

« How to benefit from one of the leading innovative asset management hubs in Europe »

November 15th, 2019
from 10:30 am to 12 am

Embassy of France
Stockholm
French Residence - Narvavägen 26



Agenda

INTRODUCTION

- **Mr David Cvach**, Ambassador of France in Sweden, *Embassy of France in Stockholm*
- **Mr Eric Pinon**, Chairman of *AFG*

Moderator of the conference:

Mr Pierre Bollon, General Representative of *AFG*

ROUND TABLE

- A particularly favourable ecosystem: presentation of AFG work on Competitiveness and Innovation and the “Finance Innovation” initiative
Mrs Muriel Faure, member of the *AMF College*, chair of *AFG’s Mission on Innovation*
- French Institutional Investors strongly contributing to the ecosystem
Mr Olivier Rousseau, Member of the Executive board, *FRR*
Mr Philippe Dutertre, Director - *AG2R La Mondiale*
- Illustration by two FinTechs
Mr Christophe Lepitre, Chairman, *Iznes*
Mr Sébastien Fiaux, Co-Founder & CEO, *SFJ Technologies*

FOCUS ON TAX REGIMES AND PARTNERSHIPS

- The Research Tax Credit (CIR) and the “Mécénat” (sponsoring/patronage):
Mrs Camille Neveu, Tax and Accounting Director, *AFG*
- Testimonial: “Research sponsoring”
An Academic Research Centre: **Mr Serge Darolles**, Professor at *Dauphine House of Finance &*
An Asset Management company: **Mr Arnaud Sarfati**, Co-founder, *LFIS*

FRANCE AND SWEDEN LEADING THE PACK ON GREEN FINANCE

- **Mr Frédéric Samama**, Head of Responsible Investment, *AMUNDI*

CONCLUSION

- **Mr Geoffroy Cailloux**, Head of the Savings and Capital Markets Office, *Directorate-General of the Treasury, French Ministry of Finance*

Speakers & Biographies

(in order of participation)



Mr David Cvach, Ambassador of France to Sweden since June 2017. He was the Adviser of the French President for North Africa and Middle East from August 2015 to May 2017. David Cvach was the Deputy to the Head of the Policy Planning Staff in the French Ministry for Foreign Affairs (01/07/2013 to 31/07/2015). Prior to that, he was the Counselor at the French Embassy in the United States (2009-2013), covering Middle East and North Africa issues. Prior to this assignment, he was the Second Counselor at the French Embassy in Iran (2006-2009) and the Deputy Head of Mission at the French Embassy in Armenia (1997-2000). He also served as Desk Officer for Iraq (2005-2006), Algeria (2003-2005) and Germany (1996- 1997) at the French Ministry for Foreign Affairs. David Cvach holds a degree of the Institute of Political Studies in Paris and the National School of Administration (ENA, 2003).

Mr Eric Pinon, Chairman of the French Asset Management Association (Association Française de la Gestion financière - AFG) since May 2017, he is also Senior Advisor of the Financière de l'Echiquier.

He began his career in 1978 with the stockbroker Michel Puget. He remained a senior executive at the firm until its merger with the Barclays group in late 1989.

In 1989, he founded "Europe Egide Finance", heading that company until its sale to KBL France (Krediet Bank group) in 2003, whose he had served as managing director until 2006. From 2006 to 2017, he has been managing partner of Acer Finance.

He served as Vice-Chairman of the AFG from 1997 to 2003 and from 2015 to 2017 and chaired its Entrepreneurial Asset Management Firms Committee.

In May 2017, he succeeds Yves Perrier as Chairman of the AFG for a two-year term. He's reappointed in June 2019 for a three-year term, with the goal of acting resolutely for the education of the investors, promoting the emergence of new sources of growth for the AM French industry, and supporting the development of French investment managing companies on an international scale.

He is also a member of the AMF's Consultative Commission on Asset Management and Institutional Investors. He graduated with a Master's Degree in financial management from Sorbonne – Paris I.





Mr Pierre Bollon, General Representative of the French Asset Management Association (*Association Française de la Gestion financière* - AFG). Pierre is member of the board of the International Investment Funds Association (IIFA), of the European Fund and Asset Management Association (EFAMA), and Vice-Chair of PensionsEurope. Secretary General of the European Savings Institute (OEE), he is also Vice-Chair of ORSE (Observatoire sur la Responsabilité Sociétale des Entreprises), the French Study Center for Corporate Social Responsibility and member of the Steering Committee of Paris Europlace.

Before joining AFG in September 1997, he worked from 1984 to 1989 as a Civil Servant (in the Prime Minister's services then in the French Treasury) and, from 1990 to 1997, as Advisor to the Chairman and Director of economic and financial affairs of the French Federation of Insurance Companies.

He graduated in 1984 from the ENA - Ecole Nationale d'Administration (completing an internship as attaché with the French embassy in Sweden from August to December 1982), and from the HEC - Ecole des Hautes Etudes Commerciales in 1979. He holds a master degree in law Panthéon-Sorbonne, and graduated from the CHEA - Centre des Hautes Etudes d'Assurances, and the Paris Institute of Political studies. He also graduated from the International management program (HEC, Stern Business School - New-York University and Esade - Barcelona).

A recognised industry expert, **Mrs Muriel Faure** is a **member of the Board of the French financial markets regulator** (AMF). As chair of AFG's Innovation Committee, she spearheaded AFG's insightful Guide de la transformation digitale that looks into the concrete impacts of blockchain and other technologies on the asset management business model (including reporting practices). Muriel Faure is also the main contact point between AFG and innovative start-ups on the French market, which is why we believe she would be a great addition to a panel on Fintechs given her leading role in France in this area.



Mrs Faure has also been instrumental in delivering and promoting:

AFG's White Paper on The New Industrial Revolution in Asset Management to Serve Savers and in AFG's contribution to the Paris Europlace White Paper on Blockchain. More recently, Muriel Faure spoke about Fintechs at the European Commission's conference on CMU and retail investors and at the dedicated EPFSF event.



Mr Olivier Rousseau is the **Executive director** at Fonds de réserve pour les retraites (FRR), France's pension reserve fund, where he also chairs the asset manager selection committee. He is also chairman of Investment board of the newly created Pension Agency of Georgia (Tblissi). Before joining FRR in 2011, he was attached to the French Embassy in Sweden as an economic advisor, a position he took up after two years on the board of the European Bank for Reconstruction and Development in London. Olivier Rousseau began his career at the French Treasury, eventually joining BNP Paribas where he spent 11 years working in international banking and finance in Paris, Tokyo, London, Singapore, Hong Kong and Sydney offices. He graduated from the French National School of Administration (ENA) in 1986. He also holds a degree in political sciences and master degrees in law and economics from the University of Aix-en-Provence.

Mr Philippe Dutertre graduated from HEC Business School and IEP Paris (Sciences Po), he also holds a Master's Degree in Industrial Policy of the Paris Dauphine university.

He has spent more or less his entire working life in institutional Asset Management, with roles as investment manager (DWS/Deutsche Asset Management), asset owner (AG2R LA MONDIALE) and investment consultant (Bfinance).

He joined AG2R LA MONDIALE in 2006 and has been instrumental in developing the Group's SRI franchise. Philippe is a director of AG2R LA MONDIALE GESTION D'ACTIFS, the group's asset management company and special advisor Sustainable finance of the group's Chief Investment Officer.

Philippe chairs one of the permanent commissions of the French SIF (Social Investment Forum-FIR), of which he has been vice-president for the past six years. He is also co-pilot of the ESG-Climat working group of the French Federation of Insurance.





Mr Christophe Lepitre - CEO IZNES

IZNES is a pan European market place for funds powered by blockchain technology and in production since March 2019.

Deputy CEO, OFI Asset management, in charge of IT, risk, operations and digitalization

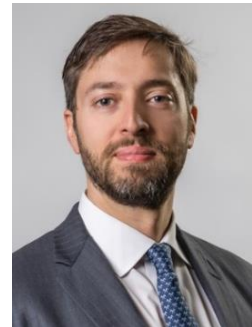
OFI Asset Management is a French regulated asset management group (300p) managing over 73B€ for institutional investors and offering a large range of products.

In March 2015, I joined the French AMF (Autorité des Marchés Financiers) as a member of the Enforcement Committee.

Mr. Sébastien Fiaux CEO & Founder (New York)

With an atypical dual background, Sébastien is first a mathematician and a statistician-economist who spent more than 10 years in fundamental research and alternative strategy portfolio management at Credit Suisse. He then founded SFJ Capital to advise some of the largest hedge funds through systematic investment models, from which SFJ Technologies was born.

Sébastien graduated from ENSAE, Sciences Po and Cornell University.



Mrs Camille Neveu, Head of Tax and Accounting of the French Asset Management Association (Association Française de la Gestion financière - AFG) Camille started as an attorney at law (Paris Bar obtained in 2013) in the international corporate tax department at Deloitte in Singapore.

She then joined the wealth management team at Baker & McKenzie Paris and Arkwood SCP in Paris.

Before joining AFG, she also held the position of Head of Tax and Financial within Witam MFO, a Multi Family Office, based in Neuilly-sur-Seine, taking care of resident and non-resident HNWI and their tax, matrimonial, inheritance, financial issues.

Camille holds an LL.M. in International Business Law from Oxford Brookes University (UK, 2009) and a Master in Corporate Tax from Paris Dauphine University (Paris, 2011)

Mr Serge Darolles, Dauphine House of Finance, is **Professor of Finance** at Université Paris-Dauphine where he teaches Financial Econometrics and Empirical Finance since 2012. Prior to joining Dauphine, he worked for Lyxor Asset Management between 2000 and 2012, where he developed mathematical models for various investment strategies. He also held consultant roles at Caisse des Dépôts & Consignations, Banque Paribas and the French Atomic Energy Agency. Serge specializes in financial econometrics and has written numerous articles, which have been published in academic journals.



He is a member of the AMF Scientific Advisory Board.

Serge holds a Ph.D. in Applied Mathematics from the University of Toulouse and a postgraduate degree from ENSAE, Paris.



Mr. Arnaud Sarfati – Co-Founder, LFIS

Prior to founding LFIS (La Française Investment Solutions), Arnaud spent 15 years with Société Générale Corporate & Investment Banking (“SGCIB”) where his last position was Co-Head of the Cross Asset Solutions division. During his tenure, Arnaud developed a number of financial innovations that contributed to SGCIB's position as a global leader in equity derivatives. Arnaud graduated from ESSEC. He also holds a Master's degree in Probability and Finance from Paris VI.

Mr Frédéric Samama, Head of Responsible Investment, joined Amundi in 2009, the leading European Asset Manager.

He is the founder of the SWF Research Initiative and co-edited a book on long-term investing alongside Nobel Prize Laureate Joseph Stiglitz and published numerous papers on green finance. Formerly, he oversaw Corporate Equity Derivatives within Credit Agricole Corporate Investment Banking in New York and Paris. During his tenure, he developed and implemented the first international leveraged employee share purchase program, a technology now widely used among French companies. He has advised the French Government in different areas (employee investing mechanisms, market regulation, climate finance, etc.) and has a long track record of innovation at the crossroads of finance and government policy.



Over the past few years, his action has been focused on climate change with a mix of financial innovation, research and policy making recommendations, being an advisor of Central Banks, Sovereign Wealth Funds or policy makers on the topic.



Mr Geoffroy Cailloux is head of the Savings and Capital Market Unit at the French Treasury. In that capacity he is responsible for the negotiation and implementation of European and national financial regulation pertaining to market, post-market activities and to the asset management sector. He also supervises the development of innovation in the financial sector, notably through the blockchain and its applications. Previously, he was head of the International debt unit and facilitated as Secretary General of the Paris Club several high-profile sovereign debt restructurings.

He is a graduate of Ecole Polytechnique, Ecole nationale des Ponts et Chaussées, and John Hopkins University.

About AFG

The French Asset Management Association (Association Française de la Gestion Financière, AFG) is the professional organisation representing the French asset management industry. Asset management is about helping retail and professional investors to provide for their future and achieve other long-term goals. Individuals and organisations entrust their savings to asset managers, who seek to increase their value by investing in the real economy via companies' shares or bonds, government bonds, and infrastructures' assets.

The French asset management sector is the largest in continental Europe: 630 asset management companies employ directly and indirectly 85 000 people and invest on behalf of their clients up to 4, 000 billion euros in bonds, shares and other assets. More than 50% of the management companies distributes their funds abroad. More than 30% of the assets managed by our members are issued by corporates or states of the Euro zone (excluding France), which makes our industry a key source of funding for the European economy.

AFG is an active member of EFAMA and PensionsEurope.

www.afg.asso.fr; follow us on Twitter [@AFG_France](https://twitter.com/AFG_France)

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A Compelling French Ecosystem for Innovation in Financial Services

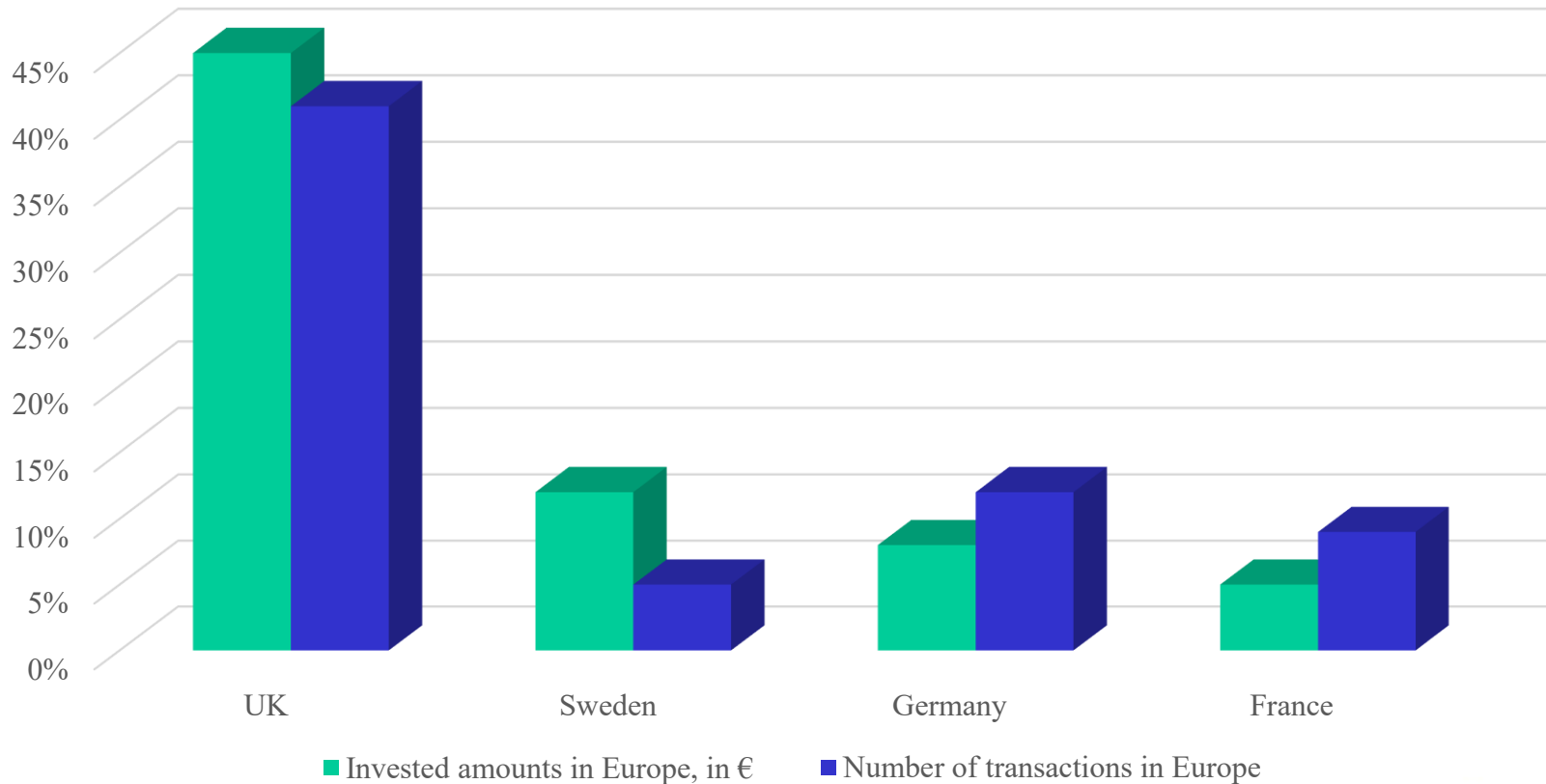
STOCKHOLM- NOVEMBER 2019



Muriel FAURE
Head of Innovation Mission

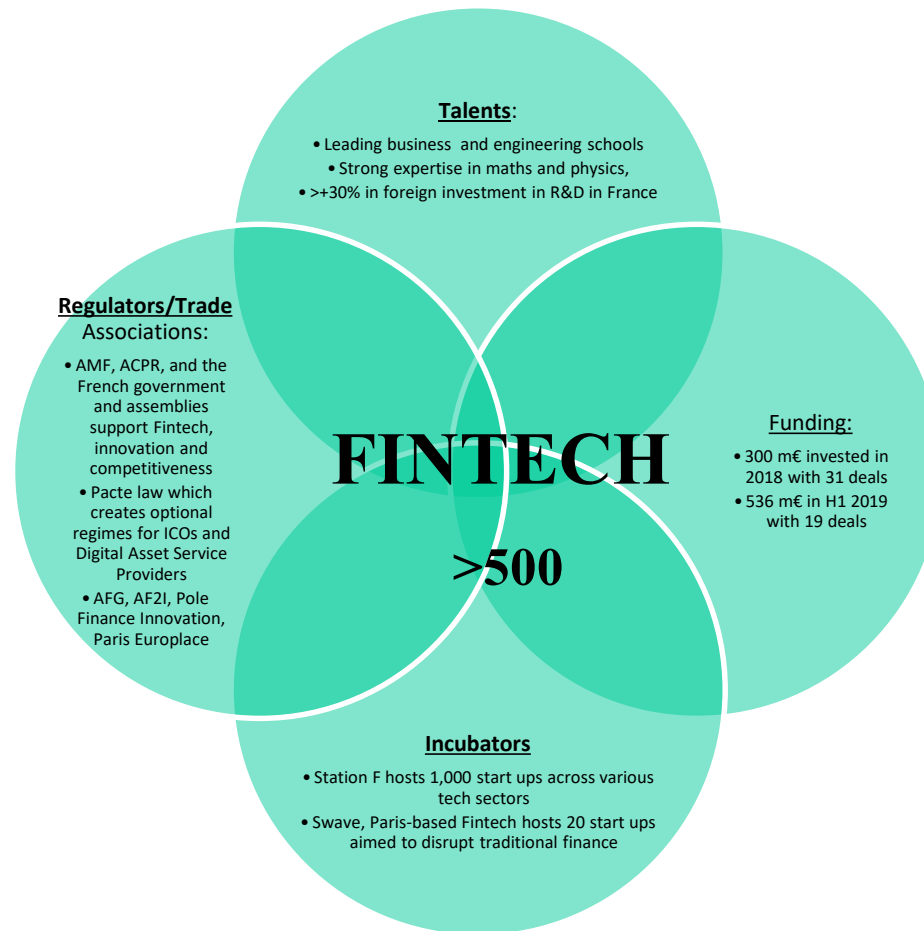
European Palmares in Fintech Financing

By Total Amount Invested and by Number of Transactions



Source: Exton Consulting

A Dynamic Ecosystem for Fintech in France



What Do We Do at AFG?

- > 2015: the President decided that innovation was strategic for its members and created a Commission I head.
- > From 2015 and 3 times a year, conferences « Une Heure pour en savoir plus » are organised: one topic and the Fintech solutions. On average, around 100 attendees
 - Examples of topics: marketing and regulatory reportings, Big data and research, blockchain for funds transaction, tax reduction for R&D investment, risk management, IA for investment decisions... »
- > Publication in 2017 of « Guide de la transformation digitale des Sociétés de gestion de portefeuilles » <https://www.afg.asso.fr/guide-la-transformation-digitale-des-societes-de-gestion-en-qsgp-30q-janvier-2017/>
- > 2017: Creation of a blockchain workgroup with Fintech and asset managers,
- > 2018: Creation of Crypto asset workgroup with Fintech and asset managers,
- > 2019: Contribution to the elaboration of a regulatory framework for non financial asset tokens (Pacte Law)
- > 2020: Publication of a new White Paper on « How digitalization has become part of an Asset management company DNA »

What Have We Learnt?

- > Members use our events to access to Fintech,
- > Through AFG, Fintechs and members have developed partnerships, or just business,
- > Fintechs need capital and clients,
- > Working together makes us stronger and more creative,
- > And innovation have no boundaries

THANK YOU

Governance :

- **a quantum jump in procurement procedures**
- **Transparency with the publication of the portfolio content, line by line on a quarterly basis**
- **Gender parity : 2 out of 3 senior executives are female.
Gender parity at the Asset Manager Selection Committee**

Long term capital for the financing of the French economy

Human ressources development : FRR is seen as an excellent training ground and irrigates the French Asset management centre with sought after professionals.

Asset allocation and risk management

FRR always available to present its portfolio construction and risk management techniques at conferences in France.

Smart beta and factor investing

FRR a recognized leader in France

Climate risk management

Creation in 2014 with Amundi, AP4 and MSCI of the Low Carbon Leaders indices.

Decarbonisation of smart beta equity investments from 2015.

Article 173 reporting : vying for exemplarity



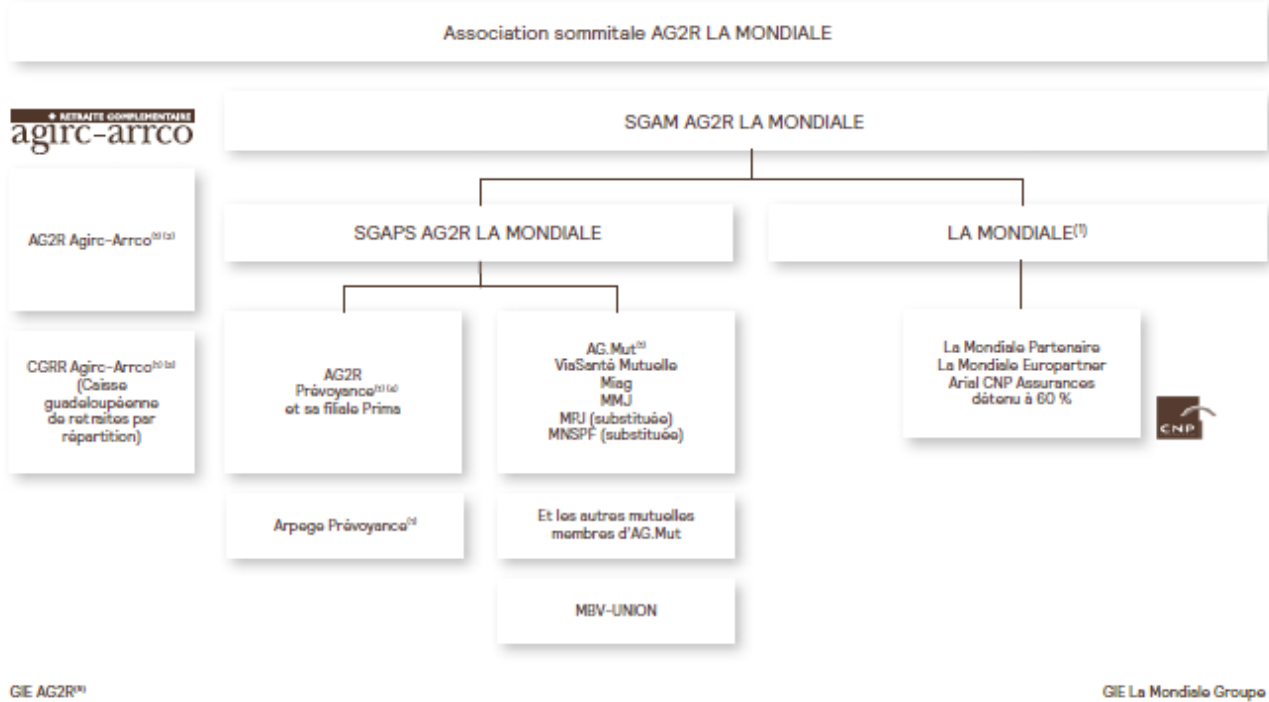
AG2R LA MONDIALE

AG2R LA MONDIALE

November 2019

Ceci est un document exclusivement réservé à l'interne qui ne peut engager la responsabilité d'AG2R LA MONDIALE

Born in 2008 with roots dating back to 1951 (AG2R) & 1905 (La Mondiale)



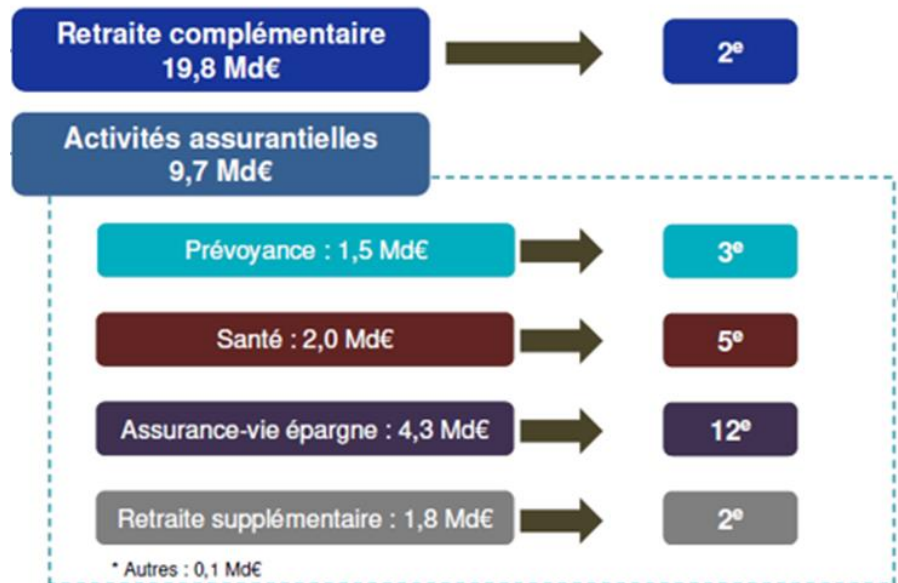
Fondations :



Association souscriptrice :



Strong fundamentals and leading positions



IZNES

Investing in fund units has never been so easy!

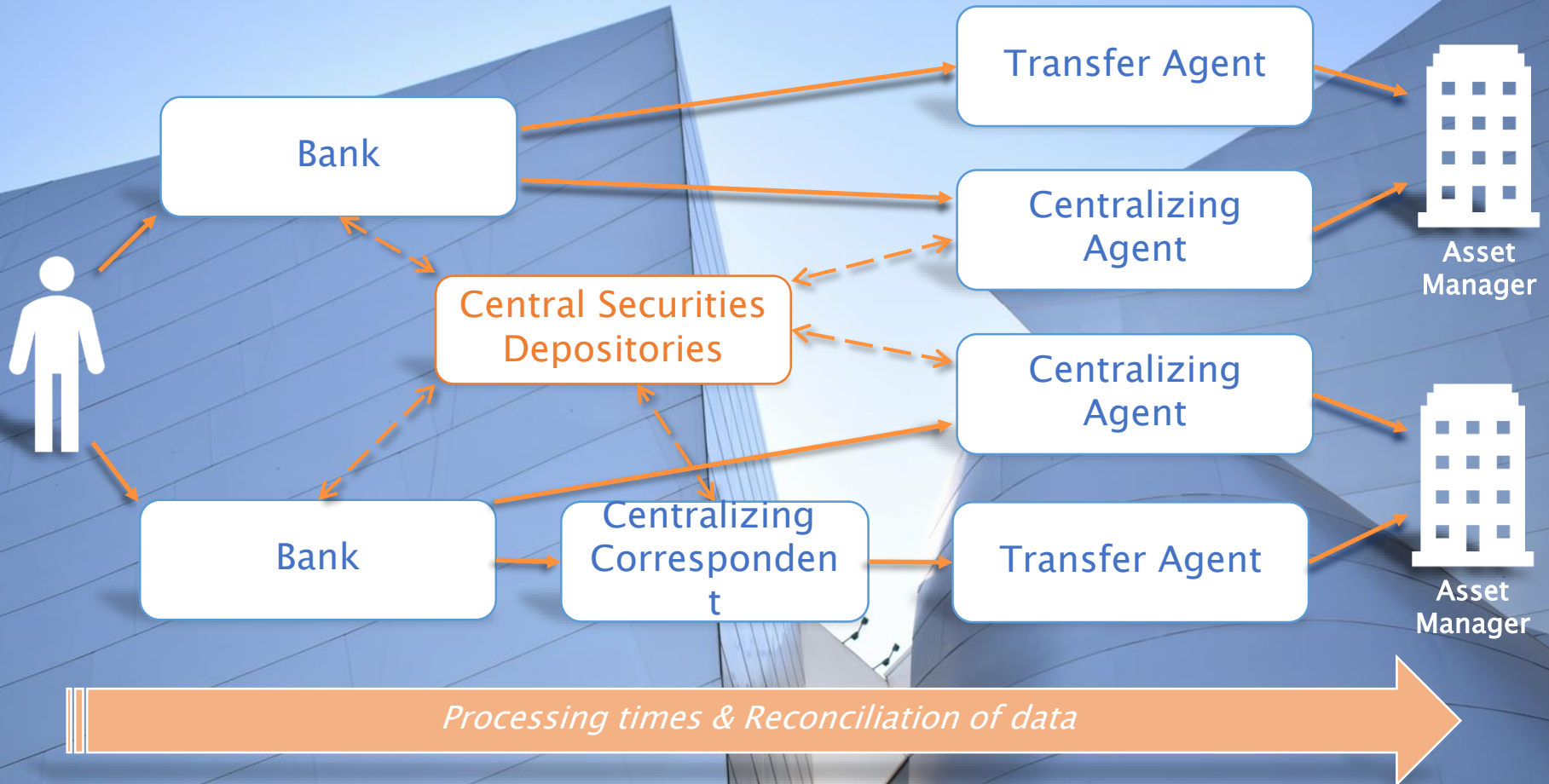
Blockchain platform for subscriptions and redemptions of European funds



November 2019

YESTERDAY ...

AN INTERMEDIATED PROCESS



CONSEQUENCES

- Transformation and retention of information
- Extension of processing times
- Complexity and operational risk
- Operational costs and pricing disparity

...TODAY

A COMMUNITY

IZNES

Of Founders...



Asset Management



LA FINANCIERE DE L'ECHIQUEUR



&

Of Contributors...



AN INTEROPERABLE BLOCKCHAIN PLATFORM

IZNES



Single secure & real-time
register

↓
Website, API
Interfaces (SWIFT, CSV, XML, ..)

*A process similar to pure
registered shares*

- A shareable Client folder including KYC – LAB/FT – MIF
- A complete Product database
- Order placement
- Recordkeeping
- Corporate Action management
- Certification of Registration
- Tax reporting
- Payment through the traditional banking network
- Messaging

Sharing of Client folder

Centralize all regulatory documents in a single repository accessible to all selected Asset Managers

Access to a mutual offer of funds

Access, in a secure and quick way, all the funds of the Asset Managers community

Access to product information

Easily access all the data (characteristics, NAV...), legal documents and reporting (TPT S2, EPT, EMT, ...)

Unique pricing

Uniformity of pricing for clients regardless of the selected Asset Manager. Free of charge on Money Market funds and « cash equivalent » for Investors

Simplification of the chain

Establish a direct link and simplify the relationship between Asset Managers and Investors in its funds, using Blockchain Technology

Removal of pre cut-offs

Entry of orders in the platform up to the cut-off prospectus of the funds

Real-time visibility of orders status

Visualization of orders and their different statuses, in real time at anytime

Platform in SaaS solution

Several access methods via website, integration by « API », sending standard messages (CSV, XML, ...)

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SFJ: AI-powered solutions for fundamental research

Our Mission

We leverage **data science** and quantitative modeling to help **fundamental investors** and risk professionals **augment their research capabilities** with intuitive and actionable signals

Our Focus

Fundamental research areas that can lead to **permanent capital loss** or carry reputational risk, where our double expertise in **data science** and **fundamental investing** can give our clients an edge

Our Solutions

We offer two technologies, the **Lemon** and **GovX**, that systematically analyze **accounting risk** and **governance risk** for thousands of companies worldwide and provide analysts with clear, **researchable diagnostics**

Our Clients

Banks, Hedge Funds and Asset Managers. They utilize the Lemon et GovX to improve the early detection of risk in corporate portfolios (equity and credit), for portfolio surveillance, ESG, hedging, short selling and credit analysis

Fitting easily into existing investment processes, SFJ's technologies can help you:

- **Dramatically increase research efficiency**
- **Incorporate actionable & intelligible data science driven insights into your research**

The Lemon and GovX: high value-added solutions to manage downside risk

- **Accounting irregularities** and **weak governance** in portfolio companies are two of the greatest risks faced by fundamental investors, as they **affect all further analysis**, can lead to **permanent capital losses** and carry **reputational risk**



The Lemon

The Lemon is a proprietary tool combining investigative accounting, financial analysis and data science that acts as a “bionic arm” for analysts to help them:

- ✓ *Identify and measure the risk of accounting irregularities*
- ✓ *Audit and research those irregularities further*

GovX

GovX is a proprietary tool customized to clients’ own governance views that acts as another “bionic arm” for analysts to help them:

- ✓ *Integrate the “house views” on governance in the investment process*
- ✓ *Identify and measure the governance risks for a given company*
- ✓ *Audit and research those risks further*

GovX Analysis: instantaneous, transparent and customized insights into the governance risks of any company

Example: Nissan, Oct 2018

Analysis Date	10/30/2018
Ticker / ISIN	7201.JP Equity
Time Stamp Source	2018-10-30
Short Name	NISSAN MOTOR CO
Governance Risk: Comp	44%
Governance Risk: Board	96%
Governance Risk: Ethics	58%
Governance Risk: Sh. Rights	2%
Governance Risk: Other	43%
Controversy Risk: Grade	F
Governance Risk: Comp cause	LOW EXECUTIVE INVESTMENT AND NO LONG-TERM EXECUTIVE INCENTIVE
Governance Risk: Board cause	TOO FEW INDEPENDENT DIRECTORS, LOW BOARD ATTENDANCE, NO INDEPENDENT LEAD DIRECTOR, LOW % OF INDEPENDENT DIRECTORS, NO EXECUTIVE SUCCESSION PLAN, LOW BOARD GENDER DIVERSITY AND LOW BOARD CULTURAL DIVERSITY
Governance Risk: Ethics cause	NO ANTI-BRIBERY POLICY
Governance Risk: Sh. Rights cause	
Governance Risk: Other cause	NO SUSTAINABILITY INCENTIVE
Controversy Risk: Controversy Risk Factors	1 ENVIRONMENTAL CONTROVERSY, 5 RECENT MANAGEMENT COMPENSATION CONTROVERSIES, 2 RECENT ACCOUNTING CONTROVERSIES, 1 ANTI-COMPETITION CONTROVERSY, 1 RECENT ANTI-COMPETITION CONTROVERSY, 8 BUSINESS ETHICS CONTROVERSIES, 7 RECENT BUSINESS ETHICS CONTROVERSIES, 2 CONSUMER CONTROVERSIES, 6 CUSTOMER HEALTH & SAFETY CONTROVERSIES, 3 RECENT CUSTOMER HEALTH & SAFETY CONTROVERSIES, 1 RECENT PRIVACY CONTROVERSY, 1 MARKETING CONTROVERSY, 3 RECENT MARKETING CONTROVERSIES, MANAGEMENT DEPARTURES CONTROVERSY

GovX provides a complete quantitative evaluation of governance risk based on our clients' priorities

GovX also provides a clear qualitative "audit analysis" to highlight the main governance risks and enable deeper research

How to benefit from one of the leading innovative asset management hubs in Europe

1. Research Tax Credit
2. Donation (« *mécénat* »)

How to benefit from one of the leading innovative asset management hubs in Europe

1.

RESEARCH TAX CREDIT ('RTC')

How to benefit from one of the leading innovative asset management hubs in Europe

- **Who?**
- All companies incurring R&D expenses are eligible to the RTC, including the financial sector

How to benefit from one of the leading innovative asset management hubs in Europe

- **What?**
- The RTC can be applied to a limited number of activities listed by the French Tax Code that have to be deductible from the taxable result in France:
 - ✓ Basic research activities (theoretical or experimental contribution to solving technical problems)
 - ✓ Applied research activities (possible applications of the results of a basic research or finding new solutions)
 - ✓ Experimental development activities (prototypes or pilot plants)
 - ✓ Whatever the field & located in the EEA

How to benefit from one of the leading innovative asset management hubs in Europe

Internalized R&D

Depreciation and amortization of property and buildings allocated to research

Staff costs for researchers and research technicians (the salary of young PhD may be taken into account for twice their amount & for 2 years, if some conditions are met)

Additional remuneration of employees who come up with an invention

Other operating expenses, set at a flat rate of 75% of depreciation and 50% of staff costs (200% for expenses for young doctors)

Externalized R&D

PUBLIC ENTITY

Outsourced research expenses, entrusted to any public entity, university, foundation of public utility, association (of the French law of 1901) having as founder and member a research organization or a university: expenses retained for the double of their amount (provided there is no arm's length relationship between the organization and the company)

PRIVATE ENTITY

Research expenses entrusted to organizations accredited by the Ministry of Research

Limited to 3 times the total amount of other research expenses eligible for the tax credit

All outsourced expenses are capped to €10millions/year

How to benefit from one of the leading innovative asset management hubs in Europe

- **How much?**
- RTC is calculated by calendar year (when ever is the closing date of the exercise) and is equal to :
 - ✓ **30%** of all R&D expenses up to €100 million,
 - ✓ **5%** above this threshold.
- For the tax credit that applies to SME innovation expenditure, the rate is 20% (or 40% in the overseas departments), on expenses capped at € 400,000 per year

How to benefit from one of the leading innovative asset management hubs in Europe

- **How does it work?**
- The tax credit is credited against the entity's income tax or corporate income tax for the year in which the research expenses occurred.
- In case of small profit (i.e. : too low to allocate the tax credit), the credit non-imputed surplus constitutes a debt on the State, which can be used for the payment of the tax due for the next 3 years.
- At the end of this 3-year period, the receivable is refund by the State (immediate repayment for new companies, young innovative companies and SMEs)

How to benefit from one of the leading innovative asset management hubs in Europe

- **When?**
- To find out if a research project is eligible for the RTC, the company may submit a written request to the administration
- The application must be submitted according to a specific model at least 6 months before the deadline of filing of the special tax credit declaration.
- The deadline for response for the French administration to this kind of request is of **3 months** (and the absence of answer within three months is worth agreement)

How to benefit from one of the leading innovative asset management hubs in Europe

- **Key figures / key notions**
- France (and more specifically Paris and suburbs region) is the leading innovation center in Europe and ranks No. 1 in Europe in terms of research and development (leader in high-tech and green finance)
- 24 000 companies benefited from the RTC in 2017
- 93% of beneficiary companies are SMEs (17,389 small or medium-sized enterprises benefited from it)
- The overall amount of the RTC remains stable around € 6billion (in 2018 : €6,2billion)

How to benefit from one of the leading innovative asset management hubs in Europe

2.

DONATION (« mécénat »)

How to benefit from one of the leading innovative asset management hubs in Europe

- **Definition**

- In French law, the *mécénat* is defined as **material or financial support, provided without compensation by the beneficiary entity, to a work or a legal entity, for the exercise of activities of general interest.**
- In the *mécénat*, the compensation is given by the State through a **tax deduction**
- The French word “*mécénat*” may be close to other words like **donation, sponsorship, patronage, philanthropy** or **donation**. But none of these terms defines exactly what “*mécénat*” is, in our French system
- *Mécénat* is a unique system and one of the most incentive scheme on an international scale

How to benefit from one of the leading innovative asset management hubs in Europe

- **Beneficiary entities?**

- Is considered as a support (in cash or in kind) eligible to *mécénat* any gift to one of the following organizations:

- ✓ The State and its public institutions;
- ✓ Foundation or association recognized as being of public interest or of general interest (not-for-profit, not benefiting a small circle of people);
- ✓ Dotation funds;
- ✓ Not-for-profit organization whose sole purpose is to provide financial assistance to SMEs (investment, support, help in setting up or taking over a business, financing the need for working capital, unsecured and non-guaranteed interests, in particular);
- ✓ Public or private higher education institution.

- Beneficiary entity receiving the donation has to be settled in France or in EEA

- The payment of a donation is not subject to VAT

How to benefit from one of the leading innovative asset management hubs in Europe

- **Beneficiary activities?**

- Are open to *mécénat* (sponsorship):

“PhD research projects, conducted by persons regularly registered for the preparation of a PhD in a higher education institution, authorized to issue the national diploma of PhD or associated with a PhD School, and prepared to within a unit or research team recognized as a result of a national assessment.”

- **An example in the financial sector:** *Mécénat* is used in France by the asset managers to finance research chairs or research programs in top5 French Business Schools like EDHEC or Paris Dauphine



How to benefit from one of the leading innovative asset management hubs in Europe

- **How much?**
- The deduction is equal to **60%** of the amount of the donation within the limit of 5‰ of the annual turnover
 - ✓ If the threshold is exceeded, it is possible to carry forward the surplus over the next 5 years
 - ✓ The tax reduction for payments made during the financial years ended after December 31, 2019 is capped at € 10,000 or 5 ‰ (5 per thousand) of the annual turnover before tax if the latter amount is higher
 - ✓ If the company made its donation in kind or in competence, i.e. by contributing with means (products or services), this contribution is then valued at the cost price, or the net book value for the elements inscribed in the assets of the company

How to benefit from one of the leading innovative asset management hubs in Europe

- **Key notions / key figures**
- The tax cost of the donation remains stable : around €900 million per year (€902million in 2017)
- In 2016, the first 24 beneficiaries would represent 44% of the total (source: Cour des Comptes)

Excellence in Education and Innovation in Finance - The Paris-Dauphine House of Finance

15.11.2019



Excellence in Education

- **Master in Finance rankings**
 - 4 French Masters in Finance in the Top 5 (FT)
 - 4 French Masters in Finance in the Top 10 (QS)

- **Best paid university graduates in the City**
 - Polytechnique (1st) and Centrale (3rd) : highly-skilled scientific profiles
 - 7 in the Top 14 with HEC, ESCP-Europe, EDHEC, ESSEC & Dauphine

Specific Strength in Asset Management

- **ESSEC**
 - Specialized Asset management track in its Master of Finance program
 - Executive Education Wealth Management program
 - ESSEC Amundi Chair in Asset & Risk Management
- **EDHEC Risk Institute**
 - Portfolio of research and educational initiatives in the domain of investment solutions for institutional and individual investors
- **Dauphine**
 - Master program dedicated to AM, top corporate partners (AXA IM, Amundi, Allianz GI, Candriam, Ostrum AM, Oddo-BHF AM, LFIS, ...)
 - Asset Management Executive Diploma (DipAM)
 - **Quantitative Management Initiative (QMI)**

Excellence in Research

- Broad spectrum of key areas in finance:
 - Asset Pricing, Financial Derivatives, Risk Management, Commodities, Portfolio and Wealth Management, Macro-Finance, Market Microstructure, M&A, Private Equity, Corporate Governance, Real Estate, etc.
- Top Finance departments (HEC, ESSEC, EDHEC, Dauphine) publish in the top academic journals
- Between 20 and 25% of the editorial board members of the top quantitative Finance journals
- **Partnerships between academic institutions and industry players**

The Paris-Dauphine House of Finance

The House of finance is a virtual entity, that exists through a communication strategy (a brand, a website) and transversal projects ;
The implementation/construction is based on a constructive approach: flexible and innovative



Our objective is to renew the partnership framework with companies as well as with academic and research institutions, based on the rich offer of Paris-Dauphine

Finance at Dauphine: A cross-discipline

- 34 masters-degrees (initial and executive programs)
- 6 research teams (management, economics, law, mathematics, social sciences, computer science)
- 10 chairs and research initiatives
- An important network of academic and professional partners
- More than 100 faculty members
- 1500 students (graduate level)
- Several events, more than 2500 attendees per year

Our view: Enhance the particularity of Dauphine in the field of finance to strengthen its position through a multi-disciplinary approach closely with building strong value-added partnerships.

In order to

Attract best researchers and students

Position dauphine as an international leading university in Finance

New Model of University Partnerships

Current Projects

- ETF Research Academy
- Summer School Asset Management - UeAM
- House of Finance Days
- New risks of Bank business model
- Fund Liability Risk Management
- Hedge Fund and Private Equity Research Conference (Paris)
- Alternative Risk Premia Research Academy
- Private Markets Conference (Lausanne)
- ...



Quantitative Management Initiative (QMI)

- **Demand (LFIS - La Française Investment Solutions)**

Promote academic research on quantitative management

- **Answer (QMI)**

Provide access to the academic community

Provide an independent academic evaluation

Select and monitor the best projects

- **Outputs (jointly)**

Organize a workshop gathering academics and practitioners



Projects awarded by QMI

- **“Asset Pricing with Endogenous Beta”**

Costas Xiouros, BI Norwegian Business School

Paul Ehling, BI Norwegian Business School

- **“Forecasting Portfolio Weights”**

Hugues Langlois, HEC Paris

More information on the website: <https://www.qminitiative.org>

Thank You

serge.darolles@dauphine.psl.eu



UNIVERSITÉ PARIS DAUPHINE - PSL

Place du Maréchal de Lattre de Tassigny – 75775 Paris cedex 16

Confidence
must be earned

Amundi
ASSET MANAGEMENT

November 2019

Climate Change

Frederic Samama

Head of Responsible Investment

Executive Summary

**BOOMING
BUT
CONFUSING**

- EUR30tn
- All players are getting involved...even in the US
- But lack of clarity on Terms & Objectives & Impacts

AMUNDI

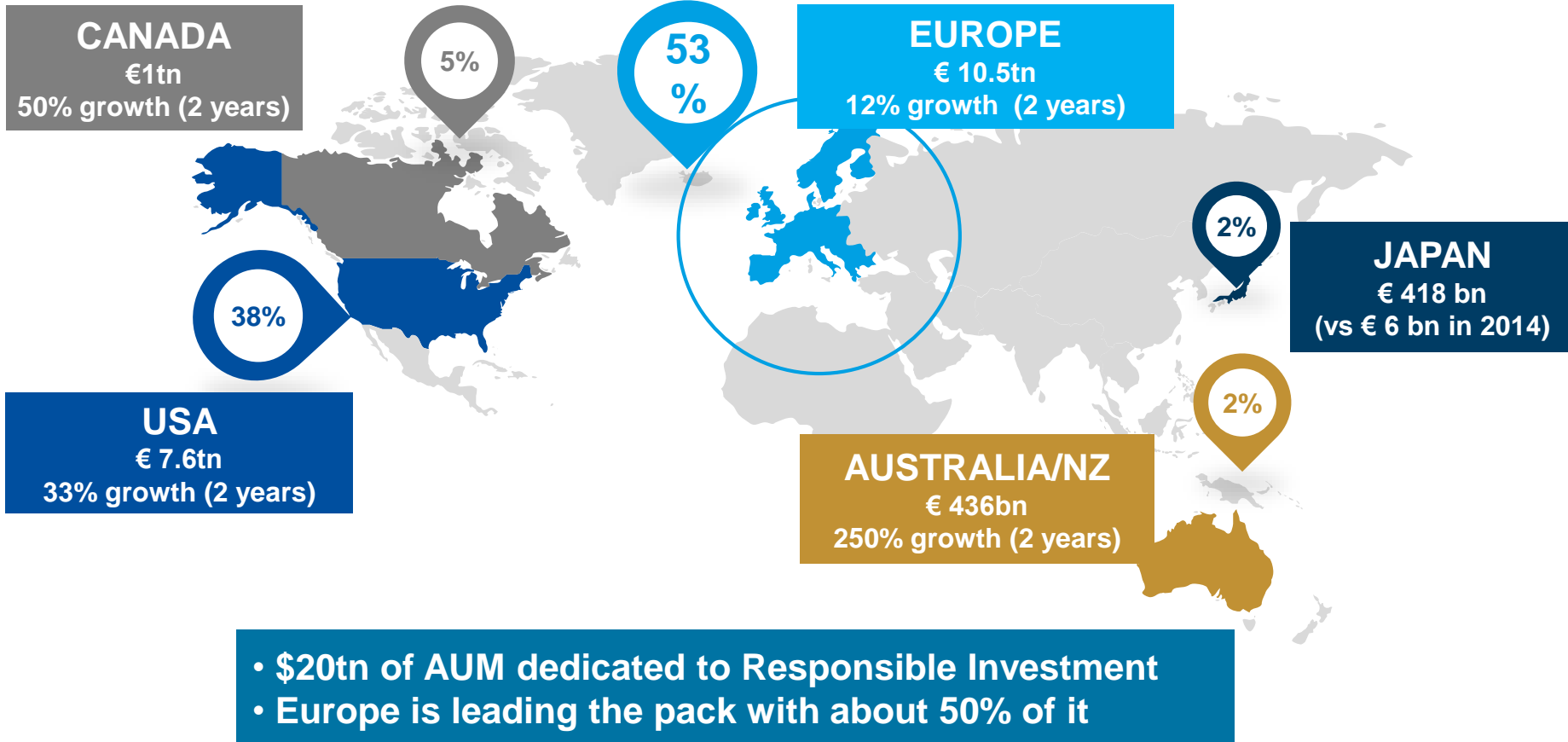
- Already massive RI investments
- Part of its DNA & new ambitions
- Two major topics: inequalities and climate change
- **Products & Positioning:**
 - Long history
 - Leading position (green bonds, low carbon indexes, etc.)
 - Unique partnerships with clients (AP4, IFC, etc.)
 - Unique recognition within the industry (Central Banks, SWFs,
- **Unique partnership with Sweden**

ESG: Europe is Leading

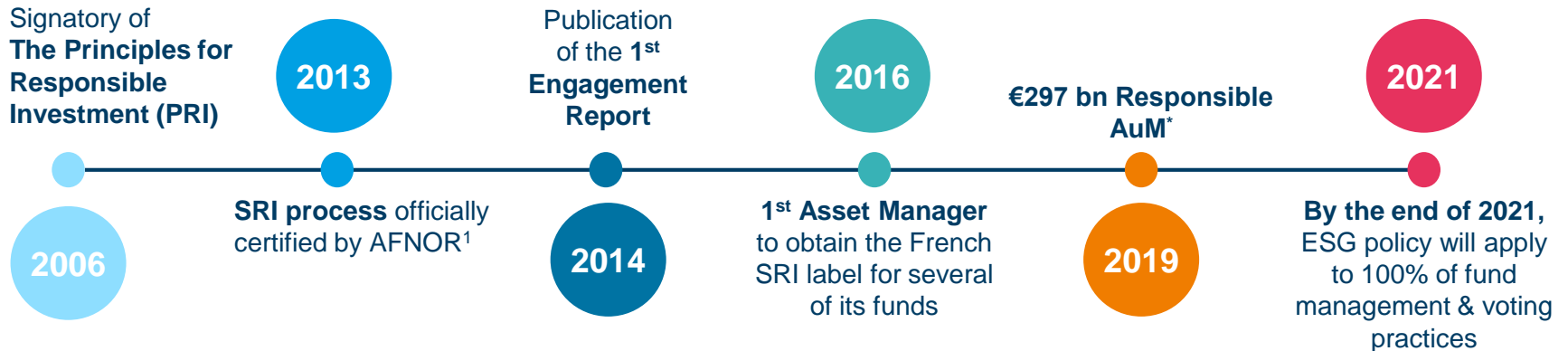
€ 20tn
Responsible Investment Market
(2016)

~ 25%
of global AUM

+25%
Growth in 2 years



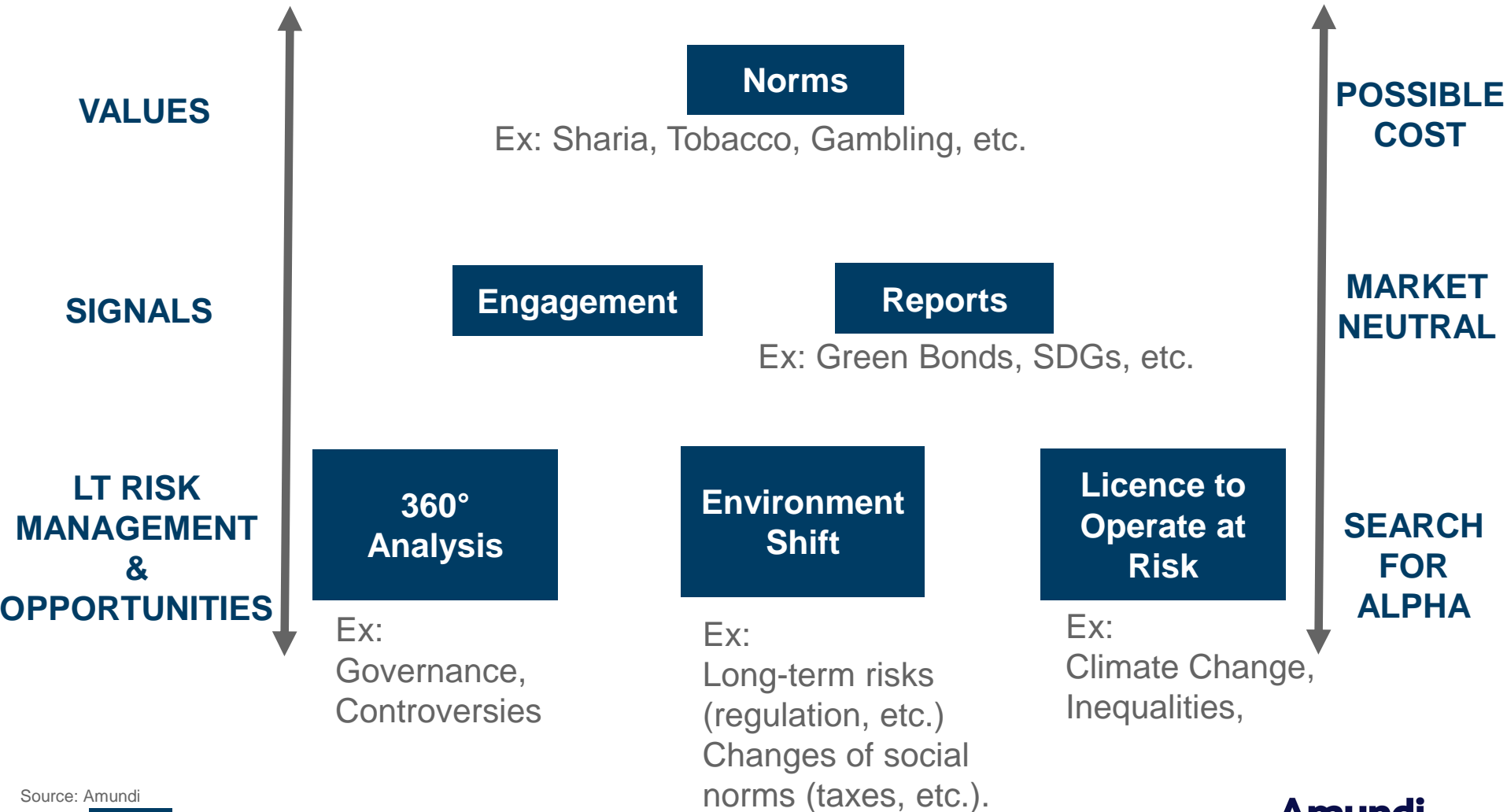
Amundi: A long-standing player in Responsible Investing



 <p>RECOGNIZED EXPERTISE</p>	<p>Rated A+ by PRI²</p> 	<p>Best SRI Analysts & Corporate Governance, Top 3 in 2014, 2015, 2016</p> 
	<p>1st place in the SRI & Sustainability ranking from 2015-2019 by Extel/UKSIF³</p> 	<p>2017 SRI Award for the quality of its Responsible approach</p> 
	<p>1st Asset Manager's SRI approach certified by the AFNOR¹</p> 	<p>Several funds received the SRI Label by the French Ministry of Finance</p> 

*AuM as of end June 2019, 1.AFNOR: recognized independent certification organization supervised by the French Ministry of Industry, a member of ISO.
 2 PRI Assessment rating scale: A+, A, B, C, D, E, 3 EXTEL: European Independent firm in survey and evaluation of quality across the European investment industry

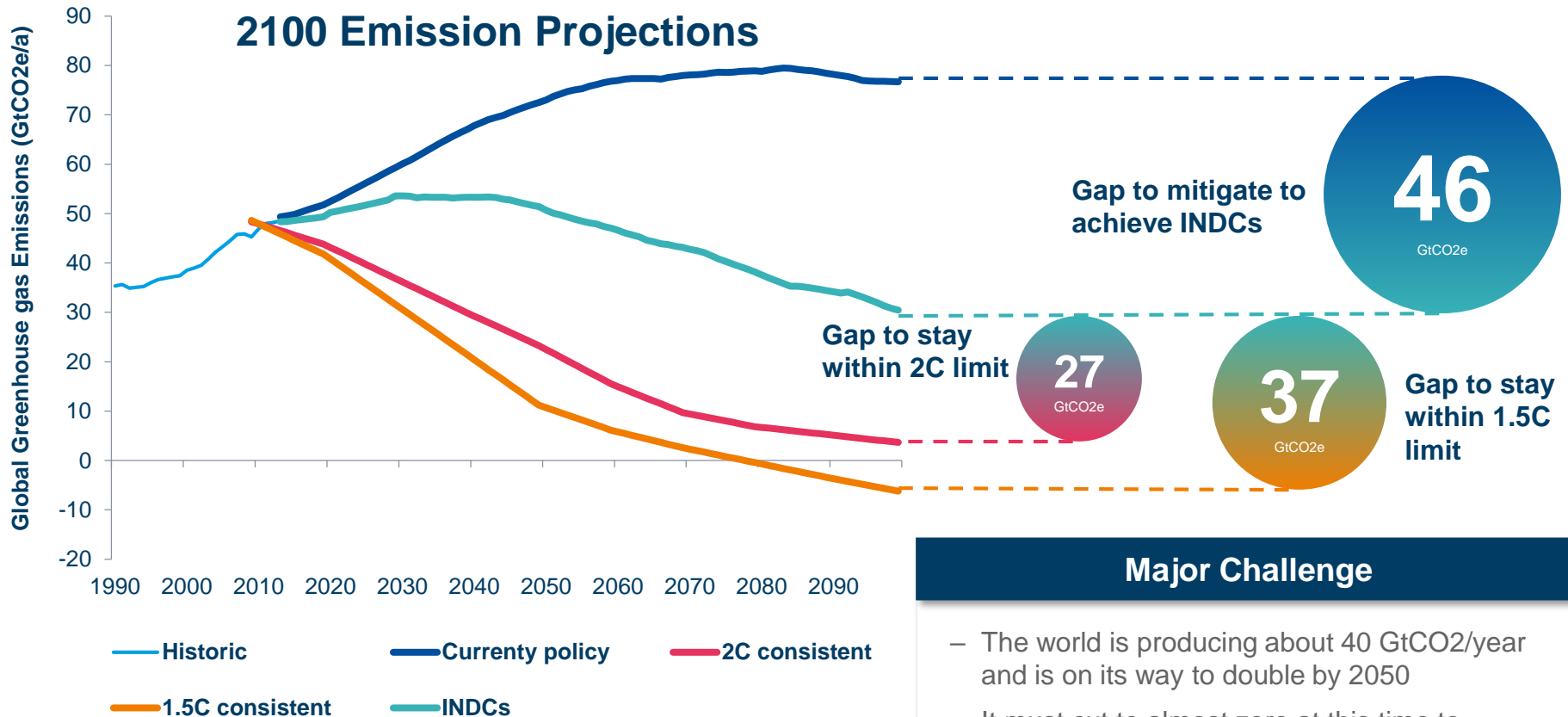
ESG mapping, a growing split of objectives



Source: Amundi

Unprecedented Challenge

Global emission gaps



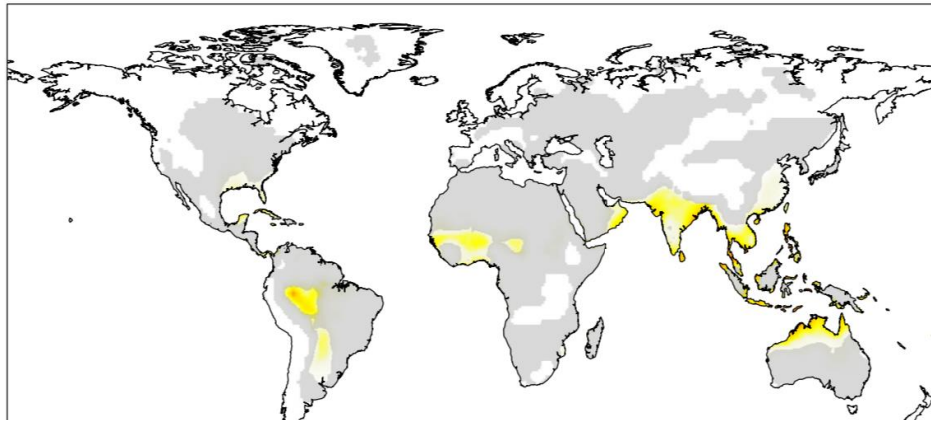
Major Challenge

- The world is producing about 40 GtCO₂/year and is on its way to double by 2050
- It must cut to almost zero at this time to achieve the 1.5 degree increase objective

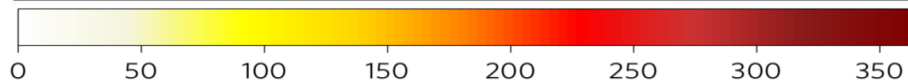
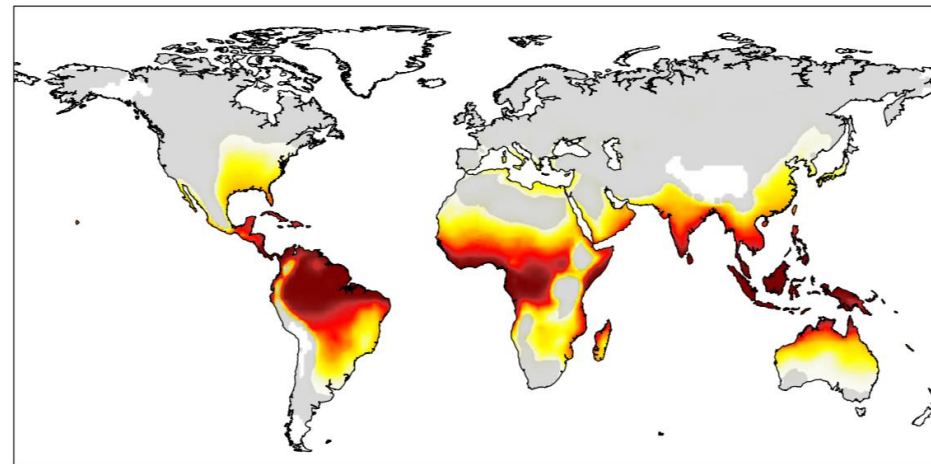
Source: Climate Action Tracker Database, Global emissions time series, updated November 2017. Time series data for INDCs, 2C consistent, 1.5C consistent time series are computed as medians of highest and lowest potential global emission level results.

Impacts of Temperatures on Where to Live

Historical



RCP 8.5



Number of days per year above deadly threshold

* Source; [Global Risk of Deadly Heat \(Science 2017\)](#)

— Human beings must regulate their internal heat, and so they are exposed to the mix of :

- External temperatures and
- Humidity

— In 2000*, this was already a severe risk:

- 13.2% of the planet's land area where 30.6% of the population resides...
- was exposed to 20 or more days when temperatures and humidity surpassed the threshold beyond which such conditions become deadly.

— By the end of the century, in a BAU scenario, entire regions of the world would be inhabitable.

Central Banks' Mobilization on Climate Change

ONE PLANET SUMMIT

- **Reiterate France's commitment**
 - Organized by President Macron on Dec. 12, 2017
 - Gather international leaders and committed citizens
 - Creation of One Planet Coalition, 12 commitments 
 - Article 173 cited as an example
- **Call for action**
 - Scale up finance for climate action
 - Green finance for sustainable business
 - Accelerate local and regional climate action
 - Strengthen policies for ecological and inclusive transition

CENTRAL BANK NETWORK TO GREEN THE FINANCIAL SYSTEM¹

- **46 Central Banks and supervisors**
- **3 missions:**

Share experience and best practices

Contribute to environmental and climate risk management development

Mobilize mainstream finance to support the energy transition

« NGFS Members acknowledge that climate-related risks are a source of financial risk.

It is therefore within the mandates of Central Banks and Supervisors to ensure the financial system is resilient to these risks”

1. “Joint-statement by the Founding Members of the Central Banks and Supervisors Network for Greening the Financial System,” Dec. 12, 2017, accessible at: https://www.banque-france.fr/sites/default/files/medias/documents/joint_statement_-_greening_the_financial_system_-_final.pdf

2. Website of Climate Action 100, as of Dec. 20, 2017, accessible at: <http://www.climateaction100.org/>

3. “French Business Climate Pledge – les entreprises françaises s’engagent pour le climat”, accessible at: <http://www.medef.com/uploads/media/node/0001/13/4a63d832010c7ec5ac57b6c345f72f1b44a84ae0.pdf>

Amundi wide range of Green Solutions

EQUITY

PASSIVE	ACTIVE
<ul style="list-style-type: none"> • Decarbonized Index & Smart Beta ^M • ETF Low Carbon ^F 	<ul style="list-style-type: none"> • CPR Invest Climate Action ^F • KBI Equity Fossil Free Funds (Europe, EM, Global) ^F • KBI Natural Resources (Energy, Water, Agriculture, Global Resources) ^F • Amundi Green Tech ^F • Amundi Fund Global Ecology ^F

FIXED INCOME

PASSIVE	ACTIVE
<ul style="list-style-type: none"> • Passive Low Carbon ^M 	<ul style="list-style-type: none"> • Global Corp ^M • Global Green Bonds Strategy ^F • Amundi Impact Green Bonds ^F • Amundi Responsible Investing – Green Bonds ^F • Amundi/IFC ^F • Greco/EIB ^F • Pioneer Interval ILS ^F

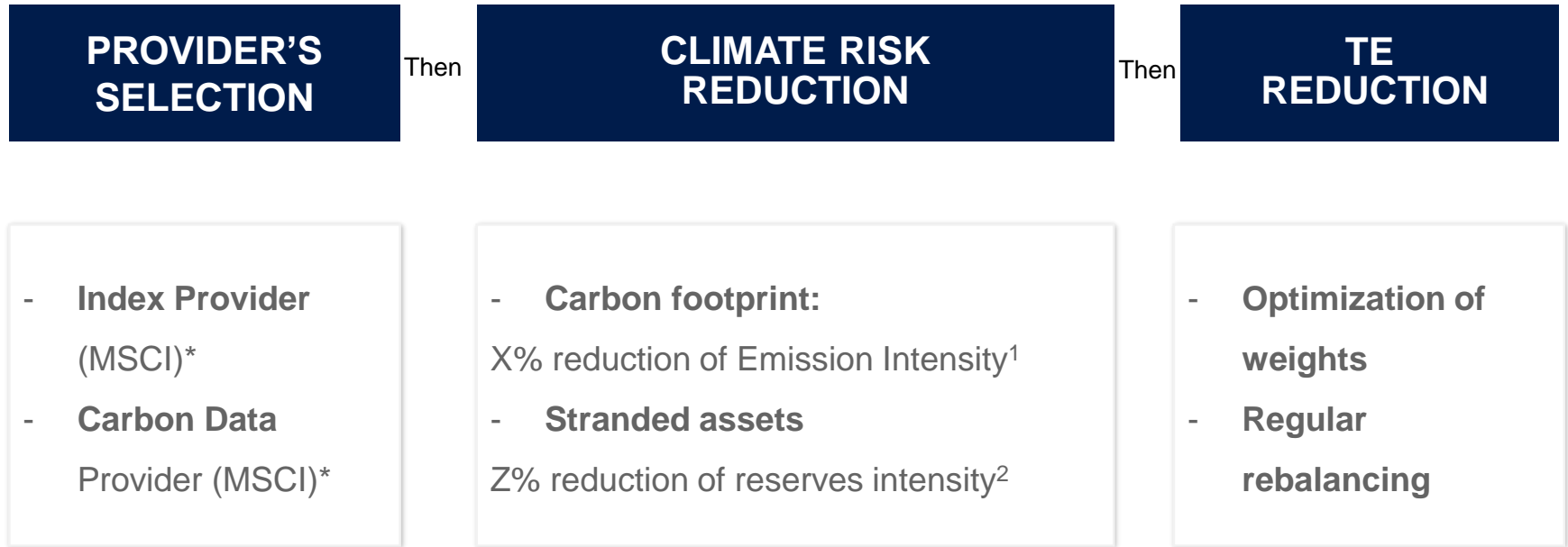
REAL ASSETS

<p>INFRASTRUCTURES</p> <p><i>AMUNDI Energy Transition</i> ^F EDF Joint Venture</p>
<p>PRIVATE EQUITY</p> <p><i>CEA Joint Venture</i> Supernova Invest ^F</p>
<p>REAL ESTATE ^F</p>

Amundi's solutions cover the full spectrum of green assets: EUR50bn

M Mandates
F Funds

Methodology 1.0: low carbon indices

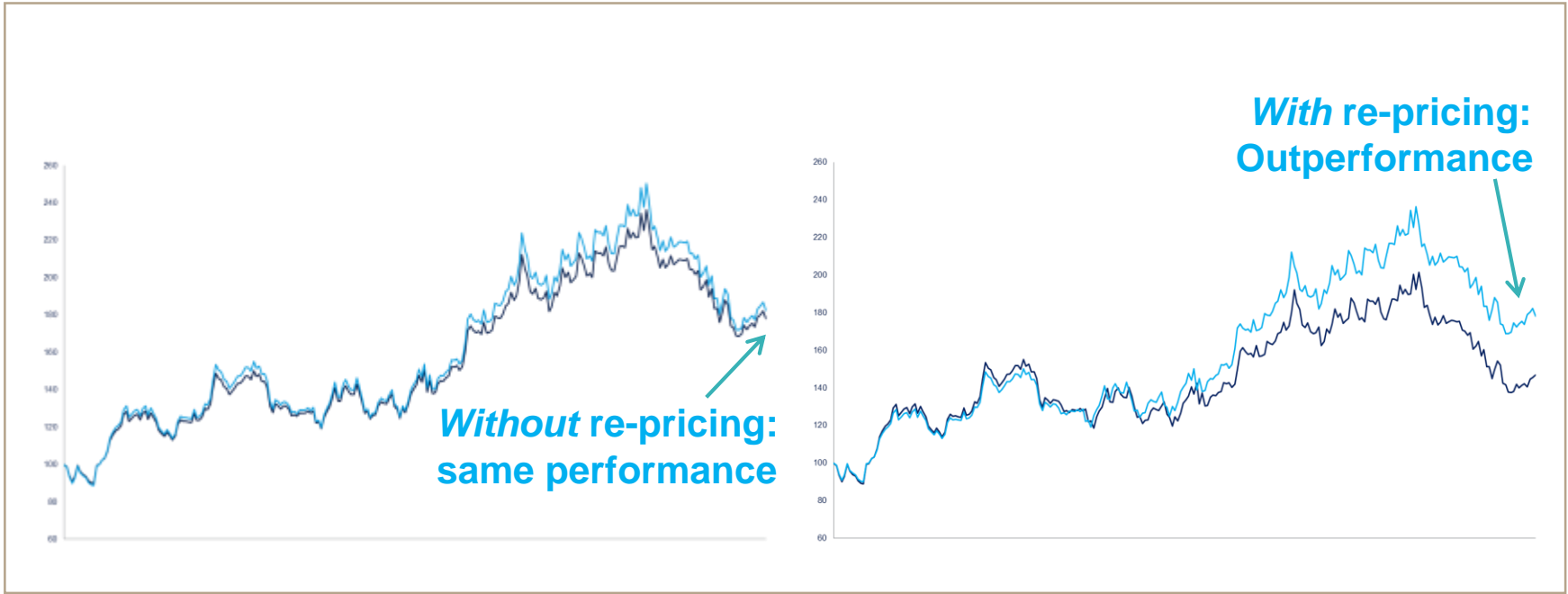


(1) Carbon emissions divided by sales

(2) Potential cumulative emissions from reserves divided by market cap

* As an example

Free option on climate change risk pricing



— Benchmark

— Low Carbon Low TE

— Benchmark

— Low Carbon Low TE

« Free Option » :

- Either no *climate change impact*: same performance
- Or a *climate change impact*: outperformance

Source: Amundi Investment Solutions / Random simulations with annual volatility at 20%, annual expected return 7% and a 0,5% TE. **Past market trends are not a reliable indicator of future ones. Past performance does not prejudice future results, nor is it a guarantee of future returns**

Performances

CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (USD) (NOV 2010 – JUN 2019)



In bps



— Annualized outperformance (2010-2019):

- World: +31 bp ⁽¹⁾
- North America: +36 bp
- Europe: +32 bp

— Even if supposed to be forward-looking

— Performance of concrete investments :

- Nov 2014 – Jun 2019
- Annualized outperformance: +24 ⁽²⁾ bp
- Information ratio⁽³⁾ : 0.56

Past market trends are not a reliable indicator of future ones. Past performance does not prejudice future results, nor is it a guarantee of future returns. Source: MSCI (1) Net monthly returns annualized in USD for the 11/30/2010 to 06/28/2019 period. Data prior to the launch date (Sep 16, 2014) is back-tested data (2) Net weekly returns annualized in USD for the 11/07/2014 to 06/28/2019 period. Outperformance in basis points. The cumulative index performance is from MSCI (3) A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns

Amundi participating to thought leadership

Financial Analysts Journal
Volume 72 • Number 3
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PERSPECTIVES

Hedging Climate Risk

Mats Andersson, Patrick Bolton, and Frédéric Samama

We present a simple dynamic model without sacrificing financial return. A low-carbon index with 50% index, investors in effect are hedging, the low-carbon index emissions are priced, or expected.

Whether or not one agrees, climate risk and climate change are worth hedging. The evidence shows that average temperatures have been rising, especially in light of the global warming over 1998–2012, and this has confirmed the beliefs of the doubters and fueled a debate widely covered by the media. The debate is stimulated by three important

The first and most obvious is not all countries and industries are affected by climate change. As in other policy debates between the losers, who are the winners, who emphasize new policy. The second consideration is that mitigation has typically not been a political issue. Politicians often “down the road” rather than intrinsically in the short run and risk situations—all the more so if the

Mats Andersson is CEO of AP. Bolton is the Barbara and David of Business at Columbia University. Frédéric Samama is deputy global clients at Amundi Asset Management.

Editor’s note: The views expressed are those of the authors and do not represent those of the Amundi Group, AP

Editor’s note: This article was reviewed by Executive Editor Stephen J. J. Editor Robert Litterman.

Governance and Climate Change: A Success Story in Mobilizing Investor Support for Corporate Responses to Climate Change

by Mats Andersson, AP4, Patrick Bolton, Columbia University, and Frédéric Samama, Amundi and SWF RI

Effective action in limiting the extent and effects of climate change will have to include business and massive investment in the energy transition sector in making the energy transition to clean energy and the development of economy.¹ Until fairly recently, the main approach to respond to climate change has been down efforts to regulate emissions and enact a “carbon pricing.” The advantage of this approach is that it is based on sound economic logic. The basic idea is to reach an international agreement on carbon pricing that aims to make businesses bear the costs associated with greenhouse gas (GHG) and fairly allocate GHG abatement costs across governments will set the environmental protection standards in their respective countries, and adjust to the new regulations and carbon pricing. In the approach to economic policy, political process and government administration and businesses respond by managing their operations under the rules imposed on them by

Nevertheless, as the intergovernmental agreement following the signing of the Kyoto Protocol in 1997 demonstrated, this classical approach to economic policy does not work when applied to a global public goods climate change mitigation. Given the notorious failure of international trade agreements even in a subset of countries, it should not have been too surprising that there would be little progress toward a global climate agreement among 196 countries. Indeed, by negotiations around the Paris climate agreement starting, the coalition of willing nations had shrunk to a dozen countries, mostly in Europe. Given this remarkable fact COP21 in Paris managed to bring all nations back into the climate change mitigation

Nevertheless, as the intergovernmental agreement following the signing of the Kyoto Protocol in 1997 demonstrated, this classical approach to economic policy does not work when applied to a global public goods climate change mitigation. Given the notorious failure of international trade agreements even in a subset of countries, it should not have been too surprising that there would be little progress toward a global climate agreement among 196 countries. Indeed, by negotiations around the Paris climate agreement starting, the coalition of willing nations had shrunk to a dozen countries, mostly in Europe. Given this remarkable fact COP21 in Paris managed to bring all nations back into the climate change mitigation

¹ We are grateful to Dan Orlitzky for his comments and detailed paper. We also thank Pascal Bouchard, Jean-François Poirier, Paul-Dominique Côté, Laurent Poirier, Olivier Piquenois, Thomas Pohl, Hendrik Muehling, Patrick Lohr, Robert Litterman, Olivier Rousseau, Laurent Tassin, for helpful comments. We are grateful to Frédéric Samama for his assistance. The views expressed in this paper are those of the authors and do not necessarily reflect the position of the Amundi Group, and the CFA Institute. The opinions of those who have been interviewed are not necessarily those of the Amundi Group, and the CFA Institute. The governments aren't going to do it—market incentives

CLIMATE CHANGE:

A POLICY MAKING CASE STUDY OF CAPITAL MARKETS' MOBILIZATION FOR PUBLIC GOOD

By Jean Boissinot (Direction générale du Trésor, Louis Bachelier Fellow) and Frédéric Samama (Amundi, SWF Research Initiative)

ACADEMIC PAPERS WITH KEY ACTORS

Financial Analysts Journal (2016)

“Hedging climate risk”

Co-written with AP4 and Columbia University

Journal of Applied Corporate Finance (2016)

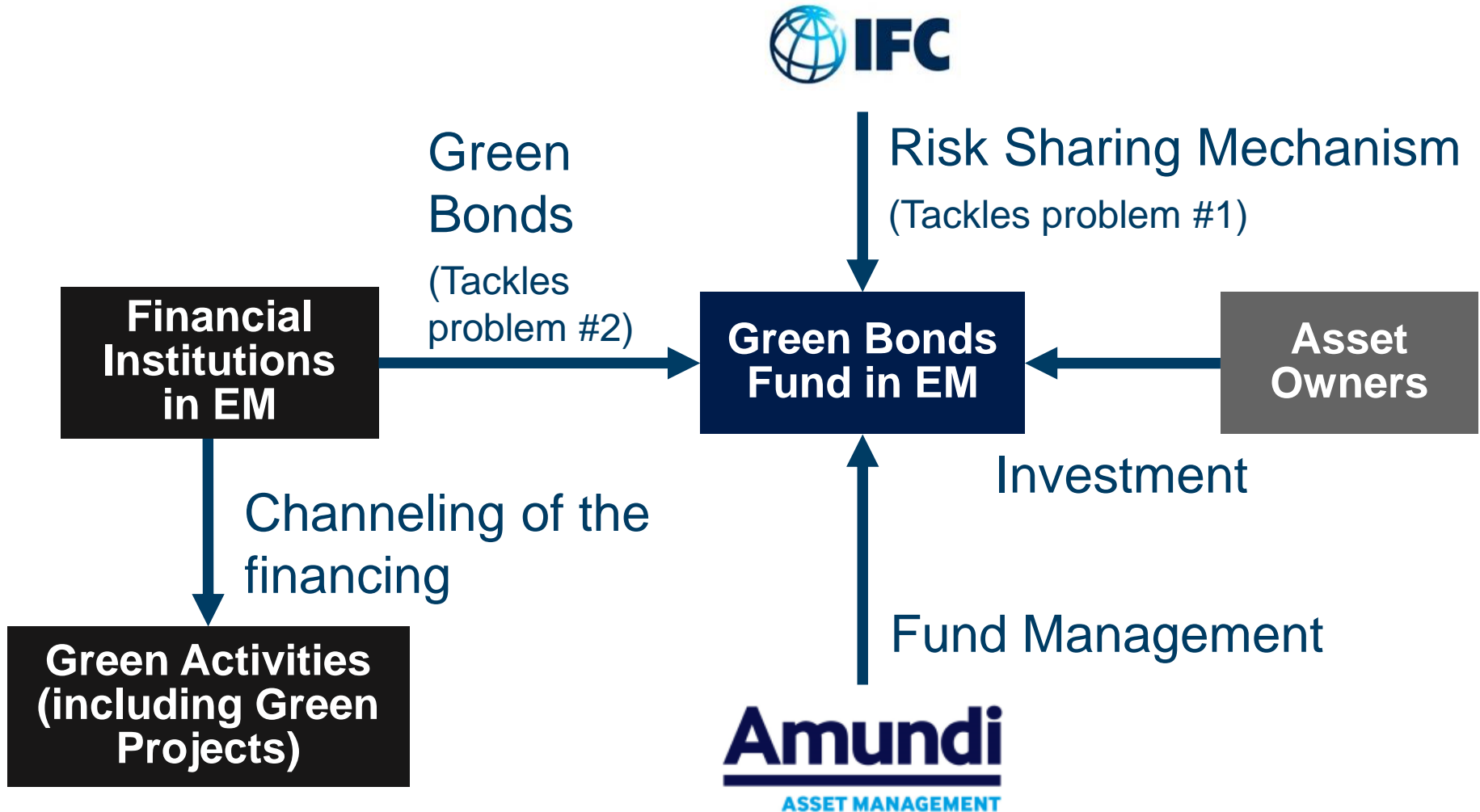
“Governance and Climate Change: a Success Story in Mobilizing Investor Support for Corporate responses to Climate Change”

Co-Written with AP4 and Columbia University

Highlighted in the May-June 2019 issue of the Harvard Business Review

For professional investors only.

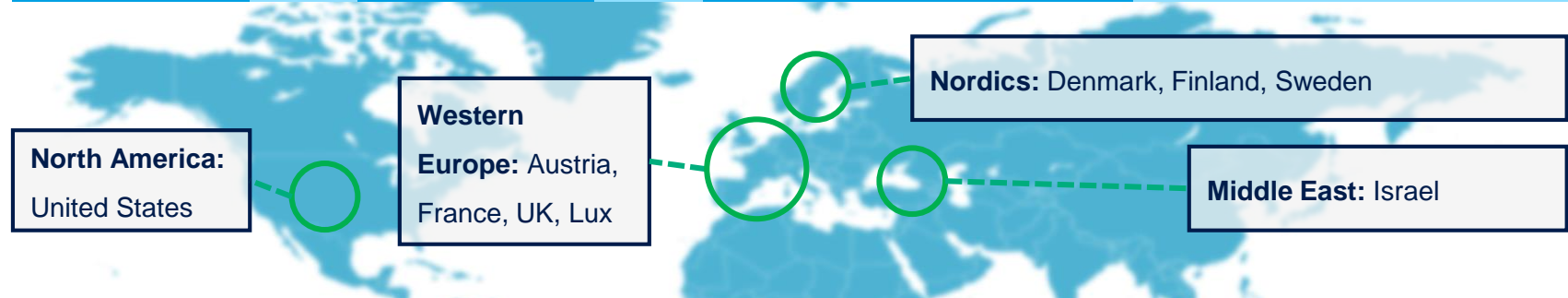
Green Infrastructures Financing Gap: Elegant Solution



Amundi Planet, Emerging Green One: a \$1.42bn Fund

77% of capital was leveraged from the private sector

Investors	16	Orders	42	Average size	USD70mn
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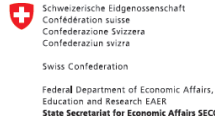


A European investor base with diverse investor backgrounds

<p>Mainstream Institutional Investors</p> <p>+</p> <p>Development Institutions</p>	9	Pension funds	
	2	Insurance companies	
	1	Asset Managers	
	4	IDBs	

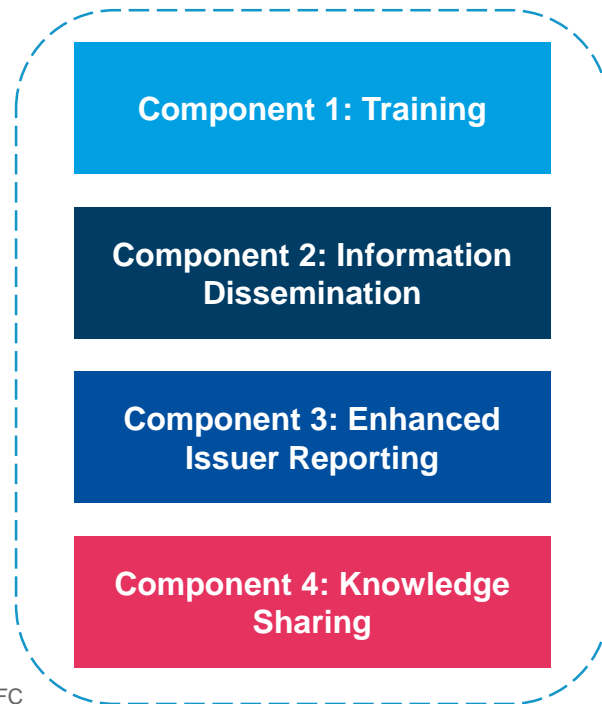
For professional investors only.

IFC Green Bond Technical Assistance Program (GB TAP)



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of Finance

- The GB-TAP intends to accelerate the growth of the green bond asset class in emerging markets through **four components**:



Source: IFC

- Each component has its **objectives**:
 - **Training**: dedicated programs targeting EM bankers and potentially other key stakeholders
 - **Information dissemination**: Embed and promote good standards of green bond second opinions and annual impact reporting
 - **Enhanced issuer reporting**: Provide transaction support by assisting FIs active in EMs to support ex-ante second opinions and ex-post annual impact
 - **Knowledge sharing**: Organize a series of knowledge sharing events, globally, regionally and possibly locally

High Recognition

From partnership inception to fund launch

Partnership launch

FINANCIAL TIMES

IFC invests \$325m in green bond fund for emerging markets

Arm of World Bank to support environmentally friendly projects in developing markets



World Bank's IFC, Amundi to create \$2 billion green bond fund

Fund closing

FINANCIAL TIMES

Green investing generates returns, not just a warm glow

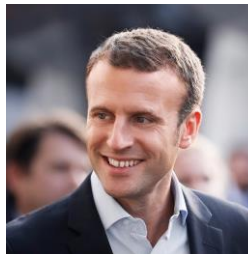
Sustainability is now seen as a way of looking at often ignored externalities

GILLIAN TETT [+ Add to myFT](#)



ASSET MANAGEMENT

Amundi and World Bank close largest green bond fund at \$1.4bn



G20 Report

Presented by **X. Musca**, former Head of the French Treasury and President Sarkozy Chief of Staff.

Making the case of the IFC deal being a case study of a new business model for developing banks

Already won 6 Awards

AP EGO won several awards



- ✓ Real World Impact Initiative of the Year (September 2019)



- ✓ Environmental & Social Innovation (March 2019)



- ✓ Green bond fund of the year
- ✓ Initiative of the Year for Innovative Thinking (April 2019)



- ✓ Green finance collaboration 2018 (March 2019)

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Logos and brands of mentioned companies are used for illustrative purposes only and remain the exclusive property of each owner.

The “Low carbon” indices of the open-ended funds strategy do not have as an objective to exclude all companies emitting carbon but rather to reduce the representativeness of the latter compared to the composition of the parent index. Each strategy index will maintain a sectorial and geographic composition similar to its parent index. Their construction is realized in an objective of performance, tightly correlated to those of the parent indices. Hence, the deviation of geographic and sectorial weights of the strategy index compared to the parent index is limited to 2%.

The information contained in this document is deemed accurate as of Dec. 2017. Data, opinions and estimates may be changed without notice.

In compliance with French applicable laws, Amundi Asset Management’s contacts have the right to receive, rectify or ask for deletion of the personal data Amundi holds on them. To enforce this right, they can contact Amundi Asset Management at: info@amundi.com

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