



Confidence
must be earned

Amundi
ASSET MANAGEMENT

September 2017

Market Solutions for Longevity

For professional investors only.

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01

Amundi, a global player

Amundi, a Strategic Partner

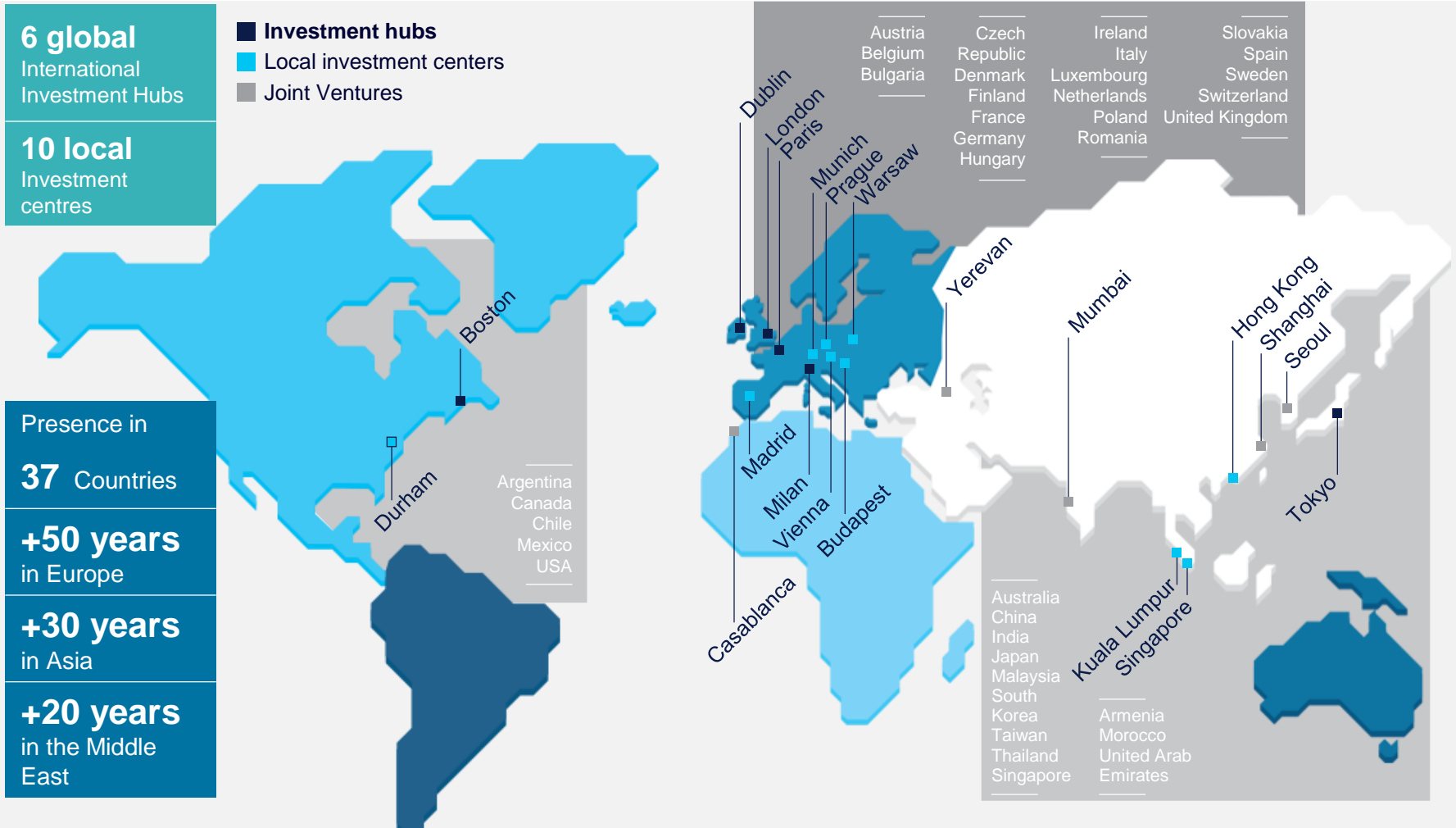
— Leading European Asset Manager

- Publicly traded since November 2015, Amundi is the largest European Asset Manager in terms of AUM, with €1.3 Tn worldwide, including €168 Bn in SRI management



1. Source IPE “Top 400 asset managers” published in June 2017 and based on AUM as of December 2016. 2. Source Amundi & Pioneer Investments pro forma combined figures as of end December 2016. 3. Data as of 31 December 2016, Amundi’s scope of consolidation – Assets under management include 100% of the assets under management in Asian Joint Ventures: State Bank of India Fund Management (India), ABC CA (China) and NH CA Asset Management Co Ltd (South Korea), and not the amounts of assets under management that correspond to the equity interest held by Amundi in each of the joint ventures, along with 34% of assets under management at Wafa Gestion (Morocco), i.e., pro rata to Amundi’s equity interest in Wafa Gestion, as Amundi has no dedicated employees in Wafa, unlike in other JVs.

With Global reach, and Local roots



(1) Source Amundi & Pioneer Investments pro forma combined figures as of end-June 2017.

Providing Solutions to Insurance Companies

— Providing dedicated platform to help insurer matching objectives

- Managing the level and the volatility of the Solvency ratio
- Capturing yield pick-up under regulatory and accounting constraints
- Entering new territories to generate return
- On-boarding responsible investment solutions

ASSET MANAGEMENT



- Core FI “buy & watch” strategies managed under insurance constraints
- Solvency 2 optimized investment solutions (protected equity, GNMA...)
- Alternative and real assets
- Liquidity solutions

STRATEGIC ADVICE



- Asset allocation advisory, regulatory capital assessment
- Regulatory watch and impact analysis
- ALM / SCR modeling
- Selection of external asset managers

SERVICES



- Insurance investment platform
- Consolidated risk monitoring
- Accounting & performance reporting
- Solvency II Reporting
- ESG & Carbon footprint reports

More than
100 Insurance partners

>470 Bn¹

15
countries

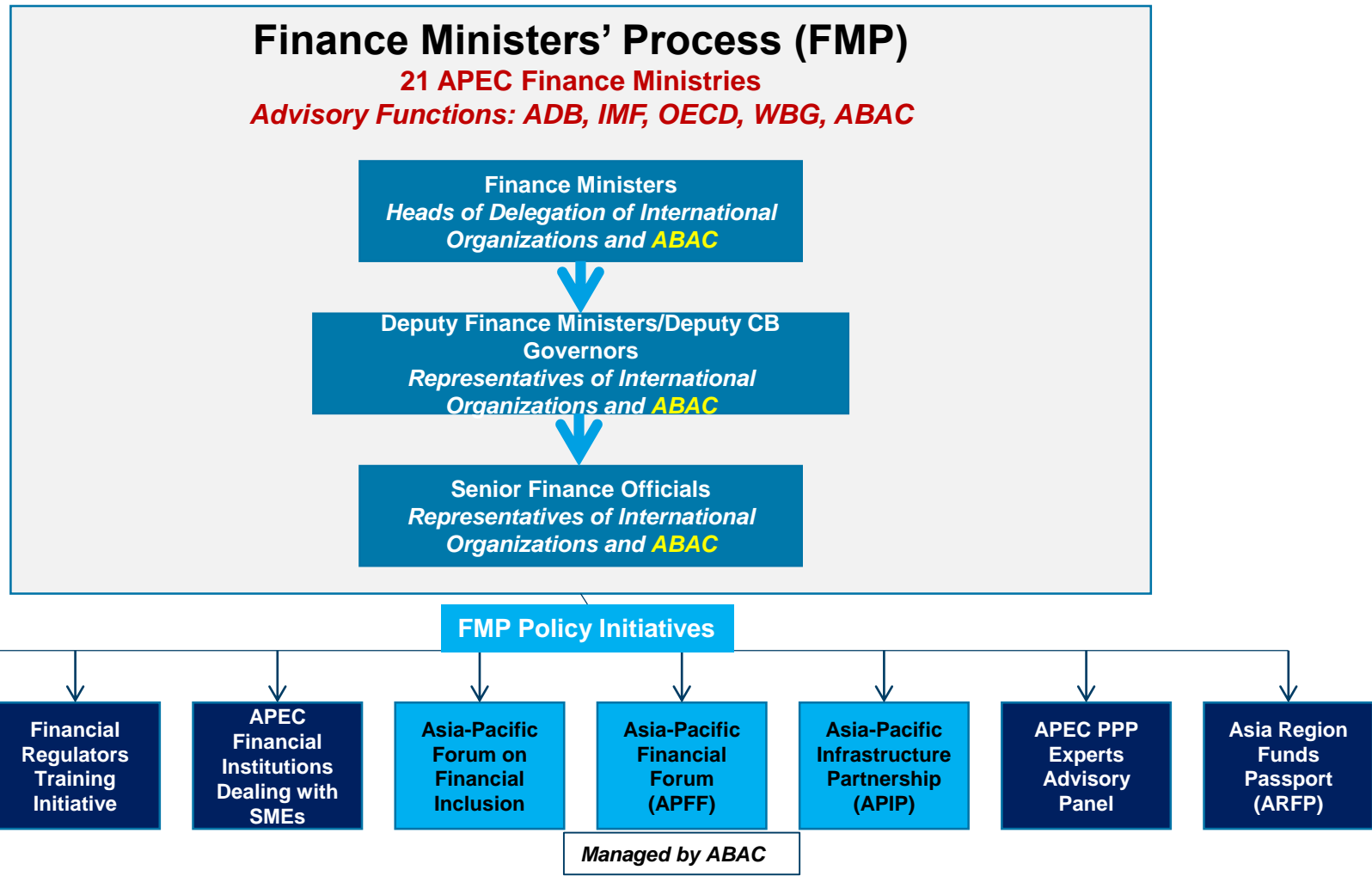
Dedicated team
of Insurance sector experts

(1) Source Amundi / BMO, data as of End of June 2017.

02

Overview of win win win framework

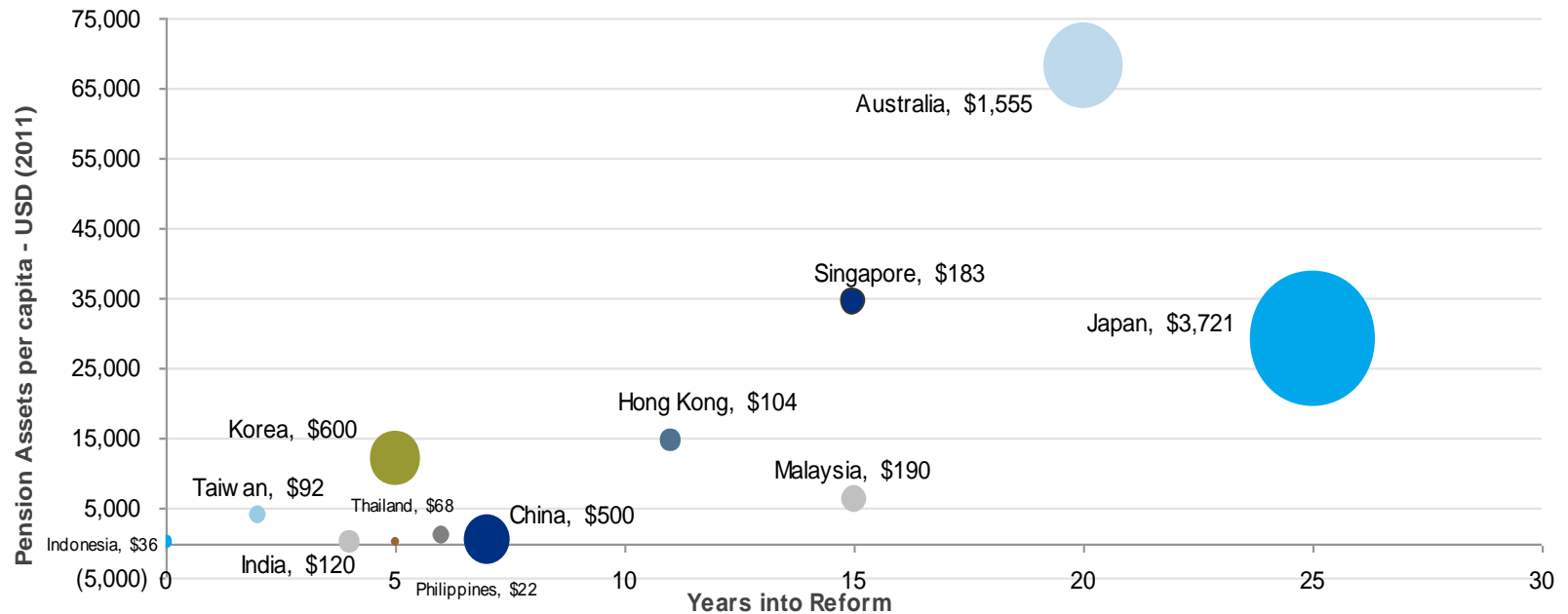
The APFF within the APEC Process



Pension Reforms across Asian Markets Continue to Drive AUMs

Comparison of Pension Industry Size in Asia

Bubble Size: Total Pension Assets in \$BN (2012)



Source: Currulli Associates; Respective Pension Funds in the countries, Internal Calculations

Pension Reforms across Asian Markets Continue to Drive AUMs

(Continued)

Ongoing Reform Progress in Key Asian Markets

	DB → DC	Increasing Coverage	Increasing Contribution Rate	Member Choice	Tax Incentive	Sophistication of Pension Funds	Projected Assets
Australia	●	●	◐	●	●	●	\$7TR (2030, Source: Deloitte)
Korea	◐	◐	◐	◐	◐	●	USD 3.5TR (2032; Source: NPS Korea)
Taiwan	◐	●	◐	◐	◐	◐	\$300BN (2020; Source: Mercer)
Hong Kong	●	●	◐	◐	◐	◐	N/A
China	◐	◐	◐	◐	◐	◐	\$1.2TR (2020; Source: Allianz/Mercer)
India	◐	◐	◐	◐	◐	◐	\$7.6TR (2032; Source: NPS India)

Key:

● Completed

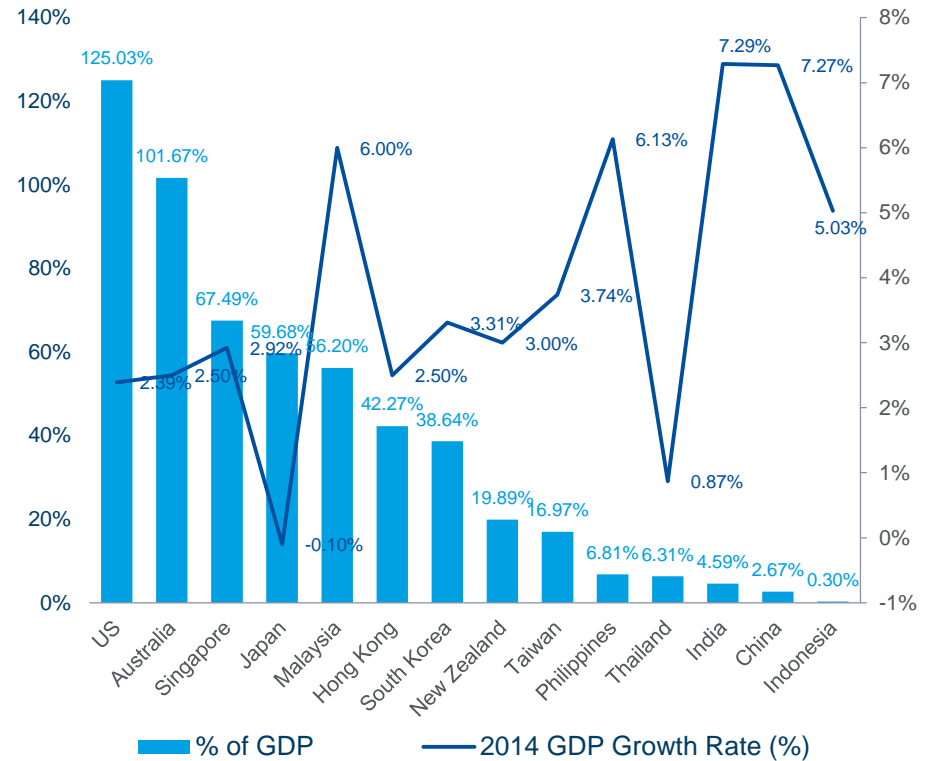
◐ Starting

Source: Currulli Associates; Respective Pension Funds in the countries, Internal Calculations

Asia Pension Funds as % of GDP

Global Pension Assets vs. GDP

Market	Estimated AUM (in USD billion)	% of GDP
Australia	1478.97	101.67%
China	276.50	2.67%
Hong Kong	123.00	42.27%
India	94.00	4.59%
Indonesia	2.68	0.30%
Japan	2746.00	59.68%
Malaysia	190.00	56.20%
New Zealand	39.79	19.89%
Philippines	19.40	6.81%
Singapore	207.87	67.49%
South Korea	545.00	38.64%
Taiwan	90.15	16.97%
Thailand	25.53	6.31%
US	21779.00	125.03%

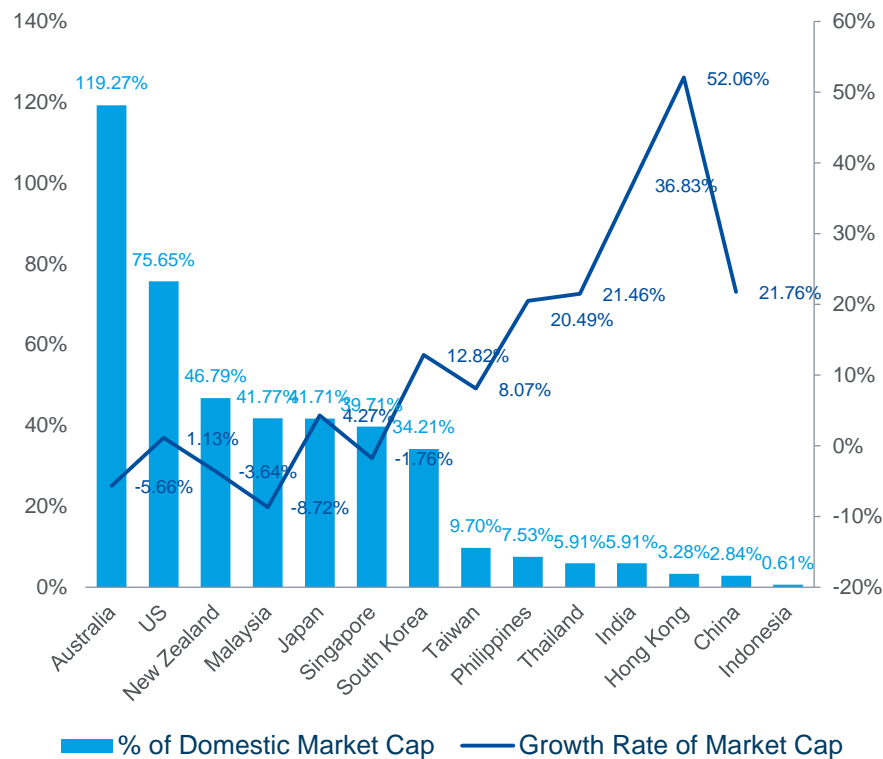


Source: World Bank, OECD, Willis Towers Watson

Asia Pension Funds as % of Domestic Market Capitalization

Global Pension Assets vs. Domestic Market Cap

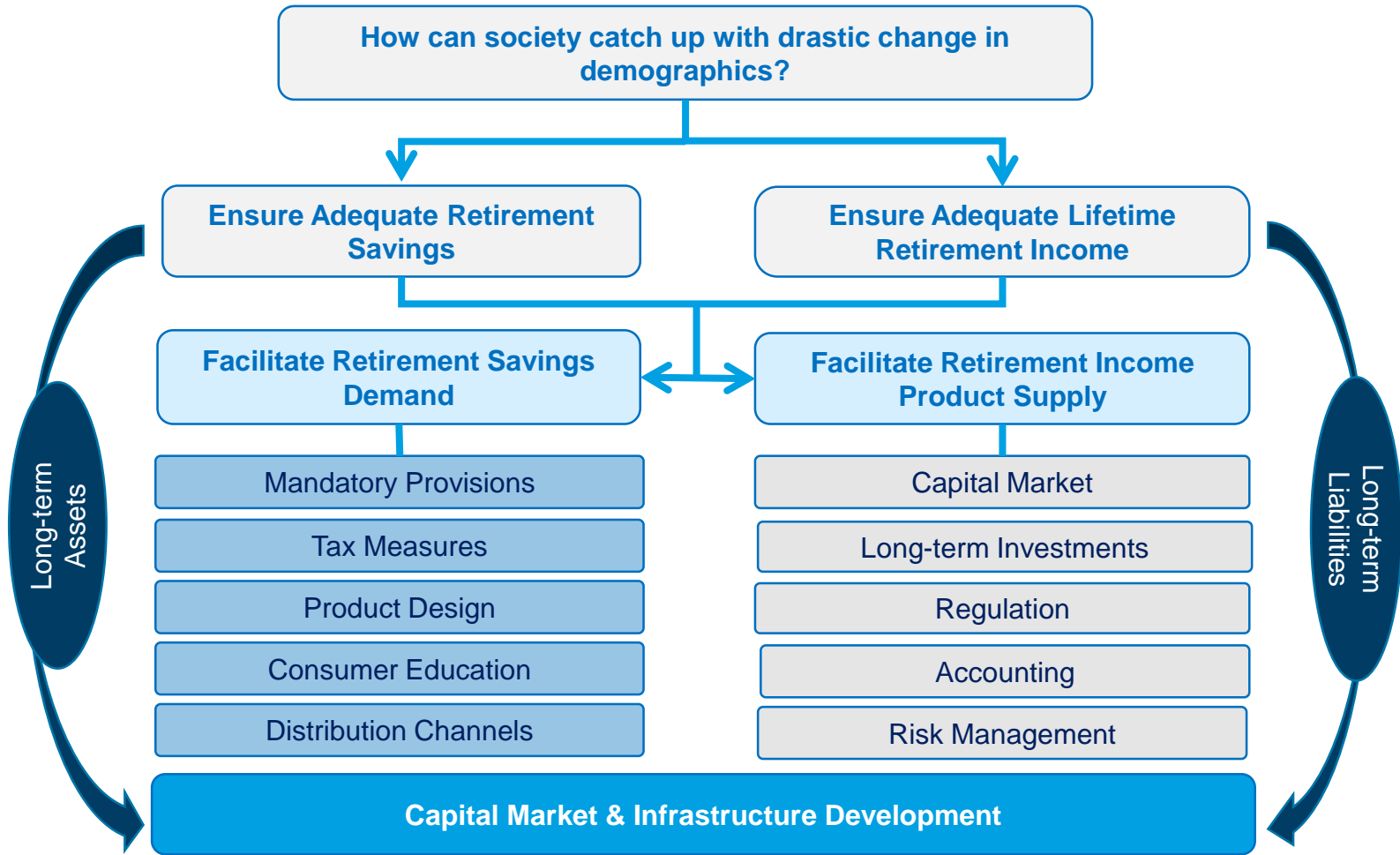
Market	Estimated AUM (in USD billion)	% of Domestic Market Capitalization
Australia	1478.97	119.27%
China	276.50	2.84%
Hong Kong	123.00	3.28%
India	94.00	5.91%
Indonesia	2.68	0.61%
Japan	2746.00	41.71%
Malaysia	190.00	41.77%
New Zealand	39.79	46.79%
Philippines	19.40	7.53%
Singapore	207.87	39.71%
South Korea	545.00	34.21%
Taiwan	90.15	9.70%
Thailand	25.53	5.91%
United States	21779.00	75.65%



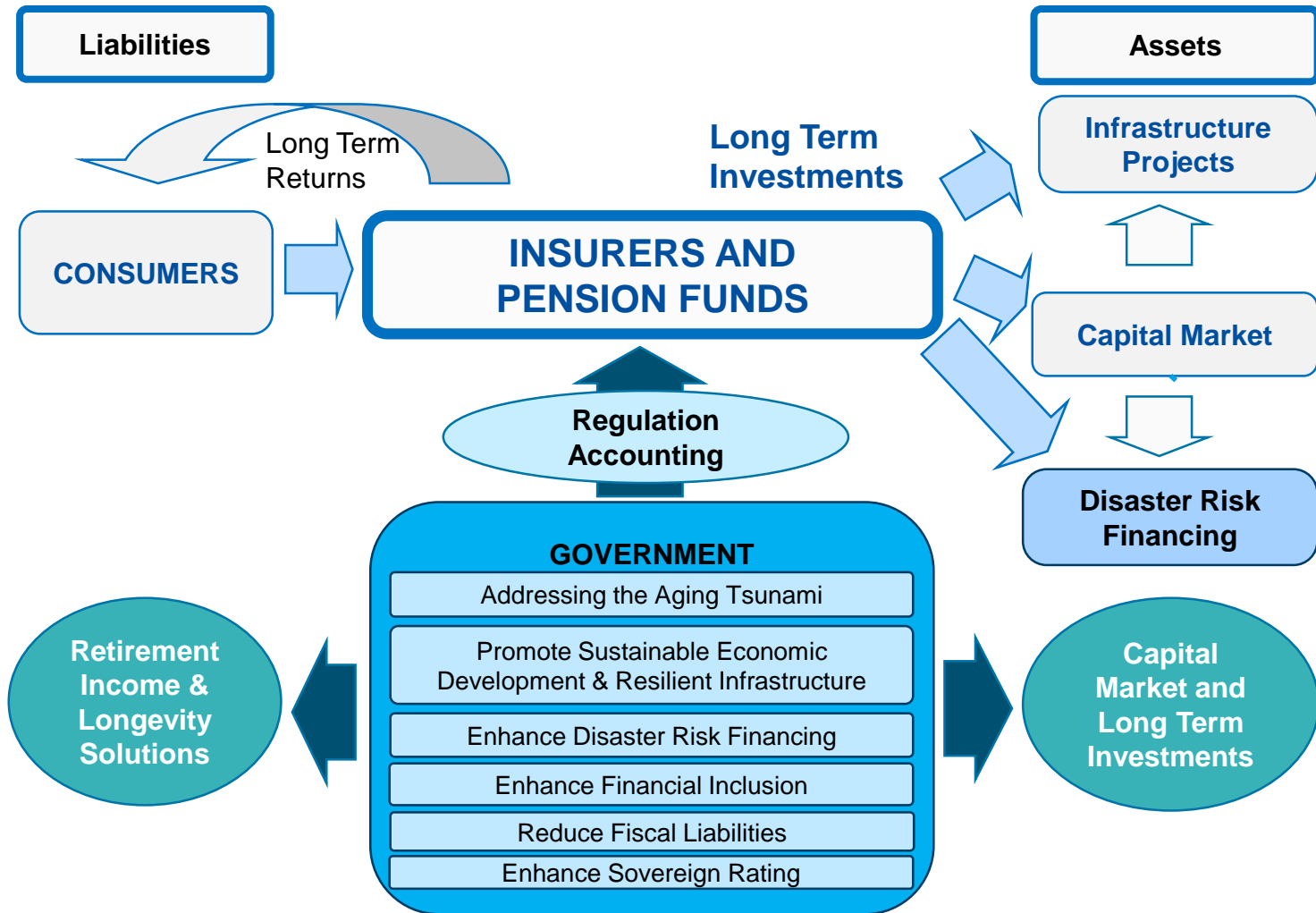
Source: Bloomberg, OECD, Willis Towers Watson

Retirement Income and Longevity Solutions

Responding to the needs of aging, while promoting capital market and infrastructure development



Win-Win-Win Framework for Sustainable Development

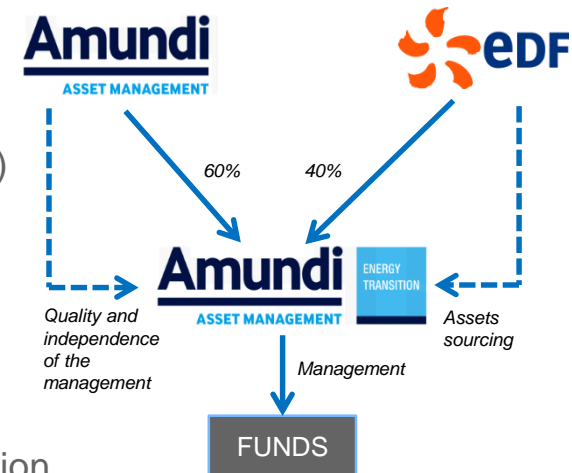


03

Amundi's solution for longevity

Infrastructure: benefiting from an attractive sourcing of renewable energy assets

- **Infrastructure fits insurers' needs**
 - An attractive return in a very low yield environment
 - Long maturity adapted to lifers' long liabilities
- **Renewable energy production infrastructures: an attractive asset class**
 - Global warming is increasingly key for investors (ESG monitoring that includes carbon impact, risk on carbon intensive assets...)
 - A positive political momentum and legal environment (targeted share of renewable sources in energy production defined by the EU..)
- **Amundi Energy Transition (AET), a partnership between two leaders**
- **AET plans to raise its first institutional fund of €200 millions (« Alba I »)**
 - Investments in physical assets involved in renewable energy production (wind, solar,..) and energy efficiency (heating networks, cogeneration,..)
 - Long maturity (25 years) and yield oriented, with stable annual cash flow over a long holding period
 - Targeting a gross IRR of 9%/10%



Alba I Institutional Fund | Likely Key Terms & Conditions

Target Returns	- Gross IRR of 9%/10%
Legal Form	- French FPCI - Establishment of a Luxembourg registered parallel fund for some non-French Investors, which will systematically co-invest prorata commitments
Size	- Target Size = €200 million - Hard Cap = €300 million
Term	- 25 years
Investment Period	- 5 years
Investments	- Directly or indirectly in all physical assets within the perimeter of the Energy Transition: production of renewable energies (wind, solar, hydro, biomass, waste, etc.) and all assets offering a material increase in energy efficiency (heat generation and distribution, etc.) - Proven technologies only - Greenfield and brownfield assets - Minority and majority stakes
Limitations / diversifications	- [75%] min in € - [75%] min in Euro zone - [50%] min in France - [20%] max in any asset - Regarding the operations carried out in partnership with EDF, [50%] of the amounts invested will have to include EDF as co-investor for a minimum of [20%] of the capital
ISR / ESG	- Investments will comply with the best environmental & social practices - AET will develop, in collaboration with external specialized advisors, adequate ISR / ESG reporting tools for the investors, in particular regarding the carbon footprint of their investments

High total return with limited exit risk

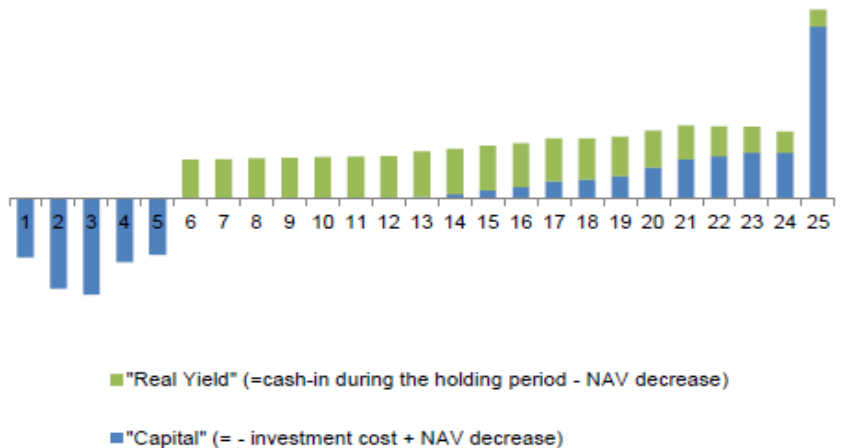
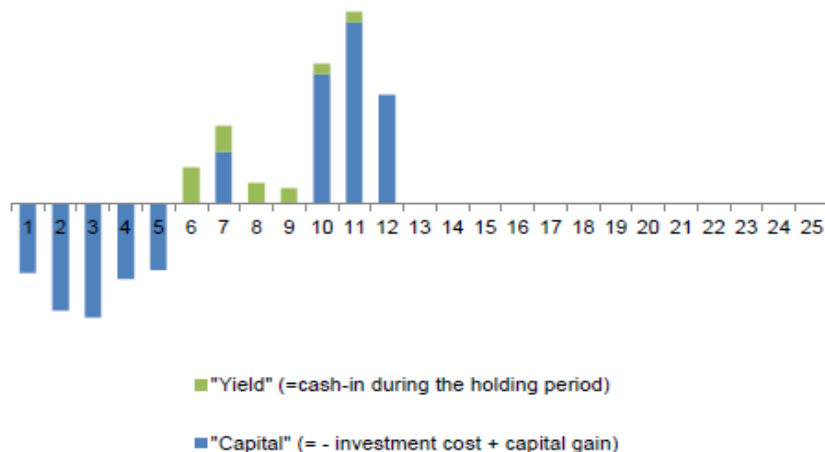
Illustrative funds flows

Value added strategy (PE style)

- IRR 9%
- Yield during the first years following investment period 5% to 7%
- Exit from year 7 to 12 with high exit price risk: capital gains represent at least 50% of total IRR

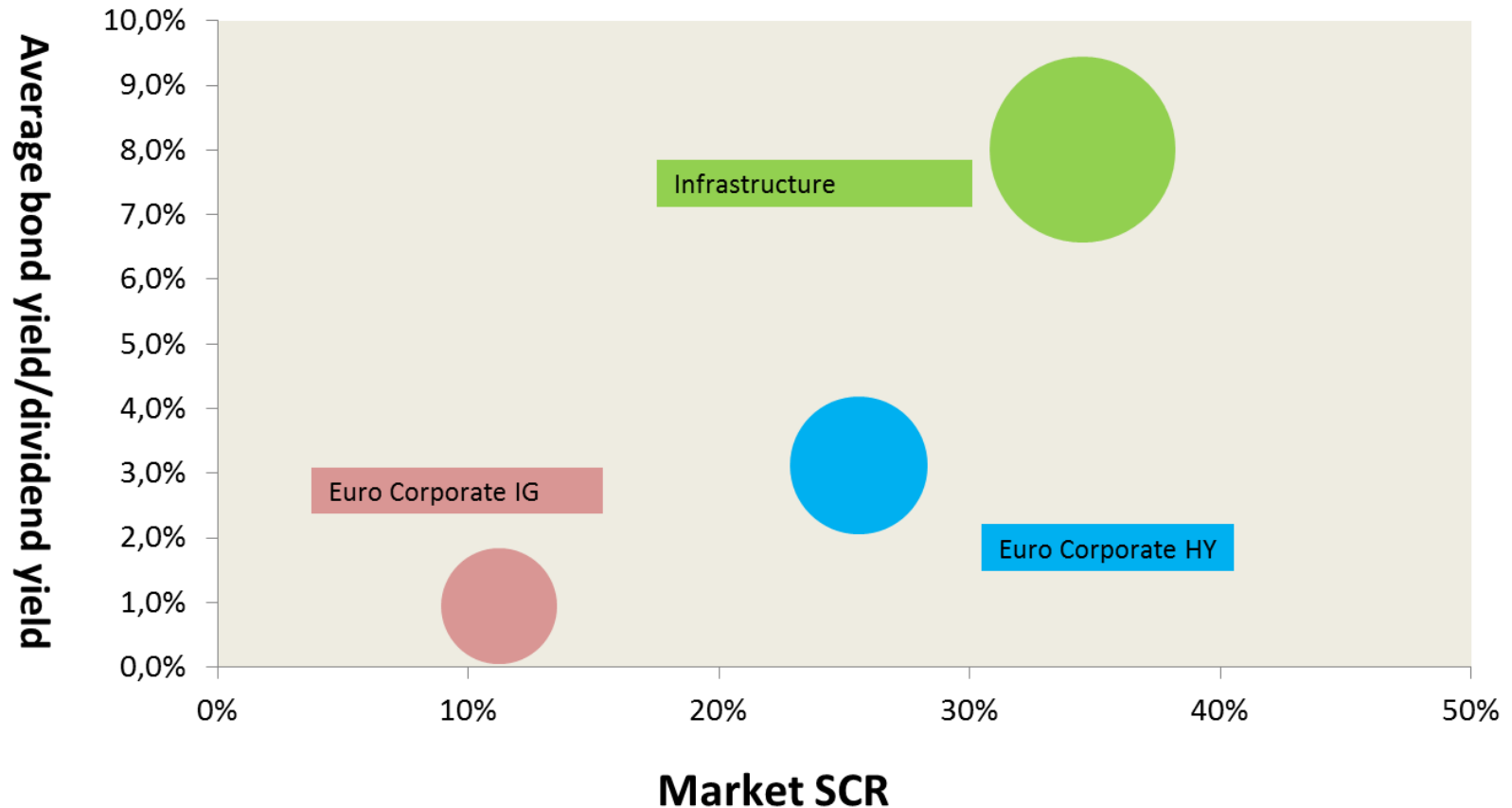
Industrial partnership with EDF / « Buy and Hold » strategy

- IRR 9%
- Significant and regular yearly cash yield
- No proceeds from sale but no exit risk
- Limited exposure to terminal value (c. 0.5% of IRR)



Provided for illustrative purposes only. Any projections, valuations and statistical analyses herein are provided to assist the recipient in the evaluation of the matters described herein. Such projections, valuations and analyses may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results; accordingly such projections, valuations and statistical analyses should not be viewed as facts and should not be relied upon as an accurate prediction of future events. There is no guarantee that any targeted performance will be achieved.

Solvency II assessment of qualifying infrastructure equity



Sources: Amundi, Bloomberg, Merrill Lynch as of 13 March 2017 computation Amundi.
Size of the bubbles is the ratio Return / SCR.

Building a ESG/low carbon - friendly portfolio – Amundi credentials

€ 168 bn SRI
AUM

- ✓ Major player in ESG with 12 year track-record
- ✓ Amongst founding signatories of the UN PRI
- ✓ A+ in annual PRI evaluation survey
- ✓ ESG approach certified by AFNOR
- ✓ Continuously engaging with issuers on ESG considerations

ESG & Low
Carbon
Expertise

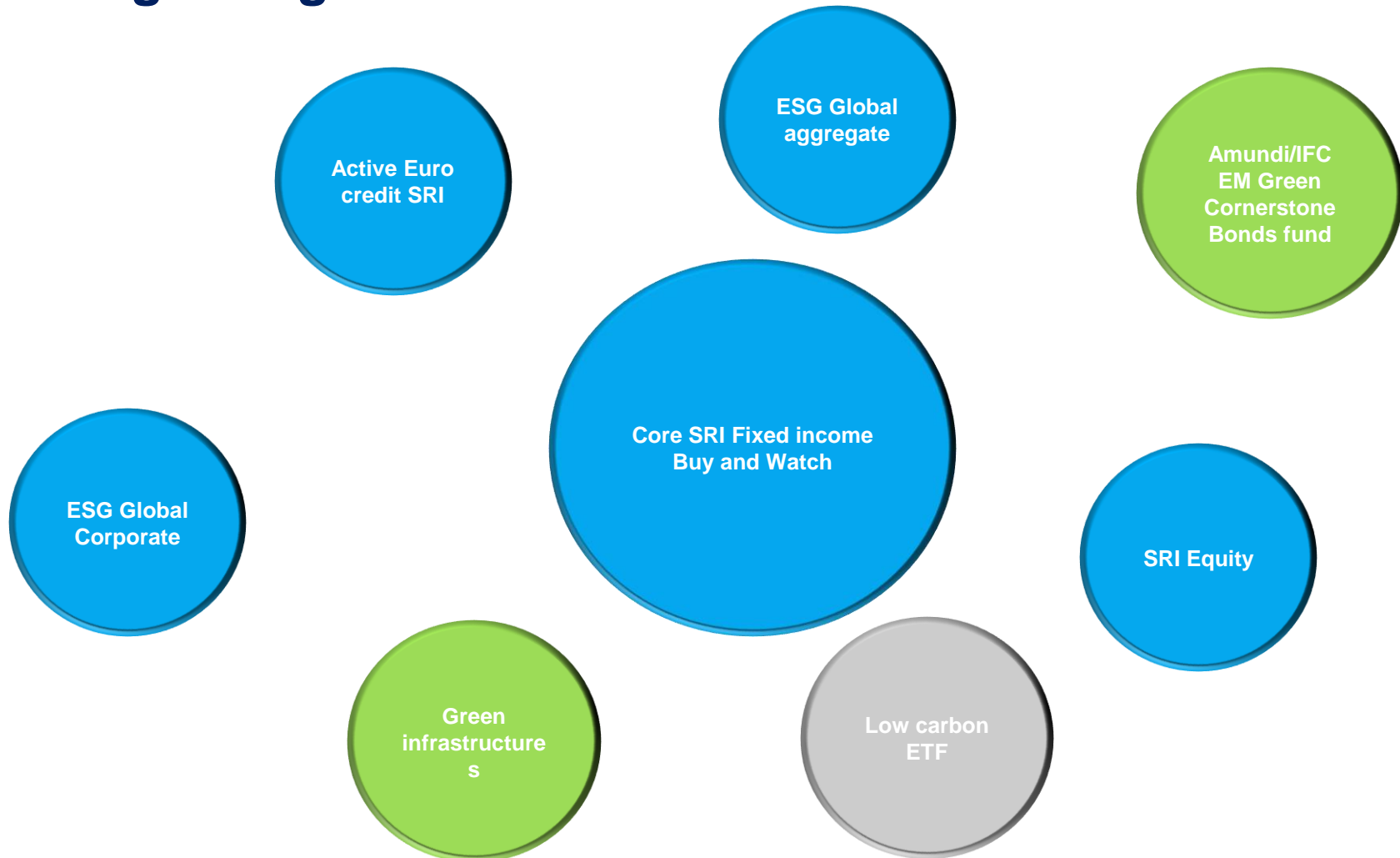
- ✓ **Committed to financing the energy transition:** Low Carbon Equity Indices, JV with EDF to finance transition via green infrastructure, JV with IFC to support EM green bond policy.
- ✓ **International recognition:**
 - Topped the “SRI & Sustainability” studies published by Extel and UKSIF, in 2015 and 2016, in the category “Asset Management best firms for SRI/ESG”.
 - Amundi’s individual governance and SRI analysts ranked first, second and third in IRRRI (Independent Research in Responsible Investment) in 2014 and 2015
 - No.1 Asset Manager for SRI in the Amadeis 2016 general ranking for the third year running

Dedicated
Resources

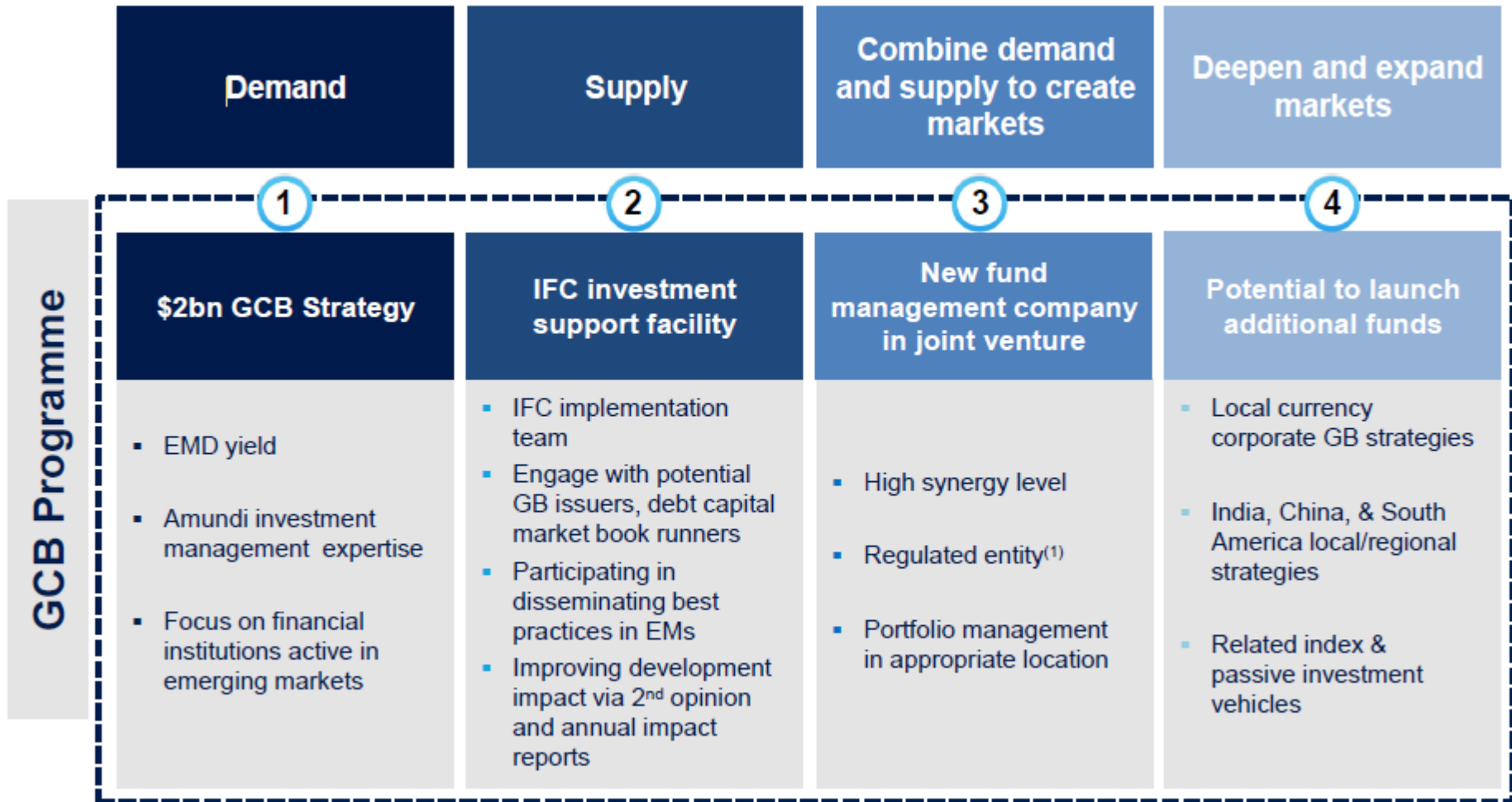
- ✓ **First SRI dedicated department in 2003**
- ✓ 16 analysts dedicated to ESG issues
- ✓ 38 Credit Portfolio Managers (Fixed Income & Absolute Return)
- ✓ 26 Credit Analysts
- ✓ 18 Strategy & Economic Research
- ✓ Access to 8 providers of extra-financial data
- ✓ Collaboration between Amundi equity, credit & ESG analysts, Coverage of 4,600 companies

* Source: Amundi as at 31/12/2016.

Building a ESG/Low Carbon - friendly portfolio – A large range of assets



Four Dimensions of the Green Cornerstore Bond Programme

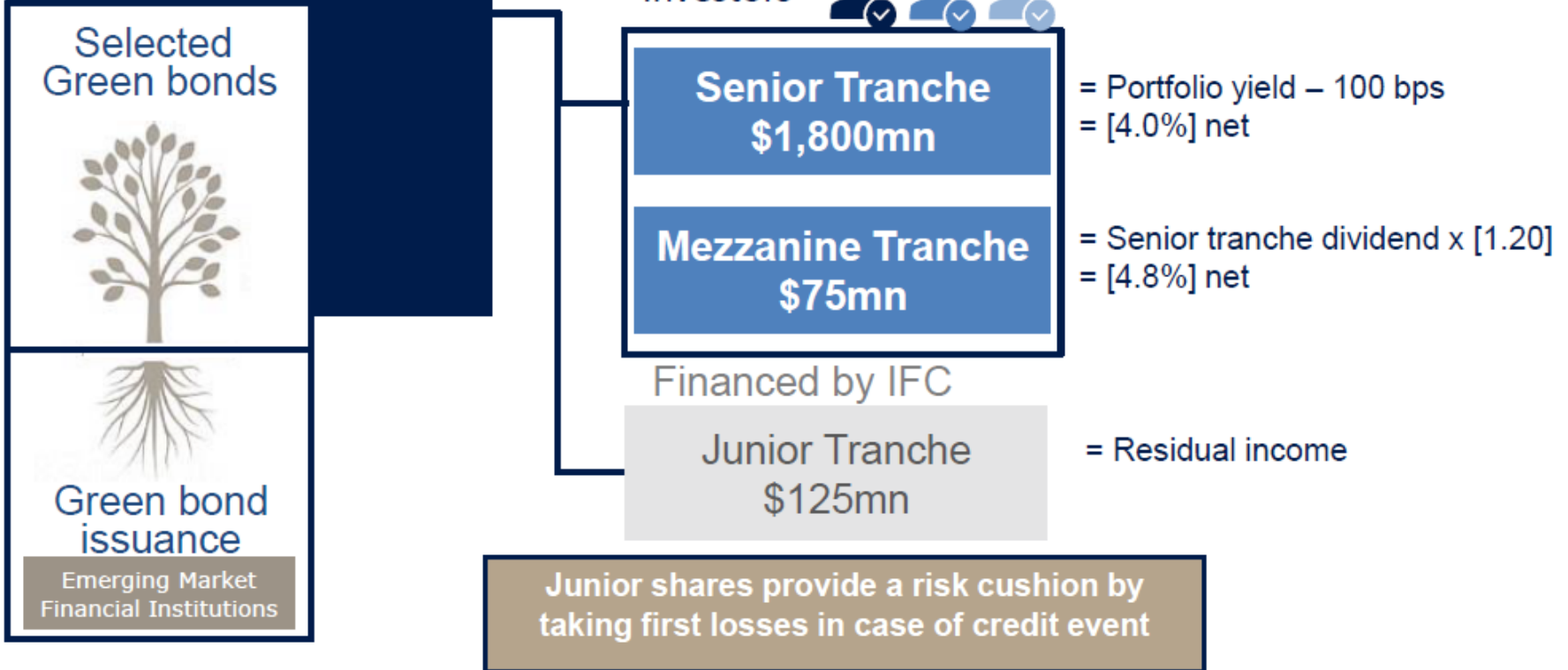


The Green Cornerstone Bond (GCB) strategy

GCB Strategy:

- Portfolio = [5.0%] expected yield
- Indicative rating: BBB- / BB+
- Mod. Duration: [5.14] year

- 7 year investment period / 12 year legal maturity
- Only invested in Emerging Markets Debt
- Achieve a 100% green bond portfolio by end of year-7
- Focus on green bonds Issued by financial institutions



GCB – Portfolio Evolution

GCB Strategy

- 12yr legal maturity
- 7yr Expansion
- 5yr Run-off

Expected structure:

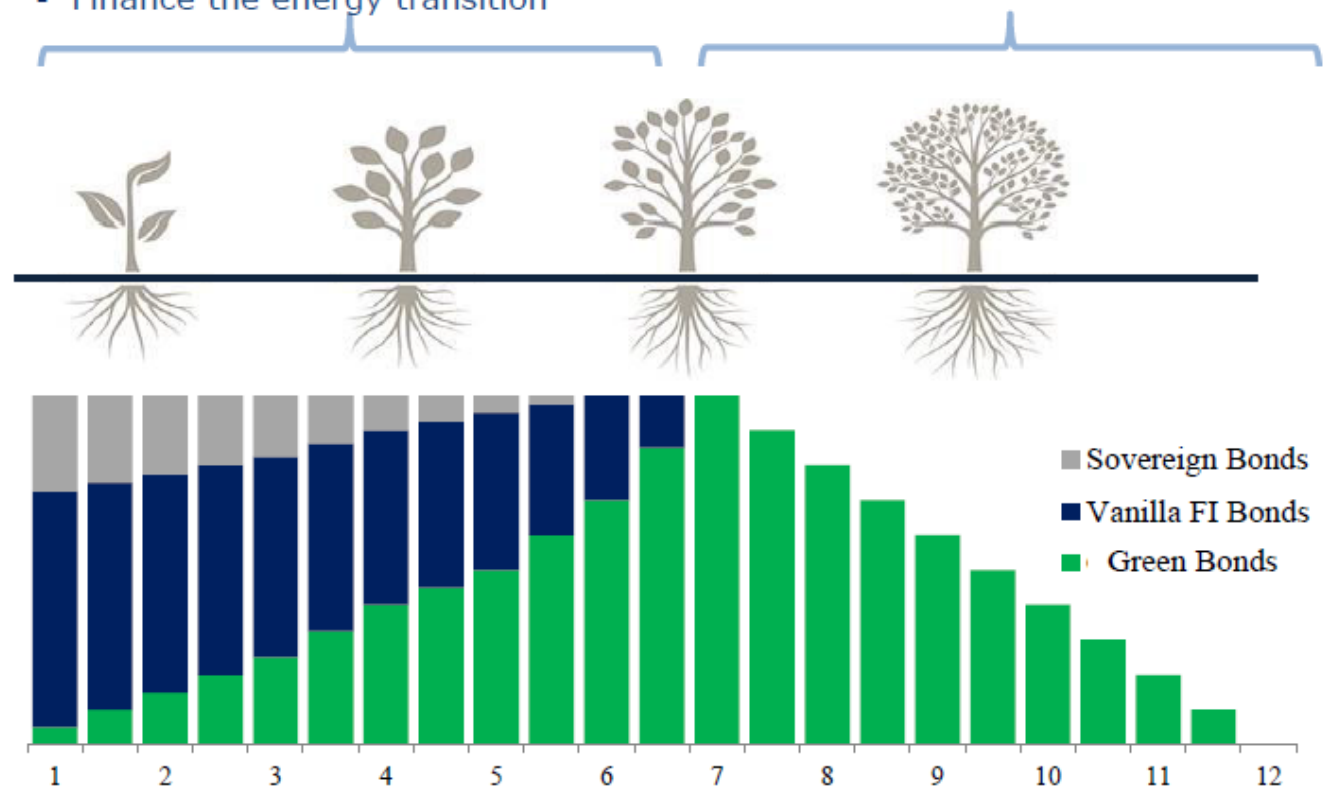
- Luxembourg Specialised Investment Fund (SIF)
- European AIF
- Closed-ended
- Shares to be listed

EXPANSION PHASE

- From 100% EM bonds (with systematic ESG screening)
- To 100% FI Green Bond
- Capture yield premiums
- Finance the energy transition

RUN-OFF PHASE

- 100% Green bond portfolio matures
- Distributions of proceeds to investors



Introduction to Liability Driven Investing (LDI)

- **Liability Driven Investing is an investment technique designed to mitigate funding level volatility**
- **The goal of LDI is to match the performance of the investment portfolio to the liability stream it was originally created to nullify**
- **Long duration funding risk can be reduced by increasing portfolio allocations to long duration fixed income securities and reducing portfolio allocations to equities**
- **In practice, precise matching of assets and liabilities is a challenge due to:**
 - Changing investment landscape
 - Complexity of cash- or duration-matching liabilities that extend more than 30 years into the future
 - Limited supply of high quality, long duration investments that appropriately match the liabilities
 - Limited availability of long duration bonds may lead to unacceptable issue and issuer concentration

As of March 2017.

All information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. All investments involve risk including the loss of principal.

A Factor-Based Agency CMO LDI Solution

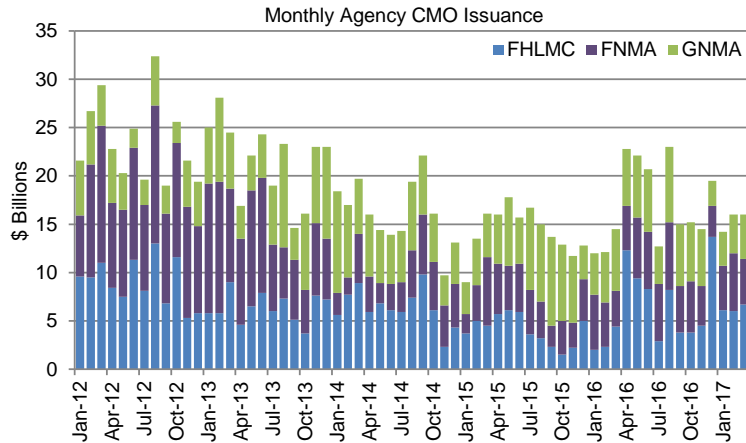
- **Characteristics of Amundi Pioneer's LDI approach include:**
 - Portfolio designed to manage the sponsor's net exposure to multiple macro-risk factors (duration, slope, volatility, yield spreads)
 - Our approach includes an expanded universe of potential investments: corporate bonds, Agency CMO bonds and Treasury bonds
- **Adding Agency CMO bonds provides potential benefits:**
 - Diversification from traditional LDI sectors
 - Interim principal and interest cashflows as opposed to only semi-annual coupon and final principal payment
 - Reduces corporate issuer concentration and default risk
 - Improves average credit quality (when used in place of corporate credit)
 - Sector rotation opportunities afforded over time
 - Provides expected returns that are competitive with corporate credit and generally higher than comparable duration government securities
- **Adding Agency CMO bonds provides potential benefits:**
 - Prepayment exposure
 - Call protection

While accounting volatility may present certain challenges over time, accounting measures will converge to economic results

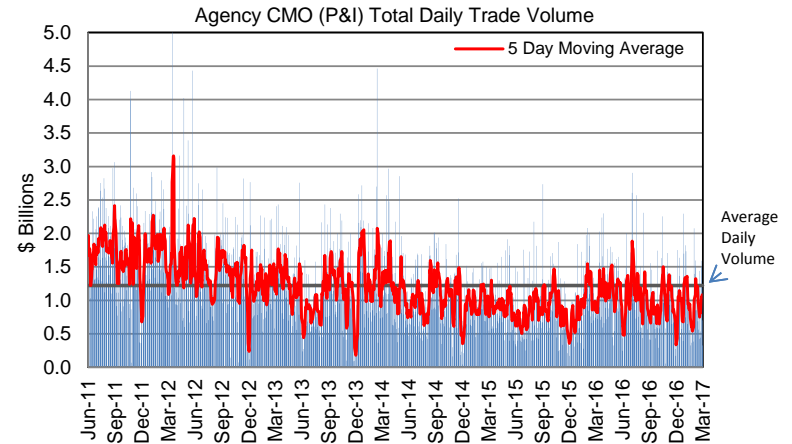
As of March 31, 2017.

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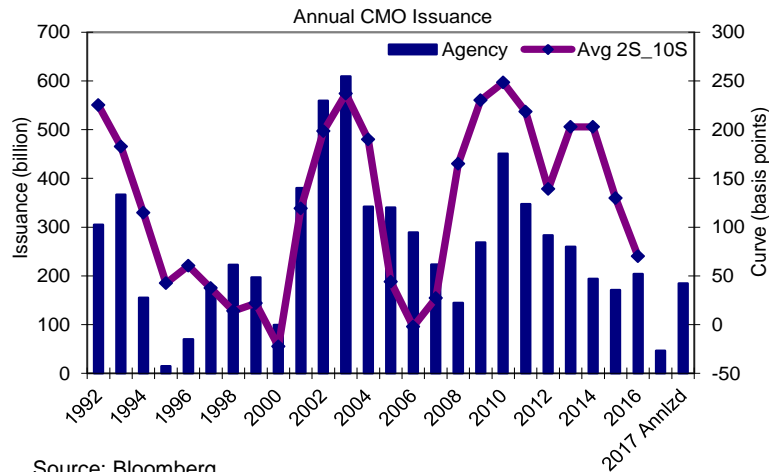
Capacity to provide a solution



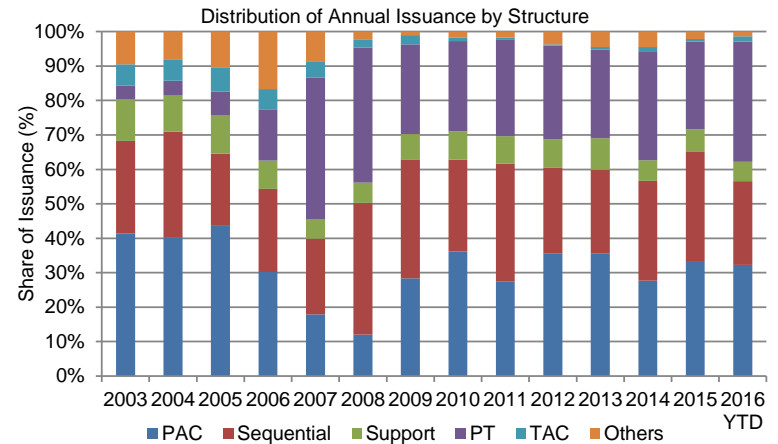
Source: Bloomberg



Source: FINRA



Source: Bloomberg



Sources: CPR & CDR Technologies, Yield Book, Wells Fargo Securities, LLC

As of: March 31, 2017

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