

Amundi Global Luxury & Lifestyle Fund

Investment Objective

Amundi Global Luxury & Lifestyle Fund (the “Fund”) is structured as a feeder fund investing all or substantially all its assets in the Luxembourg registered Amundi Funds Equity Global Luxury and Lifestyle. The investment objective of the Underlying Fund is to seek long term capital growth through investment primarily in shares of companies which carry out the dominant part of their activities in the luxury or prestige goods and services sector and listed on a recognised Stock Exchange.

What happened in January

The positive market momentum in the last month of 2016 extended into January as the reflation theme continued to drive equities. The MSCI World was up 2.4% (net return). Emerging markets were even stronger, posting an impressive 5.5% net return. However, performance was not homogeneous across developed markets. While the US market rose 2.0%, Europe and Japan (Nikkei) ended the month in negative territory in local currency terms, although in dollar terms they posted strong gains, thanks to the depreciation of the greenback.

Cyclical sectors continued to dominate performance, led by materials underpinned by encouraging economic data from China and consumer discretionary led by internet retail and media. On the other hand, the decline in oil prices weighed on the energy sector which ended the month in red. The dollar weakened against both the euro and the yen on Trump’s remarks, expressing concern over the strength of the currency. Oil prices retreated over the month while the weak dollar, together with good manufacturing data from China, led to a surge in industrial metal prices, notably copper (+8.5%) and aluminium (+6.5%). The depreciation of the greenback also underpinned gold prices which rose 5%.

The Fund outperformed its reference index by 1.0%, mainly supported by Trump’s reflationary program. Its outperformance was led by the technology sector (driven by the leading US video game player Activision Blizzard and Facebook) as well as the hotels & leisure sector through Brunswick, a US domestic player in leisure boat. The worst relative contributor was the healthcare sector with Johnson and Johnson (impacted by the perception of its acquisition of Actelion).

We sold our remaining position on Time Warner following the bid of AT&T as well as on Unilever, over disappointing results and increased uncertainties for 2017. We reinforced our weights in the US media company Twenty First Century Fox and on Christian Dior, to benefit from LVMH strong growth momentum. Finally, we built a new position on the online travel booker Expedia, to take advantage of a better US consumer macro backdrop.

The luxury and lifestyle theme positions itself to benefit from the buoyancy of consumption tied to well-being. With two-third of the portfolio in the United States, (a GDP growth twice higher than Europe), it continues to benefit from an increase in the purchasing power of US consumers through potential tax-cuts and the acceleration of wage inflation. This should benefit the European luxury sector, digital sector (social network and video game producers), travel, restaurants and leisure companies led by the quest of more live experiences shared on social networks.

Unless otherwise stated, all performances are in USD terms, bid-to-bid.

Important Information:

This document is provided for information purposes only and does not constitute an offer or solicitation to purchase or sell units in the Fund. The prospectus and the Product Highlights Sheet for the above Authorised Fund are available and may be obtained from the Manager or its authorised distributors. Investors should read the relevant prospectus and Product Highlights Sheet before deciding to invest in the Fund. All applications for the Fund must be made on application forms accompanying the prospectus. Past performance and any forecasts made are not indicative of future performance of the Fund. Any opinion or view presented is subject to change without notice. The information on this factsheet is intended for general circulation without taking into account the specific investment objectives, financial situation or particular needs of any particular investor. An investor may wish to seek advice from a financial adviser regarding the suitability of the Fund taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before making a commitment to purchase units in the Fund. In the event an investor chooses not to do so, the investor should consider whether the Fund is suitable for him. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Value of the units in the Fund and the income accruing to the units, if any, may fall or rise. Some of the information contained herein has been obtained from sources believed to be reliable but has not been independently verified, although Amundi Singapore Limited and its affiliated companies believe it to be fair and not misleading. As the Fund may invest in financial derivatives as part of the investment strategy, it will be subject to risks associated with such investments. Additional risk factors are described in the prospectus. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by Amundi. It should not be assumed that investments in the securities identified were or will always be profitable. This document is not intended for citizens or residents of the United States of America or to any «U.S. Person», as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933 and in the Prospectus of the Fund.

Amundi Singapore Limited

Company Registration No. 198900774E
168 Robinson Road, #24-01,
Capital Tower, Singapore 068912
Tel: (65) 6536 4822
Website: www.amundi.com/sgp