

# Amundi Quantamental Range



APRIL 2019

At the crossroad between Quantitative and Fundamental Analysis:  
**Euro Credit Value - Credit Multi Factors - Credit Risk Parity**  
as innovative active Fixed Income solutions

## Facing current investment challenges

### Call for innovative and disciplined rules-based strategies in a changing und uncertain environment

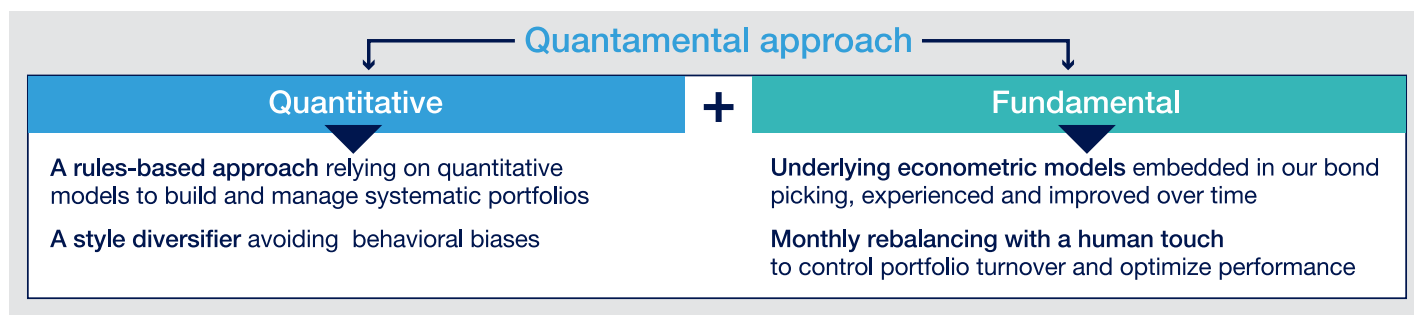
- Decades of decent yields are over as the portion of rates above 2% represents only 15% of the total bond universe<sup>1</sup>
- Duration risk is at a very high level while yields remain at relatively low levels. There is no “risk-free” asset anymore and a few basis points hike in rates could cancel out a full year of income

### New ways to generate alpha in actively managed credit portfolios

- Since 2009, new alternative factors have been necessary to increase traditional factors' explanatory power in the corporate bond market<sup>2</sup>
- Since then, asset owners already invested have to go beyond the traditional factors

## Range rationale: an unbiased rules-based investment approach to make the most of the market trends and new alternative factors

### Quantamental: an innovative investment approach bridging the gap between Quantitative and Fundamental



### Go beyond the well-known traditional credit factors and grab new attractive opportunities

- Corporate bonds are de facto complex and multifaceted, with well-known traditional factors: duration, credit beta and liquidity
- An asset allocation needs to go beyond and **take into account alternative risk factors**, popular in Equities but quite unknown in Fixed Income, to get the most of the potential from the credit universe
- Amundi working paper<sup>2</sup> findings retain **Value and Momentum as the most significant alternative factors** while post-2008 crisis environment with low correlation between factors provides **a strong rational for investors to consider a factor-based approach to managing a Corporate Bond portfolio**.

### Two different investment styles adopting the quantamental approach: model-driven and factor investing



<sup>1</sup> Past performance does not prejudice future performance <sup>2</sup> Traditional and Alternative Factors in Investment Grade Corporate Bond Investing, published in February 2019  
Given for illustrative purposes only, may change without prior notice. Investment does not benefit from any guarantee or protection. Investment in bonds implies risks: credit, counterparty and liquidity risks. The occurrence of any of these risks may have an impact on the net asset value of your portfolio.

## Amundi Solutions: expand our long dated experience in Credit to pure Quantamental Solutions

### Amundi Quantamental Range

	MODEL-DRIVEN SOLUTIONS	FACTOR SOLUTIONS
Main features	<p><b>Optimized &amp; risk parity credit allocation</b></p> <ul style="list-style-type: none"> <li>Make the most of two credit performance drivers: carry and spread tightening</li> <li>Deliver a fine tuned performance over the cycle through an equally weighted risk</li> <li>Optimization of carry effect vs spread dynamics by choosing for each issuer the optimal credit duration positioning</li> </ul>	<p><b>Active allocation among factors that are rewarded with superior risk-adjustment performance</b></p> <ul style="list-style-type: none"> <li>Building a model allowing to calculate bonds' theoretical spread vs. market spread</li> <li>Value and Momentum in particular</li> <li>Mixing with opportunistic factors like ESG/ Carbon if relevant</li> </ul>
Strategy names	Credit Risk Premia	Credit Euro Value Factor Credit Multifactor (Euro, Global)
Investment format	Available via open-ended funds or bespoke mandates	

Source: Amundi. Given for indicative purposes only, may change without prior notice.

## Investment Team



**Hervé BOIRAL, CFA**  
Head of Euro Credit



**Jean-Marie DUMAS**  
Head of Fixed Income Solutions



**Hamza FREDJ, CFA**  
Portfolio Manager



**Anne NGUYEN, CFA**  
Portfolio Manager



**Alexandra VAN GYSEGHM, CFA**  
Head of Investment Grade Credit



**Michael SRB, CFA**  
Portfolio Manager



**Antoine PETIT, CFA**  
Investment Specialist

### Amundi Alpha Fixed Income Platform

- #1 Fixed Income Manager in Europe with 45% of Amundi's Total AuM<sup>1</sup>
- €437bn in Euro Fixed Income AuM<sup>1</sup>
- An extensive team of 150 seasoned Fixed Income Portfolio Managers, supported by 42 Credit Analysts, 18 economists/strategists, 15 traders<sup>1</sup>

### Amundi Quantitative Research Platform

- A dedicated team of 8 analysts who develop research-driven solutions for fund manager of Amundi's investment platform
- Generates and/or participates in the development of innovative investment strategies and provides a methodological backbone to investment teams. The team has strong connections with academia



### Traditional and Alternative Factors in Investment Grade Corporate Bond Investing

Read the full publication on our online portal  
[research-center.amundi.com](http://research-center.amundi.com)



Source: Amundi AM as of End-December 2018

### More information

- [amundi.com](http://amundi.com)
- [research-center.amundi.com](http://research-center.amundi.com)

This material is solely for the attention of institutional, professional, qualified or sophisticated investors. It is not to be distributed to the general public, private customers or retail investors in any jurisdiction whatsoever nor to "US Persons". It 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. Moreover, any such investor should be, in the European Union, a "Professional" investor as defined in Directive 2004/39/EC dated 21 April 2004 on markets in financial instruments ("MIFID") or as the case may be in each local regulations and, as far as the offering in Switzerland is concerned, a "Qualified Investor" within the meaning of the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 (CISA) and the Swiss Collective Investment Schemes Act of 22 November 2006 (CISO). In no event may this material be distributed in the European Union to non "Professional" investors as defined in the MIFID or in each local regulation, or in Switzerland to investors who do not comply with the definition of "qualified investors" as defined in the applicable legislation and regulation.

### Legal Information

This material is communicated solely for information purposes and neither constitutes an offer to buy, an investment advice nor a solicitation to sell a product. This material is neither a contract nor a commitment of any sort. Any projections, valuations and statistical analyses provided herein are provided to assist the recipient in the evaluation of the matters described herein. Such projections, valuations and analyses may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results; accordingly such projections, valuations and statistical analyses should not be viewed as facts and should not be relied upon as an accurate prediction of future events. There is no guarantee that any targeted performance will be achieved. The information contained in this material is intended for general circulation, without taking into account the specific investment objectives, financial situation or particular need of any particular investor. Amundi accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained on this page. Amundi can in no way be held responsible for any decision or investment made on the basis of this information. The information contained in this material shall not be copied, reproduced, modified, translated or distributed without the prior written approval of Amundi, to any third person or entity in any country or jurisdiction which would subject Amundi or any of its products, to any registration requirements within these jurisdictions or where it might be considered as unlawful.

The information contained in this document is deemed accurate as of April 2019.

Amundi Asset Management - Amundi AM  
French "société par actions simplifiée" - SAS with capital of 1 086 262 605 euros. Portfolio Management Company approved by the AMF under number GP 04000036. Registered office: 90, boulevard Pasteur - 75015 Paris - France. - 437 574 452 RCS Paris - [www.amundi.com](http://www.amundi.com)