



Portfolio Manager Commentary and Performance

Market Update

In January, the Fund returned 0.29%, and YTD 0.29%

During the month, ten years treasury rates increased by 30 bps causing a generalized contraction in High Yield spreads. Spread absorbed the rate increase because commodities prices dynamics continue to favor the Region.

The month was characterized too by a strong corporate issuance, about USD 8.4 bn among liability management and new issues, mainly from Argentina and Brazil. Of course, this issuance activity was sustained by a strong inflows to EM fixed income.

Finally, on January 24, former president Lula da Silva was declared guilty in corruption charges, reducing his chances to run again for the Brazil presidency. Investor reacted positively and Brazilian assets outperformed after the judicial decision.

Comment by Country:

Brazil: The former Brazilian President Lula was found guilty of corruption by a three-judge panel in an Appeal Court in a unanimous decision, which made very unlikely that he can be able to run in the incoming October presidential election. The decision was long awaited and was very well received by the Brazilian assets. In our opinion, if Lula cannot finally run or run as a much-weakened candidate it will be extremely positive for Brazilian and Latin American assets this year.

Mexico: The National Statistical Office published an advanced figure of GDP showing a slight upturn in the economy led by the primary and tertiary sectors. The actual figure was GDP yoy growth of 1.7%, which is above the previous quarter (1.5%). Thus, the economy grew in 2017 2.1%, which is smaller than in 2016 growth rate (2.9%). We expect a further slowdown in 2018 to a growth rate below 2% (1.8%).

Chile: The elect President chose its first cabinet, which was a mix of holdouts from his last administration and new figures. For instance, the Finance and Interior ministers are holdouts. However, the key minister in charge of the relationship with the parliament is a new and younger figure. Finally, this cabinet is also market friendly, which means that deregulation is on the pipeline in order to restart private investment. However, it also tilted to the right wing of the center right coalition, which would make more difficult to pass legislation in parliament where this coalition is in a minority.

Colombia: The central bank surprised most economist by cutting its policy rate. It took this rate to 5% from 5.25%. The main rationale for the decision was that domestic activity has continued weak and the uncertainty about its speed of recovery. However, the Bank warned that this the end of this easing cycle.

Argentina: The Central Bank cut again its policy rate and continuing the easing cycle that started after the increase of inflation target for this year. The cut was in part expected but expectations are hard to gauge given the Bloomberg's small sample. The main explanation for this cut is the increase of the 2018 inflation target to 15% from 10%, which made the ex-ante real interest rate too high for supporting the current economic recovery.

EuroAmerica AM SICAV –
Latam High Yield Bond Fund

January 31, 2018

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	1.04%
Class B	LU1061932668	EALHYBB	100,000	1.64%

Fund Returns

	January	3 Months	YTD
Class I	0.29%	0.70%	0.29%
Class B	0.24%	0.54%	0.24%

Asset Under Management

AUM
USD 50,915,944.17

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.



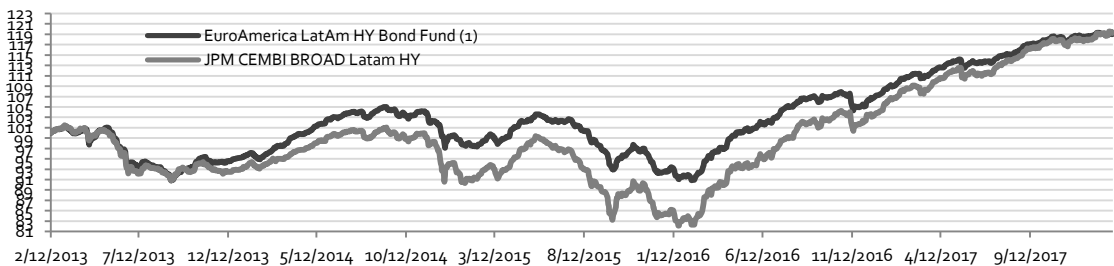
EuroAmerica

Portfolio Manager Commentary and Performance

In December, the Fund returned 0.30%, and YTD 10.59%

The performance comes mainly from Brazil (9 bps) and Mexico (9 bps). By Sector, Energy and Financial contributed 8 bps and 7 bps respectively, partially offset by basic Materials and Consumer non Cyclical with -2 bps each. By Credit Rating, BB bucket contributed with 17 bps. Finally, Brazil Sovereign, Cemex and Petrobras contributed with 7 bps each partially offset by Latam (-6 bps)

Performance

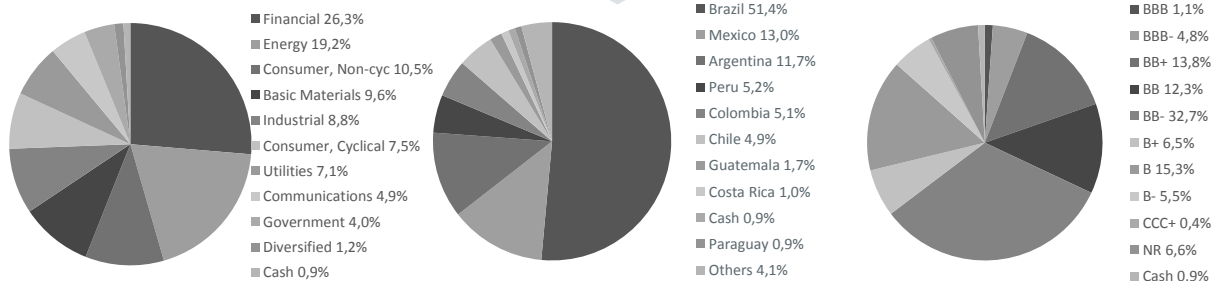


(1) Performance is net of fees. SICAV Series I performance is shown as of January 1, 2015; prior to that, the performance shown is that of the Chilean-domiciled Series D, which has an identical strategy. Fees can be up to 1.15% on an annual basis.

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 433 bps.

Top Holdings

Issuer	% Weight	Sector
1 BANBRA 9 PERP	2,14%	Financial
2 PETBRA 5.299 25	2,10%	Oil & Gas
3 ARGENT 6.875 27	2,08%	Govt
4 VALEBZ 4.375 22	2,04%	Mining
5 BEEFBZ 6.5 26	2,02%	Consumer
6 PETBRA 4.375 23	1,97%	Oil & Gas
7 BRAZIL 4.625 28	1,96%	Govt
8 ITAU 5.125 23	1,84%	Financial
9 YPF DAR 8.75 24	1,83%	Oil & Gas
10 PETBRA 7.375 27	1,74%	Oil & Gas

Detailed Risk Metrics*

Yield to Maturity	5.47%
Duration (years)	4.9
Volatility (annual)	3.4%
Sharpe Ratio (annual)	1.1
Beta	0.60
Alpha	1.43%
Tracking Error (annual)	2.72%
Information Ratio	-0.01

*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.