

## Press release

### **Amundi Funds Absolute Volatility Euro Equities celebrates its fifth anniversary**

Paris, 1 December 2011 – Amundi Funds Absolute Volatility Euro Equities, a sub-fund of the Luxembourg SICAV Amundi Funds, has celebrated its fifth anniversary. From the very start, the fund has stood out as being highly innovative and has achieved a cumulative performance of 55% over 5 years<sup>1</sup>. Complying with UCITS standards, it aims to offer investors a performance independent from equity market trends<sup>2</sup> through flexible exposure to the volatility of euro zone equity markets. The fund manager seeks to benefit from medium-term structural changes in volatility as well as short-term changes.

Volatility is a particularly attractive asset class in today's jittery market environment as it can be used to convert market uncertainty into performance. The more uncertain the market trends, the higher the volatility and the more opportunities to create value.

The management team seeks to expose the portfolio to the volatility of euro zone equity markets and sets up pure exposure to volatility<sup>3</sup> on the Euro Stoxx 50 index via listed index options. To this end, the fund manager can benefit from two sources of performance<sup>4</sup>:

- Medium-term cyclical changes in volatility: regression to the mean

In spite of sharp swings, equity market volatility tends to regress to its mean of around 25% over the long term. In order to make the most of this trend, Amundi Funds Absolute Volatility Euro Equities' exposure to volatility is adjusted to the level of volatility. When volatility is trending in a low regime (lower than the historical mean), directional exposure to volatility is positive. Exposure is neutralised gradually when volatility regresses towards the mean and turns negative beyond that point (high volatility regime). Furthermore, the further volatility strays from its average regime, the greater the fund's sensitivity to changes in volatility.

- Short-term changes in volatility: the volatility of volatility

The second performance driver of Amundi Funds Absolute Volatility Euro Equities consists of locking in short-term changes in volatility, in other words the volatility of volatility. These short-term fluctuations around thresholds make it possible to generate performance by using a variable indexing grid. Depending on his short-term anticipations, the fund manager has leeway to decide to be under- or over-exposed in relation to the grid. This leeway/flexibility enables him to express his views rather than applying a systematic approach. Whatever the absolute volatility regime, the fund can benefit from short-term fluctuations within the regime.

Eric Hemitte and Gilbert Keskin, co-head of Volatility at Amundi explain: *"By combining these two performance drivers, Amundi Funds Absolute Volatility Euro Equities potentially enables investors to benefit from the markets' edginess, which generates peaks in volatility. The fund is able to benefit from upward or downward changes in the volatility regime and make the most of this volatility to convert it into performance."* They add: *"We pride ourselves on having put innovation at the service of performance for our clients over the past five years."*

Amundi Funds Absolute Volatility Euro Equities is managed by the Arbitrage and Convertibles team based in Amundi Paris, comprised of eight specialised fund managers, with more than €6 billion of assets managed in the volatility asset class<sup>5</sup>. This sub-fund is part of a complete range of volatility funds suited to a number of market configurations and benefiting from attractive performance over the recommended holding period. With a track record of more than ten years in the volatility market, Amundi is a pioneer in Europe for this asset class.

1. Past performance is not an indicator of future performance. The sub-fund offers no performance guarantee. Total net performance for Amundi Funds Absolute Volatility Euro Equities IE (C) Institutional Accumulation share class since 14.11.06, or annual net performance: 9,26% 2. Target annual performance of 7% before expenses. 3. Implied 1-year volatility. 4. For indication only. 5. At end-September 2011 – Assets under management (€m): 2,163.03

## Technical characteristics of Amundi Funds Absolute Volatility Euro Equities

	AE (All investors)	IE (Institutional inv.)	SE (Distributors)	H (Distributors) <sup>1</sup>
<b>Management company</b>	Amundi Luxembourg S.A.			
<b>Investment manager</b>	Amundi			
<b>Custodian</b>	CACEIS Bank Luxembourg			
<b>Reference currency of the sub-fund</b>	EUR			
<b>Countries where the funds is marketed<sup>2</sup></b>	Austria , Belgium , Switzerland , Germany , Spain , Finland , France , Greece , Luxembourg , Netherlands , Norway , Singapore , Sweden , Ireland , United Kingdom			
<b>Minimum recommended period</b>	3 years			
<b>Share categories</b>	Accumulation / Distribution		Accumulation	
<b>ISIN Code</b>	A: LU0272941971 D: LU0272942359	A: LU0272941112 D: LU0272941385	A: LU0272942433	A: LU0272944215
<b>Minimum initial subscription</b>	None	USD 500 000 <sup>3</sup>	None	
<b>Frequency of NAV calculation</b>	Daily			
<b>Cut off for dealing times</b>	Luxembourg Dealing days before 2pm <sup>4</sup>			
<b>Maximum subscription fee</b>	4.50%	2.50%	3.00%	1.00%
<b>Maximum annual management fee</b>	1.00%	0.50%	1.30%	1.60%
<b>Annual administration fee</b>	0.30%	0.10%	0.30%	0.30%
<b>Performance fee<sup>5</sup></b>	20% of outperformance over the performance base: 7% p.a. minus fees <sup>6</sup> applicable to each relevant class			
<b>Maximum conversion fee</b>	1.00%			
<b>Maximum redemption fee</b>	None			

Not all share sub-classes and, as the case may be, share categories are registered for sale in all countries. Investors may contact Amundi Luxembourg for further information.

1. Only for distributors authorized by the board of directors
2. Only SE class is registered in Italy, SE and H classes registered in Portugal, SE, IE and H classes in Spain.
3. Or equivalent in another currency.
4. Or, as the case may be, an earlier cut off time applied by the relevant distributor.
5. Observation period from a minimum of 1 year to a maximum of 3 years (please see the prospectus for further details).
6. Are included the management fees, the administration fees and the "taxe d'abonnement".

## **About Amundi**

The Amundi Group ranks second in Europe<sup>1</sup> and ninth worldwide<sup>1</sup> among the players in asset management with €679.4 billion under management<sup>2</sup>.

Located at the heart of the main investment regions in some 30 countries, Amundi offers a comprehensive range of products covering all asset classes and major currencies.

Amundi has developed savings solutions to meet the needs of more than 100 million retail customers worldwide and designs innovative, high-performing products for institutional clients which are tailored specifically to their requirements and risk profile.

Benefiting from the support of two powerful banking groups, Crédit Agricole and Société Générale, Amundi aims to establish itself as a leading European asset management, recognised for:

- the quality of its products, their financial performance and transparency
- its close relations with customers, partner networks and institutions
- the efficiency of its organisation, resulting from the individual and collective talents of its teams
- a commitment to integrate sustainability and socially responsible criteria into its investment policies, going beyond financial criteria alone.

1. Total net assets. Source IPE «Top 400 asset managers active in the European marketplace» published in June 2011, data as at December 2010.

2. Amundi Group figures as at 30 September 2011

## **amundi.com**

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