AMUNDI 12 M - E

MONTHLY REPORT

31/03/2017

LONG TERM TREASURY ■

Key information (source : Amundi)

Net Asset Value (NAV) : **10,564.90 (EUR)**
NAV and AUM as at : **31/03/2017**
Assets Under Management (AUM) :
4,022.02 (million EUR)
ISIN code : **FR0010830885**
Benchmark :
EONIA (Euro Overnight Index Average daily compounded)
Minimum recommended investment period : **1 year**
Morningstar Overall Rating © : **3**
Morningstar Category © :
EUR ULTRA SHORT-TERM BOND
Number of funds in the category : **325**
Rating date : **28/02/2017**

Investment Objective

The Fund's investment objective, over an investment period of 12 months, is to achieve an outperformance on annual basis of the compounded EONIA for the EURO unit, the compounded Fed Funds pour the USD unit, the compounded SONIA for the GBP unit , after deducting ongoing charges.

Risk & Reward Profile (SRRI)

1 **2** 3 4 5 6 7

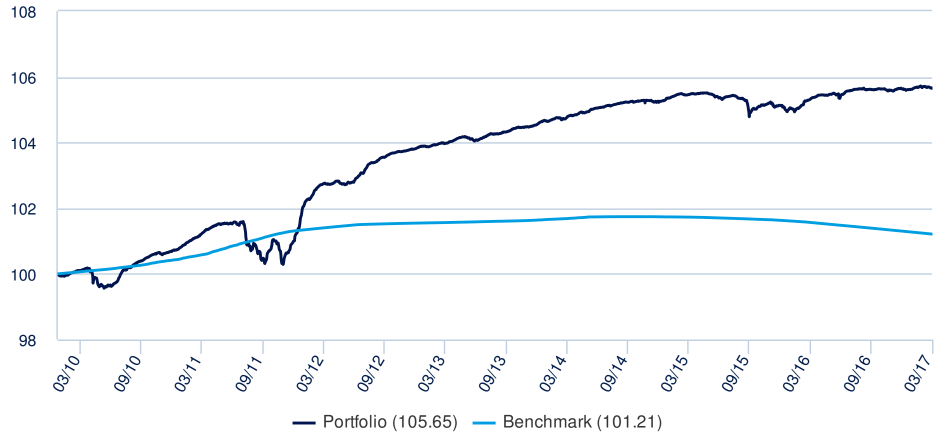
Lower risk, potentially lower rewards

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 21/01/2010 to 31/03/2017



Fund statistics

	Portfolio
Modified duration ¹	0.14
Credit duration ²	1.55
Average life ³	1.33
Average Rating	BBB
Number of lines	260
Issuer number	163

[1] Modified duration (in points) estimates a bond portfolio's percentage price change for 1% change in yield
[2] Credit duration (in points) estimates a bond portfolio's percentage price change for 1% change in Credit spread
[3] Weighted average life expressed in years

Cumulative returns *

Since	YTD 30/12/2016	1 month 28/02/2017	3 months 30/12/2016	1 year 31/03/2016	3 years 31/03/2014	5 years 30/03/2012	Since 21/01/2010
Portfolio	0.02%	-0.04%	0.02%	0.31%	0.84%	2.83%	5.65%
Benchmark	-0.09%	-0.03%	-0.09%	-0.35%	-0.46%	-0.19%	1.21%
Spread	0.10%	-0.01%	0.10%	0.66%	1.30%	3.01%	4.44%

Calendar year performance *

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Portfolio	0.48%	-0.09%	0.64%	0.71%	2.79%	0.29%	-	-	-	-
Benchmark	-0.32%	-0.11%	0.10%	0.09%	0.24%	0.88%	-	-	-	-
Spread	0.80%	0.02%	0.54%	0.62%	2.56%	-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.

Risk analysis (rolling)

	1 year	3 years	5 years
Portfolio volatility	0.18%	0.35%	0.30%
Benchmark volatility	0%	0.02%	0.03%
Ex-post Tracking Error	0.18%	0.35%	0.30%
Information ratio	3.61	1.24	1.98
Sharpe ratio	3.60	1.24	1.96

Performance analytics

	Inception to date
Best month	01/2012
Highest return	1.09%
Worst month	11/2011
Lowest return	-0.71%
Maximum drawdown	-1.29%
Recovery period (days)	51

Nathalie Coffre

Head of Short-Term Solutions Management

Laurent Rieu

Portfolio manager

Management commentary

In the United States, the robust economic trends prompted the Federal Reserve to make its first interest rate hike of the year, raising the Fed Funds rate by 25bps, bringing the target range to 0.75%-1%. However, the pace could accelerate if the Trump administration's promised fiscal stimulus measures take concrete shape.
In the Eurozone, the political risks do not appear to be hampering recovery. However, inflation dipped as the base effects diminished.
This situation led the ECB to remain cautious by beginning the shift to a less accommodative monetary policy by not renewing TLTRO II.

In these conditions, after rising throughout the month, interest rates dipped again sharply at the very end of the month under the impact of the UK government's activation of Article 50, contradicting statements from various ECB members and the Trump administration's failed attempt to reform Obamacare.
Over the month, the fund's investment policy consisted of:
- investing the subscriptions received, around €200 million, while maintaining the portfolio's current structure.
- maintaining a liquidity pocket of around 12% so as to seize any opportunities that arise in the primary and secondary markets.
- increasing our investments in money market instruments, bringing money market exposure to more than 9%.
- arbitraging part of our exposure to Mediobanca. We sold the 11/2017 bond at -0.05% to invest in CDS of the same issuer maturing 06/2018 at 0.80%.
- participating in the primary market by subscribing to Export Import Bank of China 3 years with a premium of Swap + 35bps, ING 5 years at Swap + 70bps and Roche in CHF with a maturity of 18 months.
- arbitraging foreign-currency issues such as CS4.875 3/2018 in CHF.

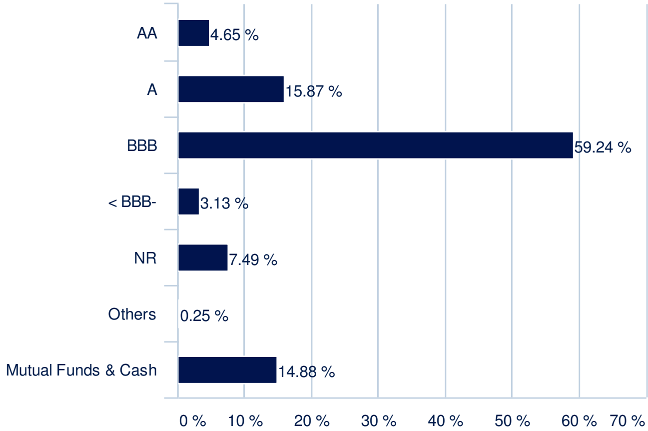
The fund's performance was attributable to its interest-rate exposure. This is admittedly low at 0.15%, but interest rate volatility and the fact that the portion with maturities of under one year is not hedged as we do not expect a change in ECB monetary policy, explains our counterperformance.

Portfolio breakdown

Top 10 holdings

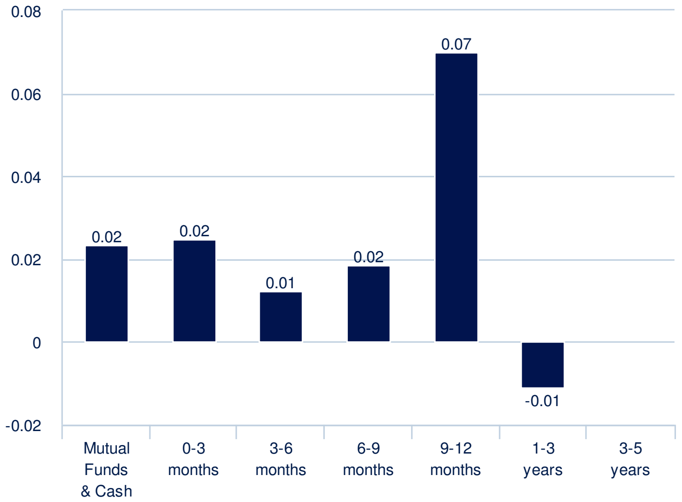
	Coupon (%)	Maturity	% asset
SPAIN (KINGDOM OF)	3.75	31/10/2018	1.33%
SPAIN (KINGDOM OF)	0.25	31/01/2019	1.24%
SPAIN (KINGDOM OF)	4.10	30/07/2018	1.07%
ITALIAN REPUBLIC	4.50	01/08/2018	1.05%
ITALIAN REPUBLIC	3.50	01/06/2018	1.04%
ITALIAN REPUBLIC	0.30	15/10/2018	0.99%
NIBC BANK NV	2.00	26/07/2018	0.99%
SPAIN (KINGDOM OF)	0	18/08/2017	0.99%
PROLOGIS INTL FUNDING II SA	2.75	23/10/2018	0.96%
GOLDMAN SACHS GRP INC	2.50	18/10/2021	0.95%

Portfolio breakdown - Long term rating

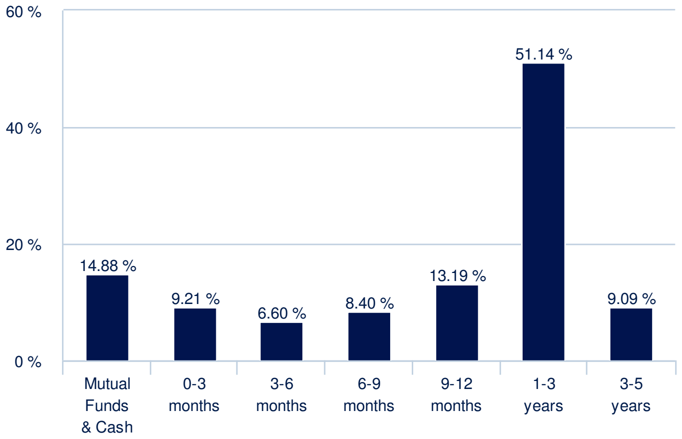


The total may be different by up to 100% to reflect the portfolio's real exposure (consideration of derivative instruments)

Breakdown by maturity (basis points of Modified Duration)



Portfolio breakdown by maturity



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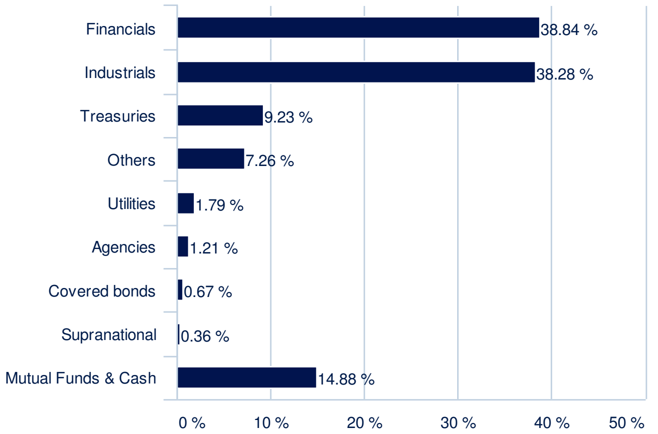
Sector breakdown



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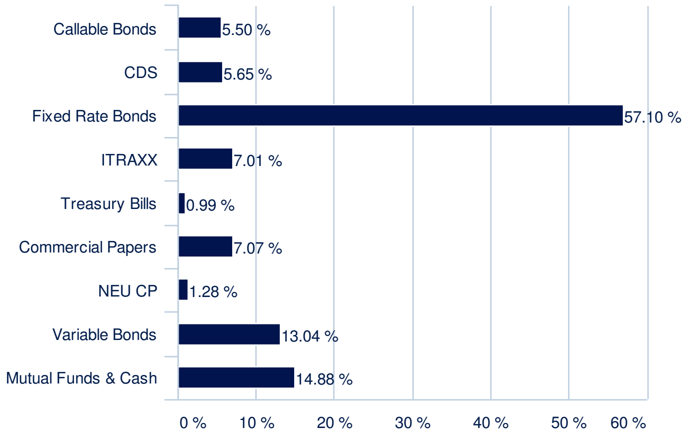
Breakdown by instrument type



The total may be different by up to 100% to reflect the portfolio's real exposure (consideration of derivative instruments)

Long-Term ratings / maturity matrix

	High yield	Not rated	AA	A	BBB	ITRAXX	Mutual Funds & Cash	Others	Total
0-3 months	0.31%	3.02%	-	1.13%	4.74%	-	-	-	9.21%
3-6 months	-	0.74%	0.67%	0.84%	4.11%	-	-	0.25%	6.60%
6-9 months	0.72%	-	-	1.67%	6.02%	-	-	-	8.40%
9-12 months	0.95%	1.58%	-	0.58%	10.08%	-	-	-	13.19%
1-3 years	1.15%	1.67%	2.70%	6.49%	32.13%	7.01%	-	-	51.14%
3-5 years	-	0.48%	1.28%	5.16%	2.16%	-	-	-	9.09%
Mutual Funds & Cash	-	-	-	-	-	-	14.88%	-	14.88%
Total	3.13%	7.49%	4.65%	15.87%	59.24%	7.01%	14.88%	0.25%	112.53%

The total may be different by up to 100% to reflect the portfolio's real exposure (consideration of derivative instruments)

Countries / Sectors / Maturities matrix

	Mutual Funds & Cash	0-3 months	3-6 months	6-9 months	9-12 months	1-3 years	3-5 years	Total
Euro Zone	-	5.43%	5.63%	6.38%	10.03%	33.64%	2.19%	63.28%
Austria	-	-	0.25%	-	-	-	-	0.25%
Others	-	-	0.25%	-	-	-	-	0.25%
Belgium	-	0.37%	-	1.08%	0.59%	-	-	2.04%
Industrials	-	0.37%	-	0.79%	0.44%	-	-	1.60%
Financials	-	-	-	0.30%	0.15%	-	-	0.44%
Euro Zone	-	-	-	-	-	7.01%	-	7.01%
Others	-	-	-	-	-	7.01%	-	7.01%
France	-	3.60%	1.86%	1.26%	4.13%	5.47%	1.25%	17.57%
Industrials	-	3.35%	0.74%	0.15%	3.02%	3.37%	0.48%	11.10%
Financials	-	0.25%	0.46%	1.11%	1.11%	2.10%	0.77%	5.80%
Covered bonds	-	-	0.67%	-	-	-	-	0.67%
Germany	-	0.40%	0.72%	1.05%	0.60%	2.62%	0.31%	5.70%
Industrials	-	0.40%	0.72%	0.45%	0.28%	2.32%	0.31%	4.47%
Financials	-	-	-	0.60%	0.32%	0.31%	-	1.23%
Italy	-	0.69%	1.20%	1.90%	2.69%	9.53%	-	16.03%
Treasuries	-	-	-	0.30%	0.57%	3.74%	-	4.60%
Industrials	-	-	-	0.68%	0.91%	2.51%	-	4.10%
Utilities	-	-	0.35%	-	0.71%	0.40%	-	1.46%
Financials	-	0.69%	0.85%	0.93%	0.50%	2.89%	-	5.86%
Luxembourg	-	-	-	-	0.46%	1.60%	-	2.06%
Industrials	-	-	-	-	0.46%	0.63%	-	1.10%
Financials	-	-	-	-	-	0.96%	-	0.96%
Netherlands	-	0.25%	-	1.09%	0.25%	2.46%	0.62%	4.66%
Industrials	-	0.25%	-	0.80%	0.25%	0.28%	-	1.57%
Financials	-	-	-	0.29%	-	2.18%	0.62%	3.09%
Spain	-	0.12%	1.60%	-	1.30%	4.94%	-	7.96%
Treasuries	-	-	0.99%	-	-	3.64%	-	4.62%
Industrials	-	0.12%	0.61%	-	0.86%	-	-	1.59%
Utilities	-	-	-	-	0.08%	-	-	0.08%
Financials	-	-	-	-	0.37%	1.30%	-	1.67%
Rest of the world	-	3.79%	0.98%	2.02%	3.17%	17.51%	6.90%	34.37%
Australia	-	-	-	-	-	1.57%	0.23%	1.80%
Industrials	-	-	-	-	-	0.39%	-	0.39%
Financials	-	-	-	-	-	1.18%	0.23%	1.41%
China	-	-	-	-	-	1.49%	-	1.49%
Agencies	-	-	-	-	-	0.97%	-	0.97%
Financials	-	-	-	-	-	0.52%	-	0.52%
Denmark	-	-	-	0.38%	-	0.43%	-	0.81%
Industrials	-	-	-	0.38%	-	-	-	0.38%
Financials	-	-	-	-	-	0.43%	-	0.43%
Hong Kong	-	0.52%	-	-	-	-	-	0.52%
Industrials	-	0.52%	-	-	-	-	-	0.52%
Israel	-	-	-	-	-	0.60%	-	0.60%
Industrials	-	-	-	-	-	0.60%	-	0.60%
Japan	-	-	-	-	-	0.37%	0.52%	0.88%
Industrials	-	-	-	-	-	0.12%	-	0.12%
Financials	-	-	-	-	-	0.25%	0.52%	0.77%
Korea	-	-	-	-	-	0.24%	-	0.24%
Agencies	-	-	-	-	-	0.24%	-	0.24%
Mexico	-	-	-	-	-	0.27%	-	0.27%
Industrials	-	-	-	-	-	0.27%	-	0.27%
New Zealand	-	-	-	-	-	0.40%	0.92%	1.32%
Financials	-	-	-	-	-	0.40%	0.92%	1.32%
Norway	-	-	-	-	-	1.80%	0.29%	2.10%
Financials	-	-	-	-	-	1.80%	0.29%	2.10%
Qatar	-	-	-	-	-	-	0.71%	0.71%
Financials	-	-	-	-	-	-	0.71%	0.71%
South Africa	-	0.26%	-	-	-	-	-	0.26%
Industrials	-	0.26%	-	-	-	-	-	0.26%
Supranational	-	-	-	-	-	-	0.36%	0.36%
Supranational	-	-	-	-	-	-	0.36%	0.36%
Sweden	-	-	0.23%	-	0.08%	0.65%	-	0.96%
Industrials	-	-	0.23%	-	0.08%	0.65%	-	0.96%
Switzerland	-	0.26%	-	0.37%	0.39%	0.73%	-	1.75%
Industrials	-	0.26%	-	-	-	0.32%	-	0.58%
Financials	-	-	-	0.37%	0.39%	0.41%	-	1.17%
United Kingdom	-	0.68%	0.75%	1.27%	1.00%	4.45%	0.19%	8.34%
Industrials	-	0.31%	0.25%	0.44%	0.67%	2.84%	-	4.52%
Financials	-	0.37%	0.49%	0.83%	0.33%	1.61%	0.19%	3.82%

Countries / Sectors / Maturities matrix

	Mutual Funds & Cash	0-3 months	3-6 months	6-9 months	9-12 months	1-3 years	3-5 years	Total
United States	-	**2.07%**	-	-	**1.70%**	**4.51%**	**3.68%**	**11.96%**
Industrials	-	0.34%	-	-	1.45%	1.38%	0.98%	4.16%
Utilities	-	-	-	-	0.25%	-	-	0.25%
Financials	-	1.72%	-	-	-	3.13%	2.70%	7.55%
Mutual Funds & Cash	**14.88%**	-	-	-	-	-	-	**14.88%**
Total	**14.88%**	**9.21%**	**6.60%**	**8.40%**	**13.19%**	**51.14%**	**9.09%**	**112.53%**

The total may be different by up to 100% to reflect the portfolio's real exposure (consideration of derivative instruments)

Information

Fund structure	Mutual Fund (FCP) under French law
Fund Manager	Amundi Asset Management
Custodian	CACEIS Bank
Share-class inception date	21/01/2010
Share-class reference currency	EUR
Classification	Bonds & other international debt securities
Type of shares	Accumulation
ISIN code	FR0010830885
Bloomberg code	-
Minimum first subscription / subsequent	2 Share (s) / 1 thousandth(s) of (a) share(s)
Frequency of NAV calculation	Daily
Dealing times	Orders received each day D day before 12:25
Entry charge (maximum)	0%
Maximum direct annual management fees including taxes	0.70% IAT
Maximum indirect annual management fees including taxes	-
Performance fees	Yes
Maximum performance fees rate (% per year)	30
Exit charge (maximum)	0%
Ongoing charge	0.42% (realized) - 31/05/2016
Minimum recommended investment period	1 year
Benchmark index performance record	21/01/2010: COMPOUNDED EONIA
UCITS compliant	UCITS
Current/Forward price	Forward pricing
Redemption Date	J+2
Subscription Value Date	J+2

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