

AMUNDI

POLICY FOR PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

Preamble:

The European Markets in Financial Instruments Directive (the “MiFID”) requires investment firms and “ISP” (Investment Services Providers) in France to structure and formalise the management of conflict of interest, in particular by drawing up a policy and by keeping a record of situations encountered.

The MiFID requires these firms to maintain and apply effective organisational and administrative provisions so that they can take all reasonable measures to prevent conflicts of interest that could harm their clients’ interest. These firms must act in an honest, faithful and professional manner the better to serve the client’s interests and encourage market integrity.

A conflict of interest is likely to arise whenever a situation risks harming a client’s interests. The main conflicts of interest are those that involve:

- a number of clients;
- the Group or a member entity, and its clients;
- the Group’s employees and the Group or its clients.

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Introduction

The purpose of this memorandum is to present “Amundi’s policy for management of conflicts of interest”. It describes the mechanism put in place for detection of potential conflicts, their prevention, if possible, and if the conflict is neither avoided nor resolved, notification of the clients involved. A specially created register must record the details of these conflicts so that all concerned employees can be made aware of their existence.

The term “conflicts of interest” as used in this policy refers exclusively to the situations covered by the MiFID.

This policy can be consulted on Amundi website.

This document describes, in the order that follows:

- the policy’s scope,
- definitions and fundamental principles,
- prevention and handling of conflicts of interest,
- implementation of the policy.

1 SCOPE

This policy applies to Amundi Paris in its capacity as an investment services provider. The scope of the policy is defined by taking into consideration the nature of the services provided.

1.1 Service provided by Amundi

Amundi offers investment services or auxiliary services for financial instruments such as:

- discretionary portfolio management,
- advisory [portfolio] management,
- the following are regarded as auxiliary services:
 - Foreign exchange services, when part of an investment service,
 - investment research and financial analysis, or any other form of general recommendation involving transactions in financial instruments;
 - services and activities similar to investment services or auxiliary services involving the underlying element of certain forward financial instruments if these are a part of the investment services provided or related services.

Accepting and transmitting orders as well as executing orders on behalf of third parties have been delegated to Amundi subsidiary: Segespar Intermediation.

Propriety trading activities have been delegated to Amundi subsidiary: Segespar Finance

1.2 Parties concerned and type of transactions handled

In application of Articles 21 and 22 of Directive 2006/73/CE, Amundi includes in its scope any conflicts of interest arising from the activities exercised in a professional capacity by any individual or legal entity directly or indirectly connected with Amundi by a controlling relationship (obligation of means).

Moreover, in application of Articles 13 to 15 of Directive 2006/73/EC, Amundi ensures that its external service providers apply rules that are similar to the policy for management of conflicts of interest set forth in this document, and form a part of the contractual agreement under which said service is provided.

1.3 Area of geographical application

As an investment firm offering its services within the European Economic Area (EEA), Amundi falls firmly within the regional scope of the MiFID.

This policy concerns Amundi's activities, as defined below, regardless of whether they are based in an EEA country or delegated in a country that does not belong to the EEA.

1.4 Effective date

This Amundi policy for management of conflicts of interests takes effect on 1 November 2007.

2 DEFINITION AND FUNDAMENTAL PRINCIPLES

2.1 Definition

Conflict of interest is understood to mean any professional situation in which a person's, firm's or organisation's decision-making capacity or judgement could be influenced or altered in its independence or integrity, either by personal considerations or as a result of pressure exerted by a third party.

Conflicts of interest that are particularly likely to arise within Amundi include:

- conflicts of interest relating to the distribution of confidential information concerning listed companies,
- conflicts of interest between the primacy of the client's interests and Amundi's financial interests,
- conflicts of interest relating to transactions and agreements with other entities in the Crédit Agricole group.
- conflicts of interest between employees' personal situations (or those of their relatives) and their positions within Amundi.

2.2 Principles and rules of conduct

Amundi has adopted the following principles and rules of conduct in order to comply with the legislative and regulatory provisions mentioned in Part 1 above:

2.2.1 Employees' rules of conduct

Regardless of whether they work in a part-time or full-time capacity, all Amundi employees may be placed in a situation of conflicting interests, in the meaning of this policy, while performing their functions within or outside the company, especially in the areas of market transactions or personal transactions. They must therefore obey the rules of conduct that apply to them. These rules appear in the internal regulations and the rules of professional conduct, to which they are advised to refer.

Principle no. 1: On joining the company and annually after that date, employees undertake to sign the Compliance certificate in acknowledgement of the rules of professional conduct and the Compliance handbook, to comply with its consequent obligations (compulsory training, declarations to Amundi compliance of external activities, company directorships, gifts or benefits received, and personal transactions) and to declare any situation that has placed them in a situation of conflicting interests.

Principle no. 2: Line managers must ensure that the employees under their charge comply with this policy. Any employee with a query about the terms of this policy should consult their line manager and if necessary the head of Amundi Compliance.

a/ Specific rules of conduct with regard to clients

Principle no. 3: All employees are required to guarantee and comply with the primacy of each client's interests, especially in relation to their personal interests and Amundi's interests. All employees must avoid placing themselves in situations where they may be forced to choose between their personal interests, whether financial or otherwise, and those of Amundi.

Principle no. 4: All employees must comply with the principle of treating clients equally.

Principle no. 5: All employees shall refrain from passing to a client confidential information that they have obtained concerning another client.

Principle no. 6: All employees must refrain from using information that they have obtained in the course of their professional activities for their own account. This provision does not concern public information.

a/ Specific rules of conduct with regard to the employer

Principle no. 7: All employees are required to notify their line managers of any actual, potential or apparent conflict of interest, in conformity with the provisions set forth in the Amundi Compliance handbook and the Compliance certificate.

Principle no. 8: If an employee considers that he or she is being pressured by their line manager, another Group employee or somebody outside the Group, to avoid notifying a conflict of interest in conformity with this policy, or observes in their area of activity a breach of this policy that, as far as they are aware, has not been notified internally or remedied, they must apply the provisions set forth in the procedure relating to notification of compliance violations as described in the Amundi Compliance handbook.

2.3 The role of Compliance

Principle no. 9: The Compliance department checks and at regular intervals assesses the appropriateness and efficiency of the policies, procedures and measures put in place to manage conflicts of interest.

Principle no. 10: This principle ensures that Amundi and its employees comply with the rules set out in this policy. It also ensures that the necessary information is sent to Credit Agricole S.A.'s Compliance Department (cf. implementation of part 4).

3 PREVENTION AND HANDLING OF CONFLICTS OF INTEREST

The policy for managing conflicts of interest includes in particular preventive measures and handling procedures for actual cases of conflict of interest.

On a preventive basis, Amundi set up specific procedures and in particular a periodical review of specific activities and transactions.

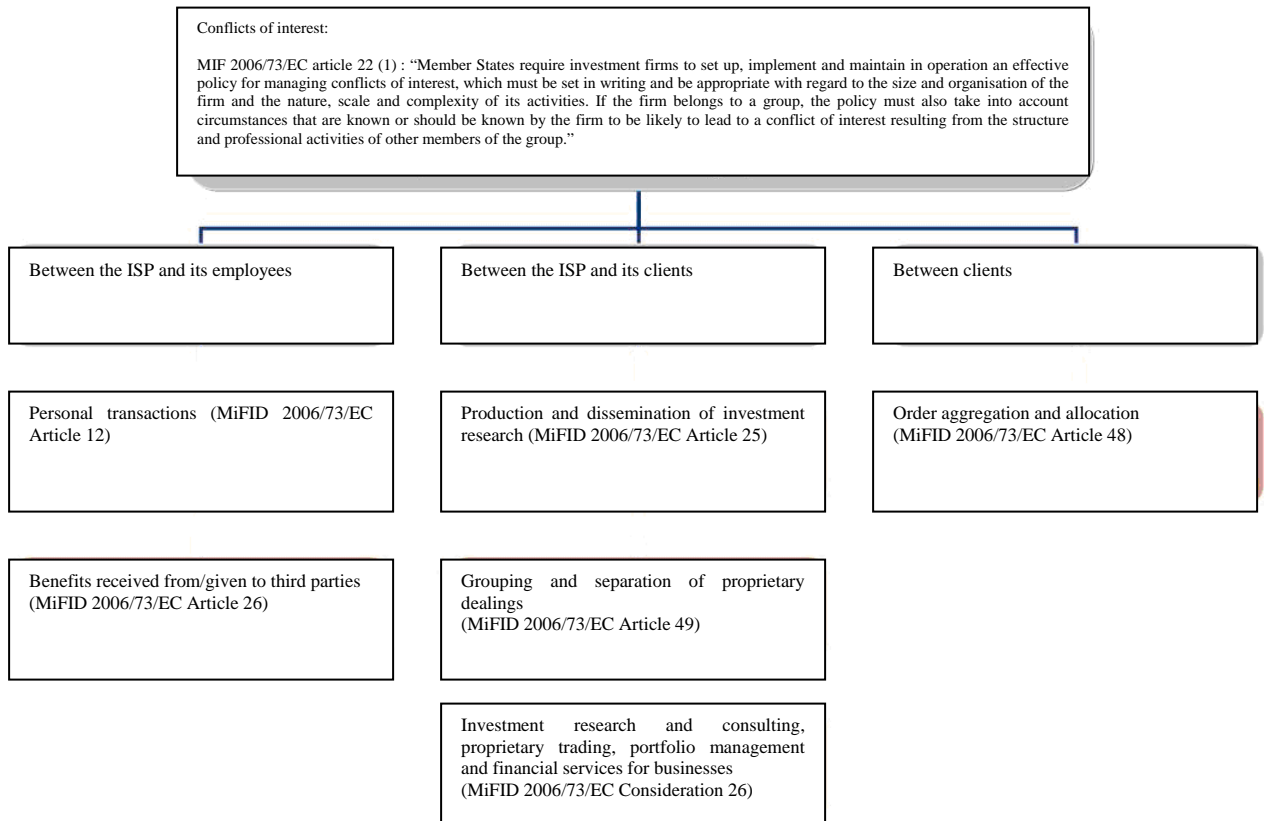
In this aim, in compliance with the current regulation, Amundi has designed a matrix of the potential situation of conflicts of interests within its activities, which could harm their clients' interests because one of the concerned actors:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- carries on the same business as the client
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Conflicts of interest fall in the three following categories:

- conflicts between the firm and its employees,
- conflicts between the firm and its clients,
- conflicts between several clients.

A breakdown of these categories is shown in the diagram below.



3.1. Current measures

3.1.1 The conflicts of interest register

In compliance with the above-mentioned provision, Amundi Compliance maintains a permanent register of conflicts of interest on the basis of the information sent to it (see appendix 1). This register sets out the types of situations where a conflict of interest that carries a significant risk of harming the interests of one or more of its clients is likely to occur.

This register can be viewed on the Amundi intranet. Information featured on this register, and supporting documentary evidence of conflicts, is kept for at least five years.

3.1.2 Distribution of information

Amundi has put in place security measures and procedures for the prevention of insider trading and the protection of confidentiality of information to avoid the risks of conflicts of interests in these areas. These procedures are generally known as the "Chinese Wall".

These measures include physical and organisational separation between Amundi departments working with internal information likely to constitute privileged information, and the other departments.

Also, employees undertake to comply with the rules of conduct covering these topics, and are advised to refer to them.

Preventive measure no. 1: To prevent undue distribution of confidential information, especially privileged and sensitive information, prevention of insider trading and conflicts of interest, Amundi has put in place an operating procedure described in the Amundi Compliance handbook and a set of procedures known as the Chinese Wall, which employees undertake to comply with. The Chinese Wall may only be “breached” with the approval of the head of Amundi Compliance, who will maintain the list of persons authorised to do so in accordance with the ad hoc procedure.

Preventive measure no. 2: A list of persons who, as a result of the seniority of their functions and posts are entirely unrestricted by the Chinese Wall, is maintained for Amundi by Amundi Compliance and sent to Crédit Agricole S.A.’s Compliance Department.

3.1.3 Processing of transactions

Preventive measure no. 3: To avoid the risk of confusion between proprietary trading and transactions on behalf of third parties, Amundi’s proprietary trading is handled by persons quite separate from those responsible for discretionary and advisory management. Amundi Compliance carries out regular checks on this point.

Preventive measure no. 4: Amundi has implemented specific procedures and rules so that orders are processed within a framework of strict compliance with the financial markets’ operating rules and the primacy of the client’s interests. In particular, orders sent to market are pre-allocated and time/date stamped, and Amundi does not accept subscription or redemption orders sent by clients after the centralisation deadline. Amundi Compliance carries out regular checks on this point.

3.1.4 Remuneration

Preventive measure no. 5: Amundi Compliance checks with the HR department that the employees concerned are not remunerated in a manner that would lead directly or indirectly to potential conflicts of interest.

Preventive measure no. 6: Market intermediaries are selected in compliance with the principle of primacy of the client’s interests. To do so, Amundi has implemented strict procedures and rules for its choice and remuneration of intermediaries.

Amundi is careful to select its intermediaries on the basis of the quality/price ratio and not just because they belong to the Crédit Agricole group. The lists of these intermediaries are examined and revised regularly by ad hoc committee meetings attended by traders, managers, analysts, Compliance, risk and middle office.

3.1.5 Monitoring of IT access

Preventive measure no. 7: Employees must only have the IT access that they require to perform their functions. Particular attention is paid at times of employees’ internal mobility. Employees must not give out their access codes except in exceptional situations decided by their line managers.

Preventive measure no. 8: Chinese Wall measures for IT must be applied when information is shared between employees whose activities could lead to conflicts of interests.

Physical separation (through restricted access to premises) and the security of confidential information are achieved through authorisation procedures that limit access to those persons who need it to carry out their professional activity.

3.2 Processing of actual cases of conflict of interest

3.2.1 Conflict resolution procedure

If a conflict of interest occurs, all measures are taken as soon as possible to bring about a resolution of the conflict. However, if the risk of harming the client's interests cannot be avoided, Amundi shall clearly notify the clients before acting on their behalf in respect of the source of the conflict of interest. Once notified in this manner, the client can make an informed decision regarding the provision of the investment service.

In the case of conflicts of interest whose occurrence has already been confirmed, an arbitrage is organised at various levels, depending on the persons concerned or the complexity of the conflict of interests so that an appropriate solution can be found and the clients' interest remain unharmed.

The Risk and Compliance Committee, whose permanent members are the Executive Management, the Head of Risk and the Head of Amundi Compliance, is authorised to manage these exceptional situations and to make the necessary decisions with regard to notifying clients.

3.2.2 Client notification

Amundi notifies clients of the existence of a conflict of interest if the risk of harming the client's interest cannot be eliminated, even with the procedures and measures for managing conflicts of interest that have been put in place.

However, all possible avenues for resolution of the conflict of interest must be explored before notifying the client, as a last resort.

The client is notified, if necessary, on a permanent medium, [a copy of] which is kept for at least five years. It must also be sufficiently precise and detailed to enable the client to make an informed decision concerning the supply of the investment service or product being offered.

3.2.3 Recording of actual cases of conflict of interest

Reports on identified conflicts of interest are drafted by Amundi Compliance and sent to Crédit Agricole S.A.'s Compliance Department every quarter, as part of the usual notification procedure for incidents or malfunctions. In addition to the usual reporting procedure, notifications can be sent as and when required to Credit Agricole S.A.'s Management in the event of particularly major and/or serious conflicts of interests.

The content of these reports is recorded on the register of conflicts of interests described above.

4 IMPLEMENTATION OF THE POLICY.

4.1 Adoption and effect of the policy

This policy shall take effect on 1 November 2007 after validation by Amundi's Risk and Compliance Committee.

4.2 Relations with external service providers

The Head of Amundi Compliance shall ensure that the external service providers used by Amundi apply rules equivalent to the policy for management of conflicts of interest defined herein. He shall check that these external service providers have the necessary procedures for detection, prevention and management of conflicts of interest. He shall ensure that a written agreement is drawn up for each of these external service providers in order to set out their respective rights and obligations.

4.3 Review of the policy

Amundi's Compliance Department shall update this policy regularly in order to take into account:

- new legislative and regulatory provisions coming into force,
- the adoption of new professional standards,
- conclusions to be drawn from the conflicts of interest encountered by Amundi.

Crédit Agricole's Compliance Department shall be notified if a conflict of interest is detected that has not been recorded on Amundi's register.

4.4 Maintenance and dissemination of the policy

Amundi's Head of Compliance shall maintain, update and disseminate this policy.

Appendix 1 – Register of Amundi conflicts of interest

Family of conflict of interests	Conflict number (chronological order)	Theoretical date (1/11/07) or identification date of the conflict of interests	Types of conflicts of interests	Title of conflict of interests	Description of the conflict of interests	Prevention measures at CAAM
Potential conflicts of interests regarding directly asset management activity	1	01/11/2007	Entity/ client	Equality of treatment on the primary market	In the event of an issue, private placement or IPO involving a scarcity effect, unequal treatment of principals and UCITS that are not justified by an internal procedure in accordance with professional good practices. There is a risk that certain clients that are economically significant for the asset management company or with which it or its employees have specific links, benefit from undue advantages compared with other clients.	Compliance with the procedures for placing and trading orders on primary equity, bond and convertible bond markets guarantees equality of treatment in the primary market.
	2	01/11/2007	Entity/ client	Error handling	An error may have been committed, possibly without the client being aware of it. This error could be rectified without the client's interests being fully honoured.	Rectification of errors committed by CAAM are subject to appropriate procedures in order to honour the client's interests.
	3	01/11/2007	Client/ Client	Late trading	CAAM may be tempted to accept to undertake a subscription or redemption order transmitted beyond the deadline, thereby favouring the order giver who may, in this case, have been able to benefit from additional information. The performance of such a transaction is contrary to the equality of treatment of all clients.	No subscription or redemption orders are accepted after the deadline, except in exceptional circumstances (transmission failure, etc.) and in accordance with the cut-off times for collection and procedures on partial orders.
	4	01/11/2007	Client/ Client	Inter-portfolio transfers	CAAM's fund managers may be tempted to make transfers between portfolios, bypassing the market, thereby favouring the interests of a given portfolio to the detriment of another client.	Any inter-portfolio transfers are strictly governed by a specific procedure.
Potential conflicts of interests regarding direct or indirect payment received by CAAM	5	01/11/2007	Entity/ client	Transparency of information provided to the client	CAAM does not communicate all the required information to its client, in order to direct his choice towards a product or service on which CAAM earns a greater return. In this case, the client's interests may be undermined.	The principle of primacy of the client's interests must be fully complied with, in accordance with the know-your-client rules, suitability and appropriateness in accordance with internal regulations and code of conduct rules applicable to employees.
	6	01/11/2007	Entity/ client	Choice of intermediaries	CAAM may select a Group broker rather than an external broker so as to favour the Group's interests. In this case, this choice may be made to the detriment of the client's interests.	The intermediary and counterparty selection policy complies with the principle of primacy of the client's interests: choices are made essentially based on the quality of the service and its price.
	7	01/11/2007	Entité/Clients	Ill considered risk	Ill-considered risk taken in investments or divestments with the only objective to obtain significant increase of variable management fees.	Portfolio management audit
	8	01/11/2007	Employee/ client	Benefits, gifts and remuneration	In exercising their activities, certain employees may receive benefits such as gifts or remuneration of some form from clients or suppliers. These benefits could lead some of these employees to give preferential treatment to certain of these clients or suppliers to the detriment of other clients and/or CAAM.	CAAM's compliance rules, which form an integral part of its internal regulations, clearly govern and restrict such situations.
	9	01/11/2007	Collaborateur/ Client	Liquidity	Within an agreement with custodians , policy which aim is to maintain excessive non remunerate liquidities in the mandates and UCITS	Follow up of liquidity in the accounts
	10	01/11/2007	Entity/ client	Rotation of assets	A manager may perform transactions that have no justification other than that of generating additional commissions and which are not justified by the client's interests.	The remuneration paid to CAAM's fund managers is linked to the performances of their funds and mandates rather than to the profitability of their management transactions. Furthermore, the broker committee meets quarterly to monitor brokerage fees relating to intermediaries.
	11	01/11/2007	Client/ Client	Market timing	CAAM could enable a client to benefit from a possible temporary difference between a fund's book value and market value, which would undermine the interests of other holders of this fund.	To prevent abuses linked to practices of market timing, subscriptions and redemptions of UCITS units are carried out at unknown prices for each fund's NAV and the value of instruments comprising the total assets.
Potential conflicts of interests involving a lack of organisation or procedures of CAAM	12	01/11/2007	Entité/Clients	Séparation physique et/ou géographique des métiers	The lack of true separation between different professions within an entity can lead to confidential information communication to the detriment of its clientele's interests.	At CAAM, professions are geographically separated
	14	01/11/2007	Employee/ client	Employees' variable remuneration	An employee's method of remuneration may lead him to give priority to CAAM's profitability to the detriment of the client's interests.	CAAM Compliance checks with the HR department that employees' remuneration does not include such incentives.
	15	01/11/2007	Entité/Clients	Organisation hiérarchique	If two or more persons with different profession within an entity have the same superior, this may create conflicts of interest and decisions can be taken to the detriment of clients interests.	Chinese wall
Conflicts of interests and transactions of CAAM, managers or employees	16	01/11/2007	Entity/client	Own-account transactions	CAAM could benefit from information in its possession to perform transactions for its own account to the detriment of its clientele's interests.	Own-account activities and third-party activities are separated.
	17	01/11/2007	Entity/client	Front running	Front running is the action through which an intermediary who has knowledge of orders placed by his clientele, starts by executing orders for his own account, thereby favouring his interests over those of his clients.	Own-account activities and third-party activities are separated, and CAAM's own account invests only in UCITS.

Family of conflict of interests	Conflict number (chronological)	Theoretical date (1/11/07) or identification date of	Types of conflicts of interests	Title of conflict of interests	Description of the conflict of interests	Prevention measures at CAAM
Potential conflict of interests regarding own account transactions managed by its managers	18	01/11/2007	Employee/ client	Employees' personal transactions	An employee may be tempted to take advantage of confidential information that he has access to in connection with his professional activity to perform personal transactions to the detriment of the interests of clients or portfolios.	CAAM's compliance rules, which form an integral part of the internal regulations, clearly govern and restrict employees' personal transactions.
Potential conflicts of interests regarding clients which interests can be in contradiction with others clients interests	19	01/11/2007	Client/ Client	Equality of order processing	In the execution of orders for several clients, the fund manager or trader may be tempted to favour a given client or portfolio.	Date- and time-stamping and pre-allocation of orders are controlled by CAAM Compliance.
	20	01/11/2007	Client/ Client	Equality of treatment of holders	CAAM may be tempted to favour certain clients or portfolios.	CAAM complies with the principle of equality of treatment of all clients and this principle is controlled by appropriate procedures.
	21		Entité/Clients		Porterage of a part of the Asset Management company equity by a client	To be completed
Potential conflicts of interests linked to related companies activities of CAAM	22	01/11/2007	Entity/ client	Independence of the asset management company vis-à-vis the Group	Possible intervention by a related company or one of its managers or staff with the intention of influencing the asset management company's decisions and undermining its independence by favouring at the expense of its clients' interests: - the related company and the group's intermediation activities; - market products designed by Group companies; - UCITS managed by the Group's asset management companies; - issues, placement operations or IPOs initiated or marketed by a Group company; - use of the research (mainly financial analysis) produced by Group companies.	See compliance manual in Appendix 2.
	23	01/11/2007	Entity/ client	Independence of the asset management company vis-à-vis the Group	Possible intervention by a related company, whose financial instruments are held by the asset management company's clients, resulting in a listing with the intention of influencing its decision following a public offer for these instruments.	See compliance manual in Appendix 2.
	24	01/11/2007	Entity/client	#N/A	#N/A	#N/A
	25	01/11/2007	Collaborateur/ Client		Participation of managers or employees of an asset management company to decisions linked to one of its group activity, including with a related company doing others activities : FCPR,FCPE... which can lead them to be in a conflict of interest situation with its company or client	Governance process
	26	01/11/2007	Client/ Client		Intervention of a CAAM client, who is also an important customer of an other entity of the CAAM Group in order to obtain inducements which are against its client interests.	To be completed
	27	01/11/2007	Entity/client	Voting at meetings	CAAM, in managing on behalf of its clientele securities issued by other Group entities, may be tempted to exercise its voting rights based on the interests of these entities rather than those of its clients.	CAAM's voting policy is based on the principle of primacy of the client's interests.
	28	01/11/2007	Collaborateur/ Client		Privilege treat of CAAM managers or employees who have a financial instrument account with an intermediary working on regular basis with CAAM	Personal transactions management
Potential conflicts of interests related to privileged relations of CAAM or CAAM employees with issuers or distributors	29	01/11/2007	Employee/ client	Employees' external activities	CAAM staff exercising external activities could be prompted to act based on interests that may potentially be contrary to the clients' interests.	The internal regulations and their compliance appendices, supplemented by numerous specific application procedures, govern the risk that CAAM staff derive benefit from information held to the detriment of clients (procedures for the declaration of external activities and corporate positions held so that their compatibility with the activity exercised within CAAM can be examined).