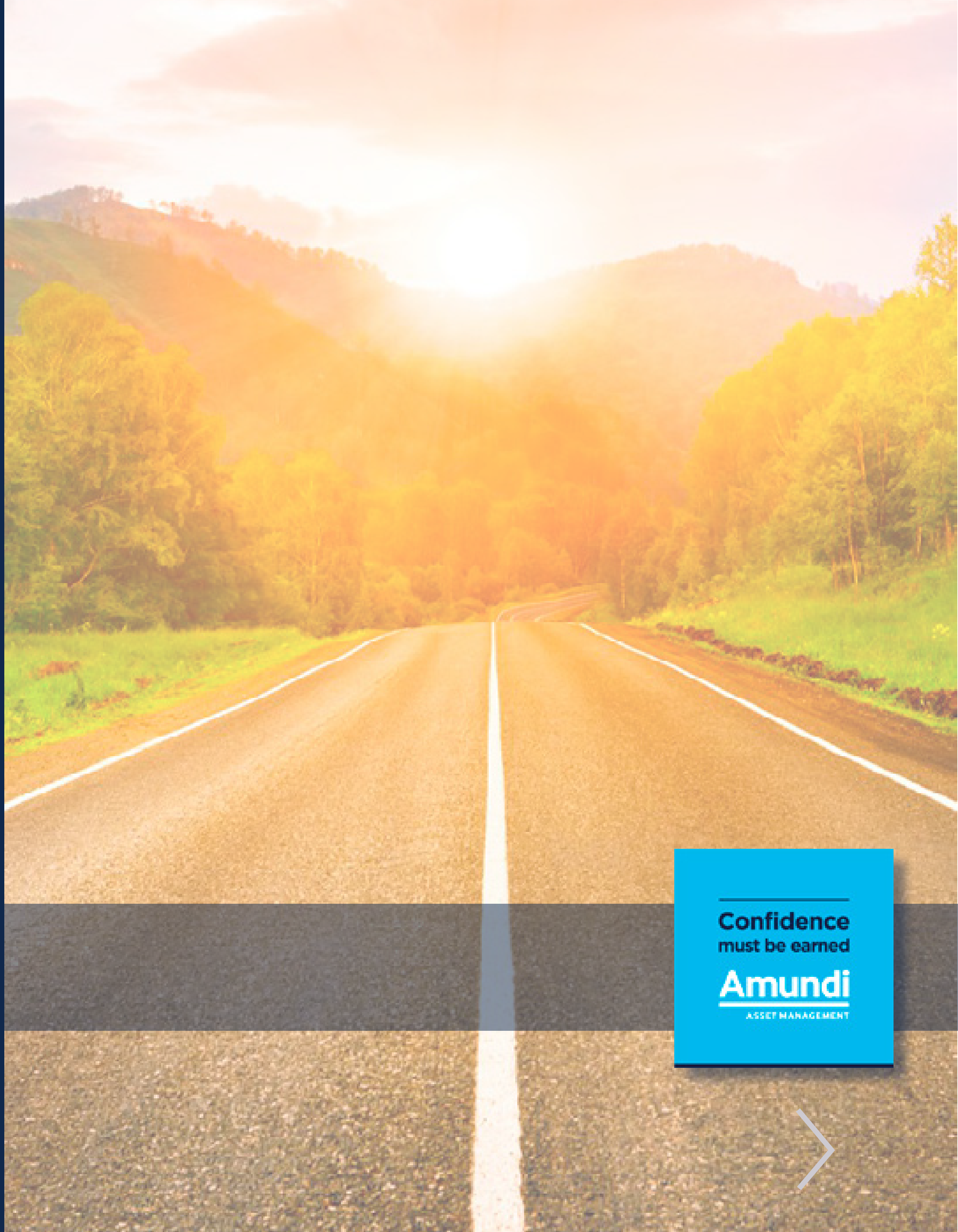
Amundi
ASSET MANAGEMENT

GLOBAL INVESTMENT VIEWS

IMPLEMENTATION IDEAS

February 2021



CONTENTS

CHOPPY MARKETS IN A MOMENT OF TRUTH FOR RATES

STAY FLEXIBLE IN FIXED INCOME INVESTING

PLAY THE RECOVERY WITH EM EQUITY

AMUNDI ASSET CLASS VALUES

CHOPPY MARKETS IN A MOMENT OF TRUTH FOR RATES

"Markets are questioning the previous no inflation forever narrative as breakeven expectations rose in the US, amid hopes of additional stimulus and economic recovery. This, we believe, warrants a cautious and active stance on duration to enable investors to track yield-movements and consider exposure to inflation-protection assets. Emerging Markets' equities and cyclical value stocks in the developed world may offer an attractive way to play the recovery, but being selective and valuation-conscious is key in our opinion. Overall, we believe that investors should remain agile and flexible, and consider less correlated investment strategies to make portfolios more resilient to a possible regime shift."

Pascal Blanqué
Group Chief Investment Officer

Vincent Mortier
Deputy Group Chief Investment Officer

CHOPPY MARKETS IN A MOMENT OF TRUTH FOR RATES

Markets have been questioning the previous no inflation forever narrative in light of economic recovery hopes and higher US stimulus. As a result, breakeven inflation rates surged, causing steepening of the US yield curve. In our view, this reinforced reflation narrative calls for some adjustment and fine-tuning of investors' credit and equities exposure centred on the following key themes:

1. **Adopt a cautious, agile stance on duration/government bonds**
   With an improving economic environment and a possibility of high deficit, we expect a mild increase in yields. We believe investors should, therefore, stay focused on short maturity bonds and remain flexible in order to manage a potential increase in US rates. Cautious approach is also recommended in EM duration.
2. **Include forms of inflation protection within portfolios**
   Prospects of a larger-than-expected fiscal boost, unleashing of pent-up demand and energy price rebounds are all elements that we feel could further drive-up inflation expectations. In this environment, inflation-linked bonds and some real assets may become increasingly appealing.
3. **Explore rotation opportunities (regional as well as style) in equities**
   We believe investors should seek opportunities in areas supported by reflation, starting with Value (as opposed to hyper Growth) and more Cyclical markets, such as Japan and EM where commodity trends are also supportive. However, selectivity and focus on businesses with long term earnings growth are key.
4. **Maintain well balanced and diversified* portfolios**
   Investors should maintain a cross-asset view, in our opinion, as absolute equity valuations are high, but when compared with credit, equities offer better value. We believe if UST 10Y yields rise further, equity market performance could be challenged. Therefore, investors should stay well-diversified*, consider hedges strategies and flexible multi asset approach that can quickly adapt changes in the scenario.

OVERALL RISK STATEMENT

STABLE VS
PREVIOUS MONTH

RISK OFF = RISK ON

Keep a positive view on risk assets, especially equities, to play the recovery, aware that there can be phases of higher volatility as we see some sign of deceleration for Q1.

INVESTMENT IDEAS OF THE MONTH

1. Stay flexible in fixed income
2. Play the recovery with EM equities

CHANGES vs. PREVIOUS MONTH

1. Adjustments in equities, with downgrade in DM and upgrade in EM equities and FX
2. Cautious on US duration
3. Positive on inflation in the US

Source: Amundi as at 4 February 2021. References to individual stocks should not be taken as investment recommendations to buy or sell any security.

*Diversification does not guarantee a profit or protect against a loss.

1 STAY FLEXIBLE IN FIXED INCOME INVESTING

Joe Biden's thin majority in the US congress raised hopes for higher additional stimulus, which in turn led markets to increase their inflation expectations due to potentially higher economic growth and pent-up demand. As a result, the US yield curve steepened at a fast pace.

However, this is where we believe the Fed could step-in, with its unambiguous stance of maintaining accommodative financial conditions and promoting a recovery. Hence, while we are cautious on duration owing to our earlier concerns on inflation, we believe investors should remain flexible and active, given that the Fed may not allow yields to rise beyond a point. As we see a trend for higher inflation, inflation protected strategies could help to manage inflation risk.

CURVE STEEPENING IN THE US: 2 - 10Y YIELD DIFFERENCE

Source: Amundi elaborations on Bloomberg data. As on 4 February 2021.

AMUNDI SELECTIONS OF FIXED INCOME FLEXIBLE SOLUTIONS

	FIXED INCOME SOLUTIONS
Active	• Amundi Funds Pioneer Strategic Income • Amundi Fund Euro Alpha Bonds • Amundi Funds Optimal Yield
Passive	• Amundi Index Breakeven Inflation USD 10Y[1] • Amundi Index Barclays US GOV Inflation-linked Bond[1]

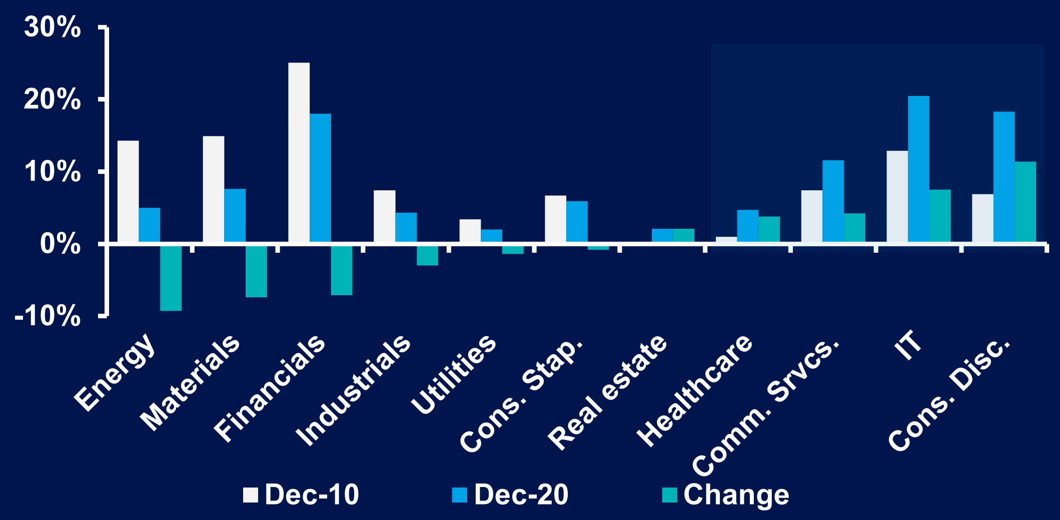
Source: Amundi as at February 2021. *Diversification does not guarantee a profit or protect against a loss.

1 UCITS ETF DR

2 PLAY THE RECOVERY WITH EM EQUITY

We believe Emerging Markets (EM) should gain from a global cyclical recovery as they were among the first countries to enter and exit the lockdowns (first-in, first-out), particularly the ones in EM Asia such as China and South Korea. A rebound in China should be supportive of growth in many EMs due to the country's strong trade linkages with nations in Asia and Latin America, while India should benefit from the recent budget increase. Interestingly, many EMs are now oriented more towards domestic demand when compared with the past and this connection with the 'EM consumer' and supportive demographics is a positive. This change is also reflected in equities market which are now heavily inclined towards consumption-driven names.

EM INDICES HAVE EVOLVED



Source: Amundi analysis on Factset data as on 31 December 2020. MSCI EM Index.

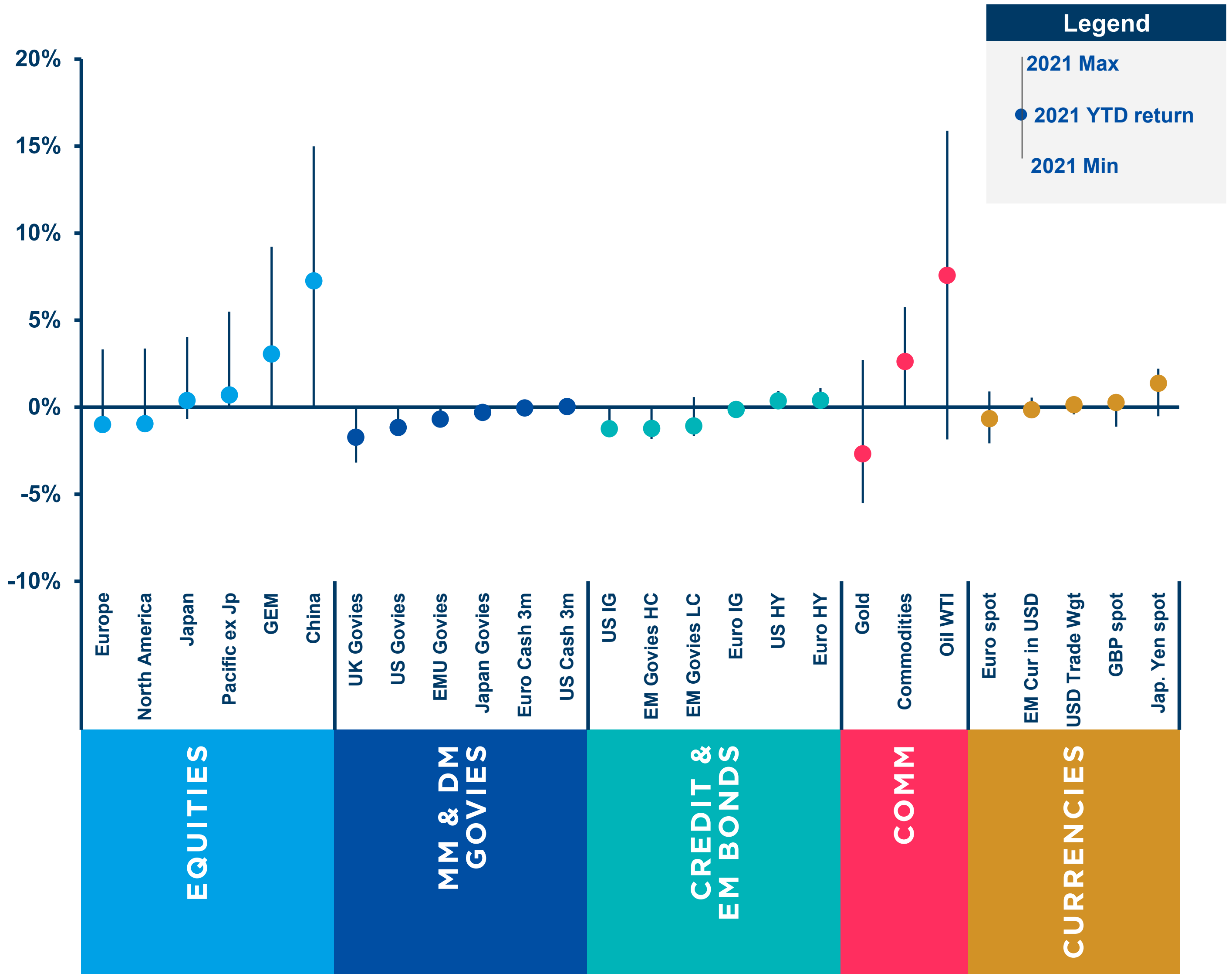
AMUNDI SELECTIONS OF EMERGING MARKET PRODUCTS

	FIXED INCOME SOLUTIONS	SINGLE EM COUNTRIES
Active	• Amundi Funds Emerging Markets Equity Focus • Amundi Funds New Silk Road	• Amundi Funds China Equity • Amundi Funds SBI FM India Equity
Passive	• Amundi Index MSCI Emerging Markets[1] • Amundi Index MSCI Emerging Markets SRI[1] • Amundi MSCI EM Asia[2]	

Source: Amundi as at 4 February 2021.

1 UCITS ETF DR
2 UCITS ETF

AMUNDI ASSET CLASS VIEWS



Source: Bloomberg, analysis by Amundi of 26 asset classes (and FX). Data as of 31 January 2021. Index providers: cash, government bond and EM bond indices are from JPMorgan; corporate bond indices are from ICE BofA; equity indices and EM currency indices are from MSzCI; commodities indices are from Bloomberg Barclays. All indices used to represent asset classes are in local currency. References to asset classes should not be taken as investment recommendations to buy or sell any security. Past performance is no guarantee of future results

AMUNDI VIEWS

EQUITIES

Equities are currently preferred over credit as equity risk premiums are still attractive. However, absolute valuations are not cheap and there is a need to be selective. We feel investors should play the recovery through leadership rotation, favouring Value, Cyclical components vs High Growth and Momentum markets.

CREDIT & EM BONDS

In a world with low/negative yield on government bonds, credit (EM debt in particular) remains a lever for attractive returns. However, credit selection is important and so is the need to balance these three key components – liquidity, quality and yield-potential. Defaults in HY should be monitored.

MM & DM GOVIES

We are cautious on US Treasuries but believe they may offer attractive source of liquidity and could serve as a good hedge in times of uncertainty. Core Europe bonds offer little value, given their negative yields. Peripheral bonds are interesting in Euro Fixed Income.

COMM

A global recovery should support commodities. We revised up our target for 2021 to the $45-55/bbl range for WTI.

CURRENCIES

We see a gradual but limited scope for USD depreciation as it is slightly above its fair value and as its structural support for is fading.

Amundi
ASSET MANAGEMENT

This material is provided to Professional Clients, including financial intermediaries, and is not intended for and should not be provided to the public.

This document contains information about investment services provided by Amundi group companies or undertakings for collective investment in transferable securities or open-ended umbrella Irish collective asset-management vehicles (the “Funds”) established under the laws of Luxembourg and authorised for public distribution by the Commission de Surveillance du Secteur Financier or the laws of Ireland and authorized for public distribution by the Central Bank of Ireland. The management company of

• Amundi Funds, Amundi Fund Solutions, First Eagle Amundi and Amundi Index Solutions is Amundi Luxembourg S.A., 5, allée Scheffer, L-2520 Luxembourg;

• CPR Invest is CPR Asset Management, 90 Boulevard Pasteur, 75015 Paris, France;

• KBI Institutional ICAV is KBI Global Investors Ltd., 2 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland;

• Amundi Fund Solutions ICAV is Amundi Ireland Limited, 1 George’s Quay Plaza, George’s Quay, Dublin 2, Ireland

This material is for information purposes only, is not a recommendation, financial analysis or advice, and does not constitute a solicitation, invitation or offer to purchase or sell any the Funds or services described herein in any jurisdiction where such offer, solicitation or invitation would be unlawful.

This material has not been submitted for regulatory approval and is solely for issue in permitted jurisdictions and to persons who may receive it without breaching applicable legal or regulatory requirements. The information contained in this document is confidential and shall not, without prior written approval of Amundi Ireland Limited (“Amundi”), be copied, reproduced, modified, or distributed, to any third person or entity in any country.

The Funds described in this document may not be available to all investors and may not be registered for public distribution with the relevant authorities in all countries.

Investment involves risk. Past performance is not a guarantee or indication of future results. Investment return and the principal value of an investment in the Funds or other investment product may go up or down and may result in the loss of the amount originally invested. All investors should seek professional advice prior to any investment decision, in order to determine the risks associated with the investment and its suitability. It is the responsibility of investors to read the legal documents in force in particular the current prospectus for each Fund. Subscriptions in the Funds will only be accepted on the basis of their latest prospectus and/or the Key Investor Information Document (“KIID” available in local language in EU countries of registration) which, together with the latest annual and semi-annual reports may be obtained, free of charge, at the registered office of Amundi Luxembourg S.A. or at www.amundi.lu. In Italy, this documentation is available at www.amundi.it. In Ireland, this documentation is available at www.amundi.ie. Information relating to costs and charges of the Funds may be obtained from the KIID.

The performance data do not take account of the commissions and costs incurred on the issue and redemption of units of the Funds.

In **EEA Member States**, the content of this document is approved by Amundi for use with Professional Clients (as defined in EU Directive 2004/39/EC) only and shall not be distributed to the public. Amundi Ireland Limited is authorised and regulated by the Central Bank of Ireland. KBI Institutional ICAV is a collective investment scheme established under Irish law. Société Générale, Dublin Branch 3rd Floor, IFSC House, IFS, Dublin 1 is the facilities agent for those sub-funds of Amundi Funds, First Eagle Amundi registered in Ireland.

In the **UK**, this document is issued by Amundi (UK) Limited, 41 Lothbury, London, EC2R 7HF. Amundi (UK) Limited is authorised and regulated by the Financial Conduct Authority (“FCA”) and entered on the FCA Financial Services Register under number 114503. Further information of this authorisation is available on request. Amundi Funds SICAV, First Eagle Amundi SICAV, Amundi Index Solutions, CPR Invest SICAV and KBI Institutional ICAV are recognised schemes for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the “FSMA”) of the UK and can be promoted and sold direct to the public in the United Kingdom subject to compliance with the FSMA and applicable regulations made thereunder. Where a fund is an unregulated collective investment scheme under the FSMA it will not carry the protection provided by the UK regulatory system. This document is addressed only to those persons in the UK falling within one or more of the following exemptions from the restrictions in s 238 FSMA:

• authorised firms under FSMA and certain other investment professionals falling within article 14 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (the “CIS Order”) and their directors, officers and employees acting for such entities in relation to investment;

• high value entities falling within article 22 CIS Order and their directors, officers and employees acting for such entities in relation to investment;

• other persons who are in accordance with the Rules of the FCA prior to 1 November 2007 classified as Intermediate Customers or Market Counterparties or on or thereafter classified as Professional Clients or Eligible Counterparties.

The distribution of this document to any person in the UK not falling within one of the above categories is not permitted by Amundi (UK) Limited and may contravene FSMA. No person in the UK falling outside those categories should rely or act on it for any purposes whatsoever. Where a fund is an unregulated collective investment scheme under the UK Financial Services and Markets Act 2000 (“FSMA”) it will not carry the protection provided by the UK regulatory system.

In **Switzerland**, this document is for Qualified Investors (as defined in Swiss Collective Investment Schemes Act of 23 June 2006 as amended or supplemented) use only and shall not be offered to the public. The Representative and Paying Agent for Funds registered for public offering in Switzerland are, in respect of Amundi Funds, First Eagle Amundi and Amundi Index Solutions: Representative - CACEIS (Switzerland) SA and Paying Agent - CACEIS Bank, Nyon Branch both at 35 Route de Signy, Case postale 2259, CH-1260 Nyon; KBI Institutional Fund ICAV: Representative – ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich and Paying Agent – NPB Neue Privat Bank AG, Limmatquai 1, CH-8001 Zurich. Free copies of the prospectus, key investor information documents, annual and semi-annual reports, management regulations and other information are available at the representative’s address shown above.

In **France**, a free prospectus is available from Amundi Asset Management, 90 boulevard Pasteur -75015 Paris - France - 437 574 452 RCS Paris France or from the centralisateur of the Funds which in the case of Amundi Funds, Amundi Index Solutions and CPR Invest SICAV is CACEIS Bank SA, 1-3 place Valhubert, 75013 Paris and in the case of First Eagle Amundi SICAV is Société Générale, 29 Boulevard Haussmann, 75008 Paris.

In **Germany**, for additional information on the Fund, a free prospectus may be requested from Amundi Deutschland GmbH, Arnulfstr. 124-126 80636 Munich, Germany (Tel. +49.89.99.226.0).

In **Austria** the paying agents for Funds registered for public distribution in are, in respect of Amundi Fund Solutions: UniCredit Bank Austria AG, Rothschildplatz 1, A-1020 Vienna; Amundi Funds, Amundi Index Solutions and First Eagle Amundi: Société Générale, Vienna Branch, Prinz Eugen Strasse 8 - 10/5/Top 11, A-1040 Vienna; CPR Invest: Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Wien; and KBI Institutional ICAV: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna.

In **Spain**, the Funds are foreign undertakings for collective investment registered with the CNMV and numbered Amundi S.F. (493); Amundi Fund Solutions (1333); Amundi Funds (61) First Eagle Amundi (111); Amundi Index Solutions (1495); CPR Invest (1564) and KBI Institutional ICAV (1248). Any investment in the Funds or their respective sub-funds must be made through a registered Spanish distributor. Amundi Iberia SGIIC, SAU, is the main distributor of the Funds in Spain, registered with number 31 in the CNMV's SGIIC registry, with address at Pº de la Castellana 1, Madrid 28046. A list of all Spanish distributors may be obtained from the CNMV at www.cnmv.es. Units may only be acquired on the basis of the most recent prospectus, key investor information document and further current documentation, which may be obtained from the CNMV.

In **Chile** and **Peru**, this document is approved for use by Administradora de Fondos de Pensiones/Pension Fund Administrators and other institutional investors.

In **Mexico**, this document is approved for use with institutional investors. It may not be distributed to third parties or to the public.

In **Singapore**, this document is provided solely for the use of distributors and financial advisors only and is not to be distributed to the retail public. Distribution occurs through Amundi Singapore Ltd, 80 Raffles Place, UOB Plaza 1, #23-01, Singapore 048624. This document contains information about certain sub-funds of Amundi Funds, First Eagle Amundi SICAV and Amundi Index Solutions which may be registered as recognised schemes in Singapore under the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), or notified as restricted schemes under the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005. For the sub-funds or relevant share/unit classes notified as restricted schemes in Singapore, such sub-funds or relevant share/unit classes are not authorised or recognised by the Monetary Authority of Singapore ("MAS") and are not allowed to be offered to the Singapore retail public. Accordingly, this document and the material contained within, may not be circulated or distributed, nor may the relevant shares/units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In other Asian jurisdictions, for use by licensed intermediaries only and not to be distributed to the public.

This information is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities or services in the United States or in any of its territories or possessions subject to its jurisdiction to or for the benefit of any U.S. Person (as defined in the prospectus of the Funds). The Funds have not been registered in the United States under the Investment Company Act of 1940 and units of the Funds are not registered in the United States under the Securities Act of 1933.

This document is not intended for and no reliance can be placed on this document by persons falling outside of these categories in the above mentioned jurisdictions. In jurisdictions other than those specified above, this document is for the sole use of the professional clients and intermediaries to whom it is addressed. It is not to be distributed to the public or to other third parties and the use of the information provided by anyone other than the addressee is not authorised.

This material is based on sources that Amundi considers to be reliable at the time of publication. Data, opinions and analysis may be changed without notice. Amundi accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained in this material. Amundi can in no way be held responsible for any decision or investment made on the basis of information contained in this material

Date of publication: 9 February 2021.

DISCLAIMER

This material is solely for the attention of “Professional” investors as defined in Directive 2014/65/UE dated 15 May 2014 on markets in financial instruments (MIF).The information contained in this material shall not be copied, reproduced, modified, translated or distributed without the prior written approval of Amundi, to any third person or entity in any country or jurisdiction which would subject Amundi or any of its products, to any registration requirements within these jurisdictions or where it might be considered as unlawful. In particular, 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 in the Base Prospectus of the ETC.

AMUNDI PHYSICAL GOLD ETC (the “ETC”) is a series of debt securities governed by Irish Law and issued by Amundi Physical Metals plc, a dedicated Irish vehicle (the “Issuer”). The Base Prospectus of the ETC has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive. Such approval relates only to the ETC Securities which are admitted to trading on regulated markets for the purpose of Directive 2014/65/EU of the European Parliament and Council on Markets in Financial Instruments (as amended, the “MiFID II Directive”) or which are to be offered to the public in any Member State of the European Economic Area.

Pursuant to the Directive Prospective Regulation (EU) No 1286/2014 (PRIIPs Regulation), the ETC is described in a Key Information Document (KID), final terms and Base Prospectus (hereafter the Legal Documentation). The ETC KID must be made available to potential subscribers prior to subscription. The Legal Documentation can be obtained from Amundi on request..

The Authorized Participants are HSBC Bank Plc, Flow Traders, Jane Street, Optiver VOF, BNP Paribas Arbitrage SNC.

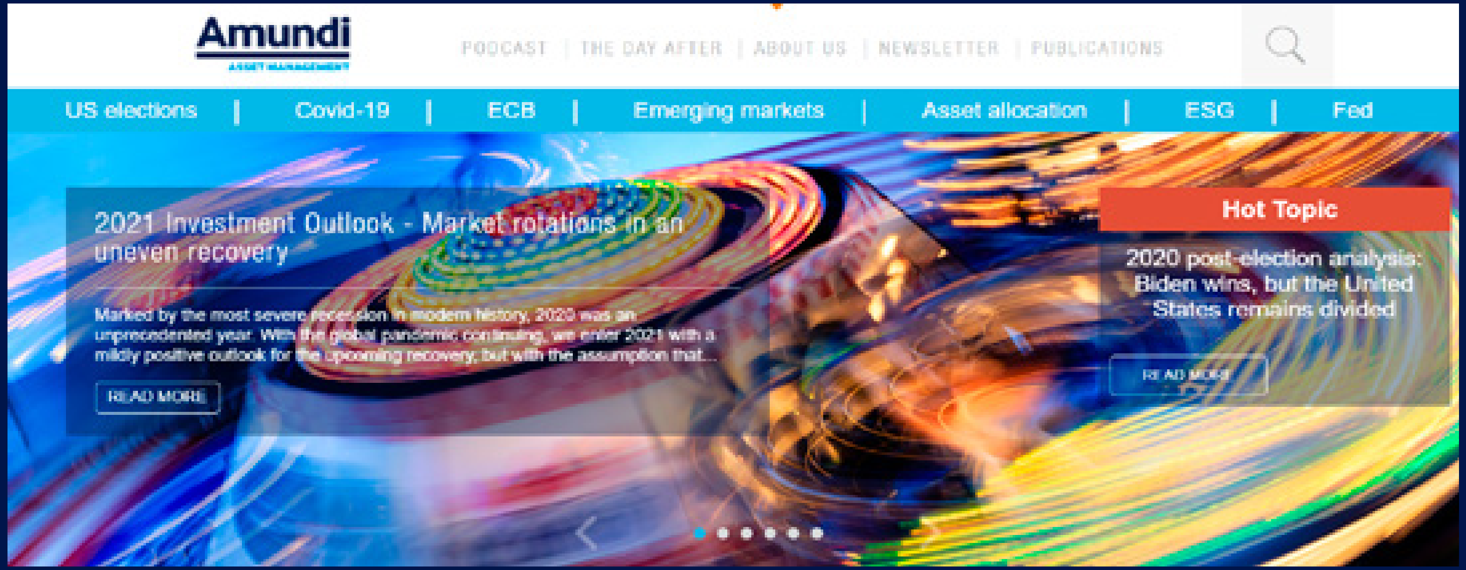
This is a marketing communication only. The information contained in this information document is intended solely as non-binding information for investors and in no way replaces advice on the purchase or sale of the securities of the ETC. It does not constitute an offer or a solicitation to buy or sell the securities of the ETC. None of the statements contained in this document should be construed as a general recommendation. Any trading or investment decisions an investor takes are in reliance on its own analysis and judgment and/or that of its advisers and not in reliance on this document. Investment in the ETC mentioned in this document may not be suitable for all investors. It is the responsibility of each potential investor to ensure that his/her investment is compliant with the laws of the jurisdiction he/she depends on and to check if this investment is suiting his/her investment objectives or patrimony situation.

Pursuant to the Regulation (EU) No 1286/2014 (PRIIPs Regulation), a Key Information Document (“KID”) is available for retail investors. Before any subscription, potential investors must read the legal documentation of the ETC, including the KID.

The registration, distribution and the offering or sale of the ETC Securities in certain jurisdictions may be restricted by law. For a description of certain restrictions on offers and sales of ETC Securities and on the distribution of this document, please refer to the Base Prospectus.

The amount that is reasonable to invest in the ETC will depend on the personal circumstances of each investor. To determine this amount, investors should take into account their financial situation, personal assets, and current and future requirements, as well as considering their willingness to accept risks or conversely their preference to invest cautiously. Investors are also strongly recommended to sufficiently diversify their investments so as to avoid being exposed solely to the risks of this ETC. Investors should therefore seek advice in this regard from their usual advisors (legal, tax, financial and/or accounting) before purchasing any ETC.

The ETC offers no capital guarantee. Investors may not get back the full amount of their initial investment, particularly in the event that the price of gold falls. An investment in the ETC securities involves a significant degree of risk and investors should read carefully the ETC risk profile described in the Legal Documentation, and especially ensure they understand the “Risk Factors” section of the Base Prospectus. In particular, investors shall be aware that they are exposed to creditworthiness of the Issuer.



The Amundi Investment Insights Unit (AIIU) aims to transform its CIO expertise, and Amundi’s overall investment knowledge, into actionable insights and tools tailored around what we believe are investor needs.

In a world in which investors are exposed to information from multiple sources we aim to provide regular, clear, timely, engaging and relevant insights that we believe can help our clients make informed investment decisions.

INSIGHTS UNIT

Claudia Bertino Head of Amundi Investment Insights Unit

Laura Fiorot Deputy Head of Amundi Investment Insights Unit

Ujjwal DHINGRA Amundi Investment Insights Unit

Francesca PANELLI Amundi Investment Insights Unit