

Amundi Funds

Equity Statistical Arbitrage (EUR)

ABSOLUTE RETURN

Minimum recommended investment period

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

Annual volatility scale (%)

0 4 6 10

Region

Global

Reference currency of the sub-fund

EUR

Annualised performance objective

Compounded EONIA + 4% p.a. after taking into account charges

Long Short strategy

These strategies consist in combining buying (Long) and selling (Short) positions on listed equities. Long positions are set up on companies offering upside potential. Short positions favour companies with downside potential.

In accordance with the Law of Luxembourg, the short positions within the sub-fund will be realised through derivatives only.

Market Neutral strategy

Strategy that aims to deliver a performance as decorrelated as possible to market direction.

Value at Risk (VaR)

VaR is a statistical approach used to monitor risk precisely, but which in no way guarantees a floor performance level.

Deliver absolute return¹ using a Long Short approach in the global equity markets.

Amundi Funds Equity Statistical Arbitrage (EUR) aims to outperform the daily compounded EONIA by 4% p.a. after taking into account charges over a minimum investment horizon of 4 years, within the scope of a predefined target risk budget.

1 The systematic selection of Long and Short positions

Amundi Funds Equity Statistical Arbitrage (EUR) is a Long Short Equity sub-fund of the statistical arbitrage type.

Long and Short positions are chosen according to statistical indicators based on the price of underlying assets. This **systematic stock-picking** derives from two types of strategies:

- **Mean Reverting** strategy, involving the purchase of underperforming stocks and the sale of outperforming stocks;
- **Momentum** strategy, involving the purchase of outperforming stocks and the sale of underperforming stocks.

Two complementary strategies, **global macro** and **tactical alpha**, are also used to improve the risk/return profile.

The resulting sub-fund aims to maintain a globally neutral exposure to equity markets (Market Neutral).

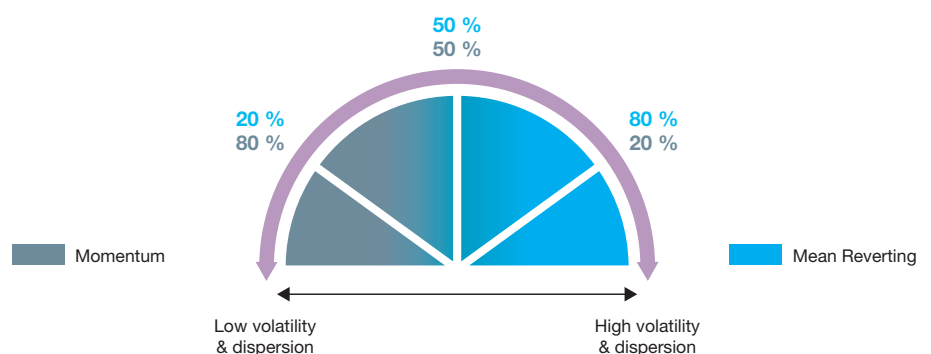
A high number of positions is implemented as to ensure the diversification of the sub-fund. For example, Amundi Funds Equity Statistical Arbitrage (EUR) may comprise from 200 to 400 positions², one half Long and the other Short.

2 A dynamic combination of Mean Reverting and Momentum strategies

Within the framework of the systematic stock-picking, the investment team performs a **dynamic allocation between the two strategies**, adjusting the weight of each strategy depending on the market structure.

An in-house indicator enables to detect the most favourable periods for Mean Reverting or Momentum-oriented stock selection.

3 indicative levels of allocation between Mean Reverting and Momentum



¹ The sub-fund does not offer any capital guarantee.

² Given for illustrative purpose only

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

Amundi Funds

Equity Statistical

Arbitrage (EUR)

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 III compliant.

Daily prices are available on the following websites:

amundi-funds.com
amundi.com

This document contains information about Amundi Funds Equity Statistical Arbitrage (EUR) (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 20 December 2002, 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, L-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 complete and simplified prospectuses, 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 March 2011.

3 Active monitoring of risk concentrations

The investment team seeks to avoid **abnormally high risk concentrations**. These may appear due to the biases produced by systematic models and result in significant losses under certain market conditions.

This **discretionary risk monitoring** is a true source of added value for the investor, who benefits from constant risk management and from the team's adaptability. For indicative purpose, over the recommended investment horizon, the target range of annual volatility is between 4% and 6%. The investment managers may, if they deem necessary, decide to hedge specific risks or downsize the portfolio's global market exposure, within the scope of a predefined ex-post VaR.

The management of risk concentrations revolves around three parameters:

- **Market sensitivity:** Measures the portfolio's sensitivity to trends in the equity, fixed income, commodity, currency and credit markets;
- **VaR by sector:** Identifies abnormal sector concentrations by controlling the impact on VaR;
- **VaR by stock:** Uses simulations to assess the impact of individual stocks on VaR.

4 A team of complementary specialists

The **Equity Arbitrage** investment team is comprised of three managers with on average ten years of experience¹, supported by an external analyst. The team has shown its ability to constantly adapt to the economic environment, aiming to generate robust and consistent performance².

The team manages different portfolios¹ based on the Statistical Arbitrage and Style Arbitrage strategies, enabling the fund managers to share their market opinions.

¹ For illustration purpose only, subject to change

² Past performance does not prejudice future results, nor is it a guarantee of future returns

Key information

	AE (All investors)	IE (Institutional inv.)	SE ¹ (Distributors)
Management company	Amundi Luxembourg S.A.		
Investment manager	Amundi		
Custodian	CACEIS Bank Luxembourg		
Reference currency of the sub-fund	EUR		
Share categories	Accumulation/Distribution		Accumulation
ISIN Code	A: LU0401972657 D: LU0401972731	A: LU0401972228 D: LU0401972491	A: LU0401972814
Minimum initial subscription	-	USD 500 000 ²	-
Frequency of NAV calculation	Daily		
Cut off for dealing times	Luxembourg Dealing days before 2 p.m. (Luxembourg time) ³		
Maximum subscription fee	4.50%	2.50%	3.00%
Maximum annual management fee	1.10%	0.60%	1.50%
Maximum administration fee	0.30%	0.20%	0.30%
Performance fee ⁴	30% per year of the performance above the performance objective (EONIA + 4.00% after charges)		
Maximum conversion fee	1.00%		
Maximum redemption fee	None		

Not all share classes and, as the case may be, share categories are registered for sale in all countries. Investors may contact Amundi Luxembourg for further information.

¹ Only for distributors authorized by Board of Directors.

² Or equivalent in another currency.

³ Or, as the case may be, an earlier cut off time applicable by the relevant distributor.

⁴ A detailed explanation of the performance fee is provided in the Prospectus.

This material is solely for the attention of institutional, professional, qualified or sophisticated investors and distributors. It is not to be distributed to the general public, private customers or retail investors in any jurisdiction whatsoever nor to "US Persons".

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