

AMUNDI FUNDS BOND EURO CORPORATE 1-3 - IE

BOND ■

MONTHLY
REPORT

31/05/2015

Key information

Net Asset Value (NAV) : 1,001.10 (EUR)
NAV as at : 29/05/2015
Assets Under Management (AUM) :
616.05 (million EUR)
ISIN code : (A) LU0945150927
(D) LU0945151065
Benchmark :
100.0% BARCLAYS EURO AGGREGATE
CORPORATE 1-3 YEARS
Morningstar Overall Rating : 4
Morningstar Category :
EUR CORPORATE BOND - SHORT TERM
Number of funds in the category : 176
Rating date : 30/04/2015

Investment Objective

The objective of the Sub-Fund is to outperform the reference indicator Barclays Euro Aggregate Corporate 1-3 over a minimum investment of 18 months by selecting bonds mainly denominated in Euro offering the highest level of potential capital gain at short and mid-term.

Risk & Reward Profile (SRRI)



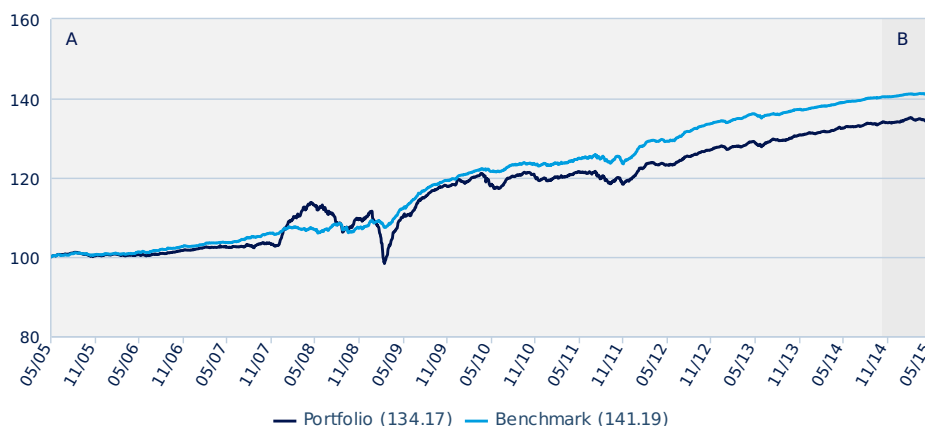
Lower risk, potentially lower rewards

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) *



A : Simulation based on the performance from March 2, 1990 to November 6, 2014 of the French fund « Amundi Crédit 1-3 » managed by Amundi, feeder of « Amundi Funds Bond Euro Corporate 1-3 » as from November 7, 2014.
B : Performance of the Share Class since its launch date.

Cumulative returns *

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	31/12/2014	30/04/2015	27/02/2015	30/05/2014	31/05/2012	31/05/2010	02/03/1990
Portfolio	0.17%	-0.25%	-0.65%	1.25%	8.88%	13.36%	239.15%
Benchmark	0.45%	0.06%	0.05%	1.60%	9.30%	16.13%	-
Spread	-0.28%	-0.32%	-0.69%	-0.35%	-0.42%	-2.77%	-

Calendar year performance *

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Portfolio	2.20%	2.63%	6.72%	-0.09%	1.43%	7.15%	6.90%	1.37%	1.33%	1.59%
Benchmark	2.38%	2.29%	7.33%	1.26%	3.28%	10.96%	1.68%	3.24%	2.05%	2.20%
Spread	-0.18%	0.33%	-0.62%	-1.35%	-1.84%	-3.82%	5.22%	-1.87%	-0.72%	-0.60%

* 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	2.12	1.88
Average Rating	BBB	BBB+
Proceed-weighted yield	1.13%	0.44%
SWMD ²	5.82	1.30
Spread ³	108	68
Number of portfolio holdings	275	408

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	0.81%	0.95%	1.51%
Benchmark volatility	0.30%	0.68%	1.19%
Ex-post Tracking Error	0.60%	0.58%	0.79%
Information ratio	-0.59	-0.22	-0.61
Sharpe ratio	1.55	2.95	1.48

Performance analytics

	Inception to date
Maximum drawdown	-13.55%
Recovery period (days)	140
Worst month	02/2009
Lowest return	-4.99%
Best month	03/2003
Highest return	6.31%



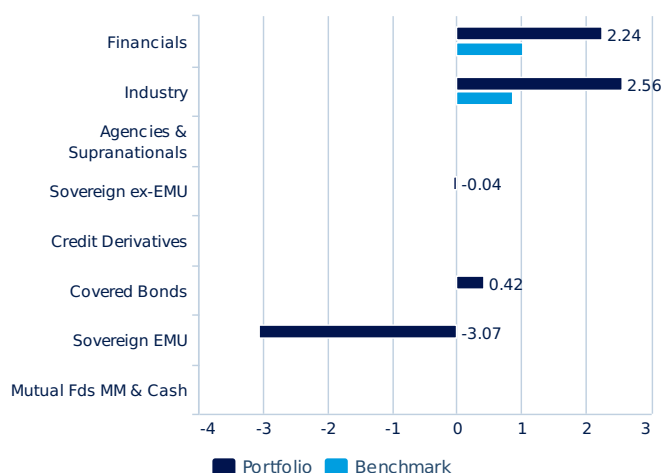
Hervé Boiral
Head of Euro Credit

Management commentary

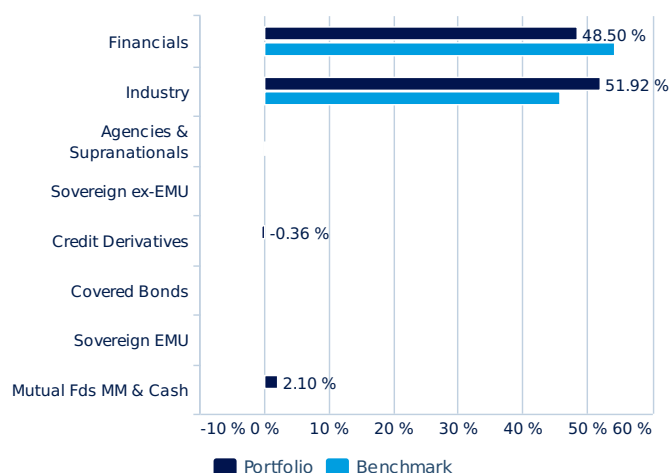
Credit spreads proved very resilient in May despite the significant volatility in sovereign rates (the German ten-year rate fluctuated between 38bp and 72bp) and the uncertain outcome of negotiations between Greece and its creditors. Euro Investment Grade credit lost 0.45% in May across all maturities but has gained 0.40% year-to-date. Over the period, the best performing sectors were metals/mining, media and energy, while the worst performers were telecoms, insurance and financials. The primary market was very active. Gross issuance totaled € 41 billion in May, bringing total volumes since the beginning of the year to € 260 billion. The underperformance of a number of bonds in the secondary market, notably those with the longest maturities, is partly attributable to this large volume of primary issues, 28% of which were staged by US companies. Finally, financial publications for the first quarter showed an improvement in credit fundamentals with default rates at an all-time low. For this reason, despite the fund's underperformance during the month (-0.25% vs. +0.06% for the benchmark), we remain overweight in credit, notably subordinated bonds and the consumer and banking sectors. The insurance sector was particularly hard hit, penalized by a sizable issuance program in the primary market. In the corporate hybrid segment, we carried out a few arbitrage, notably a purchase of RWE vs. Volkswagen, and increased our exposure to National Grid vs. Bayer. The position in this segment remains at around 6%. We also took advantage of primary market activity to invest in a few maiden issues by iconic US issuers (United Technologies, Expedia, Eli Lilly). The credit performance remains subject to the unwinding of negotiations with Greece, which is expected before the end of June.

Portfolio breakdown by sector

Modified duration



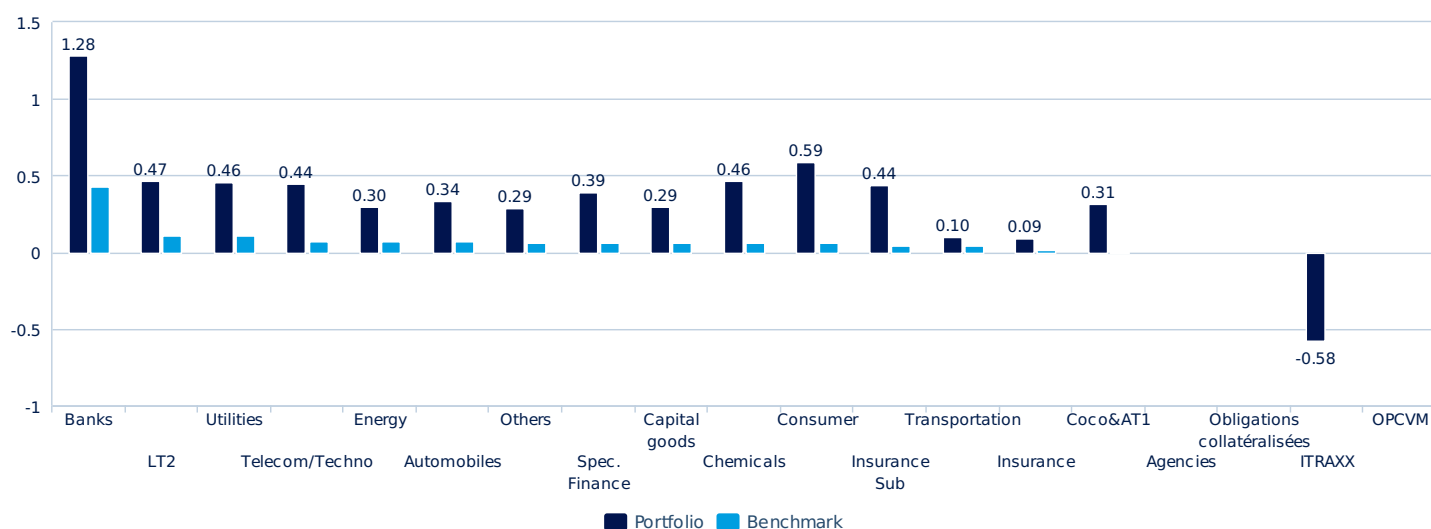
% of assets



Includes derivatives

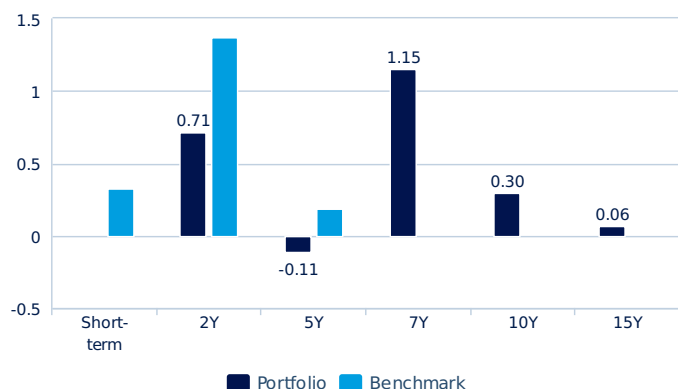
The total can be different by up to 100% as deferred cash is excluded

Sector Allocation (in units of SWMD)



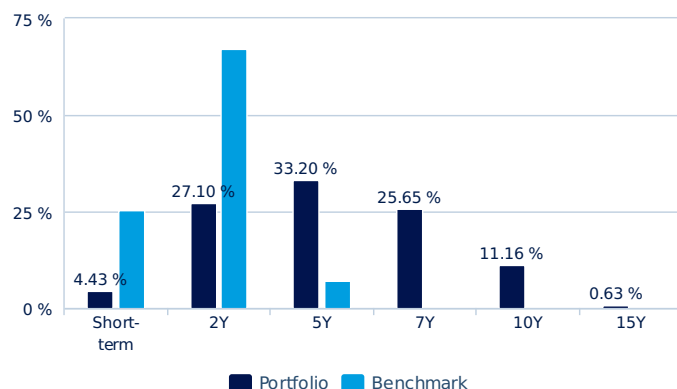
Breakdown by maturity

Modified duration



Includes derivatives

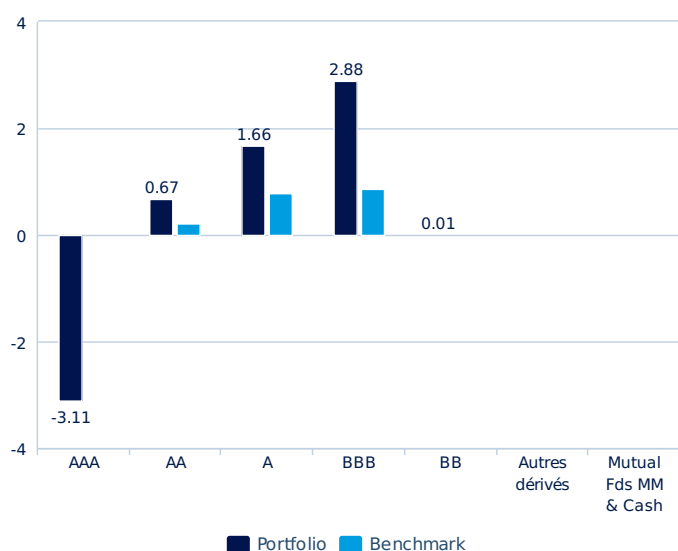
% of assets



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

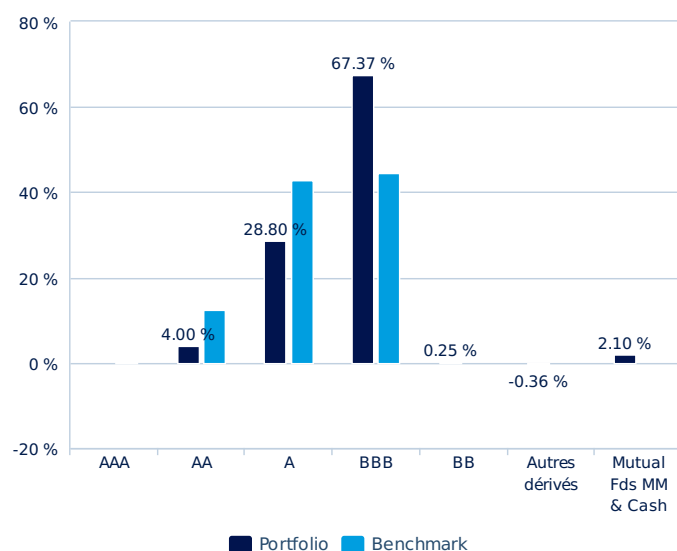
Portfolio breakdown by rating

Modified duration



Includes derivatives

% of assets



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

Main overweights

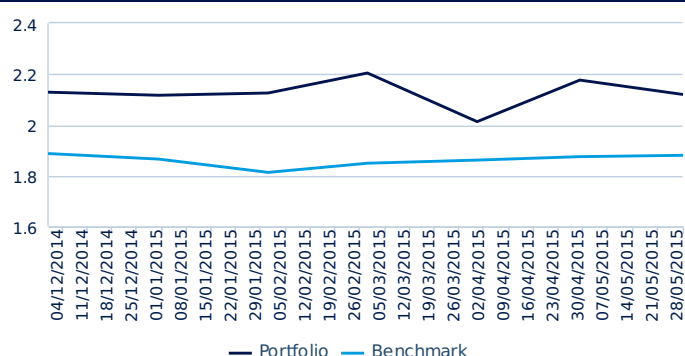
	Spread
Consumer	4.25%
LT2	3.08%
Others	1.88%
Coco&AT1	1.51%
Capital goods	1.42%

Main underweights

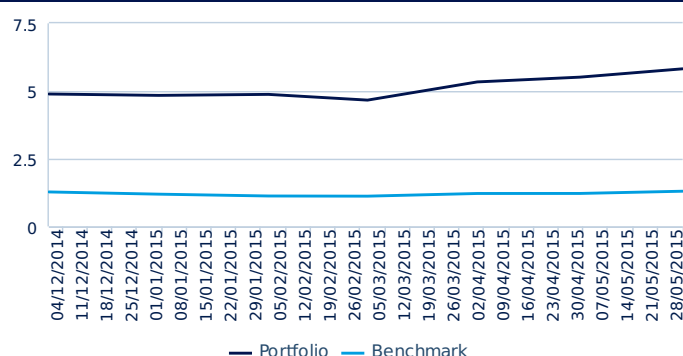
	Spread
Banks	-12.45%
Transportation	-1.72%
Utilities	-0.75%
Telecom/Techno	-0.28%
Agencies	-0.19%

Historical risk indicators

Modified duration



Spread Weighted Modified Duration (SWMD)



Main issuers

	Sector	% asset	Mod. duration	SWMD Portfolio	SWMD Benchmark
Sovereigns	-	-	-	-	-
Out of State Issuers	-	-	-	-	-
INTESA SANPAOLO SPA	Financials	2.83%	0.10	0.12	0.03
BNP PARIBAS	Financials	2.51%	0.11	0.15	0.02
FCE BANK PLC	Industry	2.46%	0.07	0.07	0
RBS GRP PLC	Financials	1.67%	0.04	0.05	0
ING BANK NV	Financials	1.66%	0.07	0.06	0.01
WELLS FARGO & CO	Financials	1.65%	0.09	0.08	0
BANK OF AMERICA CORP	Financials	1.59%	0.08	0.09	0.02
FCA CAPITAL IRELAND PLC	Industry	1.58%	0.06	0.09	0.01
DELTA LLOYD NV	Financials	1.56%	0.04	0.03	0
RCI BANQUE	Industry	1.44%	0.06	0.06	0.01
GOLDMAN SACHS GRP INC	Financials	1.30%	0.08	0.09	0.01
WENDEL	Industry	1.28%	0.06	0.08	0.01
DNB BANK ASA	Financials	1.27%	0.05	0.15	0
NOMURA EUROPE FINANCE	Financials	1.27%	0.06	0.07	-
ACHMEA BANK NV	Financials	1.24%	0.06	0.05	0

Fund information

Fund structure	UCITS Luxembourgeois
Fund Manager	Amundi Luxembourg SA
Custodian	CACEIS BANK LUXEMBOURG
Sub-fund launch date	07/11/2014
Share-class inception date	07/11/2014
Share-class reference currency	EUR
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0945150927 (D) LU0945151065
Reuters code	-
Bloomberg code	AFBEIEC
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	0.45% IAT
Performance fees	Yes
Exit charge	0%
Ongoing charge	0.56% (realized)
Minimum recommended investment period	3 years
Benchmark index performance record	14/05/2002: 100.00% BARCLAYS EURO AGGREGATE CORPORATE 1-3 YEARS 23/09/2001: 100.00% - CLOS - JPM EMU GOVT BND 1-3 YR

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