



## Press release

# **Amundi launches Asia Income ESG Bond Fund**

**London, 7<sup>th</sup> December 2023** – Amundi, the largest European asset manager<sup>1</sup>, launches **Amundi Funds – Asia Income ESG Bond** (“the Fund”). The Fund invests across all Asian fixed income segments with a focus on both credit and local rates markets. Diversified across corporates and sovereign issuers, the Fund will target high income generation with an optimised risk return profile.<sup>2</sup> It will also employ a robust ESG framework to reduce extra-financial risk while also seeking ESG opportunities. The Fund is classified SFDR Article 8\*.

The Fund will actively invest in a broad, diversified investment universe across local and external debt, using active currency management. The Asian bond universe comprises of 10+ sovereign and quasi-sovereign issuers and over 500 corporates across 15 countries.

The Fund will be managed by **Joevin Teo, Head of Asian Fixed Income** and the EM Debt team.

Amundi’s Emerging Markets team manages over €38.6 billion of assets<sup>3</sup> and is made up of both Fixed Income & Equity specialists. This cross-asset set-up enables the investment teams to capture a wide breadth of emerging markets investments and better understand the full cost of capital, helping to unearth and generate unique investment opportunities.

### **Asia – where we believe the growth will come from**

Today, Asia is one of the most dynamic regions offering a vast number of investment opportunities in a highly diversified\* and maturing market. We are observing a marked shift in investment focus from the West to the East, which we believe will drive further foreign investment flows across the region and higher yield potential than Developed Markets corporate bonds. The top five Asian countries – China, India, South Korea, Indonesia and Thailand, have seen their contribution to world GDP growing over the last two decades. Asia’s share of world GDP has increased to almost 30%, from under 10% in the early 2000s.<sup>4</sup> It is still under-represented in indices today.

### **Trends in Asian Green, Social, and Sustainability (GSS+) Bond Issuance**

The GSS+ bonds market in Asia is growing rapidly, with the region responsible for issuing over 50% of emerging markets GSS+ bonds. The year 2021 was a record year in issuances (representing a 400% increase in green bond issuance compared to 2020), with financial

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<sup>1</sup> IPE Top 500 Asset Managers 31/12/2022

\* Diversification does not guarantee a profit or protect against a loss

<sup>3</sup> As of end September 2023

<sup>4</sup> According to the World Bank, those countries’ weightings increased from 0.87% in 1998 to 3.02% of global GDP in 2021.

corporates (\$101bn), industrials (\$32bn), government (\$27bn) and utilities (\$20bn) being the most active sectors issuing bonds.<sup>5</sup>

## ESG Considerations

The Fund aims to mitigate Environmental, Social, and Governance (ESG) risks and seeks to capture a wide range of investment opportunities by maintaining a minimum extra financial analysis coverage of 90%, as well as a minimum allocation to GSS+ Bonds. Furthermore, the investment team will measure and monitor the portfolio's carbon intensity per euro million of sales and ensure this amount remains below the investment universe average at all times. The investment team will also monitor and report on additional ESG KPIs covering social and governance themes, utilizing Amundi's proprietary tool – ALTO\* Sustainability<sup>6</sup>. This will enable the investment team to seamlessly monitor the ESG risks and opportunities at the issuer level and allow Amundi's teams to engage with issuers on targeted environmental and social themes.

**Yerlan Syzdykov, Head of Emerging Markets at Amundi, said:** *“Emerging Markets are expected to grow faster than Developed Markets, with Asia taking the lion's share of this growth. As we navigate this ongoing market regime shift to a higher rate environment, the increased volatility and uneven repricings offer what we believe to be great investment opportunities for active and flexible asset managers like Amundi. With a growing demand for green and social bonds in the region, the appeal for Asian bonds is strong and we are delighted to offer investors in Europe and Asia access to this maturing and increasingly diversified\* market.”*

These sub-funds are available within the Amundi Funds SICAV and are currently registered in the following countries: Austria, Belgium, France, Hong Kong, Germany, Italy, Luxembourg, Netherland, Spain, Singapore, United Kingdom.

## About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players<sup>7</sup>, offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets. This offering is enhanced with IT tools and services to cover the entire savings value chain. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €1.95 trillion of assets<sup>8</sup>.

With its six international investment hubs<sup>9</sup>, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 5,400 employees in 35 countries.

***Amundi, a trusted partner, working every day in the interest of its clients and society***



<sup>5</sup> Amundi-IFC Emerging Market Green Bonds – Report 2021: <https://research-center.amundi.com/article/emerging-market-green-bonds-report-2021>

<sup>6</sup> Amundi Leading Technologies & Operations\*

<sup>7</sup> Source: IPE “Top 500 Asset Managers” published in June 2023, based on assets under management as at 31/12/2022

<sup>8</sup> Amundi data as at 30/09/2023

<sup>9</sup> Boston, Dublin, London, Milan, Paris and Tokyo

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See “Risk Descriptions” in the Prospectus of the Fund for more information<sup>10</sup>.

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*A summary of information about investors’ rights and collective redress mechanisms can be found in English on the regulatory page at <https://about.amundi.com/Metanav-Footer/Footer/Quick-Links/Legal-documentation>.*

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*This may be checked at <https://register.fca.org.uk/> and further information of its authorisation is available on request. The Fund is a recognised collective investment under the FCA’s Temporary Permission Regime. This marketing communication is approved by Amundi UK for use with Professional Clients (as defined in the FCA’s Handbook of Rules and Guidance) and shall not be distributed to the public.*

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*The decision of the investor to invest in the promoted fund should take into account all the characteristics or objectives of the fund. There is no guarantee that ESG considerations will enhance a fund’s investment strategy or performance.*

*Please refer to the Amundi Responsible Investment Policy and the Amundi Sustainable Finance Disclosure Statement available at [<https://about.amundi.com/legal-documentation>] and for more product-specific information, please refer to the Prospectus and the Fund’s Pre-contractual Document (PCD) available at [amundi.com](https://about.amundi.com).*

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<sup>10</sup> All investments involve risks. The risk information in this marketing communication is intended to give an idea of the main and material risks associated with the Fund. Any of these risks could cause the Fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.