

Press release

Singapore to have its first fund managed by human expertise and driven by artificial intelligence: Amundi

Singapore, 27 April 2021 – Europe’s leading asset manager launches Amundi SMART Portfolio 2025. Singapore’s first fund that deploys both active fund management expertise in fixed income and boosted by a call option¹ linked to returns generated by AiMAX5², an artificial intelligence (A.I.) powered multi-asset index developed by HSBC and Equibot and featuring IBM Watson™. This artificial intelligence (A.I.) boost contributes to the fund’s overall total return by converting Big Data into investment insights to enhance performance.

Amundi SMART Portfolio 2025 is designed to deliver ‘smarter’ returns from three sources:

1. **Regular income³ of up to 5% over four years**; approximately 90.5% of the fund will be invested in global bonds and debt securities (average investment grade, BBB- and above) at inception and approximately 4.0% in liquid instruments at inception⁴;
2. **Return of capital at maturity⁵**;
3. **A boost to return, driven by artificial intelligence** from AiMAX5, an AI-powered index that comprises of up to 15 ETFs. This makes up the Fund’s remaining 5.5%.

“SMART” signifies:

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|-----------------------------------|-----------------------------------------------------------------------------------------------------|
| A. Stable | - More than 90% of the fund is in average Investment Grade bonds (i.e. BBB- and above) at inception |
| B. Multiple | - The fund invests in multiple geographies, sectors and assets |
| C. Artificial Intelligence | - Converts Big Data into investment insights to enhance performance |
| D. Resilient | - Backed by Amundi’s strong track record in fixed income ⁶ |
| E. Three-tiered returns | - A.I. boost
- Coupons from bonds
- Capital at maturity ⁵ |

The bond component of Amundi SMART Portfolio 2025 is managed by Amundi’s fixed income team, while the asset allocation to the ETFs is driven by artificial intelligence building intuition and experience from historical information, and continuously learning as new information becomes available.

The system is “trained” continuously (not pre-programmed) to employ learnings to project future returns of each of the 15 ETFs. These projections are then used to determine the weekly portfolio weights of the ETF basket, to maximise returns with a target volatility⁷ of up to 5%.

AiMAX5 also manages risks continuously by reacting to changing market conditions and delivering better risk-adjusted returns. For example, AiMAX5 can increase its cash exposure during turbulent times and overweight risk assets in a low volatility environment.

Eric Bramoullé, Amundi’s Chief Executive Officer of South Asia said: “This fund highlights our customised approach to create wealth solutions that meet the Singapore investor’s evolving needs and match distributors’ requirements. Innovation is really at the heart of this solution, designed to capitalise on the power of A.I. that converts big data into investment insights. Strategically, it represents a mutual meeting of minds and innovative spirit in developing new products and services to serve all investors. We have collaborated with HSBC to co-create this solution and will utilise their strong network in Asia-Pacific to distribute the product.”

Deepak Khanna, Head, Wealth Products & Journeys, HSBC Bank (Singapore) said: “At a time where customers are seeking other sources of returns in this low yield environment, we are pleased to expand our product shelve with this innovative AI-powered investment solution in the systematic strategy space. The Amundi SMART Portfolio 2025 fund which incorporates the AiMAX5 index represents a new approach to multi-asset investing which combines cutting edge AI techniques and time-tested diversification strategies to balance risk and return. This is another testament of HSBC’s commitment to work with like-minded partners to offer our customers market-first investment solutions that can respond efficiently to market volatilities and uncertainties.”

Amundi SMART Portfolio 2025 is managed by Amundi and exclusively distributed by HSBC Bank. Initial Offer Period is from 26 April to 10 June 2021. Units of the Fund are priced at SGD 1.00 (Class AHS-D) or USD 1.00 per unit (Class AU-D) and the minimum initial investment is SGD 1,000 (Class AHS-D) or USD 1,000 (Class AU-D) at any HSBC Bank branches. For more information on the fund visit <https://www.amundi.com.sg/retail>. For more information on AiMAX5, please visit <http://aimax5.qbm.hsbc.com/>.

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About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players^A, offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets.

With its six international investment hubs^B, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 4,700 employees in more than 35 countries. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €1.700 trillion of assets^C.

^A Source: IPE "Top 500 Asset Managers" published in June 2020, based on assets under management as at 31/12/2019

^B Boston, Dublin, London, Milan, Paris and Tokyo

^C Amundi data as at 31/12/2020

About HSBC Singapore

HSBC Group's history in Singapore dates back to 1877 when its founding member, The Hongkong and Shanghai Banking Corporation Limited, opened its first branch on the island. A qualifying full bank, HSBC in Singapore offers a comprehensive range of banking and financial services including retail banking and wealth management; commercial, investment and private banking; insurance; forfaiting and trustee services; securities and capital markets services. One of the earliest banks to establish in Singapore, HSBC today is a prominent player in Singapore's financial services sector serving the banking needs of multi-national corporations, home-grown businesses, private banking clients, institutional and retail customers. In May 2016, HSBC locally incorporated its retail banking and wealth management business in Singapore and established, HSBC Bank (Singapore) Limited. HSBC Singapore has a retail network of 10 dedicated HSBC Premier Centres and 2 HSBC Jade Centres including a Premier International Centre as well as many locations across the island providing self-service terminals.

Amundi, a trusted partner, working every day in the interest of its clients and society

www.amundi.com   

Important Information

1-The Call Option is traded with HSBC Bank plc. as the counterparty (“Counterparty”). The price of the Call Option will incorporate a 1.8% fee based on the initial notional amount of the Call Option. Such fee may include index license fees and a profit component payable to the Counterparty. On or soon after the inception date of the Sub-Fund, the value of the Call Option is expected to drop by around 1.8% mainly due to the underlying AiMAX5’s index license fees, risk management and commission charges from the Counterparty.

2-Exclusively licensed to the HSBC group.

3-Income target can be exceeded or undershot and should not be construed as an assurance or guarantee. Returns are not guaranteed and a loss of capital invested may occur. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Any forecast, projection or target is indicative only and is not guaranteed in any way. Amundi accepts no liability for any deviation to the forecast, projection or target. Dividend may be distributed out of dividend/interest income and/or capital gains and (in the event that dividend/interest income and/or capital gains are insufficient) out of capital attributable to the relevant share class. Investors should also note that the declaration and/or payment of distributions (whether out of dividend/interest income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the relevant share class. Past payout yields and payments do not represent future payout yields and payments. The payouts are neither guaranteed nor assured unless specifically stated in the prospectus of the Sub-Fund. The Manager has the sole discretion to determine whether a payout is to be made and the rate and/or frequency of distribution.

4-Portfolio allocations may vary over time.

5-Provided no bonds default. For avoidance of doubt, the Fund is not a capital guaranteed or capital protected product.

6-Amundi manages over US\$ 970 bn in Fixed Income as of 31 December 2020, and manages Fixed Maturity Portfolios since 1986 with 0 default cases as at 31 March 2021.

7- Any forecast, projection or target is indicative only and is not guaranteed in any way. Amundi accepts no liability for any deviation to the forecast, projection or target.

This document contains information about Amundi Opportunities – Amundi Smart Portfolio 2025 (the “Fund”). This document is provided for information purposes only and does not constitute an offer or solicitation to purchase or sell Units in the Fund. The Singapore Prospectus and the Product Highlights Sheet of the Fund are available and may be obtained from Amundi Singapore Limited (Company Registration No. 198900774E) or HSBC Bank (Singapore) Limited (Company Registration No. 201420624K). Investors should read the relevant Singapore Prospectus and the Product Highlights Sheet before deciding to invest in the Fund. Past performance and any forecasts made are not indicative of future performance of the Fund. Any opinion or view presented is subject to change without notice. The information on this document is intended for general circulation without taking into account the specific investment objectives, financial situation or particular needs of any particular investor. An investor may wish to seek advice from a financial adviser regarding the suitability of the Fund, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before making a commitment to purchase Units in the Fund. In the event an investor chooses not to do so, the investor should consider whether the Fund is suitable for him. Some of the information contained herein has been obtained from sources believed to be reliable but has not been independently verified, although Amundi and its affiliated companies believe it to be fair and not misleading. As the Fund may invest in financial derivatives as part of the investment strategy, it will be subject to risks associated with such investments. Additional risk factors are described in the Singapore Prospectus. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Value of the Units in the Fund and the income accruing to the Units, if any, may fall or rise. It should not be assumed that investments in the securities identified were or will always be profitable. We do not accept any liability whatsoever whether direct or indirect that may arise from the use of information contained in this document. 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 and in the Prospectus of the Fund. The information contained in this document is deemed accurate as of 26 April 2021. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

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