

# AMUNDI FUNDS EQUITY LATIN AMERICA - IU

FACTSHEET

30/09/2017

## EQUITY

### Key information (source : Amundi)

Net Asset Value (NAV) : (A) 4,946.45 ( USD )  
(D) 1,422.14 ( USD )  
NAV and AUM as at : 29/09/2017  
Assets Under Management (AUM) :  
203.10 ( million USD )  
ISIN code : (A) LU0201576070  
(D) LU0201602413  
Bloomberg code : LATAEAI LX  
Benchmark : 100% MSCI EM LATIN AMERICA  
Morningstar Overall Rating © : 3  
Morningstar Category © : LATIN AMERICA EQUITY  
Number of funds in the category : 295  
Rating date : 31/08/2017

### Investment Objective

The investment objective is to outperform the index representing a booming zone: Latin American equity markets. The team taps three main sources of value added: country selection –key to mastering the emerging market risk–, sector selection and stock picking, to benefit from the companies offering the best upside potential.

### 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 28/09/2012 to 29/09/2017\*



### Cumulative returns \*

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	30/12/2016	31/08/2017	30/06/2017	30/09/2016	30/09/2014	28/09/2012	03/04/2002
Portfolio	27.09%	1.23%	15.80%	26.50%	-8.90%	-16.29%	398.97%
Benchmark	26.71%	1.58%	15.07%	25.59%	-0.88%	-9.25%	380.67%
Spread	0.38%	-0.35%	0.73%	0.90%	-8.02%	-7.04%	18.30%

### Calendar year performance \*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	23.00%	-32.40%	-13.96%	-12.80%	8.55%	-23.33%	17.18%	122.55%	-52.49%	51.62%
Benchmark	31.04%	-31.04%	-12.30%	-13.36%	8.66%	-19.35%	14.66%	103.77%	-51.41%	50.40%
Spread	-8.04%	-1.37%	-1.66%	0.56%	-0.11%	-3.97%	2.52%	18.78%	-1.08%	1.22%

\* 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 94

### Top ten issuers (% assets)

	Portfolio
INVESTIMENTOS ITAU SA	6.97%
BANCO BRADESCO SA	6.96%
PETROLEO BRASILEIRO SA	5.68%
GRUPO FINANC BANORTE SAB DE CV	4.57%
BANCO DO BRASIL SA	4.35%
BRADSPAR SA	3.78%
FOMENTO ECONOMICO MEXICANO SAB	3.58%
CREDICORP LTD	3.28%
JBS SA	3.16%
GRUMA SAB DE CV	2.70%
Total	45.03%

### Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	19.16%	23.86%	22.31%
Benchmark volatility	18.18%	25.60%	23.38%
Ex-post Tracking Error	4.07%	4.62%	3.82%
Information ratio	0.31	-0.59	-0.40
Sharpe ratio	1.31	-0.15	-0.17
Beta	1.03	0.92	0.94

### Performance analytics

	Inception to date
Maximum drawdown	-67.44%
Recovery period (days)	714
Worst month	10/2008
Lowest return	-31.69%
Best month	05/2009
Highest return	21.78%

## Management commentary

Global equities rose again in September, brushing aside ongoing North Korea tensions and the prospect of tighter monetary policy in the US. Latin America equities (+1.6% in dollar, net return) again outperformed Emerging markets (-0.4%) but not Developed markets (+2.2%). On one hand, oil price strengthened on strong global demand, temporary supply disruption and OPEC supply discipline. On the other end, copper and, especially, iron ore, weakened significantly after their strong run on the past months. Off-index Argentina (+10.3%), Brazil (+4.2%) and Chile (+1.9%) outperformed Colombia (+0.7%), Peru (-0.3%) and Mexico (-3.6%).

Argentina was the largest regional winner driven by investors feeling more confident with Macri's coalition approval in the polls and the continuation of his policies. Strong economic data prints and Central Bank commitment to fight sticky inflation added to the positive mood. Brazil's low - and downward revisions to - inflation allowed for another substantial rate cut of 100bp to 8.25% in September. Economic data also led consensus to revise GDP growth upward for this year and next one. The successful auction of onshore oil fields and hydro power plants will help the government reach its fiscal targets in 2018 although the fiscal deficit remains a key concern pending the approval of the social security reform. The latter was further delayed by the second accusation against President Temer while Congress spent September trying to approve the political reform that which will guide the rules of the 2018 presidential race. In Chile, despite an above 2% currency depreciation, the market remained supported by Piñera's leading position in the polls while macroeconomic data also posted improved results. Colombia underperformed as the country continues to face pressures of a weak economy and increased fiscal deficit. In Peru, a vote of no-confidence by Congress forced president PPK to revamp his cabinet. The Central Bank of Peru (BCRP) cut the policy rate by 25bp to 3.50% due to still weak economic activity. Mexico's currency weakness (-2% mom) was mainly driven by uncertainties around the ongoing NAFTA talks with the US and concerns over the potential consequences of the earthquakes that hit the country during September. On the back of these risks, the Central Bank maintained its policy rate unchanged at 7% although inflation seems to have finally reached the inflection point, falling to 6.5% in annual terms.

The fund slightly underperformed (gross of fees) its index in September. Positive contributions from sector allocation in Mexico (overweight financials, underweight industrials and telecom) and from stock picking in Argentina (utilities and energy) and Brazilian banks where more than offset by negative contributions from stock picking in Brazilian consumption. In September, we raised the weight of Argentina through energy and utilities on improved political outlook and still attractive valuations and prospects. We also slightly reduced the relative weight of Brazil by cutting materials (iron ore prices peaking), consumer staples and banks (profit-taking on Itau and continuous reduction of our overweight on banks due to valuation discipline) while raising energy (Ultrapar and Petrobras, both on improving outlook). Mexico's weight was also cut to neutral on uncertainties related to NAFTA talks and presidential election.

We keep overweight positions in Argentina, Peru and Brazil, countries where GDP is picking up and where we expect positive earnings growth revisions. We increasingly like the political (and economic) outlook in Argentina. In Brazil, slashes in interest rates and easy comps should continue to support growth and earnings revisions momentum. There is still a remote possibility of approval of a highly watered down version of the social security reform next month, but the bulk of the reform will now have to be voted after the next presidential election in late 2018. We mainly overweight cyclical and leveraged companies to play growth pick up and lower rates. We also overweight selected banks, essentially Banco do Brasil, while we stay underweight consumption and telecom on unattractive risk-reward equation. We have a neutral to underweight bias on Mexico as NAFTA negotiations have kicked in and the mid-2018 presidential election is likely to generate negative headlines in the coming months (continuous strength in polls of leftist candidate Andres Manuel Lopez Obrador). We overweight selected bank stocks (relative valuation, high rates and low delinquencies), materials (metals and cement) and some resilient consumer companies, mainly Gruma. Still tough macroeconomic prospects combined with low market liquidity drive our underweight stance on Colombia. Chile also continues to be underweight. The country has performed well year-to-date, mainly on copper price strength and a rally in bank stocks, but valuations look expensive while GDP fails to pick up convincingly.

## Portfolio breakdown

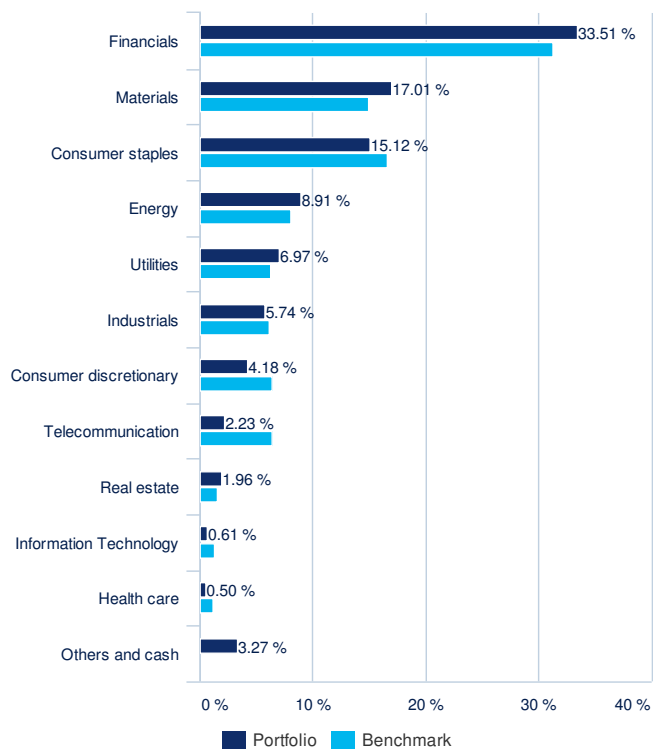
### Main overweights (% assets)

	Portfolio	Benchmark	Spread (P - B)
INVESTIMENTOS ITAU SA	6.97%	2.07%	4.91%
BRADSPAR SA	3.78%	-	3.78%
BANCO DO BRASIL SA	4.35%	1.43%	2.91%
JBS SA	3.16%	0.33%	2.83%
IOCHPE MAXION SA	2.25%	-	2.25%
GRUMA SAB DE CV	2.70%	0.48%	2.22%
GRUPO FINANC BANORTE SAB DE CV	4.57%	2.63%	1.94%
SUZANO PAPEL E CELULOSE SA	1.86%	0.37%	1.49%
EZ TEC EMPREENDIMENTOS E PARTI	1.17%	-	1.17%
CREDICORP LTD	3.28%	2.12%	1.16%

### Main underweights (% assets)

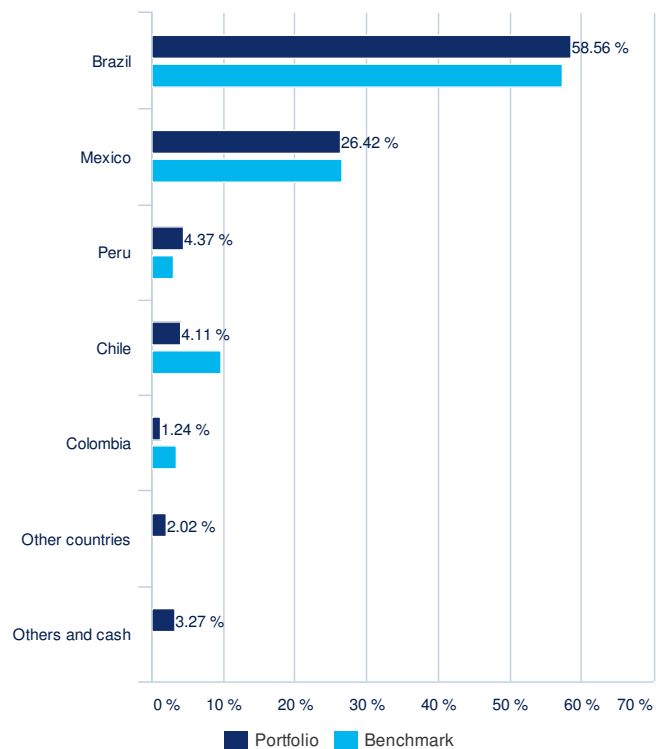
	Portfolio	Benchmark	Spread (P - B)
ITAU UNIBANCO HOLDING SA (BRA)	1.06%	6.71%	-5.65%
AMBEV SA	-	4.80%	-4.80%
VALE SA	-	4.65%	-4.65%
AMERICA MOVIL SAB DE CV	1.74%	4.56%	-2.82%
GRUPO TELEvisa SA	-	1.83%	-1.83%
KROTON EDUCACIONAL SA	-	1.28%	-1.28%
LOJAS RENNER SA	-	1.20%	-1.20%
BANCOLOMBIA SA	-	1.19%	-1.19%
SACI FALABELLA	-	1.10%	-1.10%
CIA DE CONCESSOES RODOVIARIAS	-	1.02%	-1.02%

## Sector breakdown



Excluding derivatives.

## Geographical breakdown



Excluding derivatives.

## 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	21/02/1994
Share-class reference currency	USD
Type of shares	(A) Accumulation (D) Distribution
ISIN code	(A) LU0201576070 (D) LU0201602413
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	0.90% IAT
Maximum indirect annual management fees including taxes	-
Performance fees	Yes
Maximum performance fees rate (% per year)	20 %
Performance fees details	MSCI EM Latin America
Exit charge (maximum)	0%
Ongoing charge	1.43% (realized) - 25/10/2016
Minimum recommended investment period	5 years
Benchmark index performance record	01/01/1996: 100.00% MSCI EM LATIN AMERICA

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