

Portfolio Manager Commentary and Performance

Market Update

In July, the Fund returned 1.11%, and YTD 7.04%.

The high yield market moved with the treasury during the month, when treasury increased value high yield value climbed too. Treasury volatility is due to uncertainty about the effect of FED's balance sheet reduction and an environment of low inflation with lower growth during third quarter.

In this sense, our call in High Yield Latam looks good as Latam is the region with higher spreads relative to other EM, then offering greater protection against rate increase.

However, the flow to fixed income to emerging market were reduced in the first two weeks, it returned with strength as investors looks for yield is consistent with higher spread relative to DM.

Comment by Country:

Brazil: The Central Bank cut its policy rate to 9.25% from 10.25%, as it as widely expected. Both policy statement and minutes released later showed a Central Bank willing to cut this rate again. In our opinion, this rate will reach 8% this year. In addition, the Central Bank is concerned about the uncertainty on the implementation of the reforms but this uncertainty has had a limited effect on the activity and inflation.

Chile: The Central Bank stayed on hold this month, keeping its policy rate at 2.5% and a neutral bias. However, the decision was not unanimous and one member of the board voted to cut this rate in 25bp. The statement did not have significant change. Nonetheless, the minutes released later showed a divided board that can cut again the rate this year if inflation stayed too low or the domestic activity remained weak.

Colombia: The Central Bank cut again its policy rate to 5.75% from 5.5%, as expected. The main factors behind again were (1) the idle capacity of the economy, (2) the uncertainty about the inflation convergence to the target (currently above the target) and (3) the ex-ante real policy interest rate is still contractive. This means that the Bank is getting closer to a pause but we believe that it will cut the rate again this year.

Mexico: The statistical agency published its first estimation of the GDP for the second quarter, which shows a slowdown in the economic activity. The YoY growth rate was 1.8% compared to the first quarter growth rate of 2.8%. This shows that the expected slowdown of the economy is happening but we expect a soft slowdown based on improving Manufacturing and continuing resilience of the consumption related sectors.

Argentina: In a context of a slow inflation reduction, the domestic economy has continuing recovering. The investment related sector has led this recovery. For instance, Construction activity is growing at two digits and Manufacturing is growing over 6%.

EuroAmerica AM SICAV –
Latam High Yield Bond Fund

July 31, 2017

Fund Description

EuroAmerica AM SICAV – Latam High Yield Bond Fund seeks to outperform its benchmark, the JP Morgan CEMBI Broad Latin America High Yield Index by investing in Latin America high yield corporate bonds denominated in USD and issued in the United States. The Fund has the ability to invest in out-of-benchmark positions up to 30% and can hedge the base rate up to 40%. The Fund has a maximum annual tracking error limit of between 3% and 4%.



Marco Salin, Portfolio Manager and Head of Fixed Income for EuroAmerica Investments
Diego Granados, Co-Portfolio manager

Share Classes and Fees

Class	ISIN	Bloomberg Ticker	Min. Subscription Amount (USD)	Current TER
Class I	LU1061932742	EALHYBI	1.000.000	1,08%

Fund Returns

	July	3 Months	YTD
Class I	1.11%	1.31%	7.04%

Asset Under Management

AUM
USD 39,429,051.71

Disclosure for Switzerland: The state of origin of the Fund is Luxembourg. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Ar. 10 Para. 2, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Neue Helvetische Bank AG, Seefeldstrasse 215, 8008 Zürich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative.

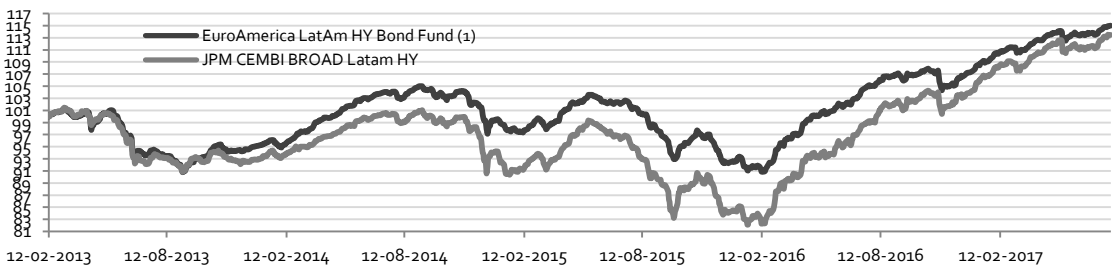
The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative.



Portfolio Manager Commentary and Performance

During June, the Fund returned 0.31%, and YTD 5.87%. The month driver was a new corruption scandal in Brazil, now affecting the president Michael Temer and the discussion on the FED balance sheet reduction.

Performance

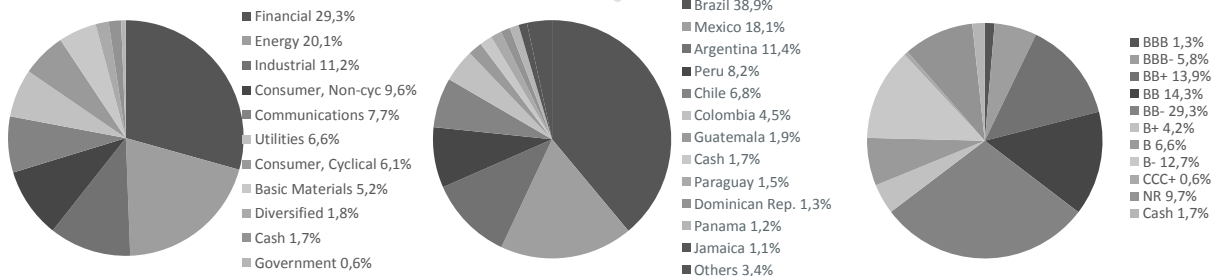


(1) Performance is net of fees. SICAV Series I performance is shown as of January 1, 2015; prior to that, the performance shown is that of the Chilean-domiciled Series D, which has an identical strategy. Fees can be up to 1.15% on an annual basis.

Source: Bloomberg, J.P. Morgan

Portfolio Positioning and Outlook

Portfolio Allocations: Sector, Country, and Rating



Outlook

- Latin American companies will remain in good credit standing with fundamentals remaining unchanged. Brazilian political and economic instability have faded away in some extent.
- Hike in FED rates have diluted in the way. Although, any intention of increasing them before actual market expectations, can be well cushioned by high current spreads of around 520 bps.

Top Holdings

Issuer	% Weight	Sector
1 YPF 8.750% 24	2.74%	Oil & Gas
2 PETBRA 4.375% 23	2.23%	Oil & Gas
3 CSANBZ 7.000% 27	2,18%	Consumer
4 CEMEX 5.700% 25	1,93%	Industrial
5 CEMEX 9.375% 22	1,92%	Industrial
6 ITAU 5.500% 22	1,86%	Financial
7 PETBRA 5.375% 21	1,84%	Oil & Gas
8 UNIFIN 7.250% 23	1,84%	Financial
9 MRFGZ 6.875% 19	1.81%	Consumer
10 BEEFBZ 6.500% 26	1.76%	Consumer

Detailed Risk Metrics*

Yield to Maturity	5.7%
Duration (years)	4.0
Volatility (annual)	3.6%
Sharpe Ratio (annual)	0.8
Beta	0.6
Alpha	1.5%
Tracking Error (annual)	2.9%
Information Ratio	0.2

*Statistics from 12 February 2013

This mutual fund is managed by EuroAmerica Administradora General de Fondos. Find out about the essential characteristics of each mutual fund investment, which are contained in its rules of procedure and contract underwriting fees. Profitability or profit obtained in the past by this fund does not guarantee that it will be repeated in the future. The values of the shares of the mutual funds are variable.