



Press release

Paris/London, 18 April 2018

Amundi launches Amundi Leveraged Loans Europe 2018, extending its alternative credit offering

Amundi, the European leader in bond management with more than €800 billion in assets under management¹, is enhancing its existing offering of alternative credit with the launch of a European leveraged loan fund intended for institutional investors. A sub-fund of a SICAV governed by Luxembourg law, Amundi Leveraged Loans Europe 2018 invests mainly in the universe of senior secured leveraged loans, issued for the financing of leveraged buy-outs (LBOs) or large-scale acquisitions.

European leveraged loan new issue volumes have exceeded that of European High Yield bond new issue volumes in both 2016 and 2017². European leveraged loans represents a large market, both in terms of the number of issuers and its absolute market size and represents an attractive asset class for investors in the current context of a potential rise in interest rates. European leveraged loans are floating rate loans generating a margin over Euribor (or Libor) and typically benefit from a Euribor floor of zero.

"We invest in both the primary and secondary markets with the aim of taking advantage of market opportunities, and we also seek diversification across both sectors and geographic regions in the portfolio. The objective of this active, diversified management is to generate regular returns with low volatility," explains Thierry de Vergnes, Head of acquisition debt funds at Amundi.

The issuers selected are mostly European companies that are owned by major private equity players. In the current market conditions, active management of the portfolio of selected leveraged loans aims to deliver a return of around 4% above Euribor until the fund's maturity (6 to 8 years), while providing monthly liquidity.

Although this strategy carries credit risk³, institutional investors increasingly include an allocation to this asset class as part of their global investment strategy in the fixed income markets. Private debt, and leveraged loans in particular, has a returns profile that a growing number of institutional investors see as attractive, with the added benefit of low correlation to more traditional fixed income assets³.

Amundi's private debt and leveraged loans teams manage €5 billion and €3 billion respectively, benefiting from using the Group's Fixed Income platform. This platform is composed of 150 professional bond and loan specialists¹ in Amundi's large investment centres in Europe (London, Paris and Milan) and the United States (Boston).

The fund, which is marketed in France, Italy, Spain, Germany, Austria, the United Kingdom, the Netherlands, Luxembourg, Belgium, Denmark, Norway, Sweden and Finland, is targeting €300 million in assets under management.

¹ Source: Amundi figures as at 31 December 2017.

² Source: LCD S&P Global View

³ Credit risk: loans are based on the issuer's ability to fulfil its payment obligation, which cannot be guaranteed. This risk of default is all the greater when the issuer's financial flexibility is low. Please refer to the risks section of the fund's prospectus for more information.

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The official documentation of the SICAV and Compartment are available on request at Amundi's registered office (90 Boulevard Pasteur 45015 Paris).

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About Amundi

Amundi is Europe's largest asset manager by assets under management and ranks in the top 10¹ globally. Thanks to the integration of Pioneer Investments, it now manages more than 1.4 trillion² euros of assets across six main investment hubs³. Amundi offers its clients in Europe, Asia-Pacific, the Middle-East and the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. Headquartered in Paris, and listed since November 2015, Amundi is the 1st asset manager in Europe by market capitalization⁴.

Leveraging the benefits of its increased scope and size, Amundi has the ability to offer new and enhanced services and tools to its clients. Thanks to its unique research capabilities and the skills of close to 5,000 team members and market experts based in 37 countries, Amundi provides retail, institutional and corporate clients with innovative investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.

Amundi. Confidence must be earned.

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¹ Source IPE "Top 400 asset managers" published in June 2017 and based on AUM as of end December 2016.

² Amundi figures as of December 31, 2017

³ Investment hubs: Boston, Dublin, London, Milan, Paris and Tokyo

⁴ Based on market capitalization as of December 31, 2017

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