



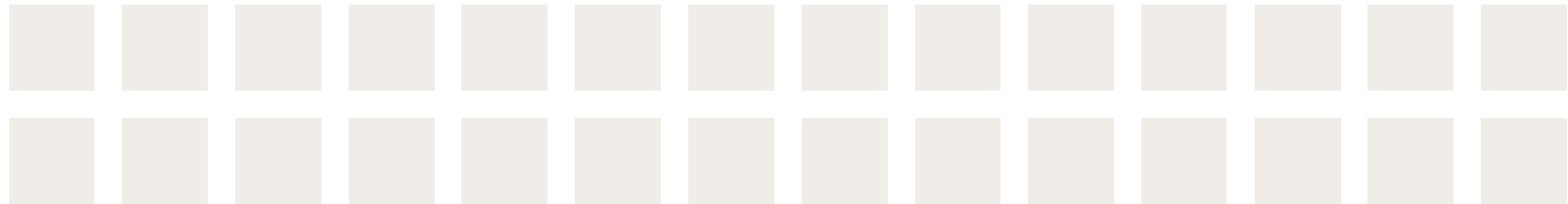
Amundi Funds Bond

Global Emerging Corporate



Amundi London Branch

October 2016



- **1. Our Edge in EM Corporate Debt**
- 2. Amundi Group / Amundi London EMD Resources
- 3. EMD Corporate Philosophy and Process
- 4. Emerging Corporate Debt: Investment case & Positioning
- 5. Products and performance
- 6. Conclusion

Our Edge in EM Corporate Debt

-
- | | |
|---|---|
| ■ Global EM Debt & FX expertise | <ul style="list-style-type: none">• Expertise in emerging External, Local, Sovereign and Corporate debt as well as EM FX• Reflected in a product range of “pure” strategies (External, Local and Corporate) and an allocation fund• Strong performance, high conviction, ambitious targets |
| <hr/> | |
| ■ EMD Corporate approach | <ul style="list-style-type: none">• Flexible and active style• Combination of top-down and bottom-up• Strong Focus on liquidity, drawdown and risk management |
| <hr/> | |
| ■ Proven track record, Stability & Resources of the EMD team | <ul style="list-style-type: none">• Managing EM debt and FX since 1999• Experienced team and global resources• Embedded within the Global Fixed Income platform• Global EMD group assets of USD 6.9 bn (including around USD 1.7 bn of EM Corporate)• Dedicated EMD Corporate strategy since 03/2011¹ offering a gross annualized excess return of 1.4% and a gross annualized total return of 7.2% since inception as at 30/09/2016• 4 Stars Morningstar ranking for the open-ended fund² |
-
- The Morningstar logo, featuring the word "MORNINGSTAR" in a stylized red font above four red stars.

1. Transferred into Amundi Funds Luxembourg-domiciled structure in 04/2012

2. As of September-2016 end for the IU share class

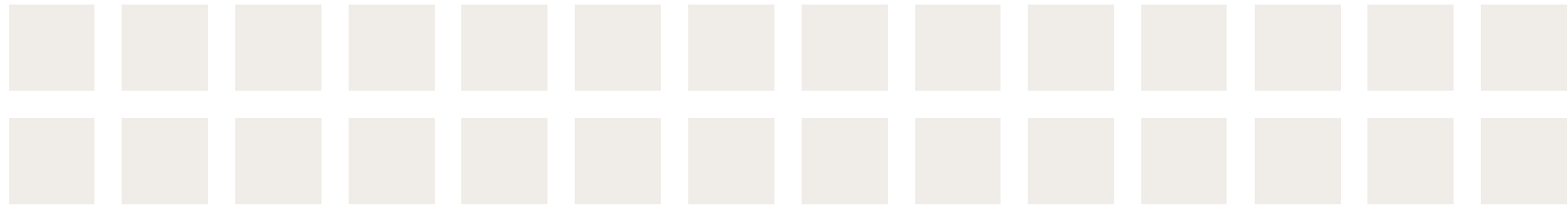
EMD Offering – Global EMD Platform Assets \$6.9 bn¹

	Open-ended Funds				Mandate and Sub-Delegations	
Investment Universe	External Debt	Local debt	Blended	Corporate external debt	EM Blended	EM Sub Funds
Portfolio	Amundi Funds Bond Global Emerging Hard Currency	Amundi Funds Bond Global Emerging Local Currency	Amundi Funds Bond Global Emerging Blended	Amundi Fund Bond Global Emerging Corporate	Canadian Distributor	Other mandates and/or EMD pockets (7 portfolio)
AUM as of 30 th September 2016	EUR 699m	USD 294m	EUR 541m	USD 298m	CAD 186m	USD 767m
Benchmark	100% JPM EMBI Global Diversified (hedged in EUR)	100% JPM GBI EM Global Diversified **	50% JP Morgan ELM I Plus (unhedged) & 50% JPM EMBI Global Diversified (hedged in Euro)	100% JPM CEMBI Broad Diversified	50% JP Morgan GBI EM Global Diversified & 50% JPM EMBI Global Diversified	Various Customized Benchmarks
Max TE (ex-ante)	5% p.a.	5% p.a.	8% p.a.	5% p.a.	NA	NA
Currency	EUR	USD	EUR	USD	CAD	USD
Gross Information Ratio*	0.77	0.21	0.93	0.67 (since 14/03/11)	1.27 (since 08/11/10)	NA
Gross Annualized Relative Perf*	2.47%	0.67%	3.09%	1.44% (since 14/03/11)	2.27% (since 08/11/10)	

1. London based open-ended funds, mandates and direct holdings in other global fixed income products managed out of London plus \$2.5 bn managed out of Singapore/Kuala Lumpur as at June 2016-end. Source: Amundi London .

(*): data from 31/12/2009 to 30/09/2016.

(**): Reference indicator until 1st of December 2010: JPM EMBI Global Diversified ;since 1st December 2010: JPM GBI-EM Global Diversified unhedged in USD (EM local debt)
 Past performance is not indicative of future results



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Compact organisation leveraging on comprehensive resources

EMD Assets: EUR 31 bn²

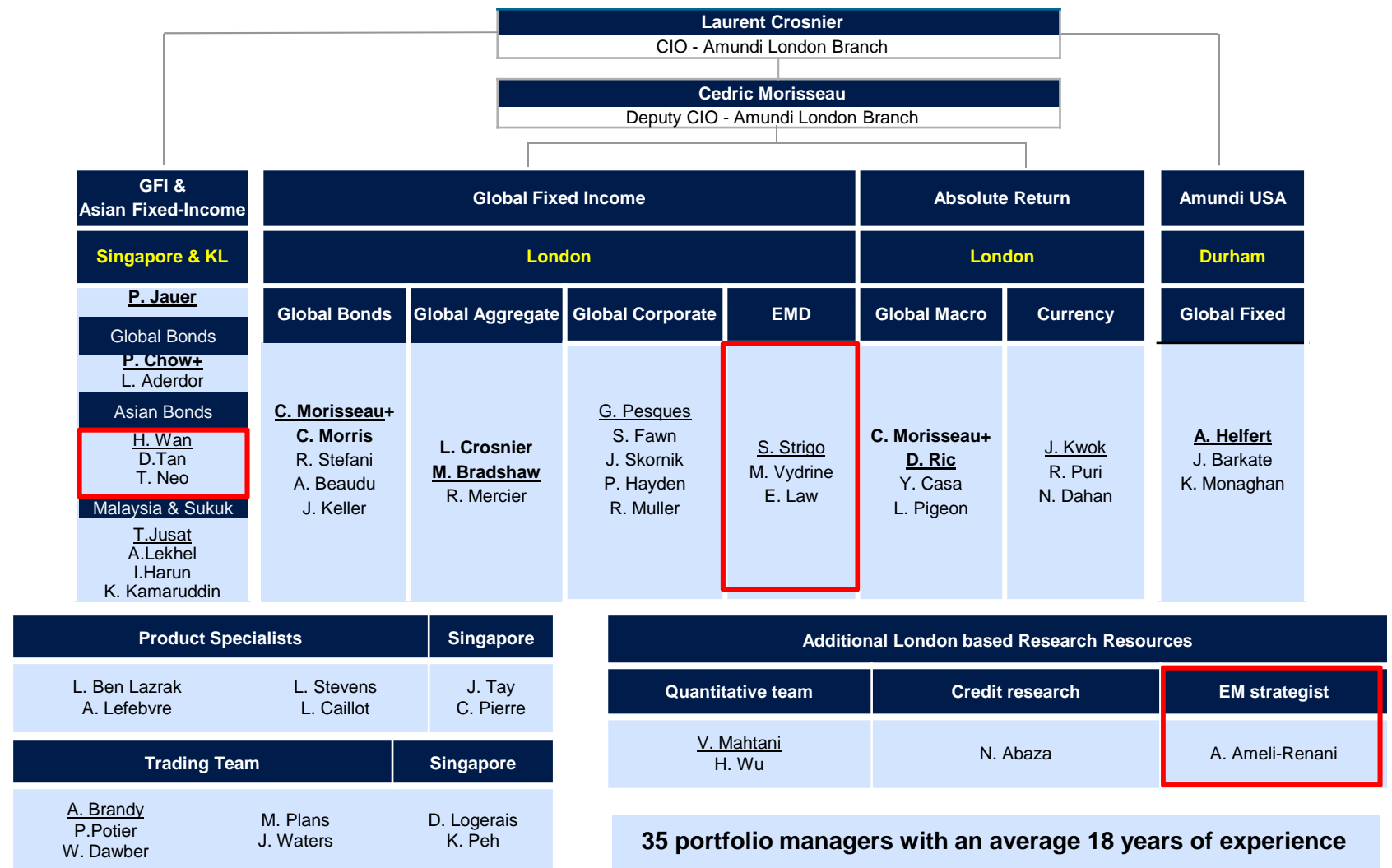
Total Fixed Income EUR 522 bn¹
Amundi Group EUR 1'004 bn¹



1. Amundi Group figures as at 30 June 2016

2. Amundi, EMD Assets, as of 30 March 2016 (or US\$34 bn), including assets managed out of Asian joint-ventures

Global Fixed Income Investment Team



Members of GFI investment committee in **bold**
+Member of more than one team

Source: Amundi as of September 2016

Global EM Debt Platform – 21 Investment Professionals

London Global EM Debt Portfolio Managers

• **Head of EM Debt**

- Years in the industry: 16
- Joined Amundi in 2004

• Areas of expertise: FX, EM Sovereign and Corporate debt, rates and derivatives

- MSc in International Accounting and Finance, London School of Economics and Political Science
- B.A. in Administrative and Commercial Studies, University of Western Ontario (Canada)

**Sergei
Strigo**



• **Senior EM Debt Fund Manager**

- Years in the industry: 12
- Joined Amundi in 2007

• Areas of expertise: EM Corporate and Sovereign Debt

- MSc in International Finance, Middlesex University Business School (UK)
- B.A. in Economics, Nishny Novgorod State University (Russia)

**Maxim
Vydrine, CFA**



• **EM Debt and Currencies Fund Manager**

- Years in the industry: 17
- Joined Amundi in 2014

• Areas of expertise: FX, EM Sovereign, rates and derivatives

- MSc in Mathematical Trading and Finance, Cass Business School, City University London (UK)
- BSc in Economics, London School of Economics and Political Science

**Esther
Law**



Asian Debt portfolio Managers

• **Head of Asia FI (Singapore)**

- Years in the industry: 12
- Joined Amundi in 2016

**Howe Chung
Wan**



• **Asia Bond Manager (Singapore)**

- Years in the industry: 9
- Joined Amundi in 2012

**Daniel
Tan**



• **Treasury Manager (Singapore)**

- Years in the industry: 8
- Joined Amundi in 2012

**Terry
Neo**



21 investment professionals in LDN/PAR/SG/KL/HK

EM Credit Analysts

• EM Credit Analyst (Paris)
• Years in the industry: 13

Pol-Louis
Martin

• Head Credit Research Asia
(Singapore)
• Years in the industry: 17

Ly
Lai

• Asia Credit Analyst
(Singapore)
• Years in the industry: 7

Wai-Mei
Chan, CFA

• EM Credit Analyst (Paris)
• Years in the industry: 11

Sophie
Dedise

• Asia Credit Analyst (KL)
• Years in the industry: 10
• Years in the industry: 5

Jocelyn
Chiang

• Asia Credit Analyst (KL)
• Years in the industry: 8

Li-Seng
Hng

+ Global Sector Research – 12 Analysts

EM Sovereign Analysts

• EM Global Strategist
(London)
• Years in the industry: 5

Abbas
Ameli-Renani, CFA

• EM Economist (Paris)
• Years in the industry: 14

Karine
Herve

• EM Sovereign Analyst
(Paris)
• Years in the industry: 20

Sosi
Vartanesyan

• EM Asia Chief Economist
(Hong Kong)
• Years in the industry: 6

Ji
Mo

Dealing

• Head of Dealing Desk
(London)
• Years in the industry: 18

Aurelie
Brandy

• EM Credit Dealer (London)
• Years in the industry: 10

Marc
Plans

• EM Credit Dealer (London)
• Years in the industry: 13

William
Dawber

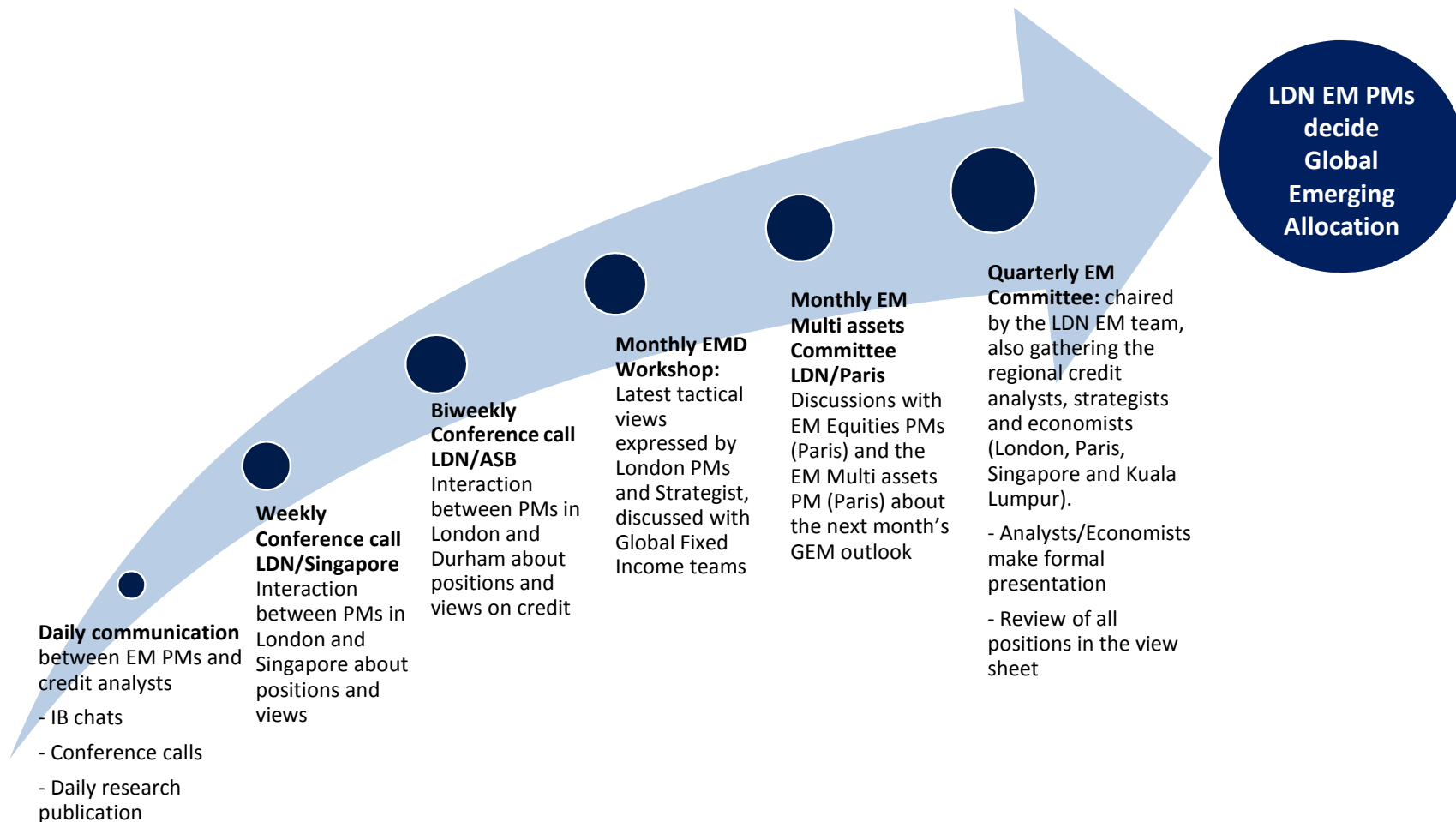
• Head of Dealing Desk
(Singapore)
• Years in the industry: 18

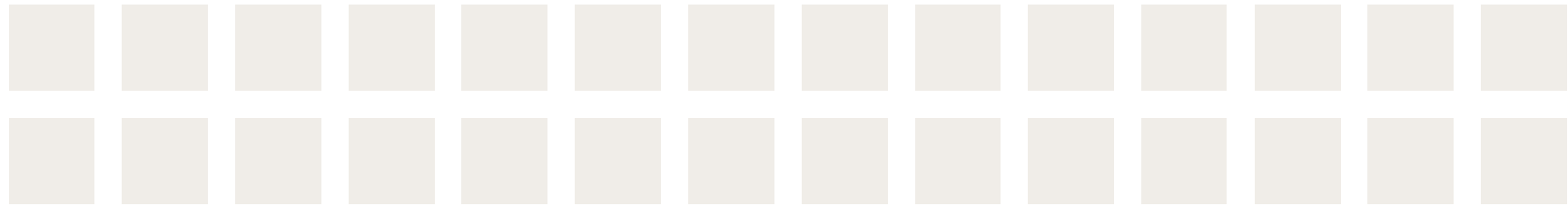
David
Logerais

• Asia FI Dealer (Singapore)
• Years in the industry: 7

Ken
Peh

Interaction within the Amundi EMD Global Platform





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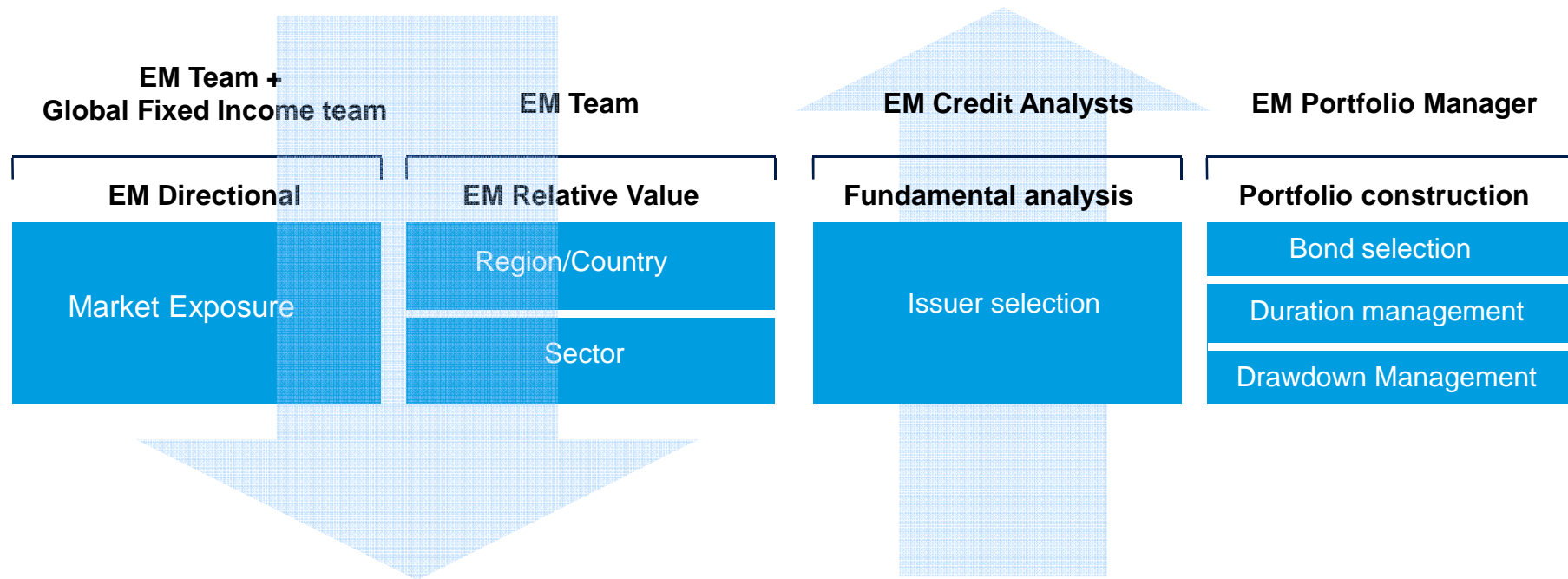
Investment philosophy

We are active value Emerging Market managers

- Long-term value approach focusing on divergence between fundamentals & market prices
- Combination of top down and bottom up approaches
- Active management to account for new EM environment and need for flexible approach
- Judgement-driven We use quantitative tools, but manager's judgement is the key
- Risk allocation process taking into account contribution to active risk
- Consistent investment process

Investment Process & Alpha Generation

■ Combination of **Top-Down** and



...**Bottom-Up** approach

Top-down : Global views & Country Allocation

Global & Country Views

- Global Fixed Income and EM team formulate views on major global variables: growth, inflation, global liquidity, currencies, risk appetite, duration/curves, EM vs DM and specific themes (Greece/EU, China slowdown, etc.)
- EM team formulates views on specific EM countries based on macro expectations, valuations, technicals, etc.
- Committees are held on a quarterly basis but decision-making-process is on-going according to prevailing market conditions
- Expertise: PMs with macro/policy/strategist backgrounds, strong global research teams, dedicated EM sovereign analyst
- Qualitative views are expressed as a score, on a 5-point scale from strong underweight (--) to strong overweight (++) and are summarised in a "view sheet"

Output: Quantified views on major global economic variables and EM countries

AMUNDI LONDON		EM STRATEGIC VIEWS - APRIL 2012		Amundi	
				Amundi	
	Horizon	Views		Networks	
Global					
Performance (12-18)	EMCT	++	Strong economic recovery, the recovery is more in monetary stability		
Outlook (12-18)			Protection against the economic growth is needed at the end of the year		
Outlook (12-18)			But the outlook is still low (INVESTMENT) in spite of the better than expected economic recovery		
EMEA					
Europe	EMCT	++	Strong economic growth and stability carry still without inflation, but some weakness in public sector		
Europe	EMCT	++	Stimulus carry still continues to drive inflation		
Europe	EMCT	++	China and US are expected to drive inflation, but not inflation in Europe		
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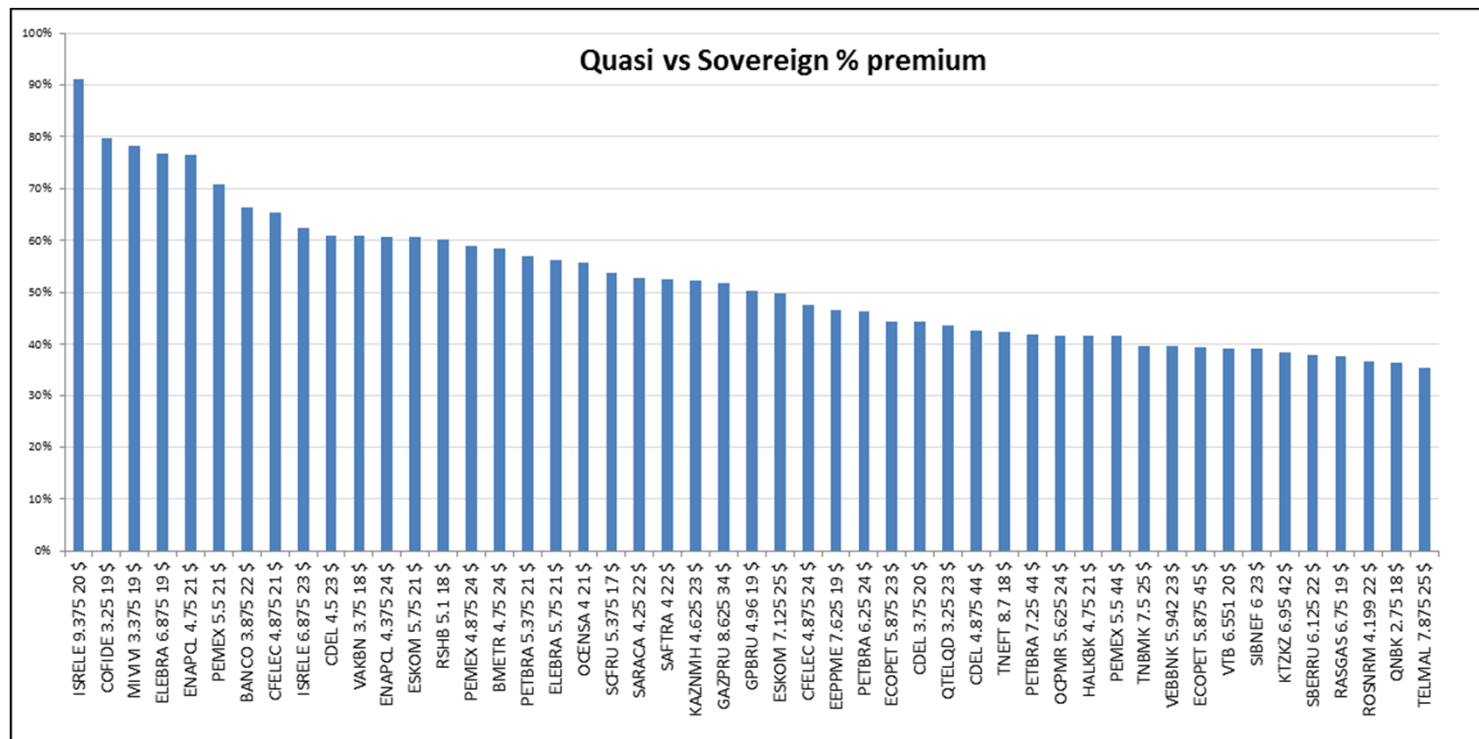
Top-down : Our in-house EM Sovereign Credit model

- We account for twenty variables across eight categories that we find important for EM risk premia
- The model accounts for current macro conditions, as well as forward looking expectations to capture trends and reversals
- Incorporates our qualitative views reflected in weights and political score which captures domestic and geopolitical factors, as well as credibility of key institutions
- We have illustrated normalised scores per factor per country below

	Growth		Monetary policy & inflation		Credit		Fiscals		Balance of payments		External vulnerability				Banking Sector			Other factors		
	GDP Growth, latest	GDP growth, 2016 vs. 2015	End-16 inflation vs. target	Real policy rates, current rate vs. end-16 inflation	Private sector credit, % GDP	Excess credit growth, %	Gross debt, % GDP	Primary balance, % GDP	Basic balance, % GDP	Expected change in C/A: end-16 vs. end-15	ST External debt (% of total)	%change in External debt/GDP vs. avg of 5yrs	foreign holding of local debt, %	Reserves, months of import cover	Loan to deposit ratio	Capital Adequacy Ratio	NPL Ratio, %	Governability indicators (average of 6 factors)	Political risk factor	Expected net issuance in 2016, USD bn
Brazil	-2.42	0.19	-1.62	2.63	0.18	-0.86	-1.25	-0.55	-0.31	2.58	1.11	-0.06	0.36	1.40	0.04	0.12	0.55	-0.45	-1.71	0.63
Chile	-0.25	-0.48	-0.39	-1.38	0.29	0.04	1.40	-1.33	-0.10	-0.88	0.51	-1.63	1.31	-0.51	-0.61	-1.26	0.72	1.90	0.73	-0.59
Colombia	-0.15	-0.81	-1.74	-0.83	0.93	-0.51	0.01	0.85	-1.30	1.16	0.77	-0.13	0.31	-0.11	-0.94	-0.26	0.55	-0.64	0.24	-1.71
Mexico	-0.09	-0.26	0.07	-0.14	0.52	-1.61	-0.25	0.37	-0.56	-0.64	0.03	-0.20	-0.98	-0.78	-0.13	-0.36	0.57	-0.41	0.73	0.42
Peru	0.45	0.85	-0.63	-0.63	0.33	-0.78	1.14	-0.09	-0.87	0.59	0.79	-0.08	-0.93	1.74	0.42	-0.69	0.39	-0.55	0.24	0.15
Croatia	-0.06	0.30	1.24	-0.03	1.09	-0.63	-1.85	0.72	0.99	-1.59	-0.45	-0.60	1.38	-0.27	-0.29	2.17	-1.59	0.97	-0.49	-2.55
Hungary	-0.59	-0.81	0.96	-0.86	-0.93	2.28	-1.18	1.50	1.28	0.54	-1.70	1.19	-0.55	-0.81	0.58	0.49	-1.42	1.14	0.73	0.76
Poland	0.02	-0.37	1.24	0.32	-0.40	0.68	-0.11	-0.14	0.15	0.07	-0.32	1.12	-0.93	-1.22	-0.65	-0.49	-0.25	1.72	0.24	0.41
Romania	0.42	0.52	1.48	0.87	0.41	1.61	0.47	-0.38	-0.15	-0.83	-0.23	-1.31	0.32	-0.63	0.15	1.01	-1.17	0.55	0.24	-0.70
Serbia	0.18	-0.37	1.24	0.97	0.31	0.64	-1.37	0.68	-1.61	-0.50	1.61	1.27	0.82	-0.40	-0.45	1.27	-2.55	0.06	0.24	-1.51
Russia	-1.95	3.29	-0.90	1.03	0.63	0.87	1.46	-2.03	1.67	-1.45	0.94	0.19	0.06	0.75	-0.72	-1.12	-0.12	-1.22	-0.73	0.62
Turkey	0.57	-0.15	-1.18	-1.38	-0.13	-0.95	0.89	0.89	-0.99	0.40	-2.15	-0.19	0.25	-0.76	-1.86	0.42	0.61	-0.14	-2.20	0.31
South Africa	-0.89	-1.25	-0.78	-0.73	-0.03	0.22	-0.09	0.55	-1.17	0.40	-0.69	0.46	-0.85	-0.76	-0.50	-0.68	0.53	0.10	-1.71	0.76
China	1.12	-0.48	0.21	0.48	-3.28	-0.94	0.13	-1.04	1.11	0.26	-0.66	-2.21	1.52	2.51	0.46	-0.94	0.84	-0.96	1.22	0.64
India	1.48	0.13	0.05	-0.01	0.03	0.81	-0.79	-1.09	0.01	0.59	0.70	0.22	1.24	0.15	2.04	-1.12	0.26	-1.31	1.22	0.68
Indonesia	0.60	0.20	0.21	0.58	0.53	0.02	1.03	-0.20	-0.32	0.16	0.47	-0.26	-1.18	0.09	-0.08	1.68	0.59	-0.92	0.24	0.19
Philippines	1.18	0.52	0.46	-0.30	0.66	-0.30	0.65	1.73	1.03	-0.93	0.34	1.41	1.17	0.11	2.42	-0.03	0.70	-0.86	0.73	0.76
Malaysia	0.37	-1.03	0.09	-0.60	-1.14	-0.60	-0.29	-0.43	1.15	0.07	-1.08	0.80	-1.81	-0.52	0.11	-0.22	0.78	1.02	0.00	0.76

Top-down: Comparing Sovereign and Quasi

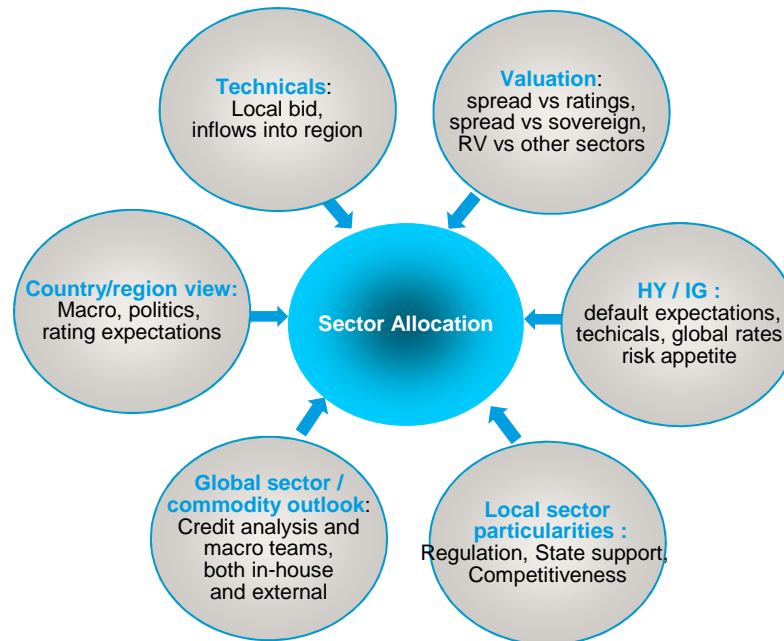
- Many EM quasi sovereigns enjoy guarantees from the sovereign, limiting their additional credit risk
 - But they offer additional yield, beyond what is justified by credit and liquidity risk
- We search the quasi-sovereign space as a way of augmenting returns
 - Examples include Brazil's Petrobras, Mexico's Pemex, South Africa's Eskom



Top-down: Sector allocation

Aim is to identify sectors where we see value

- Judgmental approach (primarily top down)
- Usually specific view on the sector in a given country (eg Mexican Industrials, Peruvian Banks) rather than by global EM sectors
- Takes into account views on global trends, macro, fundamentals of the sector and valuations

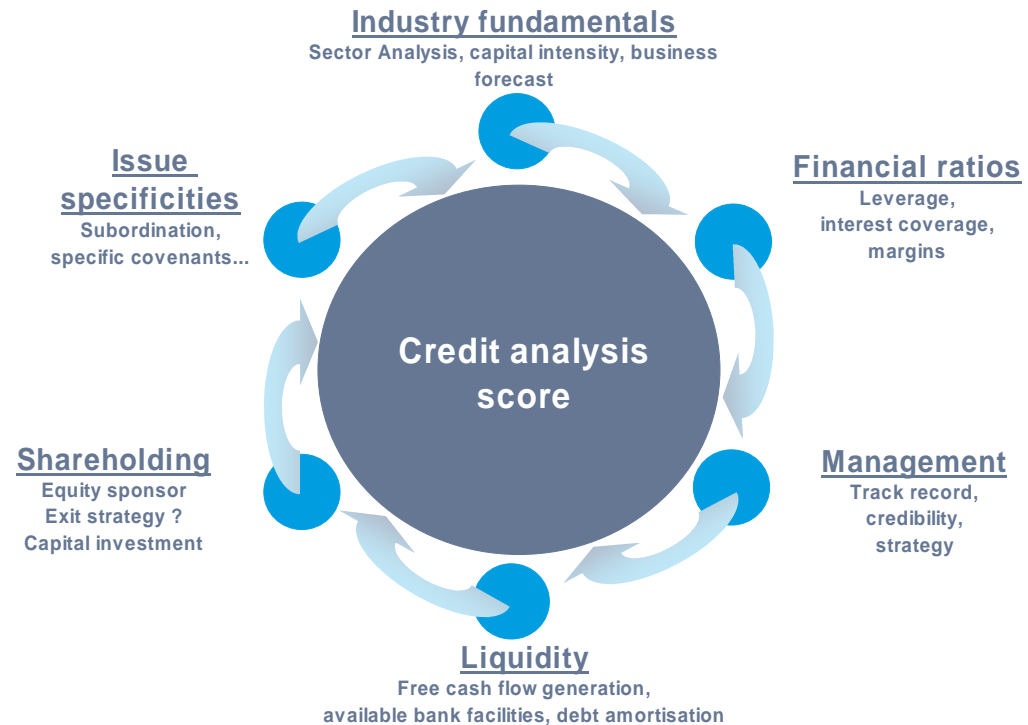


Output: which sectors do we want to be Over-Weight ?

Bottom-up - Issuer Selection

Strong credit research team

- **23 credit analysts**. Analysts specialize in specific sectors. Some EM names are covered by sector specialists
- Including **7 dedicated EM** analysts
- Two levels of coverage: core holdings are under full coverage (20-40 names per analyst) and another 20-40 names are “on the radar”
- Synergies with **EM equity** and **Global HY** teams



Output: analyst's scoring on the issuer - forward rating, credit category and risk



GUARANTY TRUST BANK PLC Nigerian Banks				
AMUNDI CREDIT METRICS				
Agency LT Ratings (Moody's/S&P/Fitch)	AMUNDI Rating/Outlook/Confidence	Credit Category From 1 (the worst) to 10 (the best)	Risk From 1 (the best) to 4 (the worst)	Relative Value (Cheap/Fair Value/Expensive)
Country : NR/ B+ sta/ BB- neg Issue(r) : NR / B+ sta/ B+sta	B+ / Stable / Low	4	2	Expensive

Bottom-up - Issuer Selection - continued

Disciplined research process

- **Financial models** on individual issuers are constantly updated
- Frequent **contact with issuers**: meetings with management, conf calls and field trips to EM countries

Contact with PMs

- Constant informal **contact with PM**: IB chats, emails, calls, meetings
- **Initiation of Coverage** reports, **Daily Comments**, and quarterly **Sector Reviews**
- **EM Debt committee** (quarterly) provides forum to discuss core views/trends

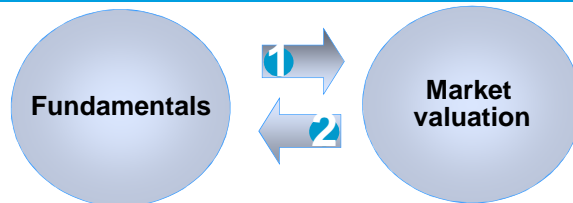
Financial Model

TNK-BP		Sector		Country		Reporting Auditors		US GAAP		PWC	
		Oil & Gas		Russia		US GAAP		PWC			
BALANCE SHEET - (mm USD)		2004	2005	2006	2007	2008	2009	2009	Q110	Q210	Q210
Current assets		954	793	2,093	1,634	1,890	1,500				680
Long term assets		2,480	2,876	4,841	6,924	6,094	5,500				5,960
Total Debt		3,434	3,614	6,934	8,548	7,992	7,000				6,690
Equity		182	1,336	1,000	1,745	1,500					782
Net Debt		2,852	2,278	5,936	6,803	6,492	6,000	5,588			5,818
Equity		8,762	8,367	9,226	12,803	13,683					17,485
INCOME STATEMENT - (mm USD)											
		2004	2005	2006	2007	2008	2009	2009	Q110	Q210	Q210
Revenue		17,126	39,025	35,512	38,669	41,894	34,753	10,327			18,510
COGS		-12,530	-23,742	-20,028	-31,093	-33,339					
EBIT		4,696	62,683	6,484	7,572	8,547					
Deba		1,045	1,206	1,240	1,341	1,564					
EBITDA		5,741	7,489	7,724	8,913	10,111	8,984	2,284			2,345
Interest paid		-256	-134	-210	-540	-500	-261				-137
Taxes paid		-1,284	-2,849	-2,723	-2,072	-3,233					
CAPEX		-1,299	-1,764	-2,531	-3,547	-5,224	-3,100	-600			-1,000
Change in Working Capital		-513	129	-2,350	-390	1,443					
Free Cash Flow (FCF)		2,379	2,453	3,407	3,807	5,619	5,619	1,686			1,248
Other CF from investments (net)		116	1,206	3,561	-840	113					
Dividends		-3,854	-3,901	-6,840	-2,790	-4,381	-2,600				
CF from financing (net)		550	264	3,314	2,080	-688					
Net Cash In/Outflow		-899	192	-61	1,466	-1,479					
RATIOS											
		2004	2005	2006	2007	2008	2009	2009	Q110	Q210	Q210
EBITDA margin		33%	25%	22%	23%	19%	26%	22%			23%
EBITDA / Gross: Interest charges		22.4	35.0	35.5	16.5	20.2	34.4	24.1			17.4
Net Debt / EBITDA		8.5	8.5	8.5	8.5	8.5	8.5	8.5			8.5

Credit Report

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Relative Value Analysis : Fundamentals vs Valuations



1. Reconciliation of fundamental views with market valuations

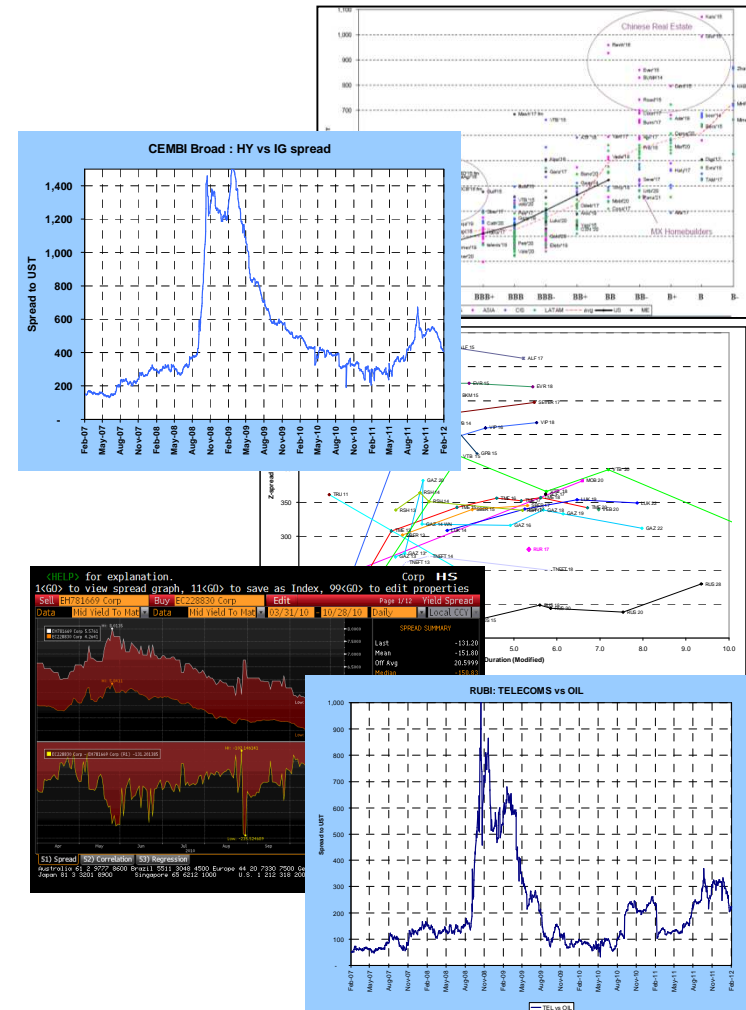
- **Bond selection.** Analysts' top picks within peer group/sector are evaluated from a relative value perspective
- **Technical factors** are taken into consideration (liquidity, market sentiment, positioning, supply).

2. Constant market monitoring allows us to identify RV opportunities:

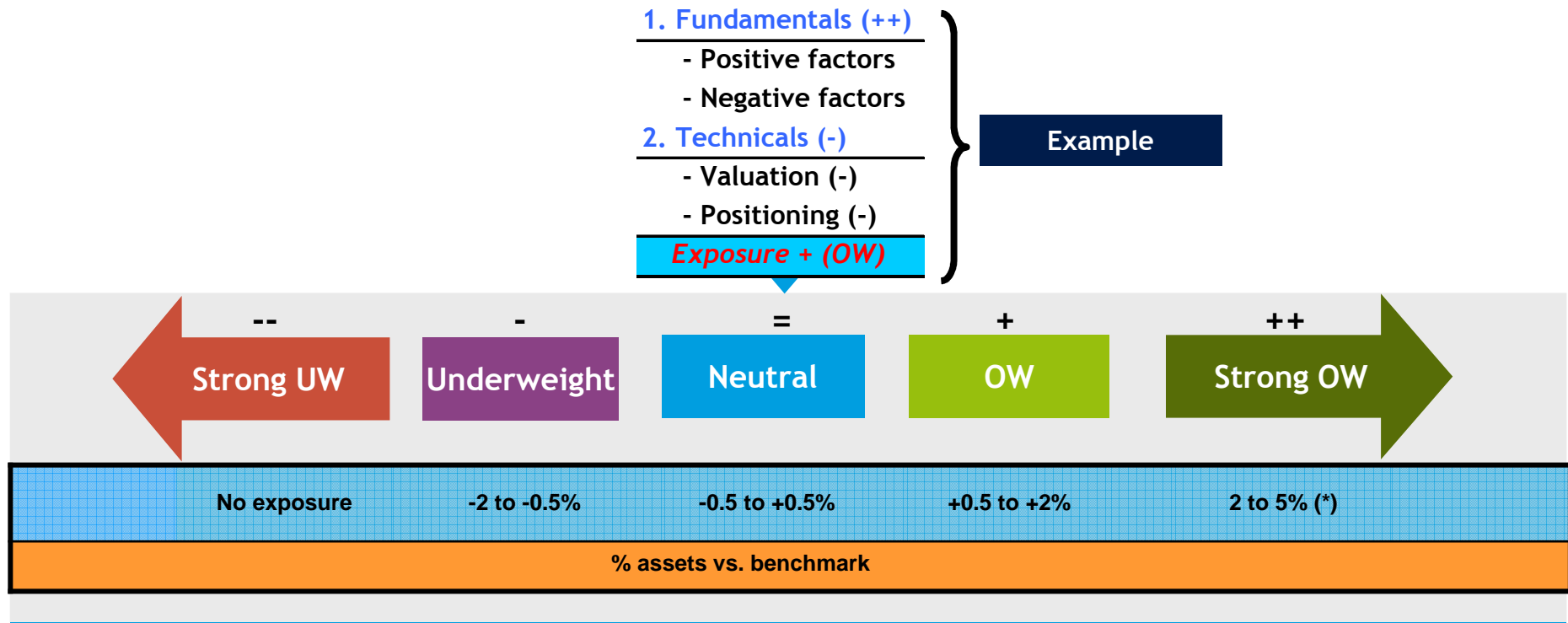
- intra-sector and intra-regional valuations
- historical spread dynamics (mean reversion)
- spread vs rating
- spread curves (RV vs other sectors, ex M&M vs Telecoms)
- HY vs IG

Once perceived market mispricing is identified, its validity is then judged on the basis of fundamental analysis

Examples of RV tools



Portfolio Construction



Output : views are translated into quantified exposure vs. benchmark

(*) 4% Max Overweight on sub investment grade issuers (internal limit)

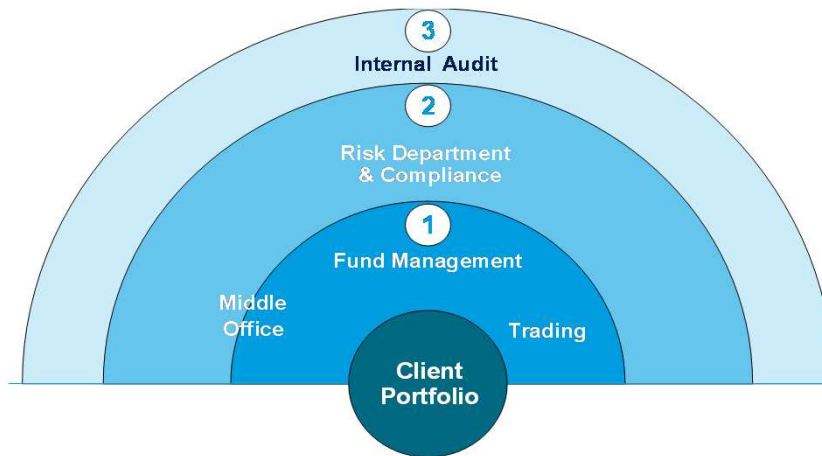
- Overweight and Underweight are implemented subject to:

- our degree of conviction
- portfolio's tracking error and constraints

Additional alpha generated through **bond selection**, **duration management** and **tactical trading**

Risk control - An integral part of all steps of the management process

■ Portfolio's risks are monitored at 3 independent levels



■ Headcount of 2nd and 3rd levels control teams: 230 (8 in London)

- Risk team: 150 employees including 5 in London
- Compliance team: 60 employees including 3 in London
- Audit team: 20 employees

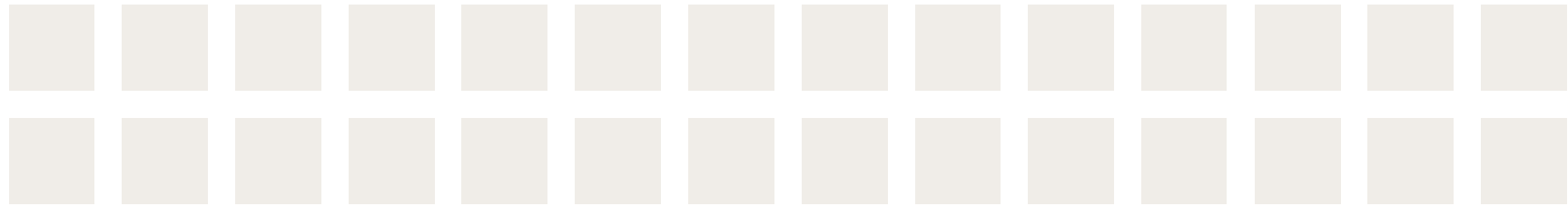
■ 1st level: operational units:

- Investment teams: Continuous monitoring of portfolio composition and consistency with the investment strategy and risk limits.
- Trading desks: Executing orders in line with the best execution policy and with authorized counterparties
- Middle Office: Ensuring that transactions are processed correctly and updating the position monitoring system (DECALOG)

■ 2nd level: specialised and independent:

- Risk: Ensuring that Amundi customers are not exposed to risks above a pre-set threshold (regulatory, contractual and investment process guidelines)
- Compliance: Ensuring compliance with rules, compliance codes and professional standards while overseeing clients interests
- Middle Office: Reconciliation of positions with external accountants and custodian

■ 3rd level: periodic controls performed according to a multi-year audit plan



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Why EMD Corporate in the wider portfolio?

Credit quality

- Strong credit metrics and low default rates

Offers great value

- Offers spread vs developed markets
- Attractive risk-reward (historical data)

Investable

- Developed into investable asset class over the last 10 years

Diversification

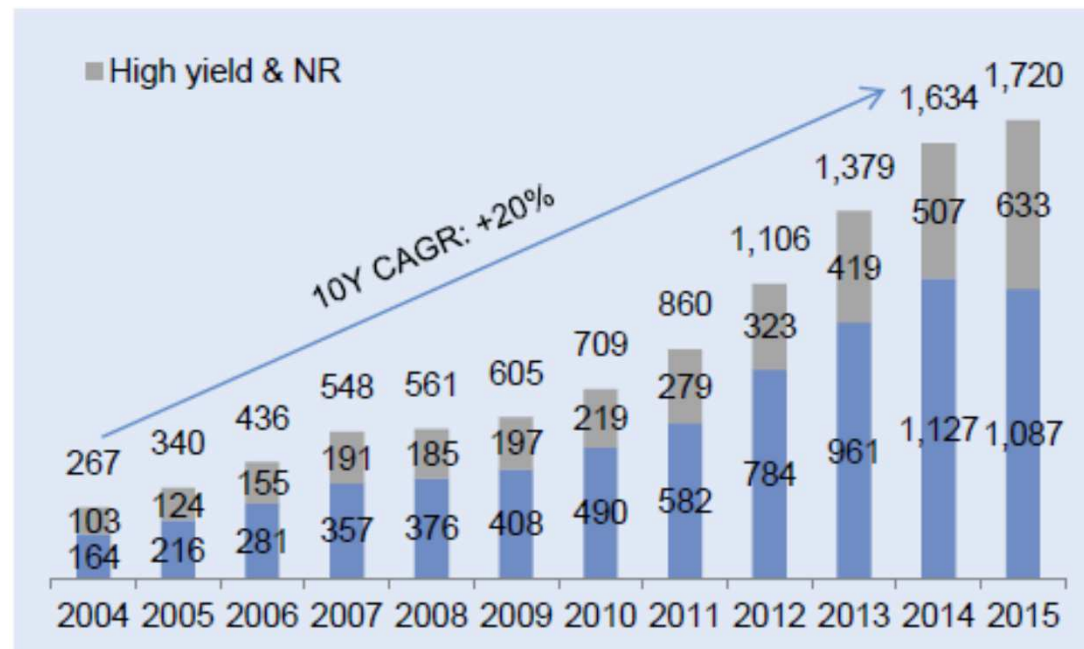
- Well-diversified index
- Normally low correlations with other asset classes

EM Corporates as a substitute for more traditional asset classes within classical FI Portfolios

Developed into investable asset class

- Emerging corporate universe is above \$1.7 trillion
- Same size as US HY market and double the size of EM External Sovereign Debt
- Number of issuers in the benchmark increased 7 times over the last 10 years
- Significant weight in Global IG (~11%) and HY (~12%) indices
- Expected to continue attract long term institutional inflows

Emerging corporates debt stock (estimated USD Bn)



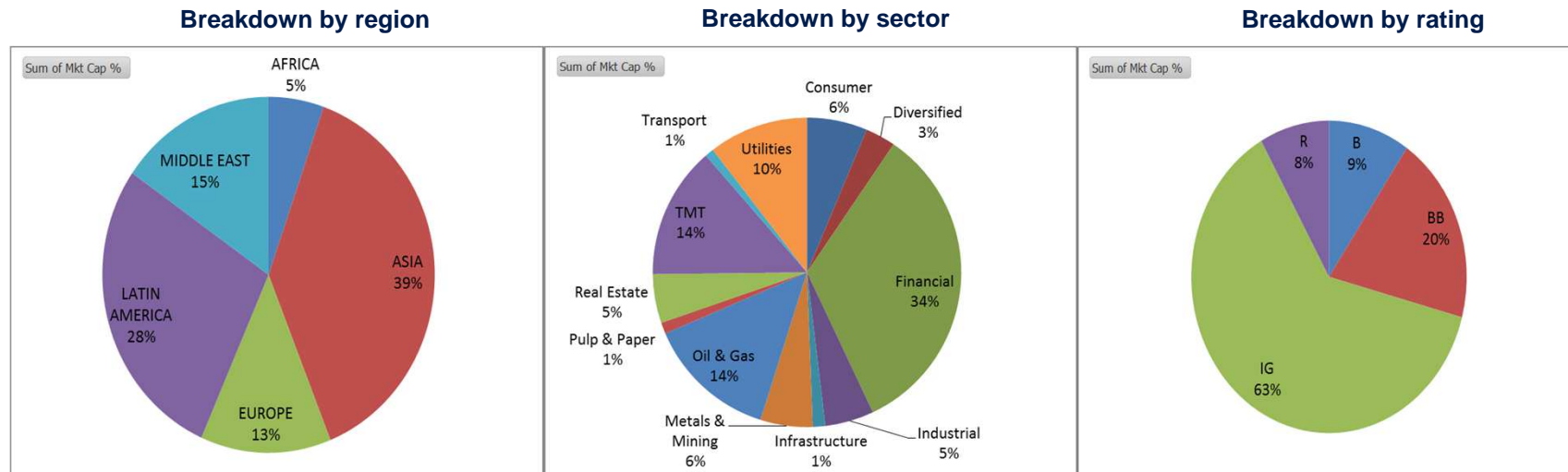
Amundi's experience
in the asset class
dates back to 1998

Amundi was among the firsts
to launch a dedicated fund
once the market had reached
sufficient depth

A large and diversified investment universe

CEMBI Broad Diversified Index

- **Region: 51 countries,**
- **Issuer: 563 issuers, 1204 bonds**
- **Country weights adjusted to provide better diversification**
- **Good sector and rating diversification**
- **BBB- average rating, 5 years average duration**



- **Low correlation with some other asset classes***

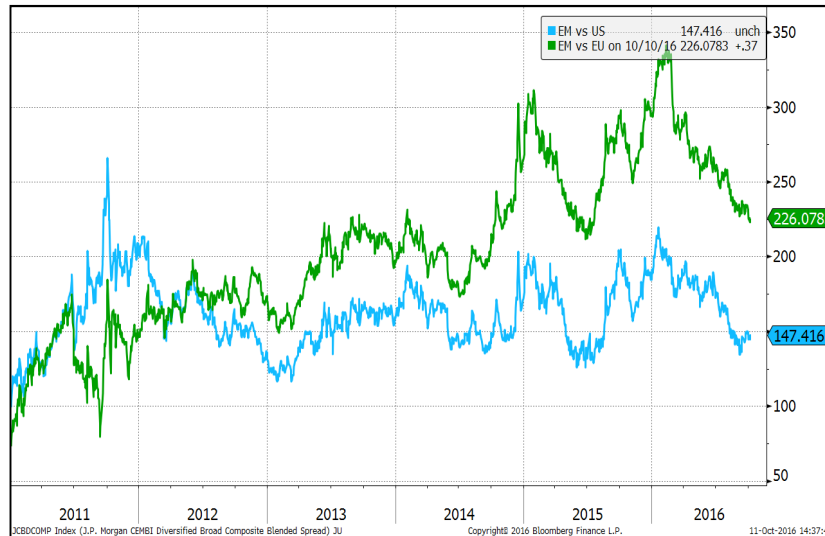
US Treasury	0.18
EU Investment Grade	0.61
US Investment Grade	0.71
GBI EM	0.70

*Sources: Amundi, JPM. Data as of January 2016.

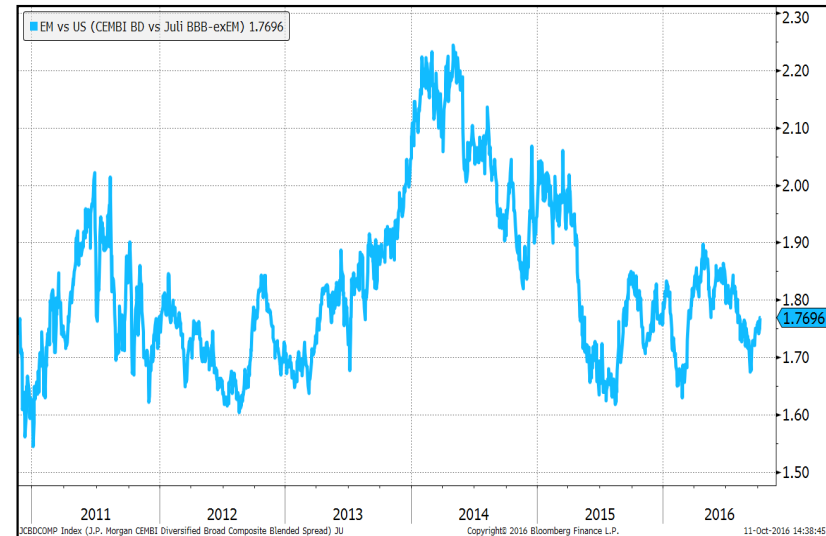
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Attractive relative valuations

Spread of CEMBI Br Div vs US&EU BBB index



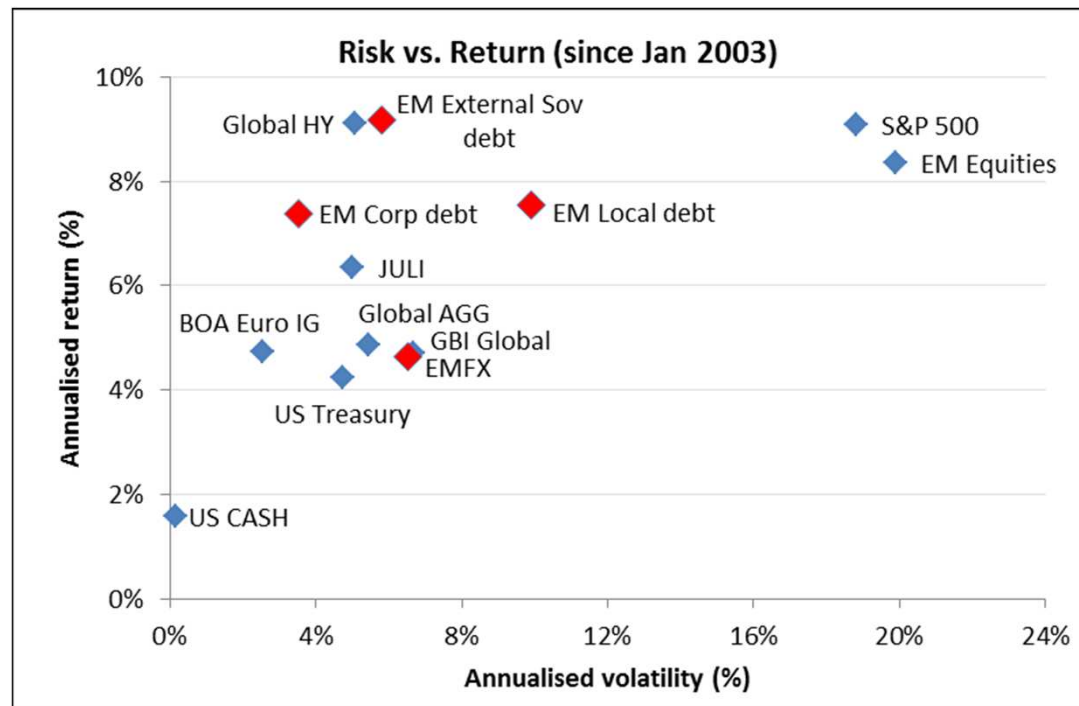
Ratio of CEMBI Br Div spread over US BBB



- Significant spread vs DM credit : 225bp extra spread over EU BBB and 150 over US BBB
- In other words, investors receive 1.75 times the spread they can get in US credit (for similar rating and duration)

Attractive valuations : risk-adjusted returns

- Delivered solid risk-adjusted returns historically
- Makes it a good candidate for an addition to a diversified global portfolio

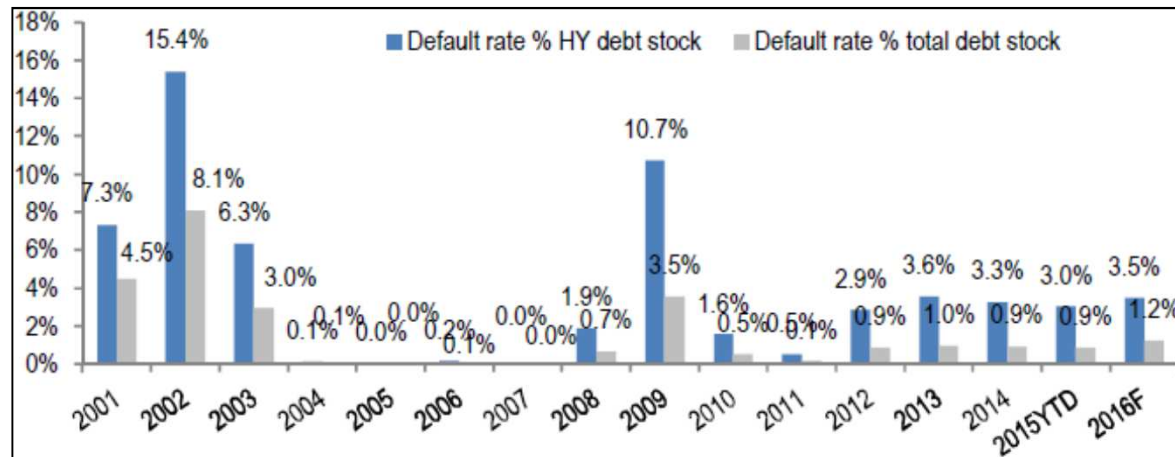


Stable fundamentals: low leverage & defaults

- EM HY default rates are expected at 3.5% (JPM). Brazil, PDVSA and China pose upside risk.
- EM corporate default rates are expected to increase to 1.2%
- This is higher than expectations for EU HY at 2-3% and US HY at 3%.

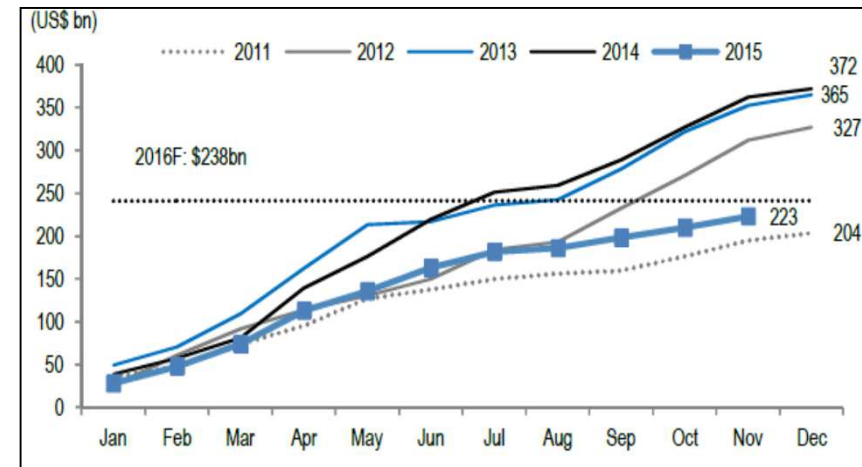
% HY bond stock	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015YTD	2016F	
																Base case	Adverse case
Asia	16.9%	1.3%	0.0%	0.0%	0.0%	0.4%	0.0%	0.6%	9.1%	1.5%	0.0%	2.2%	1.0%	1.4%	2.9%	2.5%	4.4%
EM Europe	0.0%	14.6%	0.0%	0.0%	0.0%	0.0%	0.1%	0.9%	17.1%	1.6%	0.6%	4.5%	1.9%	3.5%	3.9%	1.7%	5.4%
Latin America	1.5%	24.8%	12.3%	0.0%	0.0%	0.1%	0.0%	4.3%	5.7%	1.7%	0.8%	2.5%	7.9%	4.9%	2.7%	5.5%	21.6%
Middle East & Africa	0.0%	0.0%	0.0%	12.8%	0.0%	0.0%	0.0%	0.0%	4.7%	1.1%	0.0%	0.1%	0.0%	4.1%	2.3%	2.9%	2.9%
Global EM HY	7.3%	15.4%	6.3%	0.1%	0.0%	0.2%	0.0%	1.9%	10.7%	1.6%	0.5%	2.8%	3.6%	3.3%	3.0%	3.5%	11.2%

Source: J.P. Morgan; Note: 2015 through November 18.



EM Corporate Debt supply subsided

- 2016 supply is expected in line with 2015
- \$240bn gross (\$120bn net)
- Net negative issuance for EM Europe



(US\$mn) Region	2016 Full Year Forecast						2015 Full Year	
	Gross (a)	Amortization (b)	Coupons (c)	Net Issuance (d = a - b)	Net Financing (e = d - c)	Callable in 2016	Net Issuance	Net Financing
Asia	132,093	55,227	30,502	76,866	46,364	24,038	97,470	66,761
Emerging Europe	16,100	18,395	14,507	(2,295)	(16,802)	7,919	(13,550)	(30,222)
Latin America	51,130	28,851	30,288	22,279	(8,008)	19,375	43,788	12,797
Middle East & Africa	39,050	16,599	9,158	22,451	13,293	6,721	21,176	11,710
Total	238,373	119,072	84,454	119,301	34,846	58,052	148,884	61,045
HY	65,813	39,075	38,580	26,738	(11,842)	52,905	33,439	(6,102)
IG	172,560	79,997	45,875	92,563	46,688	5,147	115,445	67,147

Sources: JP Morgan. Data and forecasts as of February 2016.

Positioning in EM Credit: key top-down views

Overweight EM Credit

Overweight “EM safe havens” with improving dynamics :

- Mexico corporates : industrials (CEMEX), energy (PEMEX), banks

Overweight “pockets of value” with stable prospects :

- Russia complex (quasis, TMT, M&M)
- Indonesia : quasi sovereigns + selective HY utilities
- Dubai consumer and infrastructure (DP World)

Overweight “distressed stories”, which are oversold :

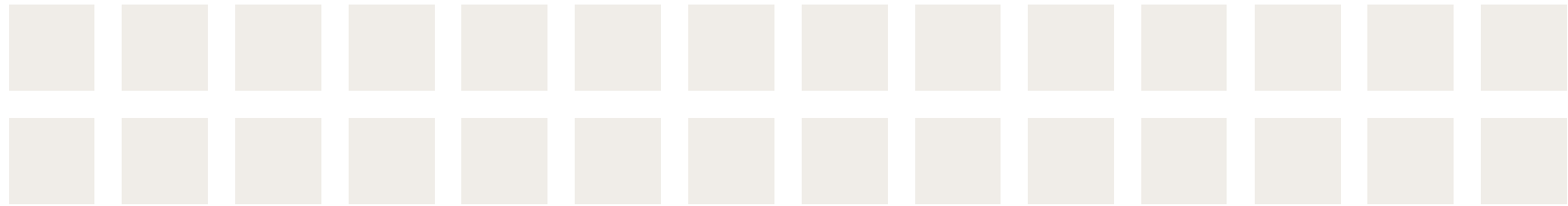
- Brazil corporates : energy (Petrobras), industrials (Vale), consumer (food)
- Oil-exposed credits: E&P corporates (Nostrum, PDVSA)
- Argentina (province BA, YPF)

Underweight:

- Low spread credits : HK/ India/Malaysia/Singapore/Korea due to tight valuation
- Maintain UW on Metals & Mining, Basic Industries

EMD views: Market risks

- i) **China Growth** – Chinese growth is slowing, the question is how sharply? We expect a soft-landing, but a hard landing would pose serious risk to external demand for Asia, and could exacerbate the woes of commodity exporting countries in Africa and Latin America. China corporate debt cycle is key to watch
- ii) **Brexit** – Impact on global growth and concerns about long term viability of the European Union
- iii) **Oil prices: lower for long** - Adds to disinflationary pressures in G3 and keeps real lending rates elevated. Plus risk of contagion from oil-exporting EM economies.
- iv) **Fed policy** – The prospect of sharper tightening by Fed compared to market expectations is a headwind to EM – particularly FX, which reacts strongly to the front-end of US rates
- v) **Persistent disinflation** - The inability of ECB and BoJ to reflate their economies would put pressure on GDP growth in major economies.
- vi) **Geopolitics** – The conflicts in the Middle East pose a continued challenge to risk sentiment
- vii) **Domestic politics** – Uncertainty in Turkey (Erdogan aspirations + geopolitics), Brazil (ongoing corruption investigation) & South Africa (social tensions).



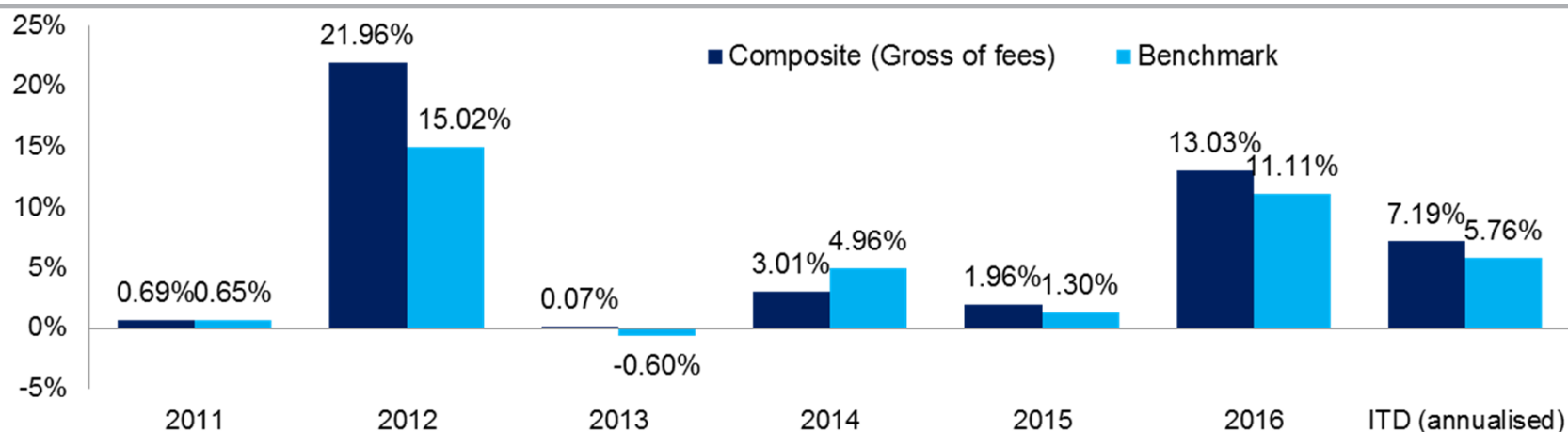
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Profile of Amundi Funds Bond Global Emerging Corporate

■ Management Benchmark:	JPM CEMBI Broad Diversified (USD)
■ Target Out-performance (Internal):	Management Benchmark + 2.5% p.a. gross of fees (Target Information Ratio = 0.5)
■ Tracking Error (ex ante - Internal):	Maximum 5% p.a. (with 66% confidence level)
■ Interest Rate Risk (Internal):	Active modified duration management
■ Currency Risk:	No. Only investing in hard currency bonds (denominated in G4 currencies). Non-USD bonds are hedged into USD.
■ Investment Instruments:	Min. 66% invested in corporate debt issued or guaranteed by companies of developing countries denominated in hard currencies. Max. 10% in pooled funds. No private placements or structured products. Maximum overweight per issuer vs. benchmark is limited to 5% for investment grade issuer and 4% for high yield issuer. Bond Futures and Options, CDS (Single Issuer and Indices)

Global Emerging Corporate Strategy – Gross Performance

Gross performance 14th March 2011 to 30th September 2016 (Hard Currency EM Corporate GIPS composite)



Period	Gross Annualised Relative Performance	Information Ratio	Sharpe Ratio	Ex-post TE
Rolling 3 years (30/09/13 to 30/09/16)	0.35%	0.17	1.21	2.06%
Rolling 5 years (30/09/11 to 30/09/16)	1.58%	0.73	1.33	2.15%
Since inception (14/03/11 to 30/09/16)	1.44%	0.67	1.04	2.15%

Compliance with GIPS Standards: Amundi has prepared and presented in compliance with the Global Investment Performance Standards (GIPS®). Amundi's claim of compliance with GIPS® for the period from January 1st, 1994 through December 31, 2015 has been verified by independent auditors. The verification report is available upon request. The composite presentation is made by Amundi. The benchmark of the composite is calculated by weighting the different portfolios benchmarks included in the composite. The methods used for calculating the performance composite are applied: the weight of each benchmark for a period is the weight of the correspondent portfolio at the end of the preceding period. The principal indices of the benchmark composite are: - 100% JP MORGAN CEMBI BROAD DIVERSIFIED. A full list of all composites and appropriate disclosures is available on request.

Source: Amundi London

Past performance is not indicative of future returns

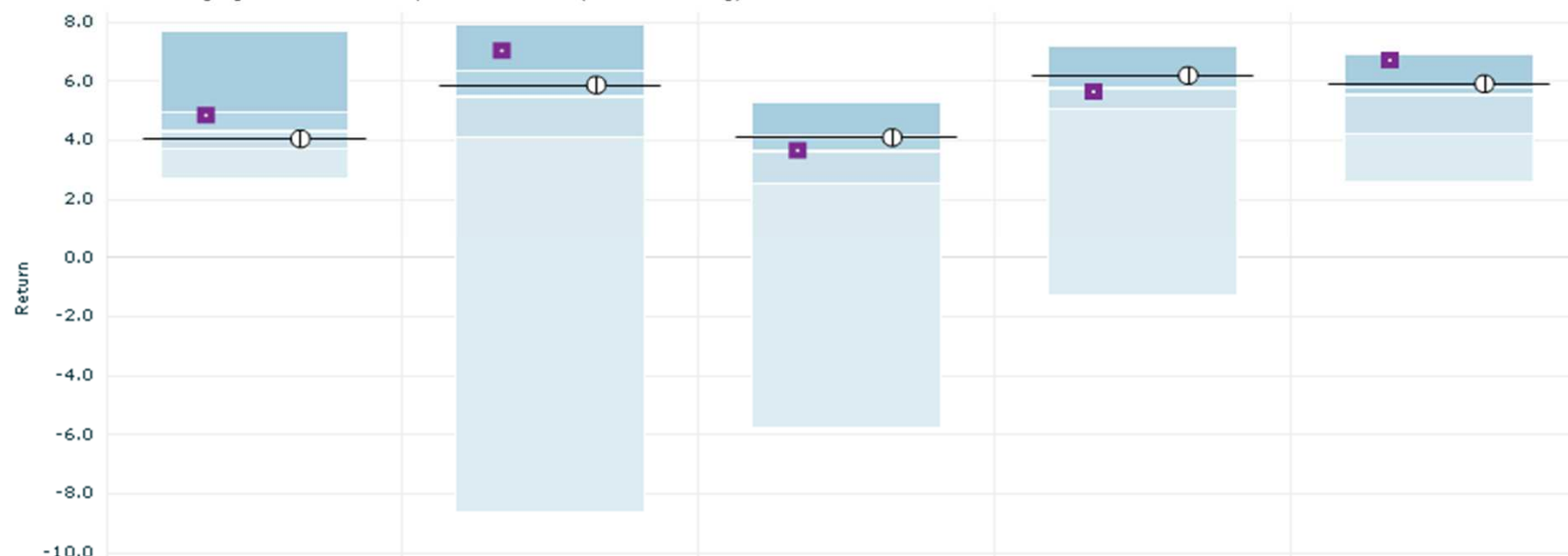
For gross performances figures: if management and administrative fees were deducted, net performance figures would be lower

Amundi Funds Bond Global Emerging Corporate vs. peers

Amundi - Emerging Market Corporate Bond

Return in \$US (before fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending June-16

Comparison with the Emerging Market Debt-Corporate universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
■ AMUEMC	4.84 (11)	7.03 (6)	3.65 (16)	5.64 (19)	6.70 (2)
○ JPMCEMBI	4.05 (20)	5.86 (11)	4.08 (10)	6.19 (9)	5.90 (3)
Maximum	7.68	7.89	5.30	7.20	6.93
Upper Quartile	4.95	6.35	4.15	6.19	5.77
Median	4.30	5.46	3.65	5.74	5.52
Lower Quartile	3.74	4.12	2.54	5.04	4.19
Minimum	2.69	-8.62	-5.79	-1.28	2.58
Number	33	33	31	30	15

Created on 20 Jul 2016 at 10:44 AM



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Amundi Funds Bond Global Emerging Corporate – Performance Attribution

Gross Calendar Year Performance Attribution to 30th September 2016 (in USD)

	2012	2013	2014	2015	2016
Duration management	0.10	0.81	-1.12	-0.21	0.01
Global bond exposure	-0.05	0.42	-1.77	-0.18	0.01
Country allocation	0.05	0.36	0.44	-0.07	-0.01
Yield curve segment allocation	0.10	0.03	0.21	0.04	0.01
Emerging Bonds	3.72	-0.37	-0.83	0.87	1.91
Emerging market exposure	1.33	0.04	-0.18	-0.22	1.43
Emerging market selection	1.10	-0.44	0.06	0.56	0.22
Emerging sector	0.15	0.04	0.31	0.34	0.27
Bond selection	1.15	-0.01	-1.02	0.19	-0.01
Total gross out-performance	3.82	0.67	-1.95	0.66	1.92
Gross Portfolio Performance	13.13	0.07	3.01	1.96	13.03

2016 calendar performance figures to end September

- Gross absolute performance: 13.03%
- Gross relative performance: +1.92%
 - Duration management: flat
 - EM Corporate debt management: +1.91%

AuM (USD M)	298
Morningstar Rating	★★★★

Source: Amundi AM London Branch

Past performance is not indicative of future returns

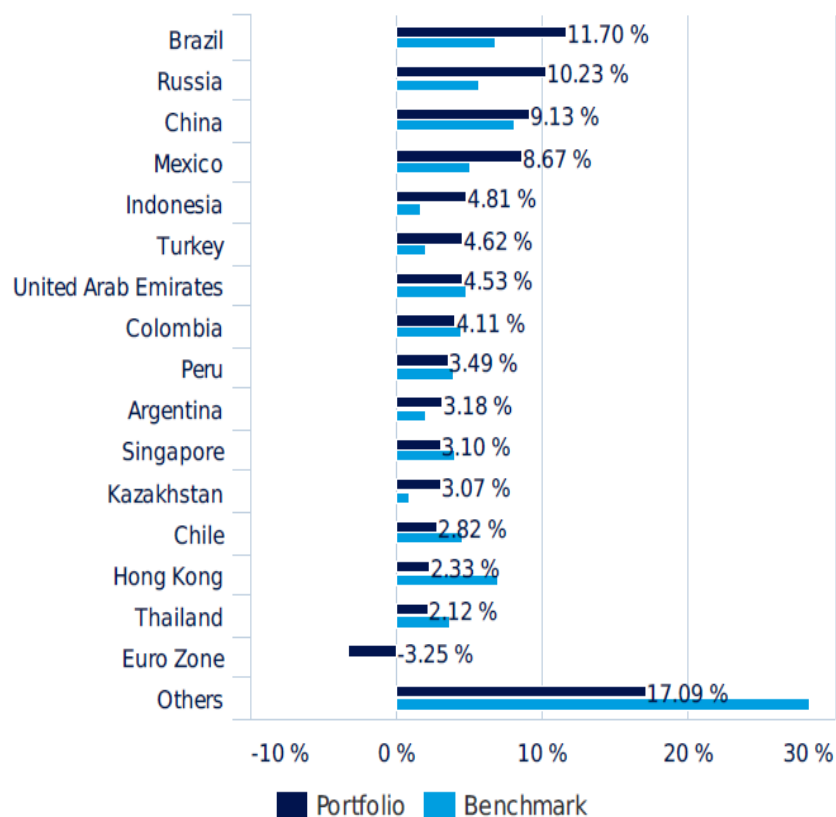
Morningstar ranking for IU share as at 30/09/2016

For gross performances figures: if management and administrative fees were deducted, net performance figures would be lower

AFBond Global Emerging Corporate – Country/Sector Allocation

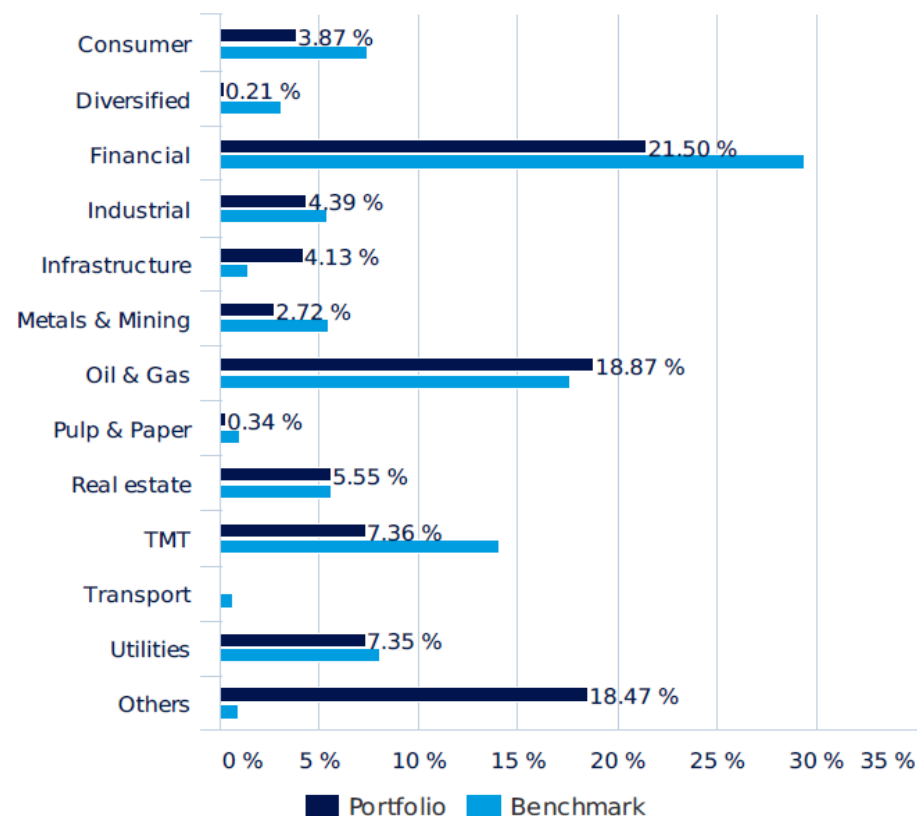
Portfolio breakdown by country

% of assets *



Sector allocation

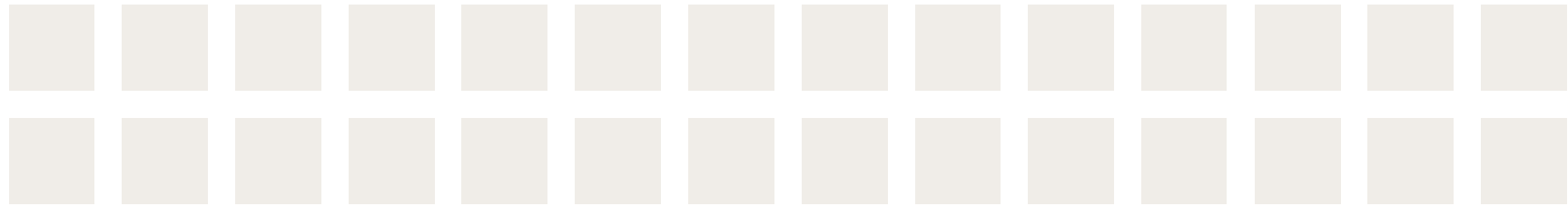
% of assets **



* Includes derivatives & credit default swaps.

** Includes credit default swaps

** Using JPM classification



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Why Amundi for EM Corporate Debt ?

We have generated superior risk-adjusted performance thanks to:

- A multi-skilled Emerging debt team, with complementary backgrounds, successfully combining market specialists, strategists and analysts
- An experienced credit analysis team and established credit research process
- Our dedication to the asset class: 21-strong team, “flagship” strategy
- The active and flexible portfolio management style made possible by the reasonable size of AUM

→ As illustrated by the track-record since inception of the GIPS composite

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