

Portfolio Manager Commentary and Performance

Market Update

In September, the Fund returned 0.68%, and YTD 9.35%.

The high yield market moved with the inflows to Emerging Markets during the month, which reached 6,1Bn. In this sense, our call in High Yield Latam looks good as Latam is the region with higher spreads relative to other EM.

During the month of September, geopolitical tension has diminished in Latam but the announcement on U.S. Budget generated some volatility which affected the performance of the asset class.

Comment by Country:

Brazil: The central bank cuts its policy rate to 8.25% from 9.25%. Monetary easing is a key ingredient in the Brazilian recovery and the Bank has been able to deliver on the back of anchored inflation expectations and diminishing current inflation rate. However, the statement showed that the Bank would moderate the pace of rate cuts in the next meetings.

Mexico: The central bank kept on hold its policy rate. The statement did not change much compared to the last time but the tone was slightly more hawkish. The balance of risk for inflation deteriorated on the back of the recent earthquakes and gave no hint at all of beginning a loosening cycle. Thus, we foresee that the Bank will stay on hold until the second semester of 2018, when it might start slowly to cut its policy rate.

Chile: The central bank published its quarterly inflation report. The report did not change much the GDP growth and inflation forecasts but it provided a more neutral tone about the next step in the policy rate. The Bank considered the medium term risks for economic activity and inflation as balanced but the short-term inflation risk was on the downside. This left open the possibility for more rate cuts but this is definitely data dependent.

Colombia: The central bank maintained the level of its policy rate and, thus, putting the brake on its monetary easing for now. The decision was not unanimous since two out seven members of the board voted in favor of a 25bp cut. The main reasons for staying on hold were that the rate was getting closer to its neutral level and current and expected inflation are still above the target range (2-4%). However, we foresee that monetary easing would restart in 2018 1Q.

Argentina: The statistical office published the 2Q National Accounts, which showed a strong economic performance. The 2Q GDP yoy growth rate was 2.7% compared to 0.4% in the 1Q. The expansion in Investments (7.7%) and Private Consumption (3.8%) were the main driver, which showed a very robust internal demand and provided the basis for this year strong recovery of the Argentine economy.

EuroAmerica AM SICAV –
Latam High Yield Bond Fund

September 29, 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	1,05%

Fund Returns

	September	3 Months	YTD
Class I	0,68%	3,29%	9,35%

Asset Under Management

AUM
USD 51,312,368,46

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.



EuroAmerica

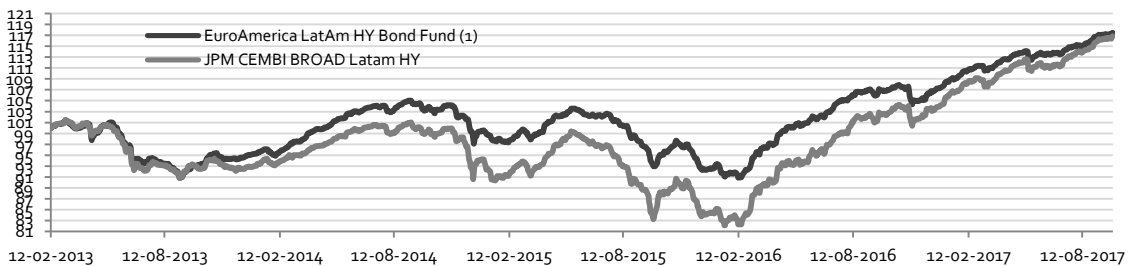
Portfolio Manager Commentary and Performance

During September, the Fund returned 0,68%, and YTD 9,35%. The month driver was the continuous inflows to EM fixed Income.

The main contributor countries to the performance were Brazil and Argentina with 299 bps and 95 bps. By sector the main contributors were Financial with 259 bps and Financial with 191 bps and by credit rating were bucket BB and Bucket B with 431 bps and 209 bps respectively.

Finally, PETBRA contribution was 156 bps followed by Banco Do Brazil with 100 bps.

Performance

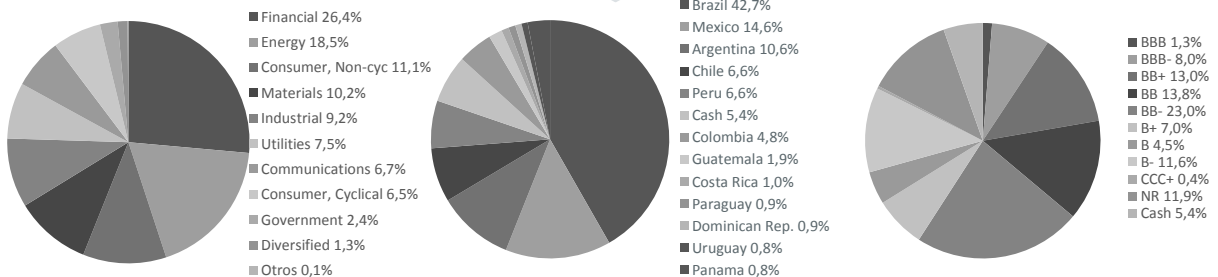


(1) Performance is net of fees. SICAV Series I performance is shown as of January 1, 2015; prior to that, the performance shown is that of the Chilean-domiciled Series D, which has an identical strategy. Fees can be up to 1.15% on an annual basis.

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 BEEFBZ 6.5 26	3,06%	Consumer
2 BUEAIR 7.5 27	2,36%	Govt
3 BANBRA 9 PERP	2,28%	Financial
4 PETBRA 4.375 23	2,10%	Oil & Gas
5 PETBRA 5.375 21	2,08%	Oil & Gas
6 YPF DAR 8.75 24	2,02%	Oil & Gas
7 PETBRA 7.375 27	1,88%	Oil & Gas
8 VALEBZ 4.375 22	1,80%	Mining
9 CSANBZ 7 27	1,60%	Consumer
10 CEMEX 9.375 22	1,38%	Industrial

Detailed Risk Metrics*

Yield to Maturity	5.1%
Duration (years)	4.6
Volatility (annual)	3.7%
Sharpe Ratio (annual)	0.7
Beta	0.57
Alpha	1.65%
Tracking Error (annual)	3,02%
Information Ratio	-0,63

*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.