

AMUNDI FUNDS EQUITY JAPAN VALUE - IJ

EQUITY ■

MONTHLY
REPORT

31/03/2017

Key information (source : Amundi)

Net Asset Value (NAV) : 124,280.00 (JPY)
NAV and AUM as at : 31/03/2017
Assets Under Management (AUM) :
9,922 (million JPY)
ISIN code : (A) LU0248702432
(D) LU0248702515
Benchmark : None

Investment Objective

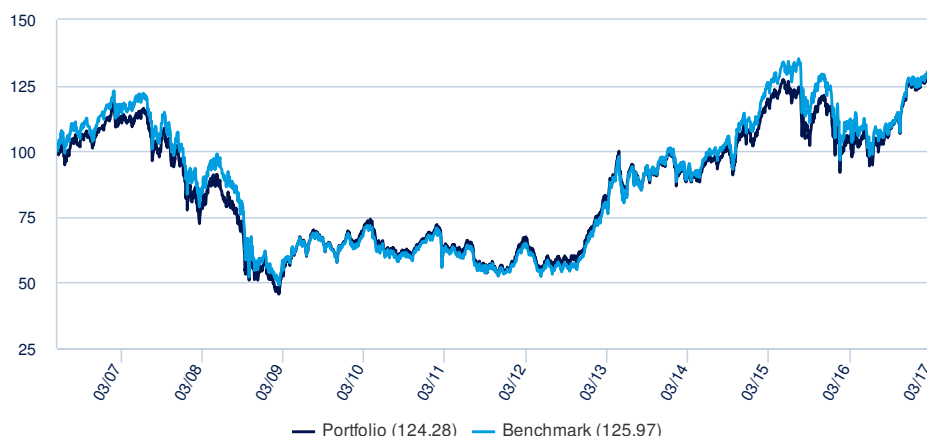
The objective of the Sub-Fund is to seek long-term capital growth, by investing at least two thirds of its assets in shares of Japanese companies selected following a value strategy (based on the analysis of divergence between share prices and improving firm values, in order to benefit from out performances resulting from a future correction of the stock prices evolution).

Information

Fund structure : UCITS
Sub-fund launch date : 15/06/2006
Share-class inception date : 15/06/2006
Eligibility : -
Type of shares : (A) Accumulation
(D) Distribution
Minimum first subscription / subsequent :
500000 Equivalent en JPY de USD / 1
thousandth(s) of (a) share(s)
Entry charge (maximum) : 2.50%
Ongoing charge : 1.12% (realized 30/06/2016)
Exit charge (maximum) : 0%
Minimum recommended investment period : 5 years
Performance fees : No

Returns

Performance evolution (rebased to 100) * from 15/06/2006 to 31/03/2017



Cumulative returns *

	YTD	1 month	3 months	1 year	3 years	5 years	Since
Since	30/12/2016	28/02/2017	30/12/2016	31/03/2016	31/03/2014	30/03/2012	15/06/2006
Portfolio	-0.09%	-1.28%	-0.09%	19.26%	33.86%	86.60%	24.28%
Benchmark	0.57%	-0.59%	0.57%	14.69%	33.67%	96.24%	25.97%
Spread	-0.66%	-0.69%	-0.66%	4.57%	0.19%	-9.64%	-1.69%

Calendar year performance *

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	6.23%	9.46%	6.84%	47.56%	23.56%	-17.13%	1.73%	14.75%	-40.68%	-12.01%
Benchmark	0.31%	12.06%	10.27%	54.41%	20.86%	-17.00%	0.96%	7.62%	-40.62%	-11.11%
Spread	5.92%	-2.60%	-3.43%	-6.85%	2.70%	-0.13%	0.77%	7.13%	-0.06%	-0.90%

* 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 & 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.

Top ten holdings (% assets)

	Weight
MITSUBISHI UFJ FINANCIAL GROUP. INC.	3.03%
FUJITSU LTD.	2.69%
HONDA MOTOR CO.. LTD.	2.57%
NIPPON TELEGRAPH & TELEPHONE CORP.	2.41%
HIROSE ELECTRIC CO.. LTD.	2.38%
COCA-COLA EAST JAPAN CO..LTD.	2.36%
FANUC CORP.	2.34%
MITSUI & CO.. LTD.	2.32%
KAGOME CO.. LTD.	2.29%
KURITA WATER INDUSTRIES LTD.	2.24%

Management commentary

The fund underperformed the benchmark in March.

Nikkei 225 was down 1.10% to JPY18909.26 and TOPIX fell 1.48% to 1512.60.

TOPIX gained in the first half of the month as US interest rates rose and the yen weakened. However, TOPIX started to fall after the FOMC meeting as receding expectations of faster US rate hikes and uncertainty about US economic policy pushed up the yen.

By sector, Other Products, Precision Instruments, Oil & Coal Products, Electric Appliances, Electric Power & Gas sectors outperformed, while Iron & Steel, Real Estate, Banks, Insurance, Securities sectors underperformed.

Financial sectors, as a whole, underperformed affected by the lowering US interest rate.

As to the stock attributions to the performance, Tokyo Electron, a manufacturer of semiconductors & semiconductor equipment, added value most to the portfolio as it received a large amount of orders from clients. We hold it as a restructuring stock, because it is expected to improve its profitability by shifting its main business from hardware-oriented ones to its service-oriented ones.

On the other hand, DeNA, an operator of SNS game services, detracted value most from the portfolio. It underperformed as expectation for early resumption of its content curation business, one of its growing businesses, receded. However, we continue to hold this stock as we judge that it does not have governance issue by looking at its quick response to the compliance issue surrounding its content curation business.

In March, we newly purchased Miraca Holdings, Earth Chemical, Shimano, Asics, Nifco and ORIX, and increased the holding weights of Toagosei and Rakuten, while we sold off Yahoo Japan, JX Holdings, Credit Saison, Aeon and Nippon Yusen, and decreased holding weights of Mitsui Chemicals.

Miraca Holdings, Earth Chemical, Toagosei and Mitsui Chemicals are "restructuring stocks" and others are "stocks suffering from excessive negative sentiment."

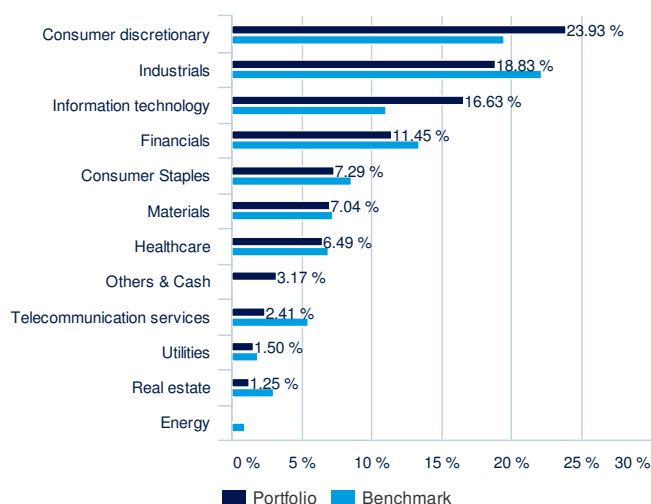
We purchased Miraca Holdings as we expect its higher growth from its synergy effects of their merger.

We purchased Earth Chemical as we expect it to improve its profitability by decreasing returned products and optimizing its sales promotion costs.

We increased holding weight of Toagosei as we expect it to improve its ROE by investing its cash into growing businesses instead of just holding cash.

We decreased holding weight of Mitsui Chemicals as it is about to complete its restructuring process by improving its loss-making businesses.

Sector breakdown



Portfolio breakdown

Legal information

Amundi Funds is a UCITS organised as an open-ended investment company (société d'investissement à capital variable, "SICAV") under the laws of the Grand Duchy of Luxembourg, and is regulated by the Commission de Surveillance du Secteur Financier ("CSSF"). Number of registration RCS B68.806. UK retail investors will not have any protection under the UK Financial Services Compensation Scheme. There will be no right to cancel an agreement to purchase fund units under section 15 of the UK Financial Services Conduct of Business Sourcebook. AMUNDI FUNDS EQUITY JAPAN VALUE, which is a sub-fund of Amundi Funds, has been recognised for public marketing in United Kingdom by the Financial Conduct Authority (FCA). The issuer of this document is Amundi, 90 Boulevard Pasteur, 75730 Cedex 15 - France, registered in France under number GP 04000036, authorised and regulated by the Autorité des Marchés Financiers. This document is not a Prospectus. The offering of shares in Amundi Funds can only be made using the official Prospectus. The latest prospectus, the key investor information document ("KIID"), the articles of incorporation as well as the annual and semi-annual reports are available free of charge from the facilitating agent (Amundi London Branch, 41 Lothbury, London EC2R 7HF, United-Kingdom) and on our website www.amundi.com. The latest available prospectus, more specifically on risk factors, as well as the KIID should be consulted before considering any investment. The data source of this document is Amundi except otherwise mentioned. The date of these data is indicated under the mention MONTHLY REPORT at the top of the document except otherwise mentioned. Warnings: Please read the Prospectus carefully before you invest. Remember that the capital value and the income from investments may go down as well as up and that changes in rates of exchange between currencies may have a separate effect also causing the value of the investments to decrease or to increase. Past performance is not necessarily a guide to future performance. Investors may not get back the amount they originally invested. Investors should note that the securities and financial instruments contained herein may not be suitable for their investment objectives.