

Amundi Chenavari Credit Fund - Class I NOK

FACTSHEET

Marketing
Communication

31/08/2024

ALTERNATIVE ■

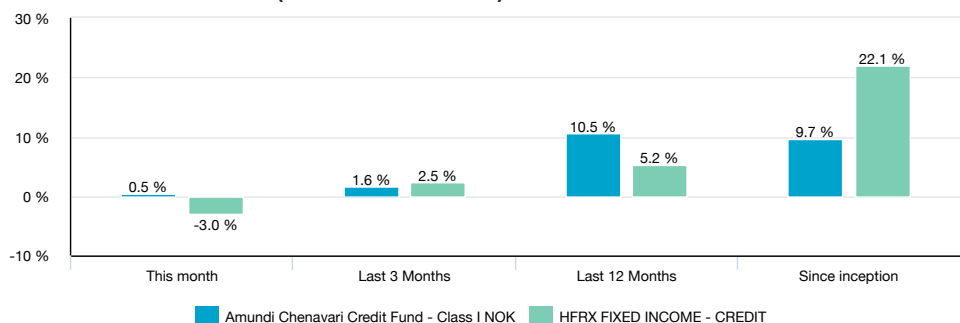
INVESTMENT OBJECTIVE

The Amundi Chenavari Credit Strategy is a European-focused Long / Short Credit Fund which aims to achieve positive risk-adjusted returns in both tightening and widening spread environments. The fund is based on a fundamental, credit spread neutral approach that seeks consistent absolute returns and invests in liquid instruments to enable a dynamic trading approach.

PERFORMANCE SINCE INCEPTION (Source : Fund Admin)



PERFORMANCE ANALYSIS (Source : Fund Admin) *



* These indicators are based upon weekly returns calculation

HISTORICAL MONTHLY RETURNS* (Source : Fund Admin)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	-	-	0.00%	-0.73%	0.62%	-0.12%
2022	-0.44%	-1.52%	0.55%	0.09%	-0.63%	-1.84%	1.41%	0.90%	-0.30%	-1.65%	1.40%	1.07%	-1.02%
2023	1.23%	0.28%	-2.22%	0.05%	0.57%	0.14%	0.47%	0.24%	0.29%	0.25%	2.45%	3.09%	6.96%
2024	0.87%	-0.29%	0.43%	-0.05%	1.22%	0.29%	0.78%	0.47%	-	-	-	-	3.78%

*Since inception : 26/10/2021

IMPORTANT NOTE

Official NAV is calculated as of every Tuesday, subject to holidays and certain extraordinary events. Performance is based on the Class's last official NAV, and the Index level as of the same day. The Fund complies with the UCITS Directive and has been approved by the Central Bank of Ireland on February 14, 2013. Please refer to the Fund's prospectus for a full disclosure of the Fund's characteristics.

(1) Under normal market conditions, Lyxor intends to offer the LIQUIDITY mentioned above. However, the LIQUIDITY is not guaranteed and there are circumstances under which such LIQUIDITY may not be possible. Please refer to the Fund's legal documentation for complete terms and conditions.

(2) For any additional information regarding fees, please refer to the relevant fees section of the Fund's Prospectus.

(3) The Fund is subject to an Administrative Expenses Fee at a rate of up to 0.35% of the Net Asset Value of each Class of the Fund per annum.

Prospective investors should consult with their independent financial advisor with respect to their specific investment objectives, financial situation or particular needs to determine the suitability of investment. There can be no assurance that the investment objective of the Fund will be achieved and investment results may vary substantially over time. Investments in the Fund places an investor's capital at risk. The price and value of investments may fluctuate and investors may lose all or a substantial portion of their investment. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

FUND FACTS

Legal Structure	Amundi Alternative Funds II PLC
Inception Date of the Fund	19/06/2015
Inception Date of the Class	26/10/2021
Share Class Currency	NOK
Available Currency Classes	EUR, USD

ISIN Code	IE000FRS68K1
Bloomberg Code	LYLCCIN ID
Investment Manager	Amundi Asset Management
Sub-Investment Manager	Chenavari Credit Partners LLP
Administrator	SS&C Financial Services (Ireland) Limited
Liquidity ⁽¹⁾	Daily
Subscription/Redemption Notice	On D day 1:00 pm CET
Valuation Day	See prospectus

Total Fund Assets	5,880.56 (million NOK)
NAV per Share	1,097.42 (NOK)
NAV per Share at inception	1000 (NOK)
Management Fee max. ⁽²⁾	1.40%
Class Performance Fee ⁽²⁾	Yes
Administration Fee max. ^{(2) (3)}	0.35%

Long Exposure*	108.12%
Short Exposure	57.63%
Net Exposure (long - short)	50.49%
Gross Exposure (long + short)	165.75%

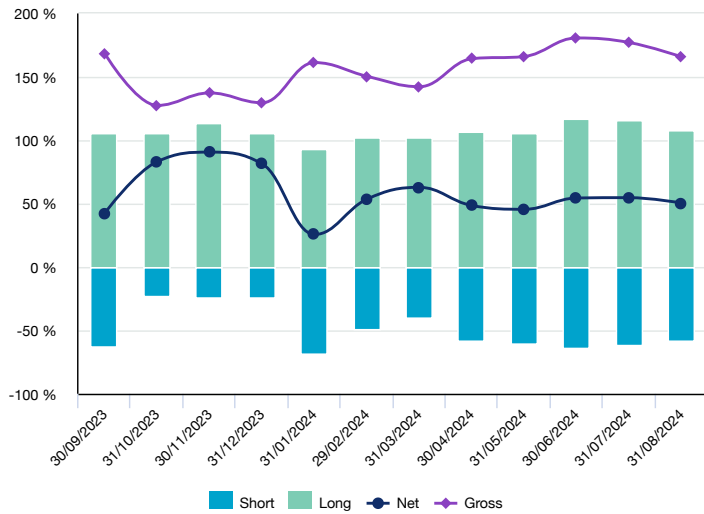
RISK ANALYSIS (Source : Fund Admin)

	Since inception
Volatility (PTF)	2.94%
Volatility (Index)*	10.42%
Sharpe ratio (PTF)	0.07
Sharpe ratio (Index)*	0.43
Maximum drawdown (PTF)	-4.32%
Maximum drawdown (Index)*	-10.82%

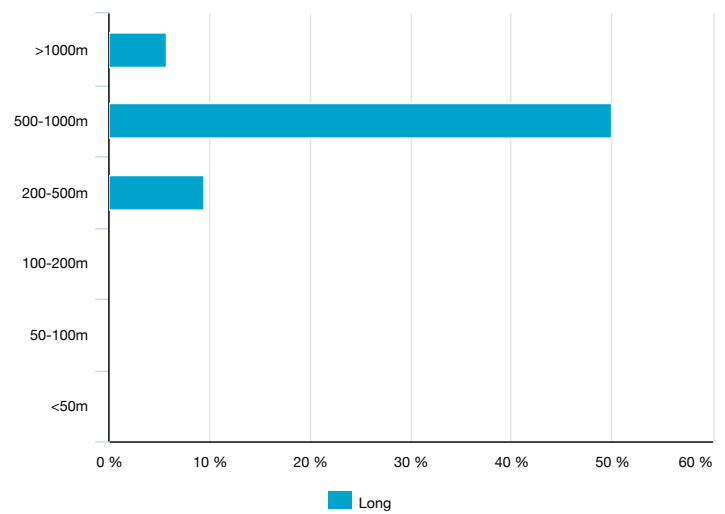
*100.0% HFRX FIXED INCOME - CREDIT

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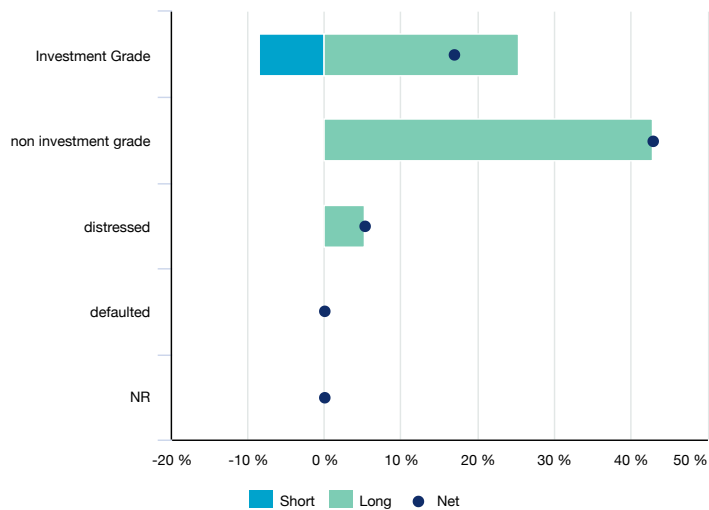
MONTHLY STRATEGY EXPOSURE FOR LAST 12 MONTHS



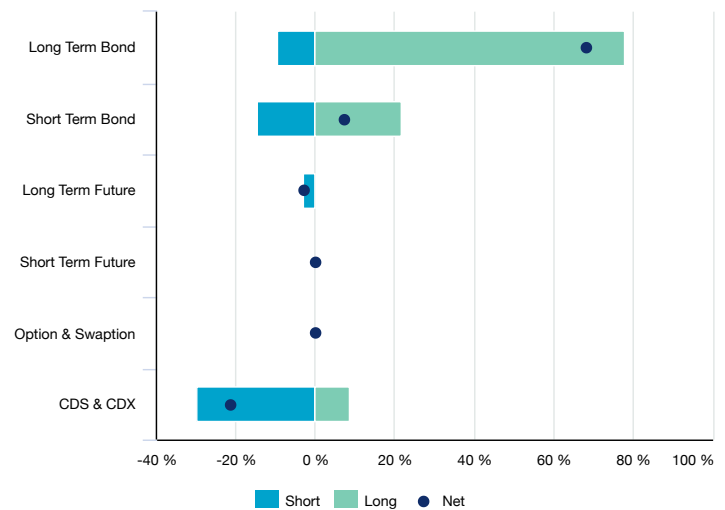
BONDS BY ISSUE SIZE



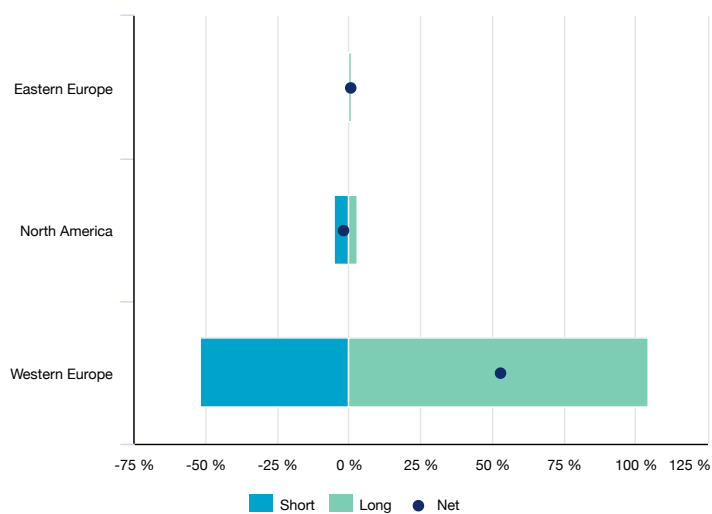
NET EXPOSURE OF BONDS BY RATING



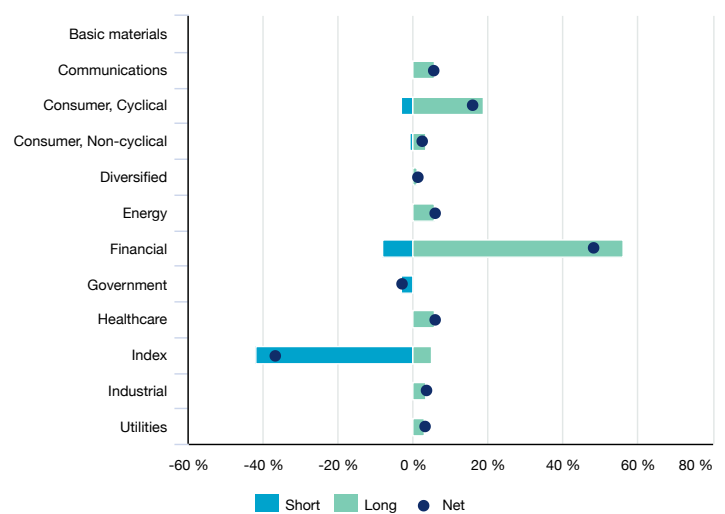
NET EXPOSURE OF FI - CREDIT BY ASSET CLASS



GEOGRAPHICAL BREAKDOWN



SECTOR ALLOCATION



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MONTHLY COMMENTARY (Source: Amundi)

Management commentary

Amundi Chenavari Credit Fund net performance for August 2024 +0.71% (class SI USD) driven by Corporate (+0.41%) and Financials (+0.45%) on a gross basis.

August began with a sharp equity market sell-off, driven by weak U.S. economic data and the latest rate hike from the Bank of Japan, but eventually recovered as Fed Chair Powell signalled a shift towards policy easing.

The weaker-than-expected jobs report fuelled recession fears in the U.S. as the unemployment rate rose to 4.3% in July (vs. 4.1% in June). However, negative sentiment reversed during the month as initial jobless claims normalised to levels below previous weeks, retail sales increased by +1.0% in July (vs. -0.2% in June), and GDP growth was revised higher to an annualised rate of 3.0% in Q2 2024 (vs. 1.4% in Q1 2024) driven by strong consumer spending. With headline PCE inflation remaining unchanged at 2.5% and closer to target, the balance of risks has shifted from inflation to the labour market, paving the way for rate cuts.

In Europe, both headline and core inflation cooled in August to 2.2% (vs. 2.6% in July) and 2.8% (vs. 2.9% in July), respectively, strengthening the case for the ECB to consider a second rate cut in September. In the U.K., the Bank of England reduced rates by 25bp to 5.0% in a tight vote, ahead of headline CPI coming in lower than expected at 2.2% in July (vs. 2.0% in June) and the economy growing steadily by 0.6% in Q2 2024 (vs. 0.7% in Q1 2024).

Against this backdrop, the STOXX Europe 600 increased by +1.33%, the S&P500 rose by +2.28%, and the Nasdaq gained +0.65%, despite experiencing a brief downturn and volatility early in the month, as evidenced by the surge in the VIX index. In synthetic credit, both the iTraxx Xover (-6bp) and CDX HY (-9bp) continued to tighten from the previous month. In global bonds, the U.S. 10Y Treasury (-13bp) rallied to 3.9% whilst the German 10Y Bund was flat at 2.3%.

CORPORATE

In the European corporate credit market, August was another strong month for High Yield after the falter at the very start of the month and as such, the Bloomberg European High Yield benchmark closed +1.26% higher, driven by spreads grinding tighter. With the summer break, the primary market was extremely quiet until the final week of the month, which saw a huge influx of IG deals. Despite this, HY stayed quiet, but the September pipeline seems poised to be very active.

The Corporate book finished the month up, +0.41% gross at the Fund level. In single names, long Sabre, LaLiga and Thom were the top performers, as well as the short on Merlin Entertainments. On the other hand, short Modulaire and Faurecia were the main single name detractors, whilst macro hedges also contributed negatively.

August was a very busy month for earnings, and a lot of the bigger moves in names (both positive and negative) came as a result of reactions to these numbers. Firstly, at the beginning of the month, Sabre (a global travel technology company) reported strong Q2'24 results, with sales up +4% YoY and adjusted EBITDA up +76% YoY, both beating Q2 guidance. Furthermore, the company raised full year guidance on the back of the strong set of earnings. The bonds ended the month -2.5pts higher.

Flutter (global online sports betting and gaming company) reported Q2'24 results which were also fairly strong, with revenues up +20% and adjusted EBITDA up +17%, driven by the significant growth and penetration in the US. On the leisure front, PureGym and Motel One posted results during the month too, both of which were positive. PureGym's sales were up +10%, driven by decent membership growth. Adjusted EBITDA was up +15% and net leverage continues to remain well within their target range. Moving to Motel One, the company reported sales up +16% and EBITDA up +14% with the Euros in Germany providing a healthy boost in demand at their German hotels.

Staying within the leisure sector, Merlin Entertainments (global theme park operator) reported a weak set of Q2'24 results as market conditions continue to be tough with consumer demand really slowing down. Sales were down -6% whilst adjusted EBITDA was down -16%, and net leverage continues to tick up. Bonds reacted very negatively to the news and fell -4pts in the days after the results. Chenavari decided to take profit on our short position soon after and the position was one of our top performers of the month.

FINANCIALS

Despite heightened volatility, credit markets performed well, supported by both lower rates and tighter spreads. Markit iBoxx € and \$ AT1 indices delivered positive returns ending the month +1.3% and +1.6%, respectively, higher. However, conversely to AT1s which ended the month 16/28bp tighter, the upper part of the capital structure has indeed underperformed on a spread basis gapping +7bp wider for T2 and +9bp for Seniors, respectively.

Q2 earnings season came to a close in August and once again results largely confirmed solid fundamentals of the sector with resilience on the top line and benign asset quality trends with cost of risk still below the 'through the cycle' level. Investors are slowly turning focus to the 2025 outlook and how banks' management intend to offset some net interest margin pressure in the face of falling rates with a mix of loan growth, structural hedging and higher fees.

Of note, Deutsche PBB posted a decent set of Q2 results. Expectedly, Chenavari has seen a further asset quality deterioration, especially for U.S. office and German development exposures, and credit provisions remained elevated at €56m vs. €47m in the previous quarter. But overall the deterioration was managed relatively well, and the bank was able to slightly reduce its NPL balance; NPL inflows of €243m were more than offset by restructuring and cures of €287m. Management commented that the Real Estate outlook will turn better in H2'24 with the transactions volume in commercial real estate expected to slightly increase. The peak on cap rates look to have been reached in H1'24 and should further improve in H2'24. On the liquidity front, the bank has further grown its retail deposits base to €8.0bn from €7.1bn in Q1'24, overall stable vs. April's print, and well above the 2024 target of €7.5bn. The bank was once again active on the liability management side and in Q2'24 it bought back a further €400m in liabilities (€300m covered and €100m SP) bringing the total amount bought back to €0.7bn in H1'24.

On the back of these results, Chenavari kept its exposure on Deutsche PBB's AT1, which was once again the main contributor to the monthly PnL being up -6pts in August, and on its Senior Pref which closed the month -1pt higher.

MAIN RISKS

Risk of losses : The price of Shares can go up as well as down and investors may not realise their initial investment. The investments and the positions held by the Fund are subject to (i) fluctuations in the Strategy (ii) market fluctuations, (iii) reliability of counterparties and (iv) operational efficiency in the actual implementation of the investment policy adopted by the Fund in order to realise such investments or take such positions. Consequently, the investments of the Fund are subject to, inter alia, the risk of declines in the Strategy (which may be abrupt and severe), market risks, credit exposure risks and operational risks. At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Shares. Due to the risks embedded in the investment objective adopted by the Fund, the value of the Shares may decrease substantially and even fall to zero, at any time.

Counterparty risk : the Fund is exposed to the risk that any credit institution with which it has concluded an agreement or a transaction could become insolvent or otherwise default. If such an event occurs, you could lose a significant part of your investment.

Credit risk : the Fund is exposed to the risk that the credit quality of any direct or indirect debtor of the Fund (be it a state, a financial institution or a corporate) deteriorates or that any such entity defaults. This could cause the net asset value of the Fund to decline.

Operational risk and asset custody risk : in the event of an operational failure within the management company, or one of its representatives, investors could experience delays or other disruptions.

Liquidity risk: in certain circumstances, financial instruments held by the Fund or to which the value of the Fund is linked could suffer a temporary lack of liquidity.

This could cause the Fund to lose value, and/or to temporarily suspend the publication of its net asset value and/or to refuse subscription and redemption requests.

Risk of using FDI : the Fund invests in financial derivative instruments in order to reach its investment objective. These instruments may include a range of risks which could lead to their adjustment or result in their early termination. This could lead to the loss of a part of your investment.

Capital at risk : the initial capital invested is not guaranteed. As a consequence, investor's capital is at risk and the amount originally invested may not be recovered.

Please refer to the Fund's Prospectus for a complete description of the Investment Risks.

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Regarding the benchmark index mentioned in this document : Parties entering into transactions (such as a derivative or financing transaction) or investing in financial instruments that use an index or a variable interest rate (benchmark) are exposed to the risk that :

- (1) such benchmark may be subject to methodological or other changes which could affect the value of the relevant transaction; or
- (2) (i) may become not compliant with applicable laws and regulations (such as the European Benchmark Regulation), (ii) may cease to be published, or (iii) the supervisor or administrator of any such benchmark may make a statement that the relevant benchmark is no longer representative, and as a consequence the relevant benchmark may be replaced by another benchmark which may have an adverse and material impact on the economics of the relevant transactions..

You should conduct your own independent investigation and analysis of the potential consequences of any relevant risks such as those mentioned above, particularly in light of the ongoing industry initiatives related to the development of alternative reference rates and the update of the relevant market standard documentation.