

Pension funds letter

Building together smart solutions to face a challenging environment



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An Age of Empires: Retirement investing through a new era



We've entered an era of competing forces. Our systems and societies are being forced to adjust. Alliances and partnerships are changing shape. Power balances are shifting. At the same time demographics, technological advances and climate change are transforming the investment landscape. This year our annual Amundi World Investment Forum asked a question about this new era: Is it an "Age of Empires?", where power and potential are being remastered into different forms?

In our latest Pension Fund Letter, we look back at the discussions of this year's Forum and the key insights for investors to take away. We also look forward to some of the trends and the solutions that may drive real progress towards our collective goals.

Retirement was a major theme of this year's event. The demands brought by increasing life expectancies, strained public finances and the move from collective to individual responsibility is redefining the retirement landscape and the role of each within it. Our first article summarises the main talking points.

Next, we move on to initiatives to address our global challenges as we discuss a major landmark in European multi-lateral cooperation and the real role it will play in supporting climate finance in emerging markets.

Our third article turns to retirement trends in Asia to share the results of a study into pension saving in five major Asian markets. What do these trends tell us about the wider pension eco-system?

Finally, as part of our Mid-year Outlook publication, we assess the 2026 inflation environment and the potential implications for portfolio construction.

What's new & coming up?



11 & 12 June 2026

REPLAY
**Amundi World Investment Forum
Age of Empires? Power and Potential
Remastered**

In a new era of competing powers and shifting alliances, we examined the factors at play and the innovations that may provide the necessary solutions.

[Watch the replay](#)

29 June 2026

REPLAY
Mid-Year Outlook

Explore the critical forces shaping the second half of 2026 as our experts tackle the questions that will matter in H2 2026.

[Watch the playback](#)





Tom Deneke

Retirement Specialist,
Retirement Solutions, Amundi

Retirement takes centre stage: designing portfolios for long-term outcomes

At this year's Amundi World Investment Forum, retirement emerged as a major top-of-mind topic across the plenary sessions, breakouts, peer-to-peer discussions and the closing exchanges on the consequences of current trends for investors.

For pension providers, the challenge is not simply to accumulate assets, but to invest them in a way that supports income, protects purchasing power and remains workable over a long retirement period. That has implications for portfolio construction, member segmentation and the role of private markets.



Financing the Future, Amundi World Investment Forum June 2026

This is also consistent with Amundi's recent research into lifecycle investing, which argues that de-risking over time is a rational response to the decline in human capital, the increase in risk aversion as retirement approaches, and the growing importance of sequencing risk. In practice, retirement portfolios should be designed as a journey, not as a one-off allocation.

1. [Lifecycle Remix 2026: Glidepaths](#) | [Amundi Research Center](#)

Outcomes, not labels

One of the main lessons from the discussions is that retirement portfolios should be built around outcomes rather than asset labels. Members need a combination of growth, income, flexibility and downside protection, and these needs change over time. Notably, these are requirements that do not map neatly onto a single product or asset class.

This is why retirement solutions increasingly need to be designed with a broader objective in mind. In many markets, personal savings are expected to play a larger role in retirement income. This puts more weight on how these savings are invested, and on the quality of the default options and portfolio choices available to members.

The discussions also highlighted the scale of the challenge. Demographic ageing, higher life expectancy and pressure on public finances are reshaping retirement systems. From a portfolio perspective, the implication is straightforward: retirement capital needs to be managed over a much longer horizon, with more attention to real returns and resilience.

Retirement solutions need to reflect member heterogeneity

A key point from the retirement-focused breakout session was that retirement is not the same for everyone. Differences exist across countries, but also within member populations.

At the country level, pension systems, replacement rates and public health coverage vary widely. At the individual level, members differ in wealth, spending needs, family situation, bequest motives and liquidity preferences. Some are comfortable locking assets away for retirement; others are not. Preferences also change over time.

However, in practice this does not imply that every member needs a bespoke solution. Instead, retirement design needs to be more segmented and flexible. Better segmentation, clustering

and persona-based approaches can improve the fit between retirement pathways and member needs. This is one of the central findings of our recent lifecycle paper¹: age alone is not a sufficient basis for portfolio design, because investors of the same age can have very different contribution patterns, retirement horizons and risk capacities.

The same is true in decumulation. The right retirement income solution will not be identical for everyone. It should reflect income needs, risk tolerance, health costs, flexibility and legacy objectives.

The role of private markets

A focused discussion of pension fund peers focused primarily on fixed income, and it is in this area where many of the most immediate retirement questions arise. Inflation remains central, because for retirement investors the objective is not simply nominal return, but real return.

Participants underlined that inflation is difficult to forecast and that it may also change correlations across asset classes. Inflation-linked bonds can help, but they are not a perfect hedge, and their use often raises practical questions around duration, spreads and implementation.

This makes the case for careful fixed income positioning all the more important. In a retirement context, fixed income is not just about duration management; it is about preserving purchasing power and supporting long-term income needs in an environment where inflation may not behave in a straightforward way.

Technology as an enabler

The closing discussion helped tie the different sessions together. One of the main points was that retirement solutions need to help savers become investors, and remain investors, for longer. That requires clearer framing, better engagement and practical use of technology.

For pension providers, technology is useful when it supports better decisions and clearer communication. It can help with segmentation, profiling and member engagement. But it does not replace investment judgement, and it should not make the retirement proposition more complicated than needed.

The same applies to the transition from accumulation phase to income-distribution. There is no single solution that works for everyone, but the principle is the same: retirement solutions should support the journey from saving to spending in a way that is practical, understandable and aligned with member objectives.

In short, the retirement challenge is becoming more complex, but also more manageable when it is approached with a clear framework and a strong focus on long-term outcomes. As retirement systems evolve, the focus will increasingly shift from building assets to building outcomes. For pension providers, this means combining long-term thinking with solutions that can adapt to changing member needs over time.

Investment takeaways for pension providers

This year's Forum AWIF reinforced three messages that matter for pension providers.



Amundi World Investment Forum, June 2026

- 1 The focus should be on how retirement capital is allocated to support long-term objectives.**

The challenge is to translate savings into outcomes that support income, purchasing power and resilience over time.
- 2 Private markets can play a role, but only where they fit the structure and the objective.**

Private equity, private credit and infrastructure can contribute to diversification, return generation and inflation sensitivity. Their role depends on the plan's liquidity needs, governance capacity and stage in the retirement journey.
- 3 The retirement conversation is broadening to include decumulation.**

The event discussions reflected a clear shift towards thinking not only about how members accumulate assets, but also about how those assets can be converted into sustainable income in retirement.

[Read our paper to explore how to construct a glidepath that addresses our the next generation of retirement investing.](#)



Eric Dussoubs

Managing Director of Public Sector,
Amundi

A European drive to develop emerging green bond markets

April marked a major landmark in European multi-lateral cooperation with the launch of the Global Green Bond Initiative (GGBI)². With a goal of mobilizing public and private capital to finance climate transition in emerging markets, the fund will become one of the world's largest global blended finance enterprises. We sat down with Eric Dussoubs, Director of Public Sector, at Amundi, to discover why this is such an important milestone for climate finance, and the role Amundi will play in making it a success.

How did the Global Green Bond Initiative come together, and what is Amundi's role within it?

GGBI is a Global Gateway initiative launched by the European Union with the ambition to channel private capital into green bond markets in low- and middle-income countries, where the climate financing gap is most acute. The EU brought together a consortium of nine development finance institutions (DFI) and public sector institutions, including the EIB, EBRD, KfW, Proparco, CDP, FMO, LuxDev, the Government of Spain and the Green Climate Fund, who collectively provide an equity backbone for the fund. Amundi is the sole manager for this fund. As such, our role was to structure the strategy and now to deploy the capital in target instruments. We also bring our expertise in green bond markets to the GGBI Technical Assistance programme, managed by the European Commission, which supports issuers on the ground in building credible green bond frameworks, aligned with European Commission standards. In short, the DFIs I mentioned provide the capital and the policy mandate and Amundi provides the structuring and investment management.

GGBI is structurally different from a traditional blended finance fund. Can you explain why?

Most blended finance vehicles use a classic tranching structure where first-loss equity absorbs downside, mezzanine sits in the middle, and senior investors sit on top. That works, but it can create complexity in several ways. Indeed, this type of structure can be requalified as a securitized transaction, which immediately triggers regulatory and allocation requirements for some institutional investors, hence refraining them from investing in such structures. Considering the peculiarities of the GGBI and its scale, we deliberately chose to update that model.

The GGBI fund is not tranching but rather leveraged, combining two layers. As I mentioned earlier, the equity provided by the DFI consortium (which, by the way, is backed by an 80% EU guarantee), and secondly the notes issued by the fund and marketed to private investors. These notes are not subordinated instruments. Note holders are positioned as senior creditors, with repayment taking priority over any equity distributions. The structure is designed to be as close to a standard bond as possible, so that institutional investors can slot it into their fixed income allocations without special treatment, and the returns offered to private noteholders are designed to correspond to market levels.

How does a fund investing in frontier market green bonds deliver investment-grade notes to private investors?

This is the right question to ask. This is achieved greatly thanks to the capital structure we are using. The equity layer of nearly €1 billion is provided by A or above-rated development banks, and itself partially guaranteed by the European Commission's budget. Essentially, it acts as a substantial buffer absorbing first losses before any noteholder is affected. That buffer effectively grants the notes with an IG credit rating equivalent, despite the underlying portfolio being exposed to emerging and frontier market issuers. Add to that the diversification of assets across geographies, issuers, sectors and currencies and you have a portfolio where individual credit events are unlikely to threaten noteholder repayment. The fund also operates with strict concentration limits and a minimum weighted average credit rating floor for the portfolio. So while the underlying exposure is genuinely emerging market, the structure is engineered to deliver a very different risk profile to the investor holding the note.

2. GGBI is a European-led coalition flagship initiative under EU's Global Gateway strategy. See press release for full information: <https://int.media.amundi.com/article/amundi-contributes-launch-one-largest-global-blended-finance-funds>

For pension funds already active in EM fixed income or green bonds, how does GGBI fit alongside existing allocations?

For those funds, GGBI will fill a gap that is hard to access through conventional instruments. Most emerging market fixed income allocations are concentrated in the larger, more liquid markets, the major government bond index names or investment-grade EM corporates. Frontier markets, first-time issuers, local currency green bonds in Sub-Saharan Africa or the Pacific, are practically inaccessible at scale without a dedicated vehicle and on-the-ground expertise. GGBI gives savvy emerging markets investors a managed, diversified route into that universe. Another consideration, for funds with existing green bond allocations, is that it will also offers pure-play green exposure in the markets where green capital is most needed and most scarce, with issuances compliant with the ICMA's Green Bond Principles³ and annual impact reporting, ensuring additionality.

For funds newer to this space but with strong responsible investment mandates, what is the entry argument for GGBI?

The entry argument is straightforward: GGBI is designed precisely for investors who want meaningful climate impact but cannot or do not want to take on the complexity of direct frontier market exposure. The notes are structured to be bond-like, euro-denominated, with an annual coupon, to fit naturally within a fixed

income allocation. The impact credentials we are working with are demanding. The fund invests exclusively in regions officially classified as Low- and Middle-Income countries, targets at least 20% in the least developed countries, supports local currency issuances, gender and biodiversity targets, and will annually publish in-depth annual impact reporting.

For a pension fund wanting to demonstrate that its responsible investment commitments translate into real-economy outcomes, the type of opportunity offered by GGBI is worth consideration.

When GGBI succeeds at scale, what does it change for the countries receiving the capital and for global green finance?

The underlying goal of the GGBI is to build markets. When a fund invests in a sovereign green bond issued by a country that has never issued one before, it validates the credit and is a sign of confidence to other investors, as well as helping to establish a track record. Over time, that creates the conditions for repeat issuance, local investor participation, and the development of domestic green bond frameworks.

It is our joint hope with the European Commission that the Technical Assistance Facility accelerates this process by supporting issuers on framework design, second-party opinions, impact reporting, and investor engagement. At scale, GGBI can change the perception that emerging markets are too risky, too illiquid, or too complex for institutional capital.

3.ICMA GBP: International Capital Market Association's Green Bond Principles, available [here](#) and [here](#).



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Pension trends in Asia: Beyond Accumulation

Asia’s diverse populations face a common challenge; how to tackle the continent’s retirement question. Longer life expectancies and demographic shifts raise concerns about the financial sustainability of Asia’s pension systems and what measures can be taken to address the coverage gap. It is against this backdrop that Amundi carried out research into pension provision in five Asian markets.

Our research, conducted in partnership with consultancy Crisil Coalition Greenwich and based on interviews with participants⁴ of the personal pension ecosystem in Singapore, Hong Kong, Taiwan, Thailand, and Malaysia, paints a retirement landscape that is evolving rapidly against a backdrop of growing wealth and higher living standards. Rapidly ageing populations and low birthrates across the region further accentuate the real or perceived inadequacies of state and workplace pension systems of even robust pension system such as Singapore’s. This will likely fuel the development of personal pensions as well as of post-retirement asset management solutions.

Currently the asset base for personal, pillar 3, pensions, is small at US\$40 bn. However rising awareness about pension inadequacy and structural gaps with respect to post-retirement asset and income management suggest retirement assets both in and out of pension accounts is likely to grow significantly going forward. The actual rate of growth in each market will ultimately depend on local factors including available workplace schemes and contribution caps.

Coverage inadequacy

According to our tally, regional retirement assets across state (1st pillar), workplace (2nd pillar) and personal (3rd pillar) pensions continued their long-term growth in 2025 with an annual increase of 9% to reach US\$1.7 trillion. These retirement assets could reach US\$2.5 trillion by 2029 on the back of the ongoing rise in household wealth, pension reforms and rising awareness about the importance of retirement saving and planning.

Figure 1 - Retirement Market Size Breakdown (US\$ billions)

	2025	2029E
Singapore	529.9	731.1
Hong-Kong	249.3	386.3
Taiwan	299.2	506.0
Thailand	202.2	268.5
Malaysia	403.1	582.6
Total retirement assets	1678.5	2474.6

Mandatory workplace retirement schemes remain the backbone in most countries, accounting for 90% of the retirement assets in the region. Yet, this sizeable asset base—held in investment & insurance products, as well as in guaranteed deposits with an outsized proportion located in tiny, high-income Singapore (see box 1)—hardly translate into high income replacement across the region. Replacement rate percentages are in the low forties for all markets in the region, except for Singapore whose 60% replacement rate aligns with the OECD average.

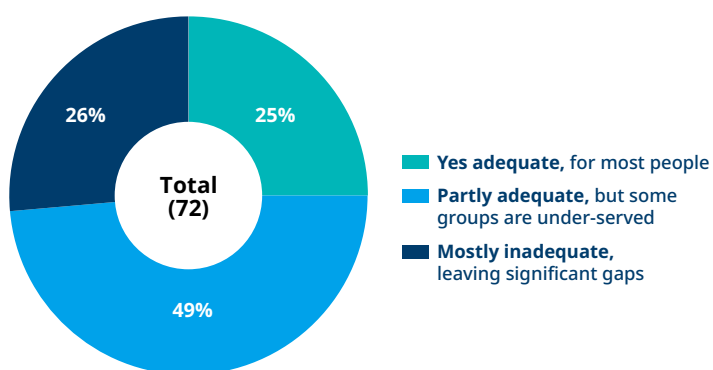
Box 1

SINGAPORE	MALAYSIA
Population: 6m	Population: 34m
Pillar 2 assets: \$525bn	Pillar 2 assets: US\$403bn

4. 73 interviews with industry participants including insurers, banks, asset managers and wealth managers, with most respondents holding senior management, investment or product leadership roles.

This gap in replacement rates helps explain why Singapore is the only market where pension coverage is viewed by market participants as being mostly adequate⁵. In all other markets, including Hong Kong with the broad coverage offered by the Mandatory Provident Fund (MPF, US\$200 billion), most local interviewees consider pension coverage to be either only partly adequate or mostly inadequate³. Interviewees reported structural pension gaps as well as significant shortfalls for middle-income, self-employed, and mass-affluent segments.

Figure 2 - Pension coverage seen as partially adequate in most markets



Filling the gap

For now, assets held in personal pension accounts⁶ are not sufficient to fill this the adequacy gap—but this could change. At the end of 2025, personal pension assets amounted to no more than US\$40 bn. Growth in this segment has varied across markets, reflecting differences in tax incentives, financial literacy, and product availability. Singapore and Hong Kong show relatively strong growth, supported by established savings incentives and higher levels of financial awareness. Taiwan and Malaysia also report positive momentum as policies are introduced to encourage personal retirement savings.

Assuming growth in line with the overall retirement markets, personal pension plan assets could reach over US\$60 billion by 2029. However, interviews with market participants suggest that such a like-for-like growth estimate may significantly understate the current and future size of personal pensions in the region as workers **1)** seek solutions to convert their accumulated retirement assets into post-retirement income, often outside pension accounts; and **2)** increase their retirement-related investments at a faster growth rate than their overall savings.

First, limiting the definition of personal pension assets to those held through official personal pension schemes is probably restrictive, particularly in Asia, where **multi-asset income funds** generate much enthusiasm and can be used as a decumulation management tool, especially in jurisdictions that allow for the distribution of capital. Enlarging the definition of personal pension assets to assets that can be used throughout the retirement journey, and using multi-asset income funds as a proxy, adds as much as US\$ 95 billion to existing personal pensions assets. This highlights a sizeable and evolving asset base beyond government-led personal pension structures, even assuming that only part of these investments is earmarked for retirement management purposes.

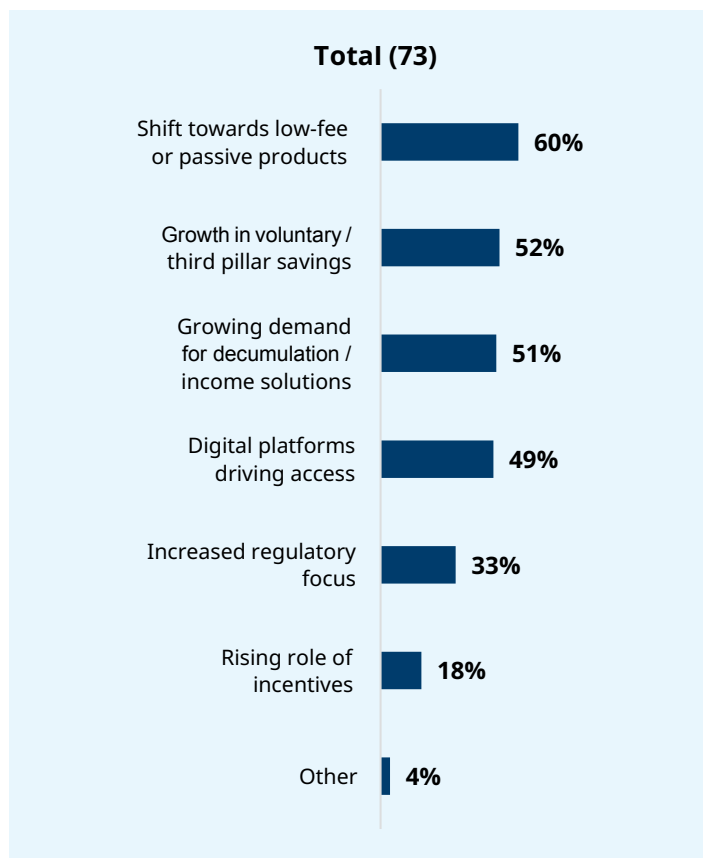
Second, survey respondents across markets generally expect overall retirement allocations to increase over one to three years from the current modest allocation of financial assets to retirement savings, estimated at <20% in most markets. Most respondents anticipate a modest increase rather than a significant shift, suggesting a gradual strengthening in focus on retirement planning. Markets such as Taiwan and Malaysia show relatively stronger expectations for increased allocations, reflecting growing awareness of retirement income challenges and demographic pressures. By contrast, some markets expect allocations to remain broadly stable, indicating that structural factors such as highly institutionalised pension systems (Singapore, Hong Kong) or competing financial priorities may limit near-term changes.

5. Answer given to the question "In your view, is the pension coverage in your country sufficient?" An adequate pension coverage corresponds to the delivery of the income needed to maintain a satisfactory living throughout retirement for the population at large.

6. Personal pension accounts included in the analysis include investment accounts with specific retirement-related tax treatment as defined by each government, as well as some accounts designed for long-term, outcome-specific investing (i.e. which would fall under the World Bank's definition of the "4th pillar" of a retirement system). This includes Malaysia's PRS, Singapore's SRS, Thailand's Retail Mutual Funds, Hong Kong's Public Annuity Scheme, as well as Taiwan's ISA (not tax-advantaged).

Personal pension adoption

Figure 3 - Trends shaping Asian Retirement markets



Most of this rising retirement tide will be absorbed by workers maxing out their workplace or mandatory contribution cap. Nonetheless, the results of our survey suggest that a meaningful share will likely flow into personal pension schemes, which could grow at an even faster rate from a relatively low base. In this regard, market participants across the region identify the growth in third pillar savings (52%, with the highest rate in Taiwan, Malaysia, and Thailand – Figure 3), as a key structural trend shaping retirement markets in the region going forward, just after the incorporation of low fees or passive products into retirement solutions (60%).

The main reasons for such flows will vary by market, but may include self-employed workers who may not have access to a workplace pension, individuals wanting to save beyond their workplace scheme contribution limits, or those wishing to diversify their investments away from the options available in their workplace scheme into more flexible or enticing investment solutions offered by personal pension schemes.

Personal pension products may also include solutions aimed at addressing gaps in income adequacy. These can help workers manage pension balances that tend to be communicated in total asset terms rather than as a clear projection of future retirement income, leaving individuals fundamentally uncertain about their true ability to sustain the level of spending they will need throughout retirement.

This challenge is particularly acute in Asia, where early withdrawals, housing needs, and longevity risk increase uncertainty on post-retirement income. An ability to dynamically process data from various sources and easily generate personalised investment plans, as used by digitally enabled distributors, could play a central role in helping investors develop an overall view of their retirement-related savings and accessing decumulation options.

For personal retirement savings, digital banks appear to possess a structural advantage. They benefit from controlling high-frequency customer touchpoints, behavioural data, and engagement triggers, and their platforms can encourage engagement through contribution nudges, default pathways, and planning tools that can be embedded seamlessly into everyday financial activity. Where effectively designed, these capabilities can support more consistent and sustained retirement saving behaviour than traditional, episodic advisory interactions. This type of digital engagement is a model that also be adopted by workplace pension schemes to improve engagement in workplace pensions.

Lifecycle risk management is another potential driver of growth in personal pensions, especially as many existing Asian pension systems still rely on relatively static asset allocation approaches. These completely lack the sophisticated, dynamic sequencing of risk required as individuals transition from the wealth accumulation phase into the decumulation phase. Singapore's recent decision to deploy a lifecycle investment option in its second pillar CPF⁷ schemes is an approach we may see popularised throughout the regions' pension systems.

*With contributions from Ken Yap,
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7. Central Provident Fund, the mandatory social security savings scheme in Singapore



Lorenzo Portelli

Head of Research at Amundi Italy,
Amundi Investment Institute

Portfolio construction in an inflationary era

We don't expect a 2022-style inflation shock, but we recognise that 2026 is no longer a normal inflation environment. In this regime, bonds may be less reliable as an equity hedge and portfolio construction needs broader inflation protection: selective risk assets, carry over duration, real and private assets, commodities and gold.

With the last major inflation shock in 2022, H1 2026 has provided another example of renewed inflationary pressure, **this time driven by an energy supply shock** stemming from the conflict in Iran. These episodes confirm our long-term view that inflation is becoming more structural and less linear, driven by geopolitical fragmentation, stronger commodity demand linked to the green transition, AI and infrastructure and repeated supply-side disruptions. While 2022 was an extreme event, with inflation fuelled by a powerful mix of pandemic-era stimulus, supply chain bottlenecks and energy prices, **2026 is not an extreme inflation shock, but it still marks a meaningful shift compared to our original assumption of a normal inflationary backdrop.**

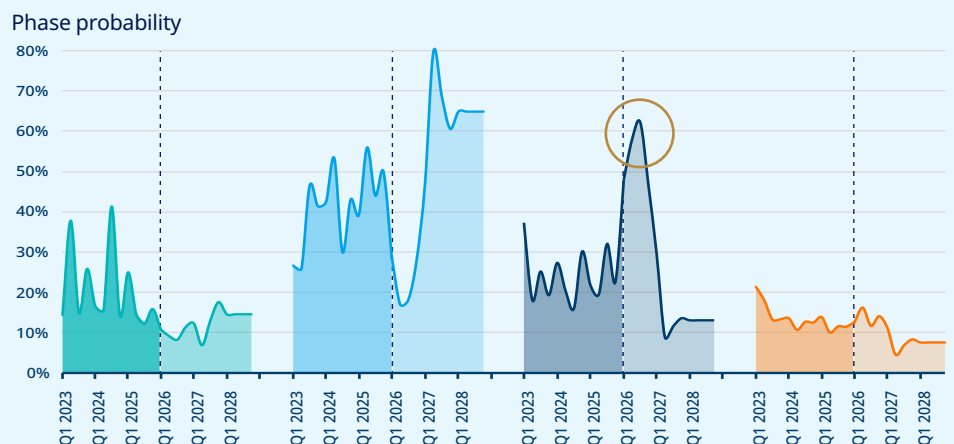
Our proprietary model, Inflation Phazer, now points to an inflationary regime, with US CPI above 3% as the most likely backdrop for the remainder of the year. A return to a normal regime phase is more likely from Q2 2027 as the spike in energy prices fades. This does not mean a repeat of the 2022 shock, but it signals that inflation is likely to remain high and persistent enough to shape central bank reaction functions, market behaviour and portfolio diversification.

The investment implications are significant: monetary policy is likely to remain less dovish/turn more hawkish, while rate volatility should stay elevated and term premium may evolve in a less linear way across bond markets.

Amundi's proprietary Inflation Phazer points to a regime change in inflation

Our Inflation Phazer assesses the probability of being in a specific inflation regime.

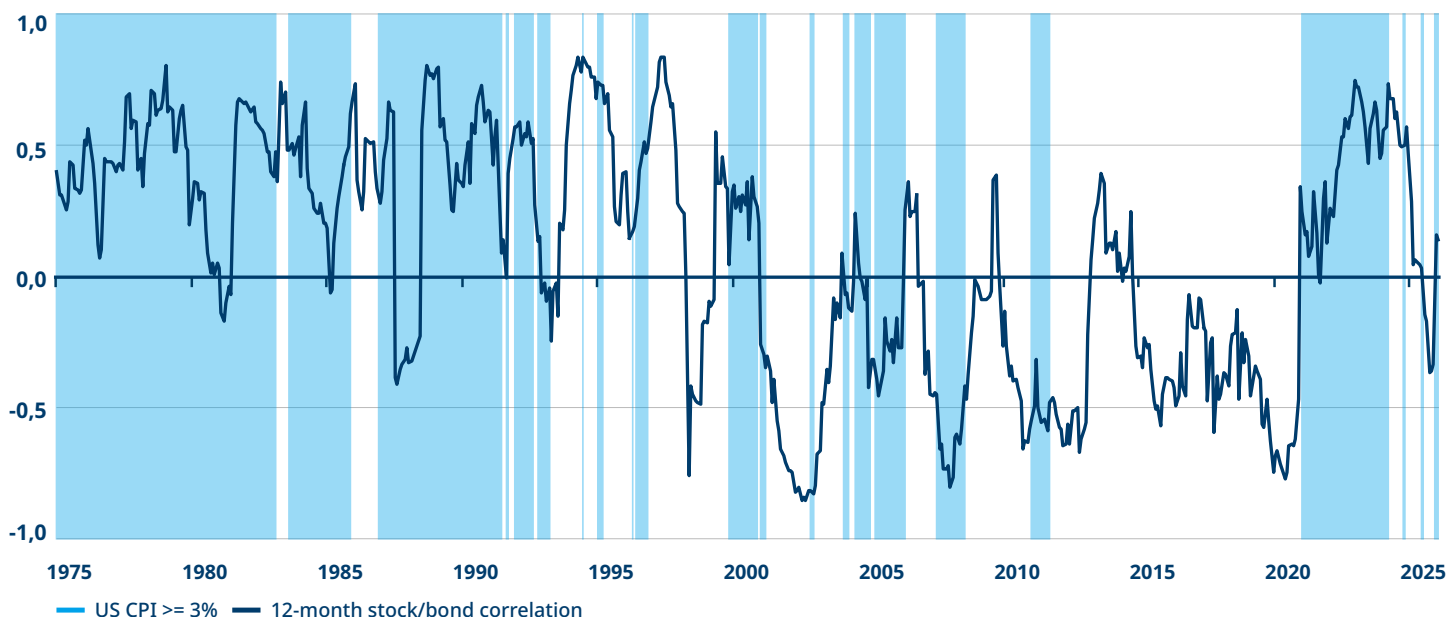
Four regimes — deflationary, normal, inflationary and hyperinflationary — are defined using a combination of inflation indicators (US CPI, PPI, PCE and unit labour costs).



Inflation regimes	Deflationary regime	Normal	Inflationary	Hyper inflationary
CPI YoY (%)	<2	2-3	3-6	>6
PPI YoY (%)	<1	2-3	3-6	>6
PCE YoY (%)	<2	2-3	3-6	>6
ULC YoY (%)	<1	2-3	3-6	>6

Sources: Amundi Investment Institute, Bloomberg. Data as of 15 June 2026. For illustrative purposes.

When US inflation stays above 3%, bonds have been a less reliable hedge



Sources: Amundi Investment Institute, Bloomberg. The equity index refers to the S&P 500, and the bond index refers to the Bloomberg US Treasury Index. Correlation is based on a 12-month rolling window. Monthly data as of April 2026.

As a result, **the duration component of a traditional balanced portfolio may prove less effective as a diversifier, particularly because bonds may not necessarily remain negatively correlated with risk assets** during inflation-driven market stress (see figure above). Inflationary shocks push yields higher at a time when risk assets come under pressure, turning the bond-equity correlation positive and supporting the case for broader diversification beyond duration.

At the same time, continued shortages of certain commodities and minerals, together with structural demand for AI and infrastructure development should **support selected real assets and inflation-sensitive exposure**. A more difficult monetary policy backdrop, alongside high public debt trajectories and central banks’ diversification away from dollar-based assets should continue to support demand for gold and precious metals at a solid pace.

In H2 2026, if the global economy remains resilient in an inflationary environment, then it calls for maintaining exposure to risk assets with stronger hedges. In equities, the most inflation-resilient areas are in industrials, infrastructure, and companies with strong pricing power. In fixed income, carry appears preferable to duration. We also believe that gold and commodities more broadly will play a more reliable role in portfolio diversification to enhance resilience.

Inflationary regime matters: asset class performance changes materially when the regime moves from normal to inflationary and cash becomes a structural decision. Gold and commodities have historically offered stronger relative performance, while the role of bonds depends on the source and persistence of inflation.

Historical performance of main asset classes under different inflation regimes

YoY %	Deflationary regime	Normal	Inflationary	Hyper inflationary
SPX Index	8.9	12.5	7.6	0.5
Gold	3.6	6.7	8.7	29.5
Commodities	-9.7	2.7	10.4	22.6
US Treasury	7.4	5.0	5.8	-5.6
IG US	6.6	7.4	7.5	0.3
HY US	3.1	10.2	3.4	-4.3

Sources: Amundi Investment Institute, Bloomberg. Data as of 15 June 2026. For illustrative purposes.

*With contributions from Laura Fiorot,
Head of Investment Insights & Client
Divisions, Amundi Investment Institute*

Mid-year Investment Outlook 2026

The first half of 2026 has reinforced our view that this is not a standard late-cycle environment. Growth is slowing unevenly, inflation risk is rising, and fiscal policy is becoming a more visible constraint. Geopolitical shocks are increasingly affecting energy prices, shipping routes, food and fertiliser costs, and corporate margins, while artificial intelligence continues to be a strong earnings driver across regions and, increasingly, across sectors.

The next six months will test the endurance of our scenario, which assumes a fragile de-escalation of the Middle East crisis and a reopening of the Strait of Hormuz, although the path to a stable deal remains uncertain.

H2 2026 | Investment themes

With downside and upside risks both elevated, diversification is key. This calls for moving away from a traditional 60/40 equity-bond allocation towards a diversified stance, including gold, commodities and private assets, as well as exposure to structural themes in Europe and emerging markets.

BACK REAL ASSETS IN AN ERA OF INFLATION



Increase focus on the real economy, real assets, commodities, and infrastructure as stores of value at a time of higher risk of value erosion from inflation.

RETHINK THE TRADITIONAL HEDGE

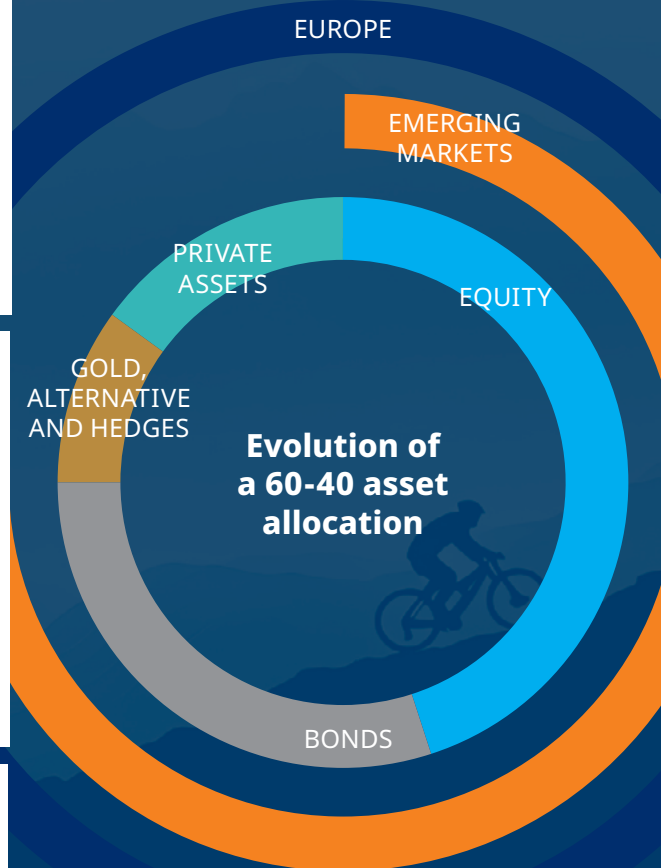


Higher inflation, geopolitical volatility and USD debasement are key risks. Duration alone is not enough. A broad protection toolkit includes gold, FX, alternative investments, and hedging strategies.

ADJUST TO THE YIELD RESET



Higher yields have made bonds more appealing, but with debt high and policy paths unclear, flexibility is key to capturing bond income.



INVEST IN EUROPE'S CAPEX REVIVAL



Europe's strategic autonomy agenda is becoming a multi-year investment cycle across defence, energy security, AI infrastructure and industrial renewal.

SEEK BREADTH, AVOID CONCENTRATION



AI remains a structural equity driver, but avoiding concentration risk will be key. Look to a broader opportunity set from infra providers to AI adopters across sectors and regions.

DIVERGING OPPORTUNITIES ACROSS EM

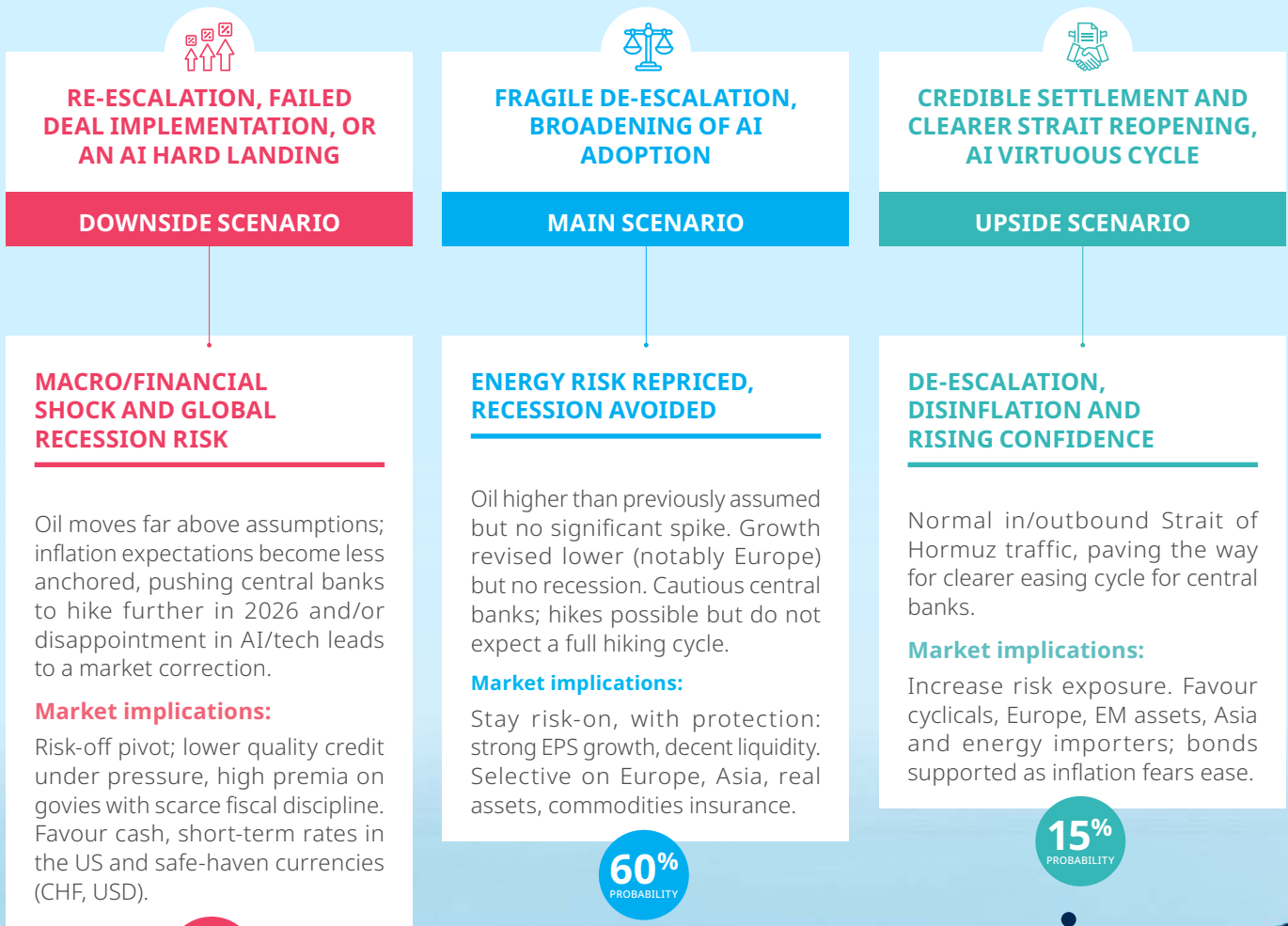


Favour countries that are supply-chain winners, commodity exporters, or those with credible policy frameworks. Be cautious where dollar sensitivity is high and external balances are weak.

H2 2026 | Scenarios

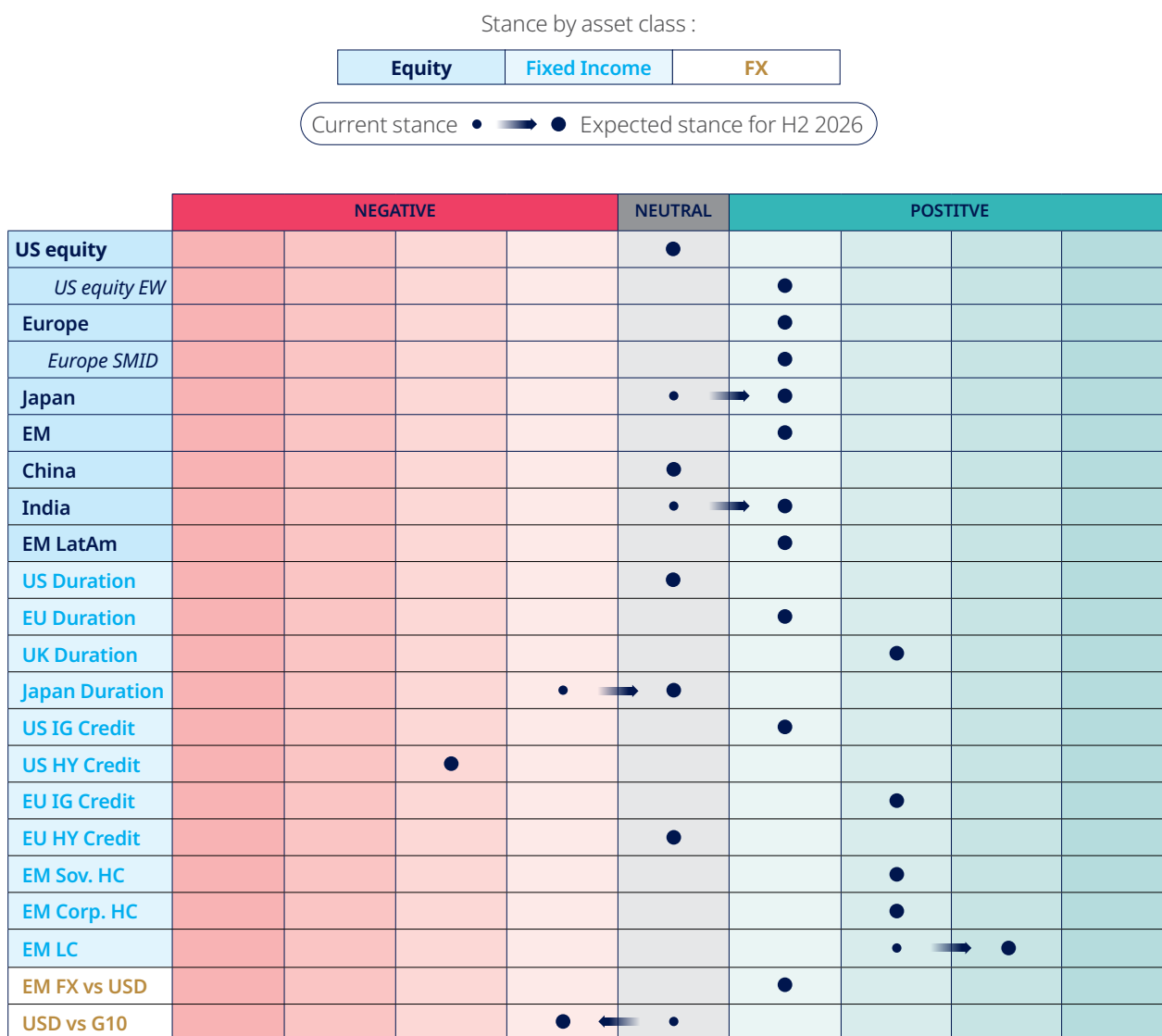
How much can economies and markets endure?

Macro and financial market endurance relies on the assumption of a fragile de-escalation of the Middle East conflict and AI supercycle. Any negative surprise can exacerbate existing vulnerabilities (high debt, concentration, leverage)



Investment convictions

This table shows the current stance from our latest Global Investment Committee as of June 2026 and the expected direction for H2 2026.



Source: Summary of views expressed at the most recent global investment committee (GIC) and updated as of 17 June 2026. The table shows absolute views on each asset class and are expressed on a 9 scale range. This material represents an assessment of the market 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. FX table shows absolute FX views of the GIC. *EW – Equal Weighted. **SMID – Small and Mid-Cap.

Discover all the critical forces shaping the second half of 2026 and the themes that will drive investment decisions in the months ahead in our mid-year investment outlook:

[Watch the playback](#)

[Read the Outlook report](#)

To go further: The Amundi Research Center



Amundi Investment Institute, our story

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Date of first use: July 2026

Doc ID no. 5724062

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