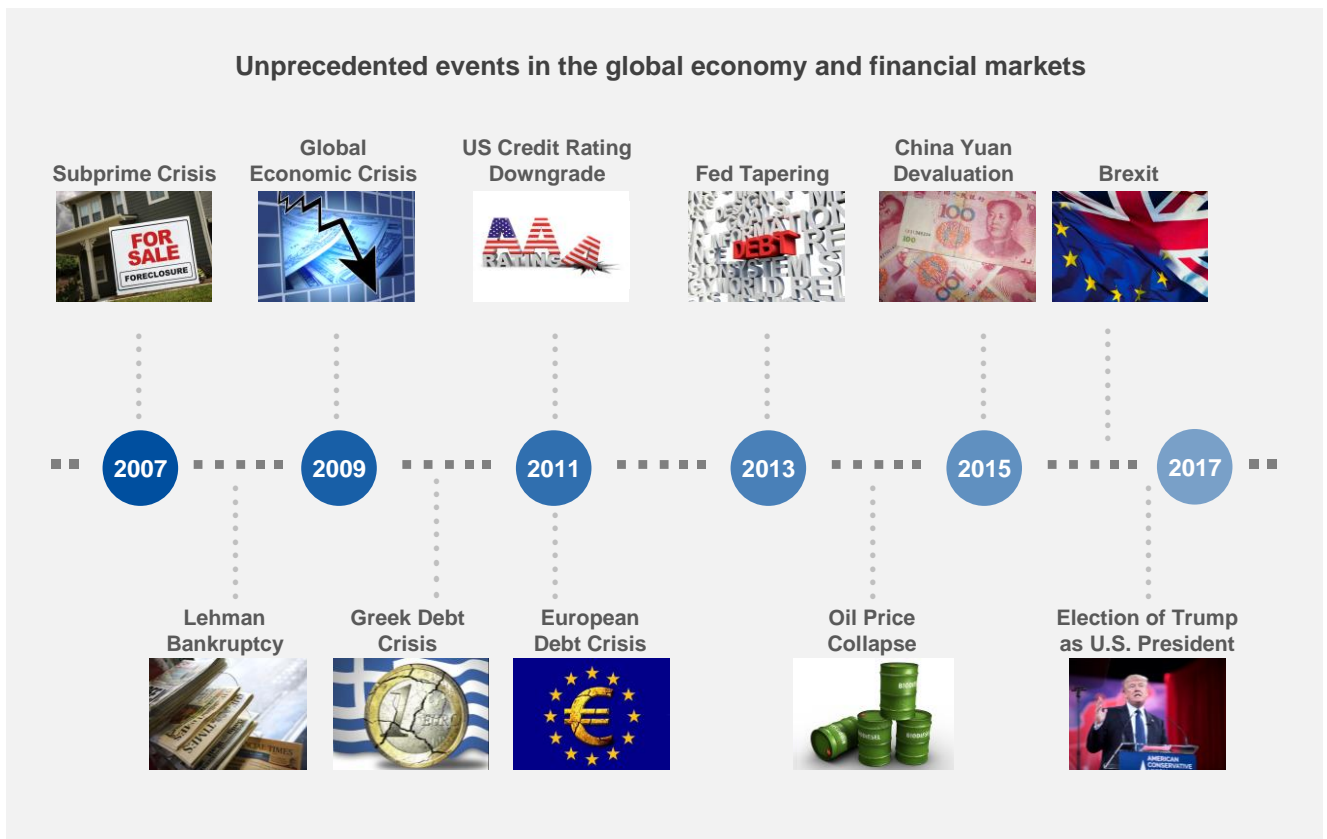


Providing capital security and delivering stable returns

Amundi provides solutions to navigate today's volatile & low interest rate environment

We live in unusual times.

Stock valuations are relatively stretched and global markets continue to grapple with slow economic expansion. The Federal Reserve is entering a less accommodative phase, and while the Trump administration has announced an aggressive growth agenda, questions remain about the timing and the extent of its execution. Interest rates have been anticipated to rise but the pace has been slow and aggregate global debt – sovereign, corporate, and personal – is now higher than it was ten years ago.



Life after Quantitative Easing (QE)

The transitional period between the end of QE and the return to a more 'normal' economic environment will inevitably throw up challenges. Markets may experience constrained growth and spikes in volatility that will be influenced by a number of key drivers such as:

- Outlook for the global economy
- Divergent central bank policies
- Disruptive populist pressures
- China's transition to a more open economy with growing global influence

As market conditions change, so do the needs and desires of asset owners

Asset owners recognise that a crisis is not necessarily imminent and are aware of how important it is to remain invested, especially given low interest rates. And as asset owners become more sophisticated, they search for more dynamic investment strategies with a more efficient approach to asset allocation. They understand how quickly investments can fall in value – and how long it can take to recover these losses. Hence, they want an investment strategy that targets returns while also preserving capital against significant drawdowns.

Interesting times call for innovative solutions

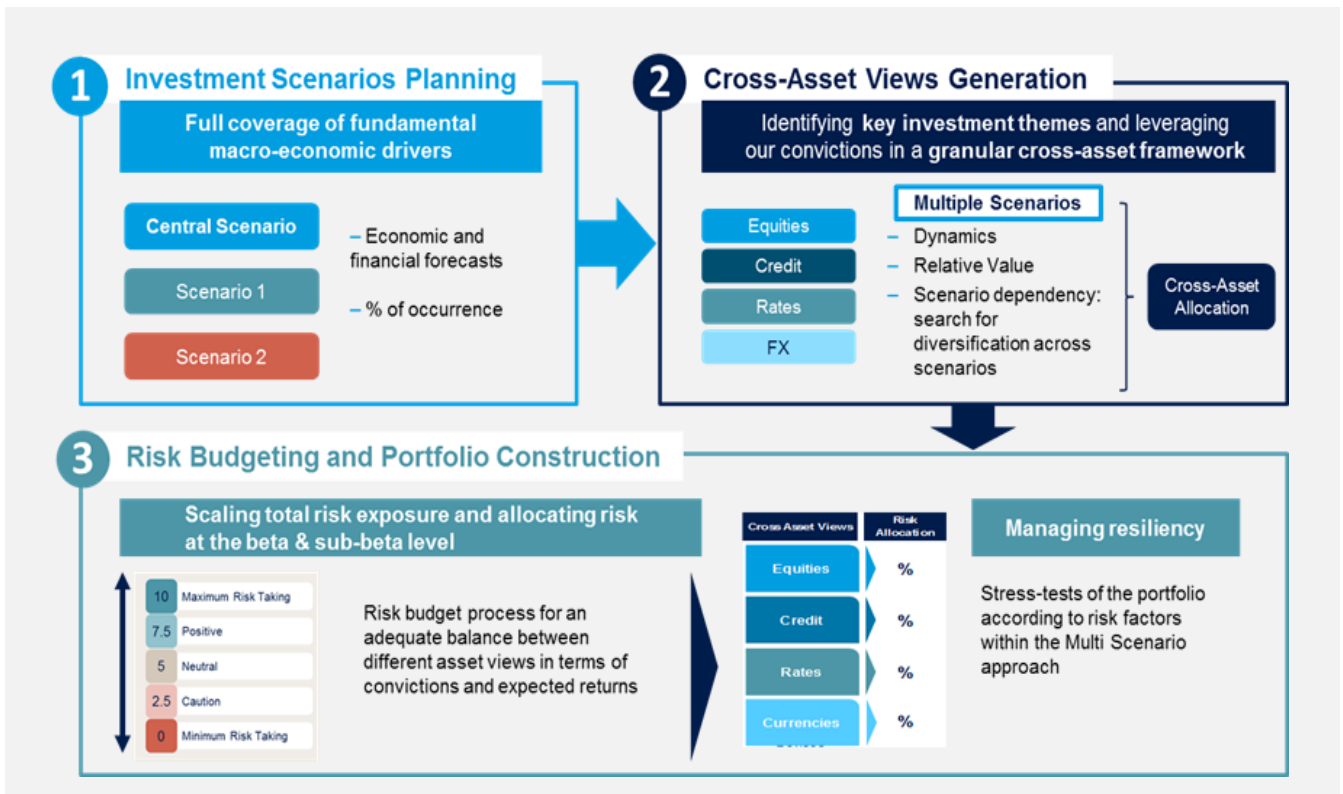
Amid all these changes in the landscape, it is crucial that Amundi understands our clients and stays one step ahead to deliver innovative solutions to meet their needs.

An ideal solution would be a strategy that not only takes advantage of potential returns from a diversified base of alpha sources, but also has the **assurance of a capital guarantee** to ensure portfolio protection in the case of extreme market volatility.

At Amundi, we are doing exactly that with our work in multi-asset and guaranteed solutions. We address the challenges posed by market uncertainty and unexpected events, to develop strategies that deliver what asset owners want. Judicious risk management and proper diversification – key cornerstones of a successful approach to investing in markets – form an essential part of our investment philosophy.

Navigating the complex markets

Our investment strategy is an active combination of top-down and bottom-up analysis with robust risk management backed by our deep understanding of market dynamics.



1 Investment Scenarios Planning

We begin the investment process by establishing a central investment scenario – how we believe the global economy will behave over the next six to twelve months. Simultaneously, we prepare for any market surprises by defining a set of alternative scenarios.

These projections are comprehensively reviewed regularly, allowing us to:

- Test the validity of our central scenario
- Adapt our strategy should market conditions change rapidly
- Adjust the degree of diversification of our asset-class exposures

2 Cross-Asset Views Generation

With the investment scenarios in place, we then generate our cross-asset views.

We seek the best opportunities from a broad range of asset classes – equities, government bonds, corporate bonds, REITs/trusts, high-yield issues, and currencies – from developed and emerging markets across the globe. From the outset, our focus is on the valuation of assets and investment themes relative to each scenario, assessing upside potential versus downside risk.

Finally, we combine all of these views and weigh investment factors across all the scenarios. We blend fundamental views with multi-scenario analysis, which ensures a high degree of diversification within a portfolio.

Correlations and market volatility are regularly monitored and reviewed. If our managers decide that conditions merit a change in direction, they will swiftly realign a portfolio's asset allocation.

3 Risk Budgeting and Portfolio Construction

Risk budgeting is an integral part of our investment approach. We use *proprietary risk-monitoring tools* to determine overall portfolio volatility and VaR (value at risk). The key is to achieve an optimum risk-return profile for the portfolio.

Our risk management measures focus on:

▪ Active risk budgeting

The risk-level target is a reflection of an in-depth analysis of market conditions, with particular attention paid to levels of volatility.

▪ Stress Testing and Hedging Positions

The impact of alternative scenarios is assessed. Suitable hedges and asymmetric positions are then implemented to mitigate losses should those situations arise.

Portfolios are then constructed using the most efficient investment vehicles for the various asset classes. We target a dynamic use of risk budget, and our investment universe is sufficiently far-reaching to take advantage of correlations between countries, sectors, styles, and sources of alpha, thereby avoiding portfolio concentration and achieving diversification.

Strategies are monitored on a regular basis to ensure that the underlying assets faithfully reflect our managers' overall market view. Leveraging on deep manager experience and understanding of market dynamics, our team of investment managers are nimble and opportunistic, increasing our exposure to risk assets when conditions are favourable, and reducing it when volatility picks up.

Capital Guaranteed Strategy

By carefully listening to what investors want, we have developed a robust solution.

The Capital Guaranteed Strategy (CGS) is available to investors who are prepared to stay invested for a minimum four-year period to achieve potential excess returns, while benefiting from the safety feature of a 100% capital guarantee at maturity.

Our clients also have the peace of mind that comes from knowing that their investment is fully protected and backed by the explicit and unconditional guarantee of a financially strong parent, Credit Agricole S.A.

- **Capital is 100% guaranteed over a minimum four-year term**
- **Targets a return exceeding 12-month SIBOR +1.5%**
- **Has a consistent track record of more than 15 years**
- **Benefits from a dynamic asset allocation investment process**
- **Managed by our stable and experienced team who provides local insights supported by global resources**

This document is issued by Amundi Singapore Limited (Company Registration No. 198900774E) and shall not be copied, reproduced, modified, translated or distributed without the prior written approval of Amundi. It does not constitute an advertisement, offer, invitation, commitment, advice or recommendation to make a purchase of securities or enter into any such transaction. It is personal and confidential and may not be copied or distributed to anyone or in any jurisdiction that would make such distribution unlawful.

The information contained herein has been obtained from sources believed to be reliable but has not been independently verified, although Amundi Singapore Limited and its affiliated companies ("Amundi") believe it to be fair and not misleading. Such information is solely indicative and may be subject to modification from time to time. Amundi does not make any representation as to the merits, suitability, expected success, or profitability of any such transaction mentioned herein. Any opinion or view expressed herein is subject to change without notice. Any information contained herein may not be construed as any sales or marketing materials in respect of, or an offer or solicitation for the purchase or sale of, any financial instrument, product or service provided by Amundi and its affiliated companies. We do not accept any liability whatsoever whether direct or indirect that may arise from the use of information contained in this document.

Amundi does not guarantee that all risks associated to the transactions mentioned herein have been identified, nor does it provide advice as to whether you should enter into any such transaction.

You must make your own assessment of any such transaction and the risks and benefits associated with it and of all the matters referred to above. You should enter into transactions only after having considered, with the assistance of its external advisors, the specific risks of any such transaction. Amundi does not make any representation as to the merits, suitability, expected success, or profitability of any such transaction mentioned herein. Past performance is not indicative of future performance.

This document is not intended for citizens or residents of the United States of America or to any « U.S. Person », as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933. The information contained in this document is deemed accurate as at June 2017.

Amundi Singapore Limited
168 Robinson Road
#24-01 Capital Tower, Singapore 068912

Tel: (65) 6536 4822
amundi.com.sg