

Portfolio Manager Commentary and Performance

30 November 2016

Market Update

During November, the fund returned -1,87%. The main event was the U.S. election and the surge of Trump as president against all polls forecast.

As his campaign speech was clearly against Trade Agreement signed by USA, market reacted negatively against Emerging Markets. Additionally, 10 yrs. U.S. treasury rates increased about 50 bps during the month scared investor cutting the inflows to emerging market fixed income.

With all available information, we expect to see a stronger dollar for the foreseeable future.

Oil prices are up since the OPEC new agreement, we expect that the agreement will bust EM due to importance of oil companies in the benchmarks.

Comment by Country:

Brazil: The national statistics office published the 3Q National Accounts. The economy fell less than the previous quarter (-2.9% in 3Q versus -3.6% in 2Q yoy growth rate). This shows that Brazil economy slowly but surely is recovering from its worst recession since the Great Depression. Both Private Consumption and Investment decreased less (-3.4% and -8.4% in 3Q versus -4.8% and -8.6% in 2Q yoy growth rate, respectively) and Net Exports was a positive factor..

Chile: The Central Bank published the 3Q National Accounts. The economy grew at a similar pace than in the 2Q (1.6% yoy growth rate). This illustrates that the economy has continued stabilizing at an expected growth level of 1.5-2%. The composition was slightly different. Private Consumption grew more than in the previous quarter (2% in 3Q versus 1.8% in 2Q yoy growth rate) but investment fell (-1.2% in 3Q versus 2.9% in 2Q yoy growth rate).

Colombia: The national statistics office published the 3Q Balance of Payment Accounts. This shows that the current account balance went down sharply from the previous quarter (-6% in 3Q versus -3.7% in 2Q yoy growth rate). This is a benign economic development that shows the Colombian economy is moving toward a more balanced equilibrium.

Mexico: The national statistics office published the 3Q National Accounts. The domestic activity grew less than in the previous quarter (2% in 3Q versus 2.6% in 2Q yoy growth rate). This reveals that the economy is slowing but it is still very resilient. Almost all sectors grew less but Services (the largest sector) grew more (5.3% in 3Q versus 5% in 2Q yoy growth rate), which shows the private consumption resilience.

Peru: The national statistics office published the 3Q National Accounts. The domestic activity accelerated vis-à-vis the previous quarter (4.4% in 3Q versus 3.7% in 2Q yoy growth rate). The Peruvian economy is clearly on a very benign path led by Exports and the Mining sector but Private Consumption is also very strong.

EuroAmerica AM SICAV –
Latam High Yield Bond Fund

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	1,07%

Fund Returns

	November	3 Months	YTD
Class I	-1,87%	-1,16%	14,04%

Asset Under Management

AUM
USD 26.629.667,59

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.

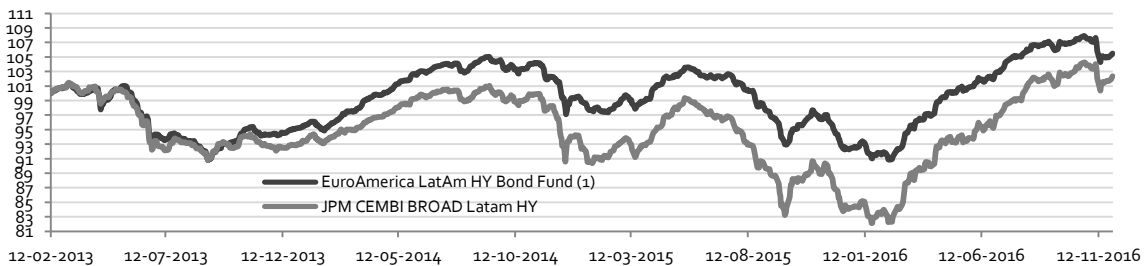
The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative.

Portfolio Manager Commentary and Performance

During November, the Fund returned -1,87%. The main event was the U.S. election and the surge of Trump as president against all polls forecast. The uncertainty about the election cause outflows from EM fixed income.

No country, sector nor rating bucket performed positively, the main loss come, as expected, from Mexico (-56 bps), followed by Brazil (-50 bps), on the other side, Barbados and Trinidad & Tobago contributed with 0 bps. By sector, Consumer cyclical (0 bps) was the main contributors to fund performance while Energy (-60 bps) was the worst. Finally, by rating, main contributor was "CCC" bucket (-5 bps), offset by "B" bucket (-77bps).

Performance

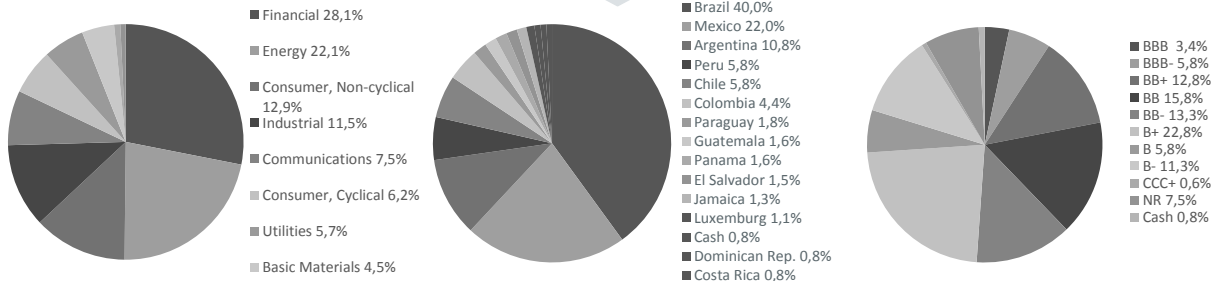


(1) Performance is net of fees. SICAV Series I performance is shown as of January 1, 2015; prior to that, the performance shown is that of the Chilean-domiciled Series D, which has an identical strategy. Fees can be up to 1.15% on an annual basis.

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 fade 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 706 bps.

Top Holdings

Issuer	% Weight	Sector
1 YFPDAR 8.750% 24	3,15%	Oil & Gas
2 CEMEX 9.375% 22	2,47%	Industrial
3 MRFGBZ 6.875% 19	2,36%	Consumer
4 ITAU 5.500% 22	2,30%	Financial
5 CEMEX 5.700% 25	2,24%	Industrial
6 PETBRA 5.375% 21	2,23%	Oil & Gas
7 ARRUNI 7.250% 23	2,17%	Financial
8 BEEFBZ 6.500% 26	2,15%	Consumer
9 BBVASM 6.750% 22	2,02%	Financial
10 CREAL 7.250% 23	1,93%	Financial

Detailed Risk Metrics*

Volatility (annual)	3,6%
Sharpe Ratio (annual)	0,4
Beta	0,6
Alpha	1,1%
Yield to Maturity	8,8%
Tracking Error (annual)	2,9%
Duration (years)	4,6
Information Ratio	0,3

*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.