

Portfolio Manager Commentary and Performance

Market Update

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

Finally, the government approved the tax reform in USA, consequently, treasury rates volatility increased during the month, however, flows for Emerging Markets continued to pressure LatAm yields with a reduction in High Yield Spread.

For 2018, we expect steady flows to the Region because; the increase in commodities prices will increase companies cash flows in an environment of lower capex and a lower need to debt refinancing. On the other hand, Governments will have more constructive scenario due to the effect of higher taxes collection and revenues from commodities in the fiscal budget.

Comment by Country:

Brazil: As expected, the Central Bank decreased its policy rate to 7% from 7.5%. In addition, it also hinted that this monetary easing cycle is not over. The main rationale behind this cut was the economic slack due to the slow recovery, the inflation decline and the anchored inflation expectations. The Bank mentioned explicitly that more rate cut is needed (we foresee a 25bp cut in February 2018). However, it also stated that current level of the interest rate is below the structural level.

Mexico: The Central Bank hiked its policy rate to 7.25% from 7%. The expectations were evenly divided between a 25bp hike and no change. The decision was not unanimous and there was vote for 50bp hike. The main explanation behind the hike was that the balance of risk for inflation was tilting upward. Moreover, the Bank's board would stay vigilant and was ready to hike again if the inflation risk would intensify. Thus, it looks that in 2018 there will be more rate hikes.

Chile: The runoff in the presidential election result was a surprising strong win for the center right candidate, former President Piñera, who beat the center left candidate by 9%. This result was positive for Chilean assets and it is likely that the new administration will try to implement more pro-market reforms. However, the path is not easy given that the center right coalition has no majority in both chambers and, thus, the administration will have to negotiate case by case.

Colombia: The Central Bank stayed on hold this month and taking a pause in this easing cycle. The main justification for keeping the policy rate at 4.75% was a higher than expected November inflation. In our opinion, the Bank will cut its policy rate in 2018.

Argentina: The government announced an increase in the inflation target for the next years. The 2018 target rose to 15% from 10%, the 2019 target increased to 10% from 5%. These increases are a recognition that the former targets were unreachable since the administration is not willing to produce a strong downward adjustment of the economy in order to achieve these targets. It also means a looser monetary policy for 2018.

EuroAmerica AM SICAV –
Latam High Yield Bond Fund

December 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%
Class B	LU1061932668	EALHYBB	100,000	1.64%

Fund Returns

	November	3 Months	YTD
Class I	0.30%	1.14%	10.59%
Class B	0.25%	0.97%	9.91%

Asset Under Management

AUM
USD 53,024,114.23

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.



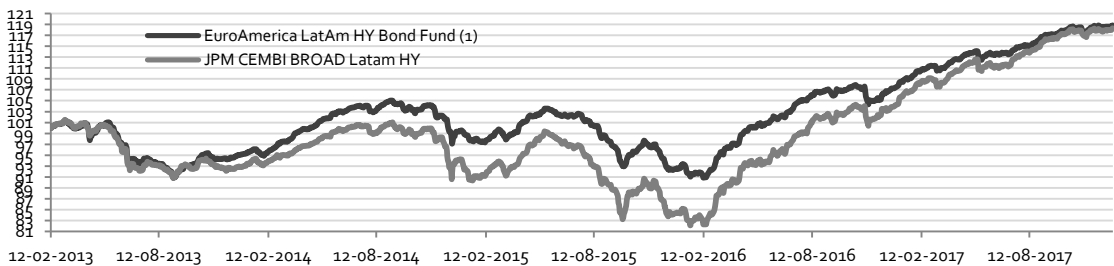
EuroAmerica

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

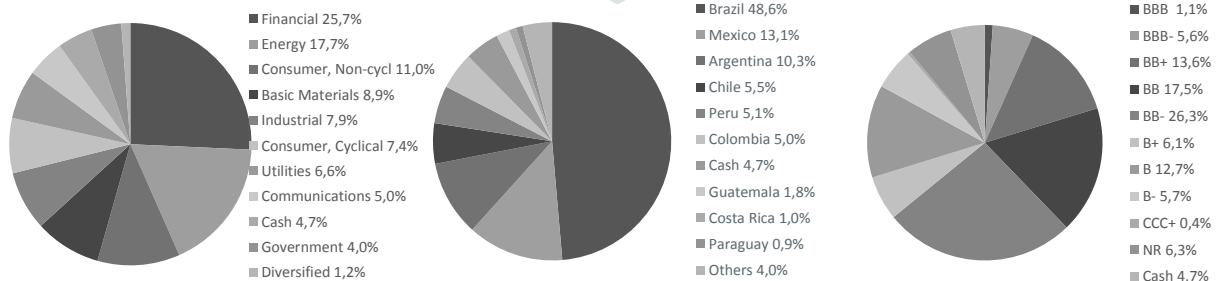


(1) Performance is net of fees. SICAV Series I performance is shown as of January 1, 2015; prior to that, the performance shown is that of the Chilean-domiciled Series D, which has an identical strategy. Fees can be up to 1.15% on an annual basis.

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 BEEFBZ 6.5 26	2,77%	Consumer
2 ARGENT 6.875 27	2,12%	Govt
3 BANBRA 9 PERP	2,09%	Financial
4 PETBRA 5.299 25	2,03%	Oil & Gas
5 BRAZIL 4.625 28	1,91%	Govt
6 PETBRA 4.375 23	1,87%	Oil & Gas
7 YPF DAR 8.75 24	1,76%	Oil & Gas
8 ITAU 5.125 23	1,75%	Financial
9 PETBRA 7.375 27	1,71%	Oil & Gas
10 PETBRA 6.000 28	1,64%	Oil & Gas

Detailed Risk Metrics*

Yield to Maturity	5.37%
Duration (years)	4.7
Volatility (annual)	3.4%
Sharpe Ratio (annual)	1.1
Beta	0.60
Alpha	1.51%
Tracking Error (annual)	2.74%
Information Ratio	0,03

*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.