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**Amundi**

## Welcome to the April 2024 News re Markets, Performance & Activity

### Welcome to the April 2024 Update

- Following five months of positive performance, equity markets experienced a reversal with investors reacting to mixed economic data. The combination of stickier than anticipated inflation data, continued resilience in the US labor market, slower economic growth and sinking consumer confidence meaningfully reduced expectations for Fed rate cuts in 2024. Most investors are leaning towards the possibility for a single rate cut in 2024, a substantial drop from the initial six cuts that many had hoped for at the start of the year. Accordingly, equity markets fell in April with the S&P down -4.1% and the MSCI World Index registering -3.7%. For the first time in a while, FANG+ and technology-related names cooled a bit while utilities enjoyed positive performance, on average. This was illustrated by the NYSE FANG+ Index -2.9%, MSCI World Technology -5.7% while MSCI World Utilities was up 0.8%. When it came to fixed income markets in April, bond yields rose: the US 10-year increased to 4.7% and the US 2-year yield rose above 5%. The Bloomberg US Aggregate Index fell -2.5% in April, with Bloomberg US Corporate High Yield Index outperforming at -0.9%. Gold spot price rose in April as well as the performance of gold mining equities (FTSE Gold Mines) which has caught up and even surpassed gold bullion more recently. Meanwhile, on a YTD basis, gold mining equities have on average lagged bullion, with gold mining registering +3.5% and gold spot up +10.8%.
- The First Eagle Amundi funds exhibited strong resilience amidst a more difficult market environment in April. While the team applies a benchmark-agnostic approach, for each of the three First Eagle Amundi funds, every single asset class (equity, bonds, gold and cash) outperformed and contributed to relative returns of their comparative indices<sup>1</sup>.
- In April with technology names softer across the board, equity exposure to the Information Technology sector was one of the largest detractors for all three FEA funds and was the biggest detractor for the MSCI World Index. Meanwhile, when looking on a relative basis, the International Fund's underweight of Microsoft was a strong contributor to April performance. Similarly, the lack of exposure to Nvidia in April, added to relative performance. On the other hand, owning more of Oracle (the International Fund's largest holding standing at 2.4% versus 0.30% in MSCI World) took from relative performance. Meanwhile it should be noted that the International Fund's position in Oracle has contributed positively so far this year on both an absolute and relative basis. Also with last month's shift, the Communication Services sector was negative for the three FEA funds and for the broader indices. Equity exposure to the sector detracted from absolute performance with names like Comcast and Meta taking 22 bps and 30 bps, respectively. Meanwhile, Communication Services remains the top contributing sector for the International Fund so far this year adding 107 bps to performance.

- **And finally, in April, exposure to gold-related securities made a meaningful contribution to both absolute and relative performance for all three First Eagle Amundi funds.** While held in the portfolio as a potential hedge, gold-related exposure has added 124 bps to absolute performance for the International Fund YTD **with gold spot pricing up 11% since the start of the year.**
- **Our emphasis on owning high quality businesses trading at discount valuations in combination with maintaining diversification in the portfolios plus gold for a potential hedge supported the resilience of the FEA funds. We remain focused on our goal of growing the purchasing power of wealth over time by seeking to avoid the permanent impairment of capital.**



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*In the latest monthly video, First Eagle Global Value Team Portfolio Manager Christian Heck acknowledged that markets have been off to a strong start for the year, on the back of an ebullient 2023*

For additional news, commentaries, and all marketing collateral, [CLICK HERE](#) to visit the First Eagle Amundi funds landing page.



## First Eagle Amundi Funds: Strong Absolute & Relative Performance

- The First Eagle Amundi Sustainable Value Fund has achieved solid returns since its inception August 2020 of 8.4% (AE-C EUR share class)
- The First Eagle Amundi International Fund placed in the top decile for the YTD, 3 and 10 year time plus top quartile for the 5 year period in its respective Morningstar category (EUR, AEC share class)<sup>2</sup>
- The First Eagle Amundi Income Builder Fund placed in the top quartile for the YTD time period and top decile for the 3-year time period in its respective Morningstar category (To note, the Income Builder Fund does not yet have 10 year track record) (EUR, AEC share class)<sup>2</sup>

### First Eagle Amundi International Fund (FEAIF)

FEAIF returned -1.88% in April (USD, AUC share class). Our equity holdings detracted but gold-related securities contributed positively. Most equity sectors detracted with utilities as the sole positive sector in the month. Communications services, financials and information technology were the leading detractors. Among individual positions, the Fund's top contributors included Alphabet, Shell, Shimano, Prosus and Fanuc. The largest detractors included Schlumberger, Meta Platforms, Oracle, Comcast and HCA Healthcare. We did not establish any new equity positions nor did we exit any equity positions.

### First Eagle Amundi Income Builder Fund (FEAIBF)

FEAIBF returned -0.84% in April (USD, AUC share class). Our equity holdings and corporate bond holdings both detracted, but gold-related securities contributed positively. By equity sector, consumer staples, real estate and energy contributed the most while financials, health care and communication services were the largest detractors. Among individual equity positions, the Fund's top contributors included Unilever, Compania Cervecerias Unidas, Shimano, Shell and Jardine Matheson. The largest detractors included Comcast, Compagnie Financière Richemont, HCA Healthcare, Power Corporation of Canada and Medtronic. We did not establish any new equity positions during the month. We exited our position in Brenntag due to the yield no longer fitting within the desired parameters of this fund. We established two new corporate bond positions and we exited three bond issuances.

### First Eagle Amundi Sustainable Value Fund (FEASVF)

FEASVF returned -1.61% in April (USD, AUC share class). Our equity holdings detracted but gold-related securities contributed positively. By equity sector, consumer discretionary was the only contributor, while information technology, financials and health care were the largest detractors. Among individual stocks, the Fund's top contributors included Naspers, Alphabet, Elevance Health, Equity Residential and Unilever. The largest detractors included Salesforce, Comcast, Willis Towers Watson, FEMSA and Svenska Handelsbanken. We did not establish any new equity positions during the month. We exited our positions in PLUXEE and Safestore Holdings due to a drop in the companies' Amundi ESG rating to a level no longer acceptable for this fund.

Source: Factset, Bloomberg, Morningstar data as of end of April 2024.

1.) Reference Indices include MSCI World for FEAIF and FEASVF and a blend of 60% MSCI World + 40% Bloomberg US Agg for FEAIBF.  
2.) Morningstar EAA OE USD Moderate Allocation Category for FEAIBF as of end of April 2024 and Morningstar EAA OE USD Aggressive Allocation Category for FEAIF as of end of April 2024.

Buys and Sells are excluding short-term government bonds, gold related equities and ETCs.

As of end of April 2024; Given for illustrative purposes only. Portfolio holdings should not be considered as a recommendation to buy or sell individual securities and are subject to risk. Past performance is not indicative of future performance.

#### Risk Disclosures

Diversification does not assure a profit or protect against loss. Investment in gold and gold related investments present certain risks, and returns on gold related investments have traditionally been more volatile than investments in broader equity or debt markets.

**Definitions:**

The "Magnificent Seven" is a term that describes the seven biggest technology-focused companies that have led the market's returns in recent years.

The Global Value Team defines "margin of safety" as the difference between a company's purchase price and our estimate of its intrinsic value.

"Intrinsic value" is based on our judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.

**IMPORTANT INFORMATION**

Unless otherwise stated, all information contained in this document is from Amundi Asset Management S.A.S. and is as of end of April 2024. Diversification does not guarantee a profit or protect against a loss. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management S.A.S. and are subject to change at any time based on market and other conditions, and there can be no assurance that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, a security recommendation, or as an indication of trading for any Amundi product. This material does not constitute an offer or solicitation to buy or sell any security, fund units or services. Investment involves risks, including market, political, liquidity and currency risks.

Past performance is not a guarantee or indicative of future results.

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