

## Amundi Funds

### Emerging Internal Demand

#### FUNDAMENTAL ACTIVE EQUITY



Minimum recommended investment period

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

Risk indicator

▶ Indicative volatility scale (%)



Region

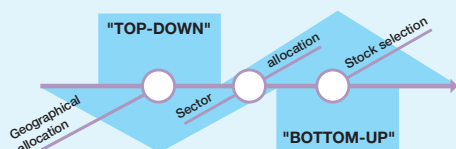
▶ World-Emerging Countries

Reference currency of the sub-fund

▶ USD

Reference indicator

▶ MSCI Emerging Markets



**An attractive opportunity to benefit from the growth potential of emerging countries' growing internal demand.**

Amundi Funds Emerging Internal Demand invests in stocks of emerging countries likely to benefit from these countries' growing demand in terms of household consumption and internal investments, including infrastructure development.

## 1 Rising internal demand to boost emerging markets

Emerging markets have shown in the last decade higher economic growth than developed economies. Today, with declining country risks and solid economic fundamentals, this trend is expected to continue with internal demand providing a main support for this higher growth.

On the back of low debt and increasing income, households' abilities to consume and leverage up are expected to be strong. Companies with positive balance sheets, high capacity utilization rates and strong demand should invest more as well. Finally, governments' involvement and willingness to achieve high internal growth should help both consumption (thanks to increasing health care expenses) and investment (through infrastructure spending).

Overall, internal demand should provide emerging countries with stable growth, huge long-term opportunities and growing independence from developed economies.

Although each of the countries is at a different stage in the economic cycle, internal demand in emerging countries should remain strong and most likely become an important contributor to the world economic growth in the future.

## 2 Proactive management mainly based on fundamental analysis

Amundi Funds Emerging Internal Demand aims to achieve long-term capital appreciation by investing mainly in shares of emerging companies, directly exposed to internal demand in emerging markets and economies.

The **three sources of performance** - geographical allocation (country selection), sector allocation within each country and stock-picking - are combined thanks to a tried and tested management process, associating Top-down and Bottom-up approaches.

- **Geographical allocation** is based on an analysis of the macroeconomic environment (monetary and tax policies, even balance of payments) and of the local financial markets. The different markets' attractiveness in terms of valuation is assessed specifically according to the level of equity risk premiums. Geographical allocation is a key factor in controlling risk due to the economic and political discrepancies among the different markets of the zone.

- **Sector allocation** is based on the outlook, risks and relative valuation of the different sectors. This sub-fund aims to invest mainly in shares of companies that sell their goods and services to clients from emerging countries. Thus, the industry, consumer discretionary, consumer goods, finance, telecom and public utility sectors will be privileged.

- **Selection of the most attractive stocks in each country and sector**, whatever their capitalization, is based on the fundamental analysis of the investment universe in each country.

The main analysis criteria applied are:

- **Economic potential:** Quality of the business model, management and robustness of the competitive position;
- **Financial soundness**, with particular attention paid to financial and operational leverages;
- **Growth outlook** (sales and earnings);
- **Intra sector relative valuation** analysed every week, based on the pertinent ratios for each sector using internal and external tools.

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

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

## Key Information

Management company
Investment manager
Custodian
Reference currency of the sub-fund
Reference currency of the class
Share categories
<b>ISIN Code</b>
Minimum initial subscription
Frequency of NAV calculation
Cut-off for dealing times
Maximum subscription fee
Annual direct management fee
Maximum administration fee
Performance fee <sup>3</sup>
Maximum conversion fee
Maximum redemption fee

## 3 | Accurate control of risk level

The portfolio of Amundi Funds Emerging Internal Demand can include over 200 securities which diversify the selection, avoid any style bias, and control liquidity risk.

The investment team defines precisely their level of exposure to emerging market risks, according to the confidence level in the scenario defined. The particularities of emerging markets, such as political and social uncertainties are integrated in the decision-making process.

Foreign currency risks are taken into account and managed actively via country and sector allocations.

When a currency is expected to depreciate, the proportion allocated to the country can thus be trimmed and export stocks can be over-weighted.

## 4 | Management by emerging markets' specialists

Amundi Funds Emerging Internal Demand is managed by a dedicated team of seven experts of the emerging markets. They benefit from over fifteen years' experience on average in these markets and have a vast network of information sources:

- Meetings with the leaders of companies monitored within the investment universe;
- Direct, frequent access to the best external analysts specializing in emerging countries;
- Close cooperation with Amundi's Emerging Bonds investment team and sector analysts as well as with the group's specialists based in the zones monitored;
- Selection of the best external economic research;
- Frequent exchanges with Crédit Agricole S.A.'s economists.

AU (All investors)	AE (All investors)	IU (Institutional Inv.)	SU <sup>1</sup> (Distributors)	SE <sup>1</sup> (Distributors)
Amundi Luxembourg S.A.				
Amundi				
CACEIS Bank Luxembourg				
USD				
USD	EUR	USD	USD	EUR
Accumulation / Distribution			Accumulation	
A: LU0319685854 D: LU0319686076	A: LU0552028184 D: LU0552028341	A: LU0319685342 D: LU0319685425	A: LU0319686159	A: LU0552028770
None		USD 500,000	None	
Daily				
Luxembourg dealing days before 2pm (Luxembourg time) <sup>2</sup>				
4.50%	4.50%	2.50%	3.00%	3.00%
1.70%	1.70%	0.90%	2.10%	2.10%
0.50%	0.50%	0.40%	0.50%	0.50%
None		20% of the cumulative performance above that of the reference indicator	None	
1.00%				
None				

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

<sup>1</sup> All investors. Shares only available through a network of distributors specifically authorised by Board of Directors.

<sup>2</sup> Or, as the case may be, an earlier cut off time applicable by the relevant distributor.

<sup>3</sup> A detailed explanation of the performance fee is provided in the Prospectus.

This document contains information about Amundi Funds Emerging Internal Demand (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.

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