Confidence must be earned

Amundi ASSET MANAGEMENT

April 2018

Global Investment **Views**

Pascal BLANQUÉ
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Stay on course, despite looming noise

While still benefitting from a global synchronised growth outlook (likely peaking), financial markets are getting nervous, experiencing the fatigue of a more mature phase with new sources of volatility arising. For the future, it will be key to anticipate **how the exit of Central Banks (CB) from unconventional policies will unfold, while talks about protectionist policies start to intensity and we enter a phase of "slowing economic acceleration",** with growth above potential in most Developed Markets (DM), but decelerating in 2019.

President Trump has recently signed tariffs into law in an effort to boost the competitiveness of US producers, reduce the widening US trade deficit, and, ultimately, reinforce his nationalistic political support. **At this stage, we do not expect to see a full-blown trade war, despite some recent escalation with China.** However, **this is emerging as a new source of volatility just when liquidity is diminishing and financial conditions are expected to tighten.** Consequences of protectionist threats could be far-reaching if the disputes spread further: the potential for retaliation and that more industries are targeted could undermine confidence and investment decisions. This could end up threatening the benign growth scenario in a kind of *stagflationary* environment, further adding to CBs' conundrum: wait longer before going ahead with the removal of monetary stimulus (especially the ECB and the BoJ) or react more aggressively (the Fed) to supply side inflationary pressures, which could be exacerbated by the tight labour market conditions. The US February labour report highlights that the slack in the labour market is shrinking, and shows a particularly resilient goods producing sector in terms of payroll creation. Hence, the Fed would likely progress with rate hikes in an effort to cool down cyclical price pressures. On inflation, however, we don't see a structural change yet, as the response of wages to a tighter labour market still appears to be very limited (flat Phillips curve).

With this backdrop, **our view is that investment opportunities will be in the relative value space**, due to: the decoupling (different monetary policy stances) between the Fed, on the one hand, and the ECB and BoJ, on the other; different stages of the economic cycle for different countries; and sensitivity to external factors.

In **fixed income**, **we continue to see global upside pressure on rates**, though with different adjustment speeds. In terms of investment strategy**, we advocate broadening sources of diversification in different directions**: adopting a global approach, which combines multiple alpha strategies, and a more diversified approach within the credit market. **On the equity side, earnings should continue to be the real driver of returns.** The outlook is still constructive here. However, in the medium term, it is crucial to assess the scope of a structural upward revision of the trend for earnings to assess the potential of further market upside, or on the other side, the risk of a "boom and bust scenario", like in the 1990s. In Europe, we expect earnings to grow at a trend of around 6% (slightly higher for cyclical sectors). In the US, we see forces at work that could potentially lead to structurally higher earnings per share (EPS), including the consequences of President Trump's fiscal policies (ie, infrastructure and capex revival). However, to label this a structural revision, in our view, we would also need an acceleration in productivity growth and we are still cautious on this. Hence, we expect an extension of the current earnings cycle, but we currently see it as more cyclical than structural. On equities, as volatility is trending higher, defensives may be back in focus, but it's probably too early to see a massive rotation towards defensive sectors.

All in all, we believe it is key to maintain an active investment approach, with a strong focus on both stock selection and sector allocation. As there are still clear **risks of a new market correction** (new sources of volatility, no rotation of style/sector yet, and valuation not particularly compelling), **hedging strategies remain paramount.**

High Conviction Ideas

- **Multi-Asset:** Increased tensions on the trade side and signs of peaking macro momentum call for enhancing diversification, ie, trimming risk in the European and Japan equity exposure while increasing the preference for US equities. The US market should still benefit from strong economic growth and the extension of the cycle thanks to fiscal policy. We keep our positive view on risky assets, as fundamentals are still supportive, but structural hedges remain crucial in this complex transition period towards a more mature market phase.
- **Fixed Income:** With upward pressure on interest rates to continue, it seems appropriate to stay short duration based on fundamentals and, in Europe, on valuations as well. We are still constructive in credit on fundamental grounds, advocating a more cautious approach going forward; we believe the carry remains a protective element. Broadening the sources of returns and limiting concentration risk are crucial in this environment. In this regard, we favour securitised assets in the US, and exploit opportunities across the credit continuum in Europe.
- **Equities:** Investors are in the process of adjusting to a structurally higher level of volatility. EPS growth is still healthy globally, so the fundamental picture has not changed materially, but concerns about peaking momentum and potential escalation towards a trade war are elements to watch. Going forward, we expect that the market will be more selective at the sector/stock levels.
- **Real Assets:** With high valuations in public markets and low/rising interest rates, investor allocation to private equity markets has surged and will likely remain strong: we believe that private equity is well positioned to provide good absolute returns and portfolio diversification. In our view, adopting new differentiated strategies will be important to finding hidden champions and succeeding in a competitive landscape.

EM = Emerging Markets, DM = Developed Markets. Alpha: The additional return above the expected return of the beta adjusted return of the market; a positive alpha suggests risk-adjusted value added by the money manager versus the index.

MACRO & STATEGY

Philippe ITHURBIDE
Global Head of Research

Monica DEFEND
Head of Strategy, Deputy Head of Research

Didier BOROWSKI
Head of Macroeconomic Research

While we do not think that current actions on tariffs will undermine the global trade potential, these are certainly becoming a source of uncertainty that could dampen investors' confidence.

Global economic expansion not in danger, unless...

The rise in protectionist tensions, the drop in some surveys, and the publication of some disappointing data have raised doubts regarding the global economic cycle. **We believe this fear is premature.**

Synchronisation of global growth: is this the end? No, economies are quite differently positioned in this cycle and most economies remain primarily driven by domestic demand. **In the Eurozone**, it's true that several surveys have shown declines in the recent period and that "economic surprises" have been seen to appear in negative territory. But, we note that the survey data had soared in previous months (for some at their highest levels since the launch of the euro), and when expectations are high, it is not surprising to be "disappointed" by some numbers. At the end of the day, our leading indicators continue to point to strong GDP growth in 2018 at twice the potential of the Eurozone for the second year in a row. **In the UK**, the agreement regarding Brexit reached with the EU over a transitional period until the end of 2020 could bring new life to the economy. **In the US**, growth in Q1 is likely to be weaker than expected (see estimates from the Atlanta Fed or NY Fed), but surveys remain solid and growth should be stimulated by tax cuts and the increase in public spending. **In Japan**, the recovery continues at a moderate pace, supported notably by business investment. Finally, **in emerging economies**, growth appears to be stabilising at around 5% on average. At the end of the day, **global expansion is not at risk but the pace of growth may slow.**

Can global trade fall? No, we think it is very unlikely. It is clear that regarding the Trump administration's tariffs, we are already starting to see some retaliatory measures from China, with more potentially on the way. However, to the extent that targeted products represent a small share of world trade, this should not have a significant impact (as retaliation is also likely to be modest). In the meantime, the White House is postponing the start of the fight. Canada and Mexico have been exempted, as have EU countries (in extremis). Finally, it should be noted that the US is very isolated: no country wishes to enter into a wider trade war.

Is inflation likely to accelerate? Yes, but at a gentle pace, and more in the US than in the Eurozone. In emerging countries, inflation remains largely under control. With the gradual removal of global excess capacity, it is natural to expect a rise in cyclical inflation and wage pressures, especially in the most advanced countries in the cycle (eg, the US). However, we observe that "a-cyclical inflation" has considerably slowed in recent decades: as a result, we expect the prices of many goods and services to remain under pressure even if growth accelerates (effect of globalisation, Amazon effect, etc).

Are central banks likely to accelerate monetary policy normalisation? No, they will likely stick to their gradual approaches. Their communication remains very cautious. By revising upward (from two to three) the number of rate hikes expected in 2019 (the "dots"), and expecting two more in 2020, the FOMC sought to reassure observers concerning the continuation of the cycle in the coming two years while avoiding increasing market tensions in the short term. The tone of the ECB communication remains, for its part, particularly accommodative. The end of the Asset Purchases Program (APP) is conditional on the rise in core inflation. And, the ECB has said it intends to maintain its strong "forward guidance" on interest rates, which will only increase "well after" the end of the APP. In the end, despite recent turmoil (political or financial), global growth remains firmly anchored. The slowdown expected next year, mainly in advanced economies, is not the prelude to a reversal of the cycle. It would take a big financial shock, in particular in the bond markets, to change the situation.

The Strategist's View: US fiscal and trade policy in the spotlight

US debt

- Increased deficit projections in the budget pose questions on how the funding needs are going to evolve over the next few years. The Tax Cuts and Jobs Act (TCJA) reform approved last year would increase the net issuance of long-term Treasury bonds (LT) to about US$649bln in 2018 and US$867bln in 2019. Such figures would have to be increased with the inclusion of the Budget Act Effect and the infrastructure plan effects on the deficit, if enacted as well. LT net issuance would go up to US$724bln in 2018 and US$1022bln in 2019.
- The US curve has historically steepened on increasing budget deficits, as the back end tends to price in a higher term premium. If the deficit were to materialise as per CBO (Congressional Budget Office) and TCJA projections, the budget deficit/GDP ratios would reach -3.36 % in 2018 and -4.45% in 2019, which could generate quite a substantial steepening.
- However, the increase in the deficit takes place in an unusual time of a late cycle phase while the Fed is normalising rates. The steepening effect could be mitigated, if not completely offset, by the sell-off of the front-end of the curve on top of markets pricing in additional tightening from the Fed.

US tariffs

- Since 1990s, US$ has lost value during each occasion when the US has adopted protectionist measures (Reagan vs Japan in 1983-84 and George W Bush with foreign steel in 2001-02).
- Tariffs talks are a source of uncertainty and can dampen investors' confidence.

MULTI-ASSET

Exploiting relative value opportunities

Our central case scenario remains one of synchronised recovery fueled by solid consumption and strengthening capex growth. GDP growth is expected to remain above potential in 2019 (in most countries), but will likely slightly decelerate from 2018 levels. We expect inflation to remain benign and not to force the major CBs to dramatically change course in terms of recalibrating their monetary policies. That said, downside risks have recently increased, mainly due to the recent protectionist measures announced by the US; these disputes could continue for a while. We do not expect an escalation into a full-blown trade war, but we will continue to closely monitor the evolution of political tensions. With these conflicting dynamics in place, we believe the best strategy to deal with uncertainty and deliver returns is to exploit relative value opportunities across all markets rather than directional positioning.

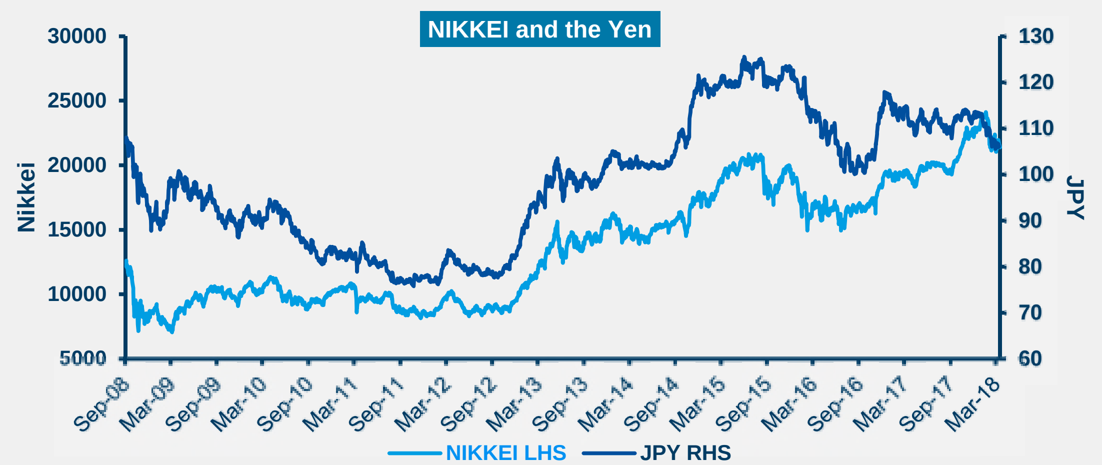
High conviction ideas

We maintain our positive view on risky assets, as both macro and micro fundamentals are still supportive. However, increased tensions on the trade side and the potential deceleration in macro momentum point to enhancing diversification by reducing our European and Japanese equity exposure while increasing our preference for US equities (both at an overall market level and particularly in the US energy sector). The US market currently enjoys better macro momentum and an extension of the cycle, courtesy of the recent massive fiscal stimulus. On the other hand, the excessive strengthening of both the euro and the yen means we have a more cautious view on the European and Japanese markets. In equities, we maintain a relative value conservative focus on EM. We favour Russia (thanks to the positive oil price outlook) and Hong Kong Stock Exchange Hang Seng China vs the overall Emerging Market index (based on meaningful Chinese structural changes regarding exposure to financials with relatively cheap valuations and overall light investor positioning).

In fixed income, we are still positive on European high grade corporates, which exhibited resilience during the recent February risk-off episode (mainly due to the ongoing Corporate Sector Purchasing Programme by the ECB). On the government bond side, we expect higher 10Y break-even rates (in Europe, the US and Japan), as our macro forecasts call for a gradual increase in pricing dynamics throughout this year. We're still expecting higher German yields along the curve in 2018. We see value in different curve plays -- in particular, in the US, where we expect some steepening in the 2-10Y segment. We think the curve is currently too flat for two reasons: more inflation risk premia should be discounted and the US fiscal deficit is set to increase as a result of the tax cuts and infrastructure plan. In the FX market, we continue to like the NOK vs the € and the NZ$ vs the A$. In EM, we like the Chinese renminbi vs the € and the US$. The renminbi is supported by positive fundamentals on the macro side, a broadly fair valuation, and positive technical conditions, such as positive carry and the possibility of attracting more flows on the back of benchmark inclusion of Chinese onshore bonds.

Risks and hedging

Given the possibility of further spikes in volatility, investors should seek to protect capital with efficient hedging strategies. Gold exposure, for example, could protect from geopolitical risks (with the risk indicator reaching the highest level since 2003): long yen positions vs the US$ and vs the A$ could also protect from tail risks. We are also conscious that credit market valuations are high and could be affected by further spikes in volatility and nominal rates; therefore, we believe investors should carefully manage credit and liquidity risk in the most speculative areas of the market.



Source: Bloomberg. Data as of 15 March 2018.

Matteo GERMANO
Head of Multi-Asset

> ***Facing new sources of volatility in the market, we think is it time to focus on enhancing diversification, trimming risks in the European and Japanese equity exposure, while increasing our preference for US equities.***

Amundi ASSET MANAGEMENT

FIXED INCOME

Eric BRARD
Head of Fixed Income

Mauro RATTO
Head of Emerging Markets

Kenneth J. TAUBES
CIO of US Investment Management

Carry, relative value and FX strategies as well as diversification out of the traditional space, to extract value in bonds.

Diversify sources of return

Overall assessment

The global economic outlook is consistent with less accommodative CBs and interest rates moving on an upward trend. We have revised our projected US GDP growth up to 2.9% in 2018, and we expect the global output gap to close this year, driving inflation cyclically higher. Historically, aggregate indices were able to offer diversification from equity through the duration channel and credit spread cushion. In the new market environment, high duration, low but rising interest rates, and tight credit spreads leave investors with very little protection. So, it is important to broaden sources of diversification in an effort to protect income and capital and achieve decent total returns.

DM government bonds

We still favour a short duration bias on core govies (shorter in the Eurozone vs the US). The 10-year yield differential between the Treasury and Bund is very high, due to CB asynchronies. We expect it to close as the ECB starts to engineer the exit path from unconventional measures. Duration positioning should be short in Japan as well (the BoJ could lift the 10-year yield target, and the unwinding of negative interest rate policies should then follow) and in the UK (inflation pickup). Curve movements can also provide opportunities: a flattening of the Euro yield curve is likely, as the 5-30Y segment is too steep in core markets, and we could expect a repricing of the short end of the curve when the ECB becomes less dovish. On the short end of the US curve, we don't see particular value yet, but there is no reason to be too short due to current levels of rates. On peripheral bonds, we are still positive (Italy and Spain) as well as on inflation linkers in both the Eurozone and the US.

DM corporate bonds

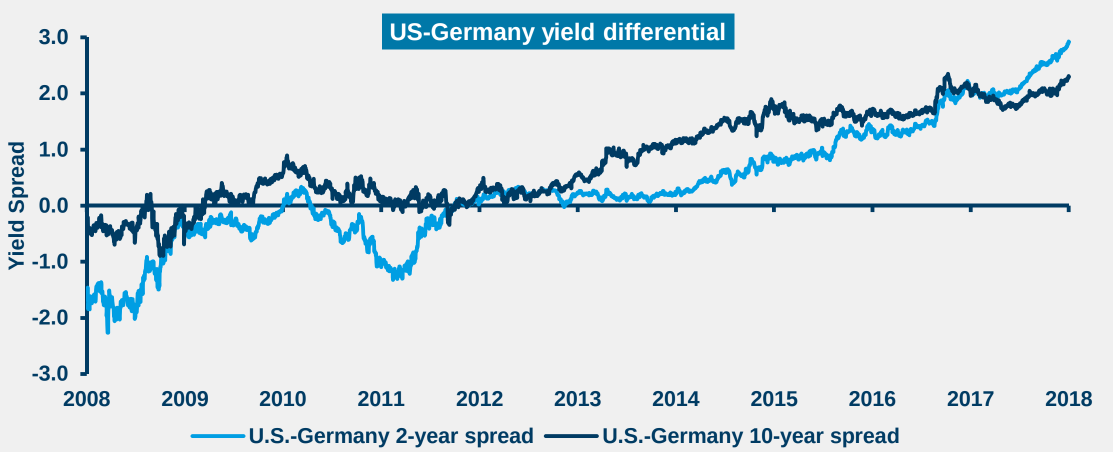
Macro conditions and fundamentals are good, but valuations remain high. We are constructive on this asset class, but investors should consider strategies to reduce credit risk (short dated bonds, higher liquidity, and upgrades in quality). In the Eurozone, demand is high and the growth outlook supportive: we keep a positive view on subordinated bonds (financials and non-financials), where spreads are still attractive. In the US IG space, leverage is decreasing (although it is still high), sales are robust and capex is recovering. We prefer banking, insurance and energy. We believe that investors should consider other diversification strategies, such as securitised assets in the US or alternative credit stories in Europe.

EM bonds

The US rate outlook will continue to drive risk sentiment globally in the next few months, but we see a relatively good resilience of EM debt to higher rates (modest spread widening). Economic fundamentals remain strong and many countries are at the earliest stages of the cycle (ie, Russia and Brazil). Reduced volatility for commodities and a weak dollar are also supportive for the outlook of EM currencies, even though the evolution on trade policy has to be carefully watched. We reiterate our view that there is little upside from spread compression and EM bonds remain a carry trade story for 2018. Short-term debt offers, in our view, a good risk/reward balance. Corporate debt is still favoured vs sovereign, thanks to the benign default outlook. At the country level, selection remains key: we look at Brazil (still good value with improving fundamentals), Russia (as oil play, plus improving domestic conditions), and Mexico, and are recently more constructive on South Africa, based on the changing political landscape. Hedging strategies (where spreads are too tight) can be considered at this stage to mitigate risk.

FX

Our 2018 target for the €/US$ is still at 1.25, with an upward bias towards the 1.25-1.30 range. We have a negative bias on UK sterling and the yen vs the euro and the US$ dollar.



Source: Amundi, Bloomberg. Data as of 20 March 2018.

Carry trade: A trading strategy that involves borrowing at a low interest rate and investing in an asset that provides a higher rate of return. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, expressed as a number of years.

Beyond the noise

Overall assessment

We are living now in a more volatile market phase. Factors behind it are switching from a fear of a rise in bond yields to a fear of peak momentum. Beyond the noise, the earnings outlook is still solid (no recession ahead) in our view, but positive economic surprises are needed for an imminent new lag of upside. Cyclicals are still outperforming defensives, with no major rotation of themes in the market yet.

Europe

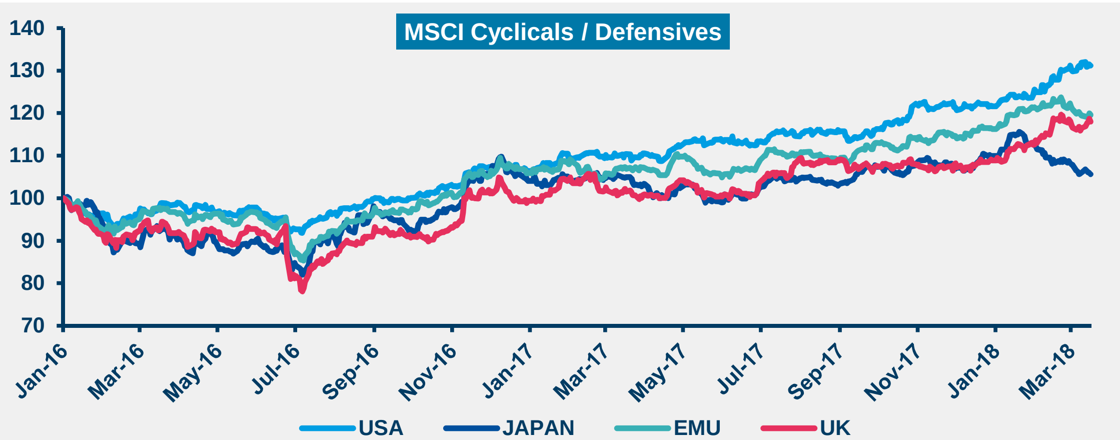
The market is in a broad trading range, with asymmetric price action during the earnings season (market over-penalising companies that did not meet targets and muted reaction for companies beating targets). This, we believe, is a sign of fatigue, where markets are getting nervous due to the current level of valuations. With divergent forces at play and elevated risk (trade talks, peaking momentum), a strong bottom-up focus is needed to identify companies more exposed to benign factors (domestic growth stories). We believe investors should play the market with a focus on energy, banks, insurance and with a short bias on real estate, telecom and utilities. In the search for cheap defensive stocks, consumer staples (food/retail) may be interesting, as some companies are discounting a too pessimistic outlook. Small and mid-caps, more domestic and less impacted by tariffs talks, can provide good opportunities to play the European growth story.

United States

Fundamentals remain relatively strong across the US market. As we move from the first part of the Trump agenda (lower taxes and less regulation) to the second (trade), the road is likely to be bumpier. Trade wars are at best neutral to earnings, more likely somewhat negative, but never positive. Critical points to watch are raw materials price increases, competitive pressures, and trade policy as an offset to the tax reform windfall. Most companies have signaled confidence in the ability to get enough pricing power to offset raw materials costs and wage pressures. However, at the top of the agenda are logistics costs pressures: transportation costs are skyrocketing and some companies seem better positioned than others at managing logistics/ inventory. So, selection on this front will prove to be an important factor. In tech sector, cloud spending is the biggest tax reform beneficiary and should still support the mega cap outlook, even though these companies are not cheap in terms of valuation.
While software and services continue to compound, the profit acceleration in semiconductors is noticeable, as the market is still valuing the industry as a deep cyclical even though the broadening of its end-markets suggests a more stable business cycle. We note that the market is still according too much of a discount to banks just as their business models stabilise, rates go up and regulatory pressure lessens. Again, bottom-up will be key in 2018, as multiple themes will get traction in the market.

Emerging Markets

EM equities retain a sizeable valuation gap with main DM equities. The dividend yield (4.2% for the high dividend MSCI EM index) is attractive and represents a way to optimise equity income exposure at a reasonable price. The asset class is also appealing on P/E ratios, which are close to historical lows, in absolute terms. The earnings outlook is also constructive: Q4 reporting season involved more than half of the index stocks and at the time of writing 4Q17 yoy growth (current reporting quarter vs the same quarter one year ago) is close to 20% in US$ confirming the positive momentum that we believe will remain in place in 2018. However, country/sector divergences persist: earnings revisions remain in general positive, with some exceptions (ie, Mexico and Malaysia). At the regional level, we hold a positive view on Latin American domestic-driven stories (ie, Brazil), are selectively optimistic in EMEA (Russia), and maintain a positive outlook on Asian economies (China). We are now more constructive on South Africa, due to the changing political framework.

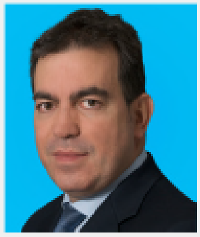


Source: Datastream, Amundi Research. Data as of 15 March 2018. A reading above (below) 100 indicates a higher (lower) performance of MSCI Cyclicals versus MSCI Defensives.

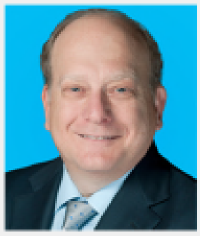
EQUITY

"Fundamentals have not changed. Things to watch are the pick-up of momentum and the evolution of trade talks."

Diego FRANZIN
Head of Equities



Mauro RATTO
Head of Emerging Markets



Kenneth J. TAUBES
CIO of US Investment Management

REAL ASSETS

Pedro-Antonio ARIAS
Global Head of Real & Alternative Assets

The private equity industry still appears to be in very good shape, but the evolving dynamics are pushing for a differentiated investment strategy.

Private equity: new records, strategic thinking needed

A new high for private equity (PE) market

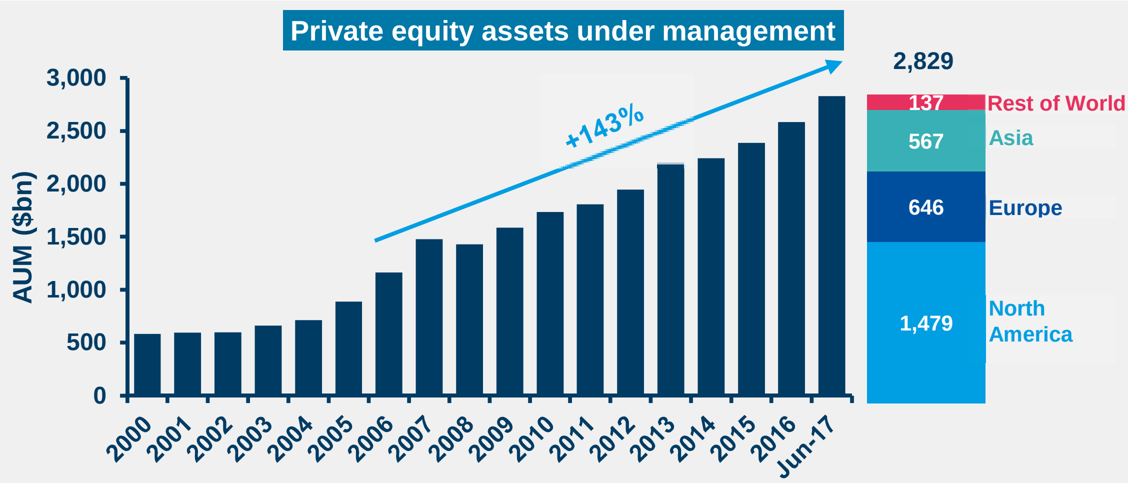
The PE industry posted a strong year in 2017, as global assets under management reached a new record of US$2.83tn as at June 2017, up 9.6% from the end of December 2016, more than doubling the size of the industry at the end of 2006. This has been its ninth consecutive year of growth since the global financial crisis. The fundamental driver behind investors' interest and confidence in PE has surely been its ability to deliver steady attractive returns. PrEQin Private Equity, the asset class benchmark, has consistently outperformed the S&P 500 TR and MSCI World TR indices since the start of 2005, and performed strongly over one- (+17.3% annualised return), three- (+13.4%) and five-year (+15.4%) time horizons to June 2017. In the context of high valuations in public markets and low/rising interest rates, investor capital allocation to PE markets will likely remain strong: we believe that private equity may also be well positioned to ride the business cycle and provide attractive absolute returns and portfolio diversification.

The benefit of active minority shareholder strategies

On the back of strong performance, new capital flew into the PE market reached a record high of US$453bn in 2017, the highest level ever raised in any year. In response to increased investor demand, new firms have entered the private equity asset class, thus making the landscape highly competitive. According to PrEQin data, over the past decade, the number of active private equity funds in the market has increased consistently: there are a record number of 2,296 funds globally as at January 2018 (+26% compared to January 2017). The increasingly stiff competition will be one of the biggest challenges that fund managers will face in the private equity space over the coming years. Private equity managers also have to deal with five global megatrends that are reshaping the investment environment (technology, globalisation, and demographic, environmental and societal changes). The above effects will require fund managers to experiment with new strategies to differentiate themselves from competitors and exploit their potential to find the hidden industry champions that are most likely to benefit from least one of the five major megatrends.

We believe that in this new competitive and evolving scenario, active minority investment strategies in small and medium sized companies, (more flexible to deal with the above megatrends than major corporations) may be a successful way to compete, as these allow market participants to take advantage of synergies in partnership with management.

Adopting an activist approach means taking minority stakes in unlisted companies, remaining very involved in any management decisions, with a medium- to long-term investment horizon on average. In order to create value, activism has to be selective by investing in companies with high-quality managements, robust financial fundamentals and convincing stories on profitability (for example, we believe that ESG companies have a competitive advantage as to benefitting from the above global megatrends and this, could be very beneficial for ESG adoption in private equity). In this respect, we see opportunities in France, Germany and northern Italy. Lastly, since the activist approach requires access to family-owned and owner-managed businesses, geographic proximity plays an important role in maintaining better and more effective relationships with managements.



Source: Preqin, Amundi. As of 15 March 2018.

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Amundi high conviction positions

Asset Allocation: Multi-Class Outlook								
	1 month change	---	--	-	0	+	++	+++
Equities vs govies	↘					■		
Equities vs credit	→					■		
Credit vs govies	→					■		
Duration	→			■				
Oil	→					■		
Gold	→					■		
Euro cash	→				■			
US$ cash	→					■		

The table above represents cross asset assessment on a 3-6 month horizon, based on views expressed at the most recent global investment committee. The outlook, changes in outlook and opinions on the asset class assessment reflect the expected direction (+/-) and the strength of the conviction (+/++/+++).

	3-6 month research view	Relative Outlook and Conviction by Major Asset Class				
		Asset Class	1 month change on view	Underweight	Neutral	Overweight
GOVIES	-	US	→	●		
GOVIES	--	Euro core	→	●		
GOVIES	+	Euro peripherals	→			●
GOVIES	-	UK	→	●		
GOVIES	-	Japan	→	●		
CREDIT	=	US IG	→		●	
CREDIT	+/=	Euro IG	→			●
CREDIT	-	US HY	→	●		
CREDIT	+/=	Euro HY	→			●
CREDIT	+	GEM debt hard curr	→			●
CREDIT	+	GEM debt loc curr	→			●
EQUITIES	+	US	↗			●
EQUITIES	+	Eurozone	↘			●
EQUITIES	=	UK	→		●	
EQUITIES	+	Japan	↘			●
EQUITIES	+	Pac ex Japan	→			●
EQUITIES	+	Global EM	→			●
EQUITIES	+	Convertibles	→			●

CURRENCY AND REAL ASSETS

FOREX	+	EUR vs USD	→
FOREX	=	EUR vs GBP	→
FOREX	+	EUR vs JPY	→
FOREX	+	USD vs JPY	→
REAL ASSETS	+	Real estate	→
REAL ASSETS	++	Global Infrastructure	→
REAL ASSETS	+	Private Debt	→

LEGEND

−	Negative
=	Unchanged
+	Positive
● (red)	Underweight
● (grey)	Neutral
● (teal)	Overweight

Source: Amundi, as of 20 March 2018. The 3-6 month return outlook refers to research views based on expected returns by asset class. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation regarding any fund or any security in particular. This information is strictly for illustrative and educational purposes and is subject to change. **This information does not represent the actual current, past or future asset allocation or portfolio of any Amundi product.**

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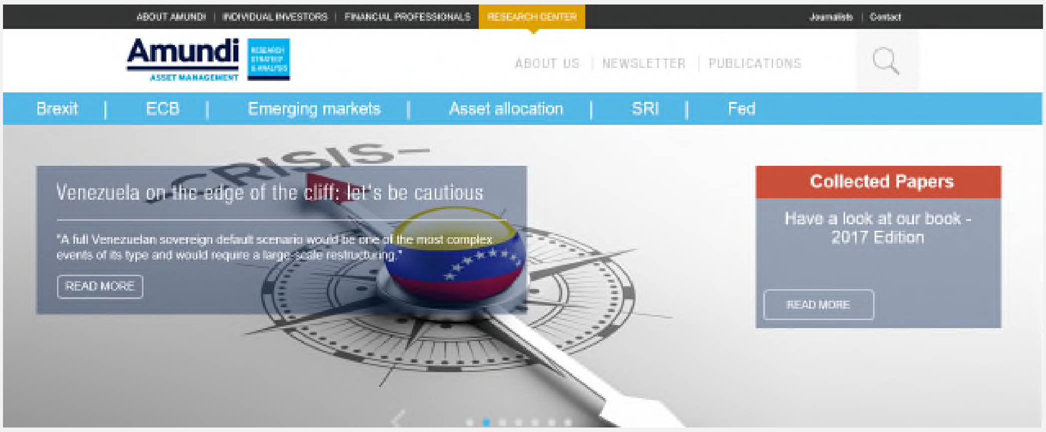
AMUNDI Investment Insights Unit

The Amundi Investment Insights Unit (AIIU) aims to transform our CIO expertise, and Amundi's overall investment knowledge, into actionable insights and tools tailored around investor needs.
In a world in which investors are exposed to information from multiple sources, we aim to become the partner of choice for the provision of regular, clear, timely, engaging and relevant insights that can help our clients make informed investment decisions.



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INSIGHTS UNIT

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