Amundi

ASSET MANAGEMENT

Amundi Funds

Absolute Volatility Arbitrage Plus

ABSOLUTE RETURN

Minimum recommended investment period

1 year	2 years	**3 years**	4 years	5 years

Risk indicators

- **Risk and Reward Profile (SRRI)**

Lower risk, potentially lower rewards ← → Higher risk, potentially higher rewards

1	2	3	**4**	5	6	7

The SRRI represents the risk and return profile present in the Key Investor Information Document (KIID). The lowest category does not imply that there is no risk. It is not guaranteed and may change through time.

- **Maximum indicative annual ex-ante Volatility (%)**

0 — **5** — 10

- **Maximum indicative annual ex-ante Value at Risk (%)**

0 — **8** — 10

Region

- **Global**

Reference currency of the sub-fund

- **EUR**

Indicative performance objective

- **EONIA compounded after fees**

Volatility

Measurement of the dispersion of an asset's returns relative to their average.

Implied volatility

is a reflection of the market's expectation relative to the amplitude of an asset's future variations. Its value is deduced from the market prices of options.

This material is solely for the attention of **"professional"** investors (see overleaf for more details and definitions).

Seeking absolute return by exploiting volatility market inefficiencies.

1 An original source of performance: Volatility

Although volatility is traditionally considered as a risk indicator, a measure of an asset's variability, it may offer a source of performance in the same way as other asset classes.

Volatility represents an interesting investment solution for investors searching for diversification and de-correlation. Low-correlated with traditional asset classes, volatility may be used to reduce the risk profile of a global portfolio.

Amundi Funds Absolute Volatility Arbitrage Plus has been designed with the objective to generate returns[1] by exploiting volatility markets inefficiencies. The sub-fund offers a complementary risk/return profile within the range of volatility arbitrage strategies at Amundi.

For indicative purpose, Amundi Funds Absolute Volatility Arbitrage Plus seeks to deliver performance above EONIA compounded, over a minimum investment horizon of three years with a predefined risk budget of VaR8%.

The risk budget is managed overall and accurately via the use of Value at Risk (VaR) with a maximum of 8%. VaR8% means that Amundi Funds Absolute Volatility Arbitrage Plus is constructed so that under normal market conditions, it will not under perform EONIA + 4% by more than 8% in a given year with a 95% confidence level.

2 Several sources of arbitrages opportunites

Volatility arbitrage opportunities come from the large variety of players with different behaviours and positions that may create markets inefficiencies.

Investment strategies on volatility are implemented through derivatives instruments such as options and futures across multiple underlying asset classes: fixed income, currencies and equities[2].

As illustration, by buying or selling options while hedging the underlying risks - currency, interest rate and equity risks - the investment team may extract the implied-volatility component of the option.

Risk budget of VaR 8%

Convertible Bonds Volatility Arbitrage	Equity Indices Volatility Arbitrage	Single Stocks Volatility Arbitrage	Interest Rates Volatility Arbitrage

For illustrative purposes only

Volatility Arbitrages on convertible bonds

A convertible bond is made of a corporate bond plus an option on equity component. The strategy consists in benefiting from valuation spreads between the implied volatility of the option component of a convertible bond and:

- the historical volatility of the underlying equity,
- the implied volatility recorded on options on the underlying equity.

The volatility component of the convertible bond is isolated by hedging using appropriate financial instruments.

1 The sub-fund does not offer capital protection or a performance guarantee.
2 For further details regarding the description of the investment strategies please refer to the prospectus of Amundi Funds.

Amundi Funds

Absolute Volatility Arbitrage Plus

Amundi Funds is a comprehensive range of sub-funds giving investors access to the best and most innovative investment expertise.

This large and varied range allows investors to choose the sub-fund best adapted to their individual requirements and expectations.

Switching between sub-funds within the umbrella may be done in a simple way.

This Luxembourg-domiciled umbrella fund (SICAV) is UCITS IV compliant.

Daily prices are available on the following websites:

amundi-funds.com
amundi.com

This document contains information about Amundi Funds Absolute Volatility Arbitrage Plus (the "Sub-Fund"), a sub-fund of Amundi Funds (the "SICAV"), an undertaking for collective investment in transferable securities existing under Part I of the Luxembourg law of 17 December 2010, organised as a société d'investissement à capital variable and registered with the Luxembourg Trade and Companies Register under number B68.806. The SICAV has its registered office at 5, allée Scheffer, I-2520 Luxembourg.

Amundi Funds has been authorised for public sale by the Commission de Surveillance du Secteur Financier in Luxembourg.

Not all sub-funds of the SICAV (the "Sub-Funds") will necessarily be registered or authorized for sale in all jurisdictions or be available to all investors.

Subscriptions in the Sub-Funds will only be accepted on the basis of the SICAV's latest prospectus and/or the Key Investor Information Document (KIID), its latest annual and semi-annual reports and its articles of incorporation that may be obtained, free of charge, at the registered office of the SICAV or respectively at that of the representative agent duly authorized and agreed by the relevant authority of each relevant concerned jurisdiction.

Consideration should be given to whether the risks attached to an investment in the Sub-Funds are suitable for prospective investors who should ensure that they fully understand the contents of this document. A professional advisor should be consulted to determine whether an investment in the Sub-Funds is suitable.

The value of, and any income from, an investment in the Sub-Funds can decrease as well as increase. The Sub-Funds have no guaranteed performance. Further, past performance is not a guarantee or a reliable indicator for current or future performance and returns. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

This document does not constitute an offer to buy nor a solicitation to sell in any country where it might be considered as unlawful, nor does it constitute public advertising or investment advice.

The information contained in this document is deemed accurate as at december 2012.

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- **Volatility Arbitrages on equity indices**

  This consists in taking advantage of expected convergence / divergence on volatility:

  - between different indices,
  - for an index between different maturities.

- **Volatility Arbitrages on single stocks**

  This consists in tapping the inefficiencies on volatility between two single stocks in a same sector or in playing a basket of single stocks against an index.

- **Volatility Arbitrages on interest rates**

  This consists in exploiting the expected convergence / divergence on volatility:

  - between two different geographical areas,
  - within single area, between two different maturities.

3 A dedicated, specialised and experienced team

A pioneer in Europe, Amundi has been exploring volatility products for more than 12 years with strong success reflected by attractive performances[1].

With a dedicated team of 8 specialists, Amundi provides a broad range of strategies tailored to investor's needs.

Amundi manages € 5.9 Bn assets on volatility that includes € 1.2 Bn on volatility arbitrage[2].

1 Past performances do not prejudge future results, nor its a guarantee of future returns.
2 Data and organisation as at end of March 2012.

Key information

Share classes[1]	AE (All investors)	IE (Institutional investors)	SE (Distributors)
Management company	Amundi Luxembourg S.A.		
Investment manager	Amundi		
Custodian	CACEIS Bank Luxembourg		
Reference currency of the sub-fund	EUR		
Reference currency of the class	EUR		
EFC (European Fund Classification)[2]	Absolute Return		
Share categories	Accumulation / Distribution		Accumulation
ISIN Code	A: LU0722566899 D: LU0722566972	A: LU0722567194 D: LU0722567277	A: LU0722567350
Minimum initial subscription	None	Equivalent in EUR of USD 500,000	None
Frequency of NAV calculation	Daily		
Cut-off for dealing times	Luxembourg dealing days before 2pm (Luxembourg time)[3]		
Entry charge	4.50%	2.50%	3.00%
Maximum annual management fee	1.00%	0.70%	1.20%
Maximum annual administration fee	0.30%	0.10%	0.30%
Performance fee[4]	15% of the cumulative performance above EONIA		
Maximum conversion fee	1.00%		
Exit charge	None		

The present document goes with the Key Investors Information Document (KIID) and has to be understood after reading the aforementioned document.

1 Not all share classes and, as the case may be, share categories are registered for sale in all countries. Investors may contact Amundi Luxembourg S.A. for further information.
2 Given for indicative purposes only.
3 Or, as the case may be, an earlier cut off time applicable by the relevant distributor.
4 For further details please see the prospectus of Amundi Funds.

Amundi, French joint stock company ("Société Anonyme") with a registered capital of € 584 710 755 and approved by the French Securities Regulator (Autorité des Marchés Financiers-AMF) under number GP 04000036 as a portfolio management company, 90 boulevard Pasteur - 75015 Paris-France - 437 574 452 RCS Paris. December 2012

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