivatives

Portfolio breakdown by credit rating

% of assets



Includes Credit Default Swaps

Breakdown by rating & sector **

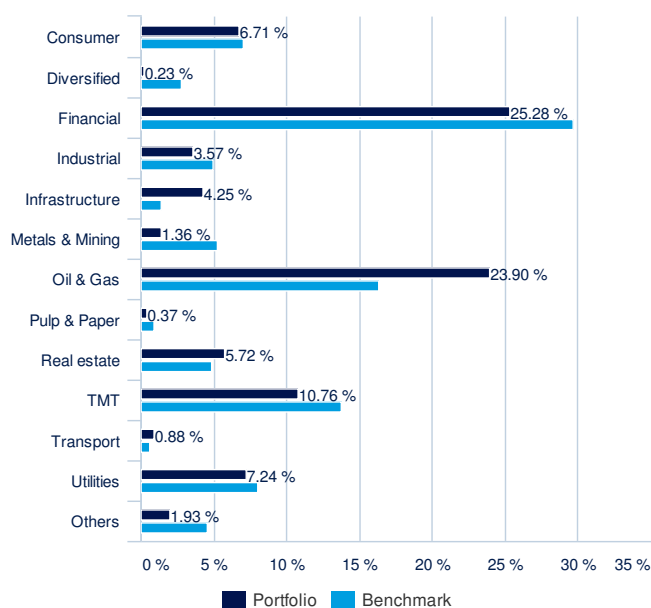
| | Investment grade % of assets | Speculative grade % of assets |
|-----------------|---------------------------------|----------------------------------|
| Financial | 10.96% | 14.32% |
| Oil & Gas | 10.01% | 13.89% |
| TMT | 3.84% | 6.92% |
| Real estate | - | 5.72% |
| Consumer | 2.27% | 4.44% |
| Utilities | 2.83% | 4.41% |
| Industrial | 1.55% | 2.01% |
| Metals & Mining | 1.36% | - |
| Transport | - | 0.88% |
| Infrastructure | 3.63% | 0.62% |
| Pulp & Paper | - | 0.37% |
| Diversified | - | 0.23% |
| Others | -1.17% | 3.10% |
| Total | 35.29% | 56.91% |

** Includes Credit Default Swaps

** Using JPM classification

Sector allocation

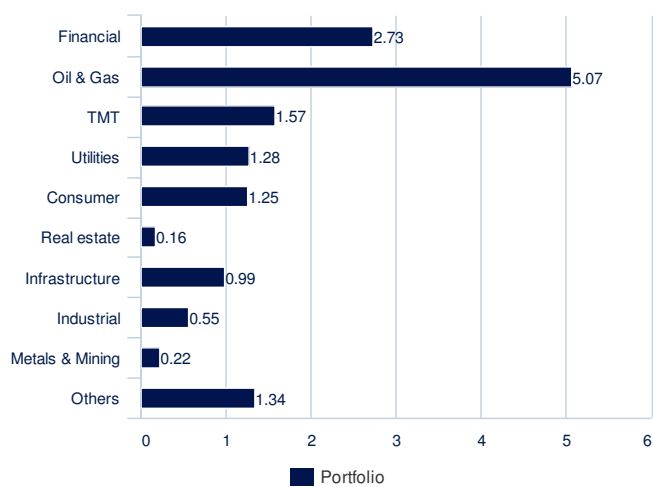
% of assets **



** Includes Credit Default Swaps

** Using JPM classification

Spread Weighted Modified Duration (SWMD) *



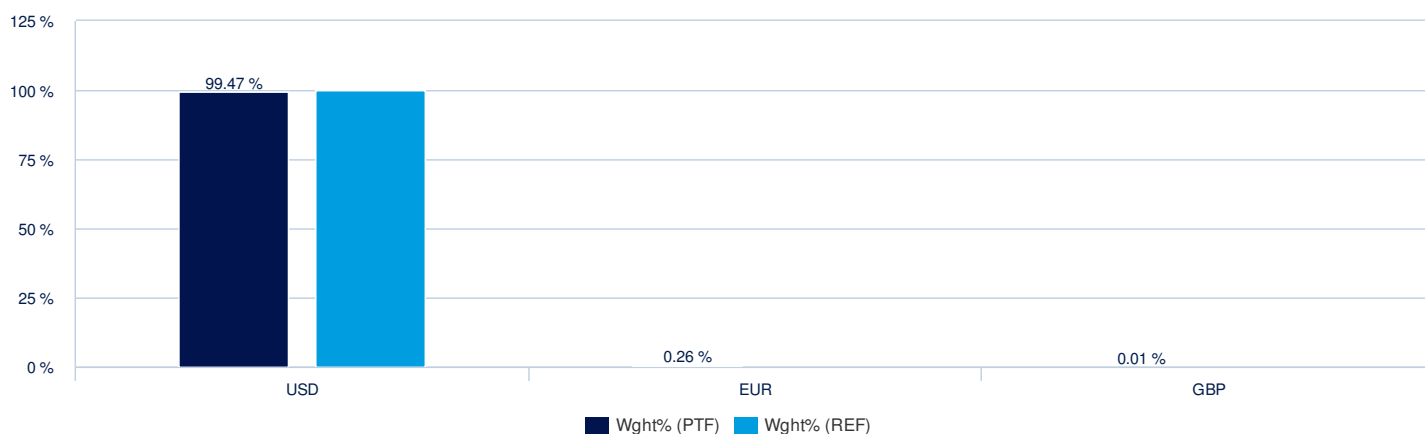
* Using JPM classification

Top 15 issuers

| | JPM Sector | Countries | Portfolio |
|--------------------------------|----------------|----------------------|-----------|
| PETROBRAS GLOBAL FINANCE BV | Oil & Gas | Brazil | 6.04% |
| PETROLEOS MEXICANOS (PEMEX) | Oil & Gas | Mexico | 3.86% |
| COUNTRY GARDEN HOLDINGS CO LTD | Real estate | China | 2.87% |
| BANCO CREDITO DEL PERU/PANAMA | Financial | Peru | 2.41% |
| GTH FINANCE BV | TMT | Russia | 2.19% |
| MHP SA | Consumer | Ukraine | 2.17% |
| TURKIYE GARANTI BANKASI AS | Financial | Turkey | 2.03% |
| YPF SA | Oil & Gas | Argentina | 2.03% |
| DP WORLD LTD | Infrastructure | United Arab Emirates | 1.96% |
| OAD ROSNEFT OIL COMPANY | Oil & Gas | Russia | 1.84% |
| CNOOC CURTIS FUNDING 1 PTY | Oil & Gas | China | 1.76% |
| DUBAI HOLDING COMMERCIAL OPER | Real estate | United Arab Emirates | 1.68% |
| MTN MAURITIUS INVESTMENTS | TMT | South Africa | 1.66% |
| MILLICOM INTL CELLULAR | TMT | Colombia | 1.61% |
| ARGENTINA (REPUBLIC) | Others | Argentina | 1.59% |

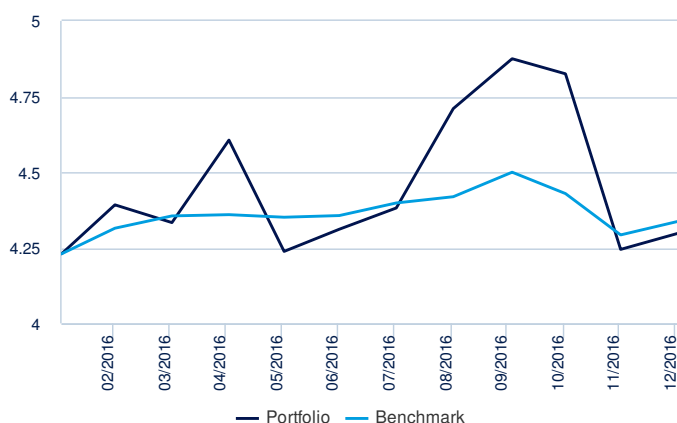
** Includes Credit Default Swaps

Top 25 currency risk allocation (% of assets)

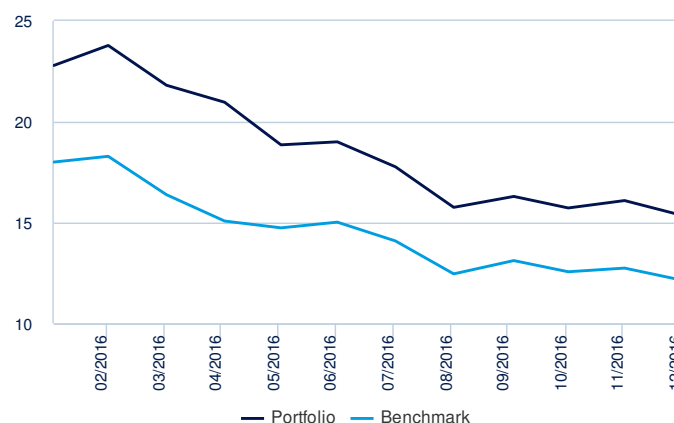


Historical risk indicators

Modified duration



Spread Weighted Modified Duration (SWMD)



Information

| | |
|---|---|
| Fund structure | UCITS under Luxembourg law |
| Fund Manager | Amundi Luxembourg SA |
| Custodian | CACEIS BANK LUXEMBOURG |
| Sub-fund launch date | 13/04/2012 |
| Share-class inception date | 13/04/2012 |
| Sub-fund reference currency | USD |
| Share-class reference currency | USD |
| Other subscription/redemption currencies | GBP - EUR |
| Type of shares | (A) Accumulation (D) Distribution |
| ISIN code | (A) LU0755947636 (D) LU0755947719 |
| Bloomberg code | (A) AGECIUC LX (D) AGECIUD LX |
| 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 | 0.60% IAT |
| Performance fees | Yes |
| Exit charge (maximum) | 0% |
| Ongoing charge | 0.93% (realized) |
| Minimum recommended investment period | 5 years |
| Benchmark index performance record | 14/03/2011: 100.00% JP MORGAN CEMBI BROAD DIVERSIFIED |

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