

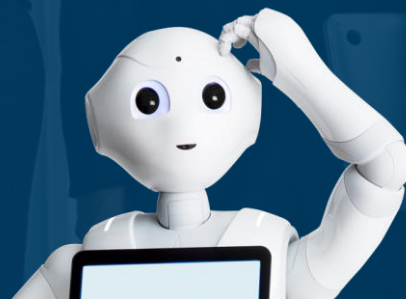
Confidence
must be earned

Amundi

October 28th, 2019

Amundi Employee Savings & Retirement

Robo-advisor helping plan members
to select best-matched investment vehicles
and get optimal asset allocation



Employee
Savings &
Retirement

Brief overview of the French Pension system

M
A
N
D
A
T
O
R
Y

1st pillar
French state pension – Social Security

2nd pillar
Supplementary Scheme – ARRCO / AGIRC

% of contribution

Employee	9.38%
Employer	14.32%
Total	23.70%

- Full pension if 42 years of contribution
- Decreasing Replacement rate but being covered by increasing voluntary contributions

V
O
L
U
N
T
A
R
Y

3rd pillar
Pension savings Plan

Individual

Collective

Challenges facing pension system

- **Old-age dependency ratio** = number of individuals aged 65 and over per 100 people of working age defined as those aged between 20 and 64.

	2015	2050
France	33.2	54.5
Hong Kong	22.1	70.5
OECD	27.9	53.2
World	14.3	28.4

} x 2

- **Pay-as-you-go systems**, by which today's workers are contributing and paying for the benefits of today's retirees, are **not sustainable**
- **Responsibility** for preparing for retirement **is shifting** from governments and employers to individuals
 - Need to ensure universal access to enable people to save for retirement.
 - need to develop long-term saving products and services that encourage people to save when they can



Illustration in France : New Law streamlining the voluntary pension schemes to encourage people to save for their retirement (pillar 3) with the implementation of a default solution (Life Cycle) and tax incentives.

Increasing responsibility for individuals

Individuals need to make many decisions regarding their retirement

- whether or not to participate/save
- how much to save / contribute
- how to invest: choose an investment strategy
- benefit options i.e. decide how to allocate their assets accumulated at retirement

Low financial knowledge can lead people to make unsuitable decisions

- Simple solutions
 - Default options beneficial for people unable/unwilling to choose
 - Simple information and choice (E.g. web applications, limiting options and making comparisons easier)
- Financial education is important
 - Financial education seminars and financial advice can help people understand the information
 - **Robo-advisory**



Accompanying people is key


Amundi, first to implement a robo-advisor in France 2 years ago for the Retirement Savings

- Can reach potentially 4m employees & 100,000 corporates
- Access only possible with the company's agreement but no obligation for the employee to subscribe
- 8,000 corporates on-boarded representing 285,000 persons
- Already tested by 200,000 persons
- Fully proprietary tool
- Innovation Award AMTech Day



Answer to the need of accompanying and educating people

How do you feed your Robo?

- Short questionnaire, relevant, focused and MiFID compliant
 - Questionnaire in 4 parts resulting in a scoring
 - Consistency of answers is tested with circular questions
 - Various Risk profiles and investment horizons
 - 5 risk profiles
 - 20 investment horizons
-  **100 different portfolios for each plan**
- Underlying funds selected by the company
 - Person can change his risk profile (to less risky only)
 - The client is proposed an appropriate funds allocation for his portfolio and **decides.**

The question the Robo should answer is:
« How should I invest according to my goal »

Personalisation

Questions blocks

1

Quel épargnant êtes-vous ?

Renseignez votre date de naissance, puis définissez votre profil en répondant à quelques questions.

Date de naissance [DÉFINIR VOTRE PROFIL >](#)

2

CONNAISSANCES & EXPÉRIENCES

Mes connaissances actuelles en matière d'épargne financière sont :

- ☐ BONNES : J'ai une bonne connaissance des différents produits, je suis capable d'expliquer le risque et l'importance de diversifier mes placements (actions, obligations, immobilier, monétaire).
- ☐ PLUTÔT BONNES : Je connais certains instruments financiers et la manière de les utiliser. Par ailleurs je suis à l'aise avec les notions de risque et d'investissement.
- ☐ ASSEZ GÉNÉRIQUES : Je sais que l'épargne implique différents risques. Toutefois, pour de moi-même, mes connaissances sont limitées.
- ☐ TRÈS LIMITÉES : Je ne connais pas du tout les instruments financiers.

3

RISQUE & RENDEMENT*

Je verse 1000 € "Parmi les 3 scénarios" suivants d'évolution de mon épargne au bout de 5 ans, celui qui me correspond le mieux est :

- ☐ SCÉNARIO 1 Mon rendement est **faible** (environ 10%)
- ☐ SCÉNARIO 2 Mon rendement est **modéré** (environ 20%)
- ☐ SCÉNARIO 3 Mon rendement est **élevé** (environ 30%)

* Les scénarios présentés ci-dessus sont à titre illustratif et ne constituent pas une recommandation de placement. Ils ne sont pas garantis et peuvent varier en fonction des conditions de marché.

4

SITUATION FINANCIÈRE

Mon Epargne Salariale & Retraite représente aujourd'hui une :

- ☐ PART ESSENTIELLE DE MON PATRIMOINE* (plus de 70%)
- ☐ PART IMPORTANTE DE MON PATRIMOINE* (de 40% à 70%)
- ☐ PART MINORITAIRE DE MON PATRIMOINE* (moins de 40%)

* Montants théoriques. Dans un contexte de volatilité, le montant de votre patrimoine peut varier.

Personal profile

Financial knowledge
& Experience

Risk assessment
& Yield expectations

Financial situation

1 Personal profile

Quel épargnant êtes-vous ?
Renseignez votre date de naissance, puis définissez votre profil en répondant à quelques questions.

Date de naissance:

- Age
- Goal: housing, retirement, savings
- Horizon

2

Me connaissances actuelles
en matière d'épargne financière sont :

☐ BONNES : J'ai une bonne connaissance des différents placements, je suis capable d'analyser les risques et de choisir les placements les plus adaptés à mon profil.

☐ PLUTÔT BONNES : Je connais certains placements financiers et j'ai une idée de leurs risques.

☐ ASSEZ GÉNÉRIQUES : J'ai vu les différents types d'investissements à travers les médias, mais sans connaissance approfondie.

☐ TRÈS LIMITÉES : Je ne connais pas du tout les différents placements.

Financial knowledge & Experience

- Financial knowledge: good, rather good, average, limited
- Have you already invested in MM, FI, Equity, Multi-Asset
- Multi-Asset is more risky than Equity?

3

PROFIL D'ÉPARGNANT
Je verse 1000 €. Parmi les 3 scénarios suivants d'évolution de mon épargne au bout de 5 ans, celui qui me correspond le mieux est :

☐ SCÉNARIO 1 : Mon épargne sera de 1000 € à l'issue de 5 ans.

☐ SCÉNARIO 2 : Mon épargne sera de 1200 € à l'issue de 5 ans.

☐ SCÉNARIO 3 : Mon épargne sera de 1400 € à l'issue de 5 ans.

Risk assessment & Yield expectations

- I am looking for stability rather than return
- Scenario 5Y: +5%/-2% ; +20%/-10% ; +40%/-20%

4

SITUATION FINANCIÈRE
Mon Épargne Salariale & Retraite représente aujourd'hui une :

☐ PART ESSENTIELLE DE MON PATRIMOINE : Plus de 70%.

☐ PART IMPORTANTE DE MON PATRIMOINE : De 40% à 70%.

☐ PART MINORITAIRE DE MON PATRIMOINE : Moins de 40%.

Financial situation

- % of your savings in the DC plan

Personalisation

Questions blocks

1 2 3 4

Score from 0 to 10

5

Risk profiles according to the score (profiles configurable)

Score	Profiles
0 to 1,9	Risk adverse
2 to 3,9	Conservative
4 to 5,9	Balanced
6 to 7,9	Dynamic
8 to 10	Aggressive

6

Result



Prudent



Modéré



Balanced



Dynamique



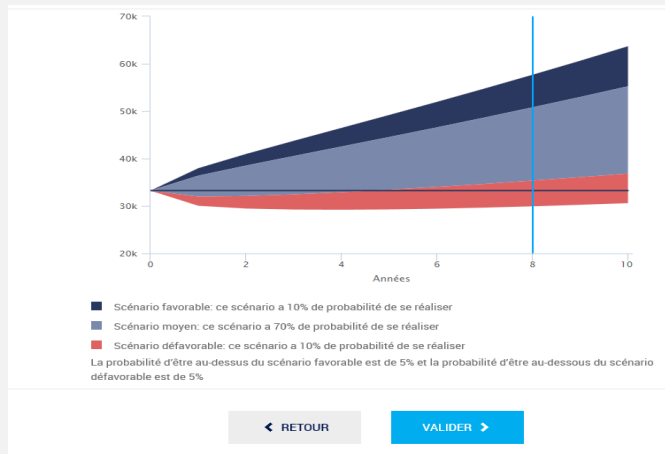
Audacieux



7

Analytical

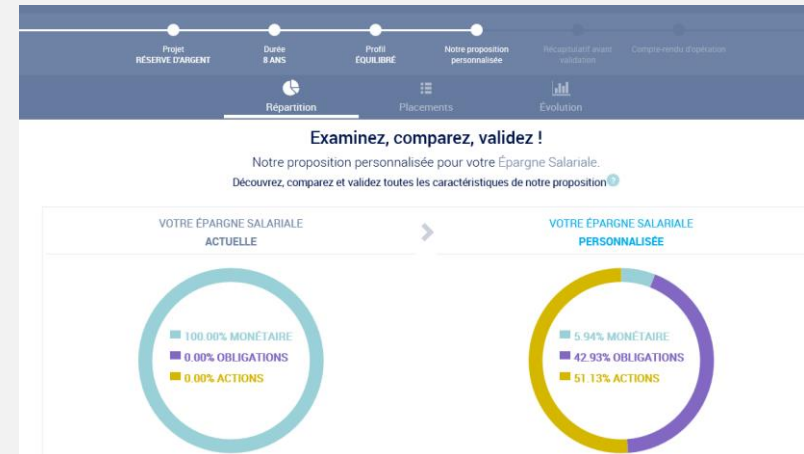
Simulations with scenarios



8

Efficiency

Recommended allocation



9

Consumer experience

Easy reallocation in 1 click

10

Economical value

No switching fee

Personnalisez 33 230,11 € de votre **Épargne Salariale**

Projet RÉSERVE D'ARGENT Durée 8 ANS Profil ÉQUILIBRÉ Notre proposition personnalisée Récapitulatif avant validation Compte-rendu d'opération

Récapitulatif des opérations avant validation

- Rappel de votre opération de personnalisation -

Rachats

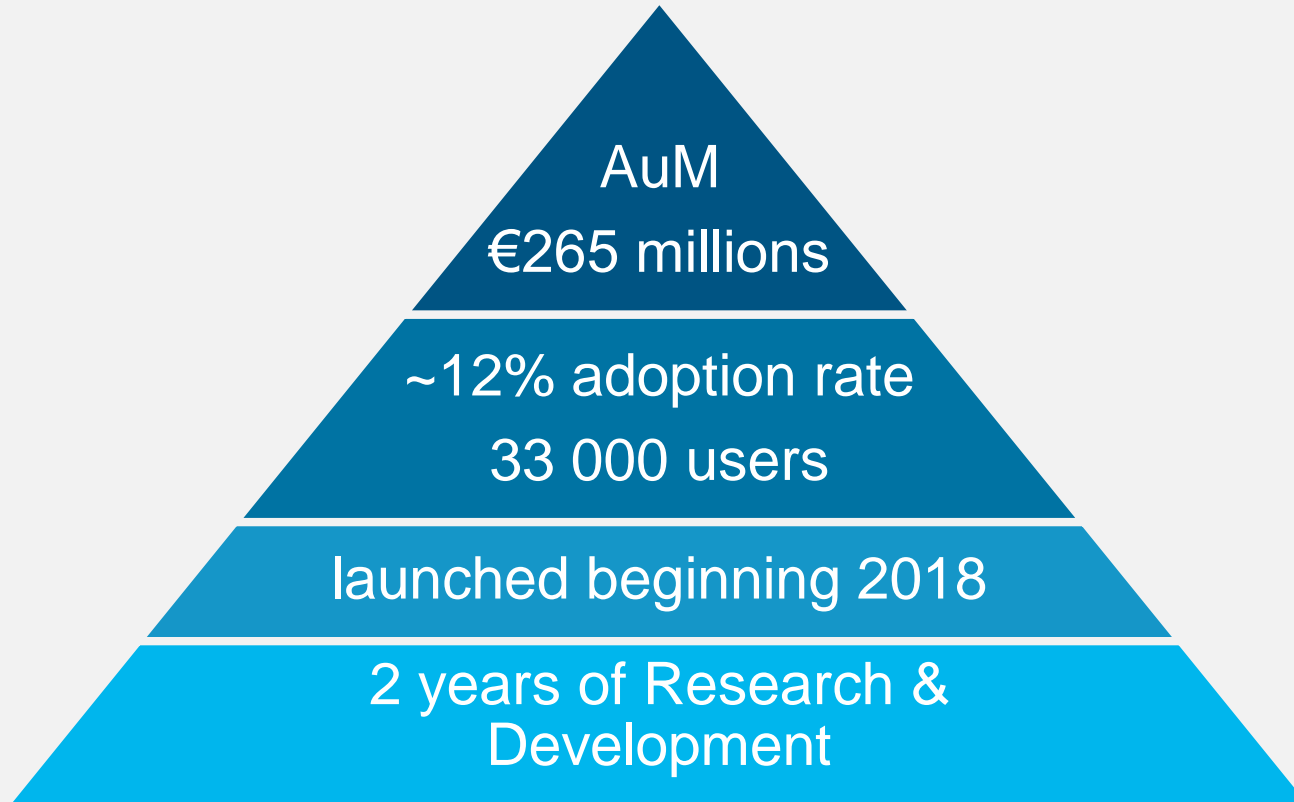
AMUNDI 3 MOIS ESR - A (C)	33 230,11 € (331 2774 parts)
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Souscriptions

AMUNDI ACTIONS INTERNATIONALES ESR - F	9 314,40 €
AMUNDI LABEL EQUILIBRE SOLIDAIRE ESR - F	6 646,02 €
AMUNDI LABEL OBLIGATAIRE ESR - F	10 623,67 €
CPR ES CROISSANCE	6 646,02 €

Votre opération de personnalisation d'épargne sera comptabilisée une fois connue la valeur liquidative de tous les supports de placement vendus ou achetés dans le cadre de votre opération.

Promising results well above most competitors (*)



* As of 30th Sept 2019 on a first selection of ~285,000 employees accounts

Key factors of success

- Propose the best **personalized** allocation instead of only few pre-determined portfolio models (precise date, defined plan and profile)
- **Fully digital**
- **Robo is embedded** in the Employee Savings administrative tool,
- Same portal gives access to the employee savings and the robo-advisor
- **Easy to use**: the client can re-allocate his portfolio in one click. All the needed arbitrages are realized in one click-operation
- **Follow up** with regular alerts (email, text msg) to re-allocate the portfolio if needed.
- **Free simulations**
- Affordable to everyone (yearly subscription)



**Address investors «true»
needs by providing
a global solution
rather than individual products**

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Amundi

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