

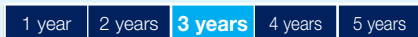
## Amundi Funds

### Emerging Markets Debt

#### EMERGING BOND



#### Minimum Recommended Investment Period



#### Risk indicator

##### Indicative Modified Duration Scale



#### Region

World - Emerging countries

#### Reference currency of the sub-fund

USD

#### Reference Indicator

JP Morgan GBI-EM Global Diversified (USD) Unhedged<sup>1</sup>

<sup>1</sup> As from December 1, 2010

#### JP Morgan GBI-EM Global Diversified (USD) Unhedged

A synthetic indicator tracking global returns of bonds denominated in local currencies, issued by emerging countries in order to finance local debt. Published by JP Morgan, it covers around fifteen countries.

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

Investing in emerging debt offers a real source of diversification and returns for long-term investors.

Amundi’s specialists currently favour bonds denominated in local currencies: local debt.

## 1 An investment universe dominated by local debt

Amundi Funds Emerging Markets Debt aims to make the most of the upside potential of emerging countries by investing at least two-thirds of its assets in bonds issued by these countries’ governments, governmental agencies and companies<sup>1</sup>. There are two types of emerging debt: **external debt** (denominated in hard currencies, mainly euro and US dollar) and **local debt** (denominated in local currencies). The sub-fund, like its reference indicator, focuses more particularly on the latter category.

Since the 1990s, emerging debt has acquired more maturity and depth, with currently over 30 issuers spread over 4 continents (Asia, Latin America, Emerging Europe and Africa/Middle East). After being driven by external debt for a long time, it is **now dominated by local debt** (over 60%), which is growing fast while the external debt market remains limited. Local debt already has four times the capitalisation of external debt and accounts for a higher volume of daily transactions<sup>2</sup>. It covers 15 countries, offering as many diversification opportunities.

Investing in Amundi Funds Emerging Markets Debt provides **access to the potential available in emerging markets**<sup>3</sup>. In recent years, these markets’ economic fundamentals have become healthier, with new fiscal and monetary policies and higher growth than in developed countries. Moreover, their bonds are clearly attractive, with improved issuer ratings and greater liquidity in the investment universe, while volatility is declining regularly<sup>2</sup>.

<sup>1</sup> Please refer to the prospectus for more details on the investment policy

<sup>2</sup> Past market behaviour is no indication of future behaviour.

<sup>3</sup> The sub-fund has no guaranteed performance.

## 2 An active top-down and Value management

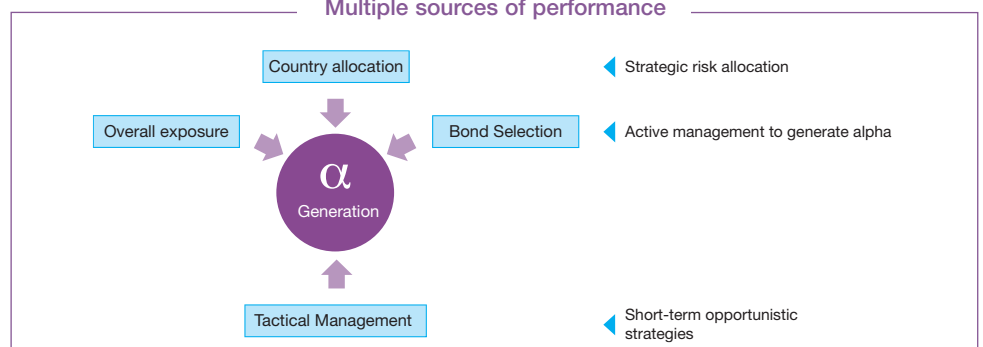
The managers of Amundi Funds Emerging Markets Debt have set up an active Top-Down and Value-style management<sup>4</sup>, focusing on a fundamental market analysis over the long term.

The investment process is based on in-depth knowledge of the fixed income markets of emerging countries and a fine-tuned analysis of their key development factors:

- **Global macroeconomic factors** (growth, commodities, regional issues, etc.) and **specific factors** (solvency, liquidity, economic cycles, currencies, etc.);
- **Political and geostrategic factors**, (stability of institutions, structural reforms, etc.) ;
- **Technical and market factors**: capital flows, appetite/aversion for risk.

<sup>4</sup> Given for illustration purpose only.

#### Multiple sources of performance



## Amundi Funds

### Emerging Markets Debt

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 Emerging Markets Debt (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 February 2011.

The fund managers analyse these factors **under different angles**: by country and inter- and intra-regions. In particular, they identify opportunities for **returns via currency arbitrages**.

The investment team of Amundi Funds Emerging Markets Debt is responsible for defining the degree of exposure to the emerging credit risk and appreciating the different debts of these economies in relation to each other. They select the bonds offering the most value in a given market and also implement a tactical management aiming to make the most of short-term inefficiencies seen on the most liquid emerging bonds.

## 3 | Precise risk control

The managers of Amundi Funds Emerging Markets Debt benefit from a significant risk budget, controlled through a maximum ex-ante target Tracking Error of 5%\* p.a. This leeway enables them to make the most of a maximal number of market opportunities.

To this end, they favour sources of value added with the lowest mutual correlation. The lower the correlation, the more additional sources of value added can be incorporated without unduly increasing the portfolio's overall risk.

\* Indicative internal limit.

## 4 | An experienced team of investment managers in emerging market debt

The fund's management is handled by Amundi's International Bonds and Currencies team based in London, one of the world's leading emerging research and investment centres. The team is comprised of over 25 professionals, including **two fund managers and four experienced credit analysts dedicated to emerging debt**. This dedicated team benefits from all the resources of the Amundi Group and from the state-of-the-art portfolio management tools, notably for risk allocation.

## Key Information

|                                    | AE<br>(All Investors)   | AU<br>(All Investors)              | IU<br>(Institutional Inv.)  | SU <sup>1</sup><br>(Distributors) |
|------------------------------------|---|------------------------------------|---|-----------------------------------|
| Management company                 | Amundi Luxembourg S.A.  |                                    |   |                                   |
| Investment manager                 | Amundi  |                                    |   |                                   |
| Custodian                          | CACEIS Bank Luxembourg  |                                    |   |                                   |
| Reference currency of the sub-fund | USD   |                                    |   |                                   |
| Reference currency of the class    | EUR   | USD                                |   |                                   |
| Share Categories                   | Accumulation / Distribution                                       |                                    |   | Accumulation                      |
| <b>ISIN Code</b>                   | A : LU0557857751<br>D : LU0557857835                              | A: LU0119097441<br>D: LU0119097953 | A: LU0119096807<br>D: LU0194908074                                      | A: LU0119098332                   |
| Minimum initial subscription       | None  |                                    | USD 500,000   | None                              |
| Frequency of NAV calculation       | Daily   |                                    |   |                                   |
| Cut off for dealing times          | Luxembourg dealing days before 2pm (Luxembourg time) <sup>2</sup> |                                    |   |                                   |
| Maximum subscription fee           | 4.50%   |                                    | 2.50%   | 3.00%                             |
| Maximum annual management fee      | 1.40%   |                                    | 0.55%   | 1.60%                             |
| Maximum administration fee         | 0.40%   |                                    | 0.20%   | 0.40%                             |
| Performance fee <sup>3</sup>       | None  |                                    | 20% of the cumulative performance above that of the reference indicator | None                              |
| Maximum conversion fee             | 1.00%   |                                    |   |                                   |
| Maximum redemption fee             | 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

- 1 All investors. Shares only available through a network of distributors specifically authorised by Board of Directors.
- 2 Or, as the case may be, an earlier cut-off time applicable by the relevant distributor.
- 3 A detailed explanation of the performance fees is provided in the Prospectus.

Amundi, French joint stock company ("Société Anonyme") with a registered capital of €578 002 350 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 - February 2011 - co

**Amundi**  
ASSET MANAGEMENT

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