Press Release **London, Nice, Paris, Singapore, September 29, 2016**

A growing interest from investors in Smart Beta ETFs with more requirements and challenges to address

In a survey of investment professionals conducted as part of the Amundi ETF, Indexing & Smart Beta research chair at EDHEC-Risk Institute on "ETF and Passive Investment Strategies", EDHEC-Risk Institute has solicited the specific views of 180 European ETF investors on "smart beta" exchange-traded funds (ETFs). This questionnaire has given rise to a study entitled "*Investor Perceptions about Smart Beta ETFs*".

There are four key findings:

- **A high global rate of satisfaction (86%) towards Smart Beta among ETF users**

Investors consider smart beta indices as tools for improving their investment process. 81% of them think that smart beta indices **avoid concentration** in very few stocks or sectors and 79% of them think that **diversification** across several weighting methodologies allows a reduction of risk and adds value.

- **Capturing *factor premia* is the prime motivation for 87% of respondents when investing in smart beta ETFs**

Value, low volatility and size factors are considered as the most likely to be rewarded. When considering factor investing, respondents consider **the ease of implementation, low turnover and transaction costs to be key**, beyond **the existence of a rational risk premium** and the existence of **extensive empirical literature** documenting these premia.

- **There is an important gap between information required by investors on smart beta strategies and information offered by providers**

Results suggest that investors do not believe that information considered important for assessing smart beta strategies is made available to them with sufficient ease, especially when it comes to **data-mining risks** and **holdings-based information** needed for risk assessment. Furthermore, 94% of the respondents (compared to 88% last year) agree that smart beta indices require **full transparency on methodology and risk analytics**.

- **A higher need for education to properly assess smart beta strategies**

Despite this growing interest for smart beta products, investors allocate fewer resources to the assessment of smart beta when compared to the appraisal of active managers or the evaluation of cap-weighted-indices. While a quarter of full-time staff is dedicated to the evaluation of active managers, only 10% of staff is dedicated for the evaluation of smart beta or systematic factor investments.

Commenting on the results of the survey, Fannie Wurtz, Managing Director of Amundi ETF, Indexing & Smart Beta, said: “the findings of this survey demonstrate that investors’ appetite for Smart Beta ETFs will keep on growing in the coming years. As a long-standing provider of Smart Beta solutions we are particularly attentive to investors’ perception and needs, in order to keep on developing accurate and cost-efficient Smart Beta tools to efficiently answer their needs”.

Professor Lionel Martellini, Director of EDHEC-Risk Institute, added, “The growth of ETFs is largely fuelled by an ever growing interest in investable forms of factor premia, the benefits of which are well-documented by long-term academic evidence. In the next phase of development, as smart beta ETFs will start being perceived as commonly-available commodities, we expect investors’ focus to shift more towards implementation challenges, including transaction costs – an important question that we shall explore and publish about in the future”.

A copy of the EDHEC-Risk Institute study can be found here:

EDHEC-Risk Publication Investor Perceptions about Smart Beta ETFs

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About EDHEC-Risk Institute

Since 2001, EDHEC Business School has been pursuing an ambitious policy in terms of practically relevant academic research. This policy, known as “Research for Business”, aims to make EDHEC an academic institution of reference for the industry in a small number of areas in which the school has reached critical mass in terms of expertise and research results. Among these areas, asset and risk management have occupied privileged positions, leading to the creation in 2001 of EDHEC-Risk Institute, which has developed an ambitious portfolio of research and educational initiatives in the domain of investment solutions for institutional and individual investors.

This institute now boasts a team of close to 50 permanent professors, engineers and support staff, as well as 38 research associates from the financial industry and affiliate professors. EDHEC-Risk Institute is located at campuses in Singapore, which was established at the invitation of the Monetary Authority of Singapore (MAS); the City of London in the United Kingdom; Nice and Paris in France. The philosophy of the institute is to validate its work by publication in prestigious academic journals, but also to make it available to professionals and to participate in industry debate through its position papers, published studies and global conferences.

To ensure the distribution of its research to the industry, EDHEC-Risk also provides professionals with access to its website, www.edhec-risk.com, which is entirely devoted to international risk and asset management research. The website, which has more than 70,000 regular visitors, is aimed at professionals who wish to benefit from EDHEC-Risk’s analysis and expertise in the area of applied portfolio management research. Its quarterly newsletter is distributed to more than 200,000 readers.

EDHEC-Risk Institute also has highly significant executive education activities for professionals. In partnership with CFA Institute, it has developed advanced seminars based on its research which are available to CFA charterholders and have been taking place since 2008 in New York, Singapore and London.

In 2012, EDHEC-Risk Institute signed two strategic partnership agreements, with the Operations Research and Financial Engineering department of Princeton University to set up a joint research programme in the area of asset-liability management for institutions and individuals, and with Yale School of Management to set up joint certified executive training courses in North America and Europe in the area of risk and investment management.

As part of its policy of transferring know-how to the industry, EDHEC-Risk Institute has set up ERI Scientific Beta. ERI Scientific Beta is an original initiative which aims to favour the adoption of the latest advances in smart beta design and implementation by the whole investment industry. Its academic origin provides the foundation for its strategy: offer, in the best economic conditions possible, the smart beta solutions that are most proven scientifically with full transparency of both the methods and the associated risks.

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About Amundi

Publicly traded since November 2015, Amundi is the largest European Asset Manager in terms of AUM (*), with over 1,000 billion euros worldwide. Headquartered in Paris, France, Amundi has six investment hubs located in the world's key financial centres, and offers a combination of research depth and market experience that has earned the confidence of its clients.

Amundi is the trusted partner of 100 million retail clients, 1,000 institutional clients and 1,000 distributors in more than 30 countries, and designs innovative, high-performing products and services for these types of clients tailored specifically to their needs and risk profile.

Go to www.amundi.com for more information or to find an Amundi office near you.

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Amundi figures as of 30 June 2016. (*) No.1 European asset manager based on global assets under management (AUM) and the main headquarters being based in Continental Europe - Source IPE "Top 400 asset managers" published in June 2016 and based on AUM as at December 2015.

About Amundi ETF, Indexing & Smart Beta

With more than €1,000 billion worldwide of assets under management1, Amundi is one of the world's leading Asset managers2. The ETF, indexing and smart beta Business line is one of the group's strategic business areas and totalizes €55.8 billion AuM1.

Built on strong commitments on cost efficiency, innovation and transparency, the Amundi ETF platform is the 5th largest ETF provider in Europe3 with 100 ETFs and >450 listings across Europe.

On Indexing and Smart Beta, innovation and customization are at the core of the client-oriented approach. The objective is to provide investors with robust, flexible and highly cost efficient solutions, leveraging on Amundi pricing power and extensive resources, including first class research capabilities in SRI and Factor investing.

1. Amundi figures as of 30 June 2016.
2. No.1 European asset manager based on global assets under management (AUM) and the main headquarters being based in continental Europe– Source IPE " Top 400 asset managers" published in June 2015 and based on AUM as at December 2014.
3. Source: DB-ETF Research ETF – as at 30 June 2016

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