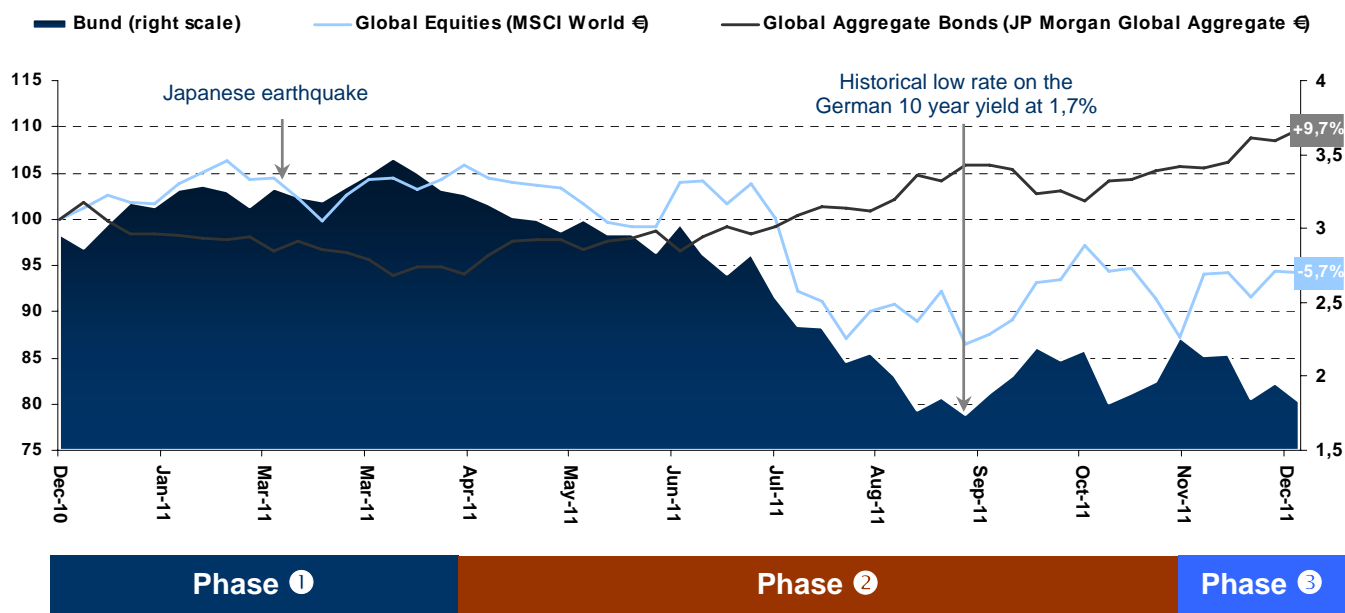


Overview 2011

=> Base 100 returns for global equity, global aggregate bonds and the German 10 year yield over 2011



Source : Groupama AM

Phase ① GOOD PERFORMANCE FOR GLOBAL EQUITY	Phase ② CONSOLIDATION ON RISKY ASSETS	Phase ③ HOPE OF STABILISATION ?
<ul style="list-style-type: none"> Significant appetite for risk among investors; Return to the sectors and stocks that suffered worst in 2010 (financials and utilities); Resilience of equities following the Japanese earthquake, with a marked recovery. 	<ul style="list-style-type: none"> Significant rise in risk aversion among investors; Increase in recessionary pressures in the developed world (Eurozone and United States); Worsening of the sovereign debt crisis in the Eurozone. 	<ul style="list-style-type: none"> Macroeconomic indicators in the United States better than expected; Strong desire to stabilise the European sovereign debt crisis expressed by political institutions; Global growth sustained by the emerging markets in the medium term.

2011 has taken on a unique aspect. Spikes in risk aversion among investors are usually a symptom of fear in the face of the appearance of exogenous risks (climate risk, emergence of a geopolitical risk, etc.) and/or endogenous risks, the extent of which has been wrongly assessed (subprime, technology bubble at the beginning of the 2000s, etc.). **2011 is at the intersection of these two textbook cases with**, on the one hand, **growing public deficits (endogenous risk)** which undoubtedly began several decades ago but the scale of which has been underestimated since 2008, and on the other hand, the surprise guest that can be qualified as **exogenous risk for the investor – political risk**. For this reason, investors have had to put aside their traditional analysis tools and accept the dictates of a market that is strongly correlated to political decisions. Against such a background, the real question posed to the investor remains that of how to optimise their allocation.

In the current environment, we believe that the keys to success for optimal allocation reside in **the identification and management of the following themes:**

- The speed and scale of the movements on asset prices that reinforce the necessity to have adequate tools available to **allocate the portfolios reactively on the different asset classes and geographical zones**; the relevance of flexible and responsive allocation solutions with extensive investment universes;
- The necessity to **diversify the portfolios on decorrelating strategies and/or high-potential niche asset classes** (e.g. small and mid cap stocks) **and/or growth themes** (e.g. investments in western firms with international reach to profit from the high growth in the emerging markets);
- Company governance and management (of human capital in particular) which, now more than ever, constitute indicators of their future success and their sustainability in the long term: **the relevance of SRI analysis**.

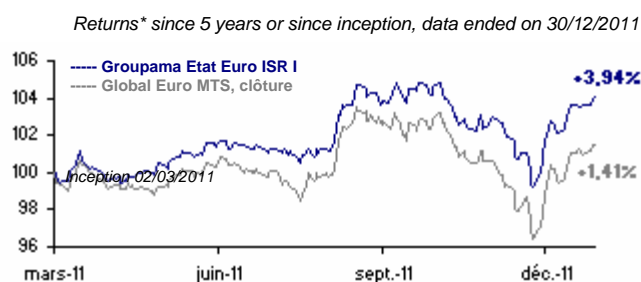
Key themes for 2012

CORE MANAGEMENT

GROUPAMA ETAT EURO ISR I (FR0010973149)

Euro Government Bonds SRI

Bloomberg ticker "I" share: GREISRI FP Equity
 AuM (all shares included) as of 30/12/2011: M€158
 Benchmark: Global Euro MTS, clôture
 Management company: Groupama Asset Management



EURO CAPITAL DURABLE I (FR0010013987)

Large Euro zone Equity SRI

Bloomberg ticker "I" share: FIEUCAP FP Equity
 AuM (all shares included) as of 30/12/2011 : M€284
 Benchmark: MSCI EMU clôture, DNR
 Management company: Groupama Asset Management

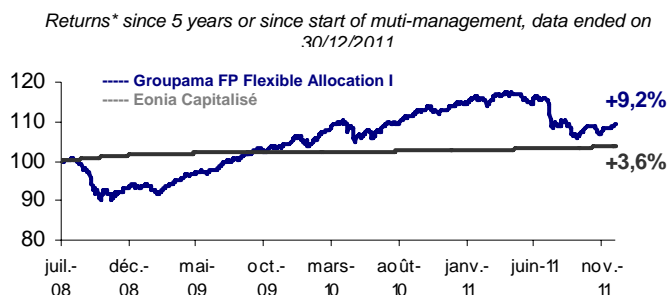


ABSOLUTE RETURN MANGEMENT

GROUPAMA FP FLEXIBLE ALLOCATION I (FR0010646299)

Flexible Allocation

Bloomberg ticker "I" share: GFPPALA FP Equity
 AuM (all shares included) as of 30/12/2011 : M€200
 Benchmark: Eonia Capitalisé
 Management company: Groupama Asset Management

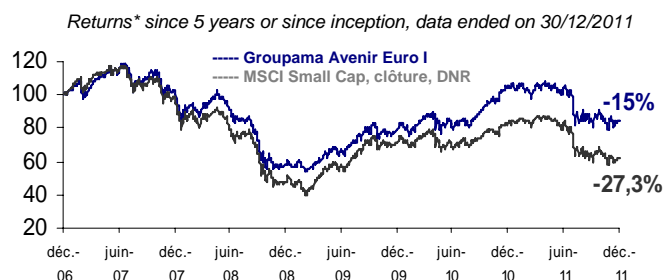


GESTION TOTAL RETURN

GROUPAMA AVENIR EURO I (FR0000990038)

Small & mid cap equity Euro zone

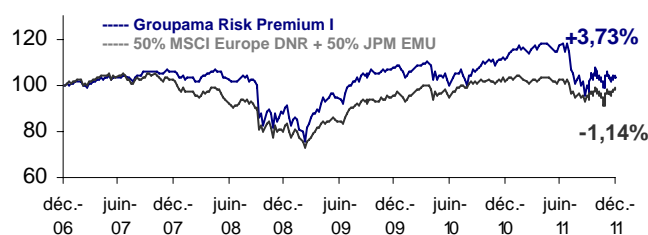
Bloomberg ticker "I" share: FIGRAVE FP Equity
 AuM (all shares included) as of 30/12/2011 : M€73
 Benchmark: MSCI EMU Small Cap, clôture, DNR
 Management company: Groupama Asset Management



GROUPAMA RISK PREMIUM I (FR0010400127)

Optimise investors' risk/return ratio

Bloomberg ticker "I" share: DPAGPRV FP Equity
 AuM (all shares included) as of 30/12/2011: M€25*
 Benchmark: 50% MSCI Europe DNR + 50% JPM EMU
 Management company: DPA Invest **



Euro Government Bonds SRI

Groupama Etat Euro ISR (FR0010973149)

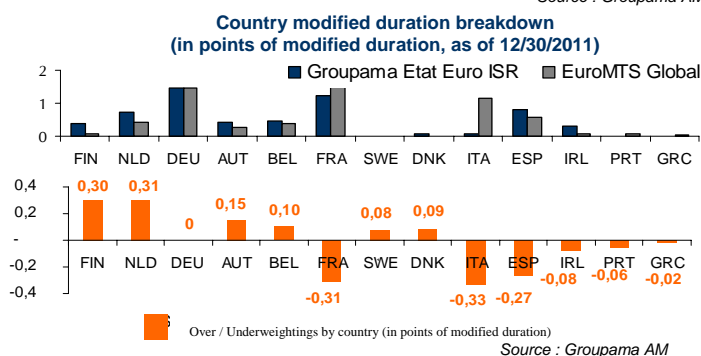
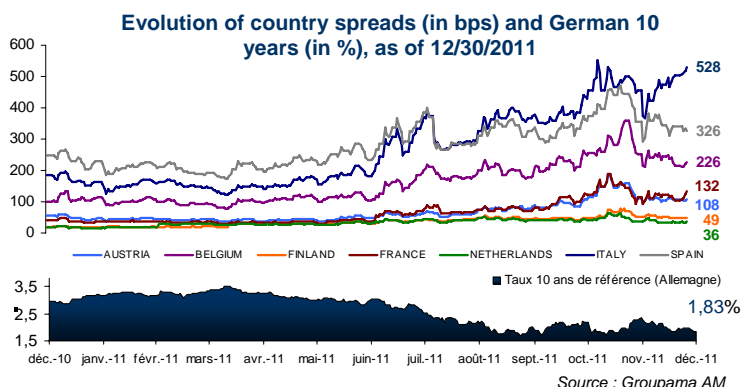
At the heart of Groupama Asset Management's core competences, **Groupama Etat Euro ISR combines management of euro sovereign debt with an SRI approach**. Our investment process includes a rating of states using sustainable development indicators published, for the most part, by the European Commission. Each of the ratings for the various criteria is regrouped around the four EESG pillars (Economy – Environment – Society – Governance). So, where financial quality is similar, the Groupama Etat ISR fund manager will prefer countries with the best EESG ratings.

In 2011, three major axes in our positioning enabled Groupama Etat Euro ISR to outperform its benchmark, the EuroMTS Global:

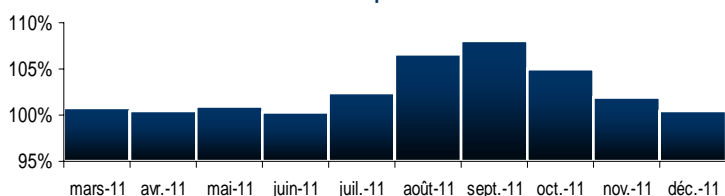
① ⇒ Our geographical allocation: preference for core and semi-core countries, and avoidance of so-called peripheral countries

- Underweighting of Italy due to its poor EESG rating, which was beneficial in 2011
- Positive contribution to overall performance from our overweighting of Finland and the Netherlands (directional strategy and EESG rating)
- Positive contribution from our diversification into Sweden and Denmark (quality of the EESG rating)

Our geographical allocation allowed us to fully benefit from the rally in rates and to partly avoid the negative impact of widening spreads of countries in difficulty.



Relative modified duration of Groupama Etat Euro ISR / EuroMTS Global

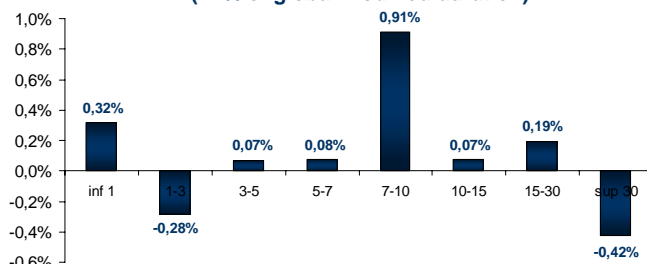


Source : Groupama AM

② ⇒ Our active management of overall modified duration

Overexposure during the rally in rates in the months of August and September (around 105% of relative sensitivity), and a return to a neutral position following the European agreement on 26 October.

Over / under exposure by bucket (in % of global modified duration)



Source : Groupama AM

③ ⇒ Our yield-curve positioning

Flattening of the 2-10 year segment, in particular via overexposure to the segment [7-10 year], the segment having benefited most from the rally since the beginning of the year.

Our 2012 outlook does not encourage us to structurally change the positioning of our portfolios in terms of geographical allocation, relative sensitivity or yield-curve positioning. Eventually, greater **European integration** coupled with a return of moderate growth should favour a **convergence of rates** in the various eurozone countries.

In addition, the scale of the current crisis will lead to modification of the long-term growth outlook and a reduction in certain countries' scope for manoeuvre. Consequently, in the medium term, this may have a strong impact on their **environmental, social and governance** practices.

Large Euro zone Equity SRI

Euro Capital Durable (FR0010013987)

Euro Capital Durable, our SICAV (French open-ended investment fund) for socially responsible investment in large euro zone equities is based on a selection of equities with a socially responsible approach. In addition to these environmental, social and governance criteria, the fund's managers base decisions on financial indicators for valuation and outlook when selecting stocks. **Euro Capital Durable offers a resilient long-term profile.** In fact, this portfolio has in the past proven its ability to absorb periods of bearish markets while benefiting from bullish trends.

In 2011, in a context of recession in Europe, and with the euro zone struggling to end its financial and political stalemate, **our 2011 investment strategy was based around four major themes:**

① ⇒ Large-scale international European companies

Strengthening our stock-picking in cyclical sectors => search for large-scale international European companies with high exposure to emerging markets and the US, where growth is higher than in western countries:

- **Preference for chemicals:** BASF, Air Liquide
- **Picking of world leaders in capital goods:** Siemens, Schneider, Vallourec
- **Automobiles :** favour German exporting companies (BMW, Daimler) and some component suppliers (Valeo). Sale of Renault at the beginning of the year (structural governance problems).

② ⇒ Sectors keeping momentum despite the economic crisis

Return to energy and technology, which are sectors that kept the momentum despite the economic crisis, and proved resilient in performance terms in 2011:

- **Energy :** strengthening of exposure in oil service sector companies that are capable to meet future challenges (discoveries of new oil and gas reserves, optimization and rationalization solutions for extraction costs, search for new sources, etc.); Technip, Saipem
- **Technology :** lightening of exposure in semi-conductors following the Japanese disaster, which damaged several local companies and benefited large, mature, cash-generating service companies (SAP, Cap Gemini), or more modest component suppliers, which are leaders in their sector and growing strongly (Gemalto).

③ ⇒ Leading groups with an international scope and strong "pricing power"

Search for groups with an international scope with high market share and strong pricing power enabling them to increase prices without any impact on demand, in particular within the basic consumer and luxury goods sectors :

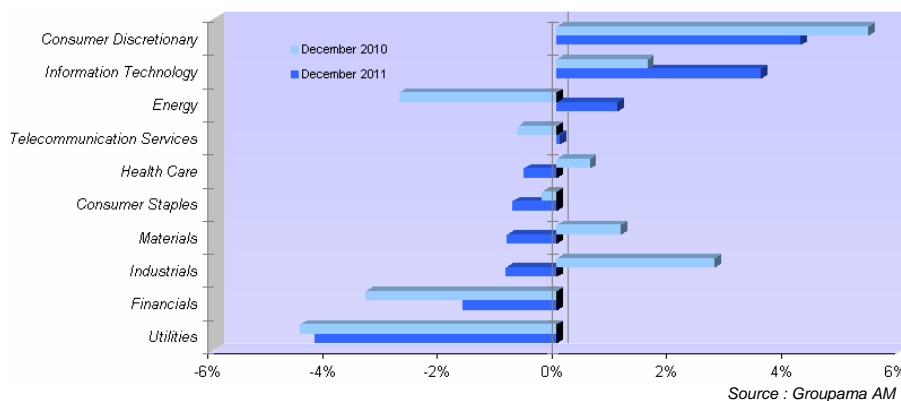
- **Basic consumer goods:** remain somewhat cautious in this sector amid a negative macroeconomic environment; lightening of Danone exposure in the last quarter in favour of Unilever and Remy Cointreau
- **Luxury goods:** some profit-taking at the start of the year, followed by reinvestment in LVMH, PPR.

④ ⇒ Caution and a highly selective approach in the financial sector

We remained extremely careful with cautious stock-picking in the financial sector, and were significantly underweight in the sector for the whole of 2011:

- **Investment banks:** governance risks were too high for some institutions, so we had low exposure; Deutsche Bank throughout the year and ING in the second half
- **Retail banks:** preference for international players with mature banking networks (BNP Paribas, Intesa San Paolo)
- **Insurance companies:** the sector was also affected by the sovereign debt crisis and an ever more restrictive regulatory environment; Axa, Allianz.

Relative exposure (Euro Capital Durable vs MSCI EMU)



We approach **2012** with caution, and maintain our 2011 investment themes. With its investments in large-scale international western companies, Euro Capital Durable will be able to **benefit from vigorous consumption in emerging countries and growth in the US.** We also maintain our investments in **companies with mature, resilient business models, generating cash** and with low sensitivity to the European economic cycle.

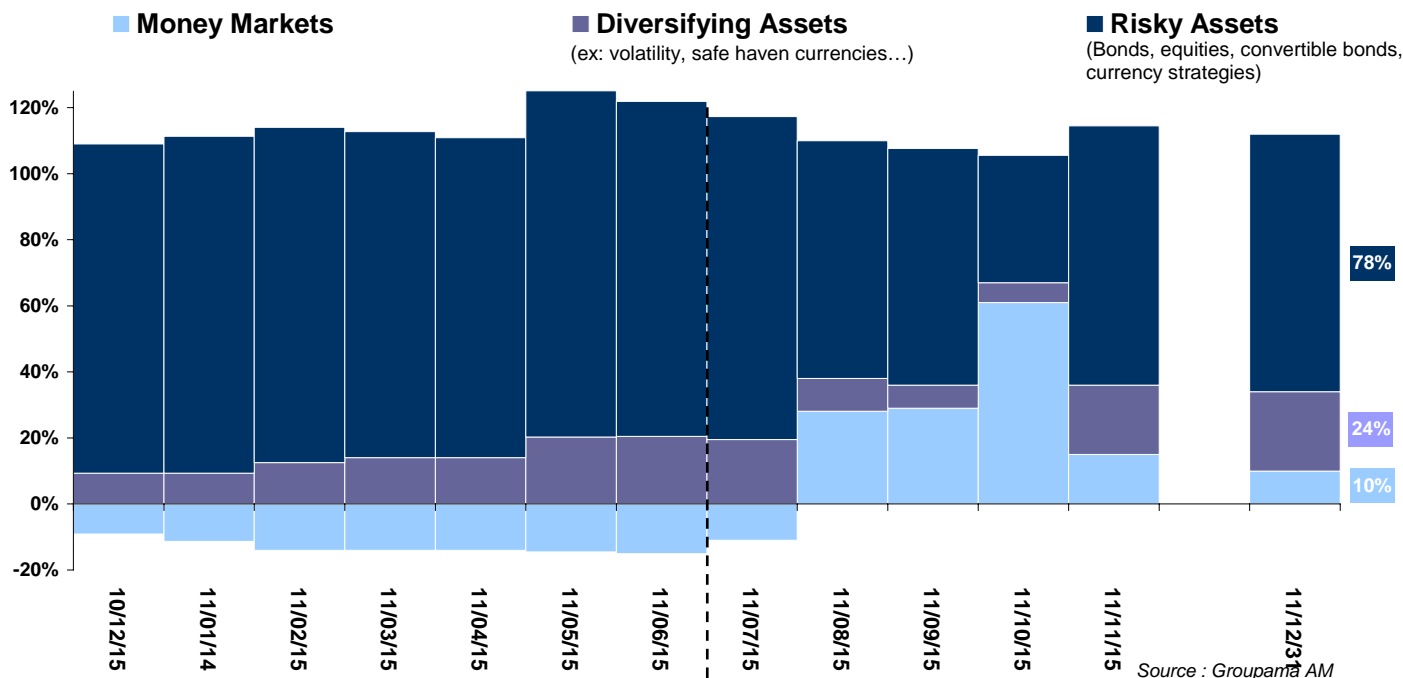
In addition to the financial criteria, analysis of the three environment, social/societal and governance pillars will also remain a major advantage in an increasingly difficult macroeconomic environment. Nous abordons **l'année 2012** avec prudence et maintenons nos thématiques d'investissements de 2011.

Flexible Allocation

Groupama FP Flexible Allocation (FR0010646299)

In an environment marked by significant volatility on the markets and a global economy that is running at two, or even three speeds (the emerging markets, the United States and the Eurozone), **GFP Flexible Allocation constitutes a global (covering all geographical zones and all asset classes) and dynamic allocation solution** adapted to investors who are seeking to control their level of absolute risk (volatility) and risk of capital loss.

=> Development of our allocation en 2011



Phase ① : December-July

Significant exposure to risky assets in a market environment marked by low rates, Quantitative Easing 2 (accommodative monetary policy) maintained until June and a gradual return to global growth.

Coupled with a diversifying assets allocation that takes into account **the potential volatility integrated into our central scenario for 2011** (sovereign debt crisis in the Eurozone and inflationary pressures in the emerging markets).

Phase ② : since July

July-October :

Significant reduction in risk with aversion reaching a peak in July.

Progressive withdrawal from convertible bonds, constitution of a significant cash allocation and utilisation of insurance/diversifying assets.

From October onwards:

Progressive increase in market exposure, maintaining a preference for credit, which offers the best Sharpe ratio (high yield and emerging markets debt heading the list) and a return to equities (2% on 31/12/2011).

In 2012, we will maintain our responsive management strategy and will gradually be able to add risk into the portfolio (via credit followed by equities) if the macroeconomic, microeconomic and institutional (sovereign debt crisis) picture becomes clearer.

We are confident in our ability to deliver performance asymmetry and about the strength of our flexible allocation process:

- **A proven management process that has already brought us successfully through a period of market tension of comparable scale (2008);**
- **A portfolio structure that is adapted to the market context:**
 - Credit predominating (as in 2008-2009) at high carry with solid fundamentals
 - Seeking protection via diversifying/insurance positions: safe haven currency (\$) and safe haven bond (US 10-year)

Flexible Allocation

Groupama FP Flexible Allocation (FR0010646299)

=> Fundamental view by geographical zone

Euro Zone :

the zone that is likely to be the most volatile in 2012

- 
- Strong engagement from European institutions
 - Sovereign risk is still highly significant
 - Strong dichotomy between core and peripheral countries
 - Globally deceiving companies publications
 - Leading macroeconomic indicators into recession zone

Unites-States :

exit from the "crisis" becoming increasingly discernible

- 
- Accommodative monetary policy maintained until 2013
 - Positive surprises on companies publications
 - Probability of further easing ?
 - The real estate market and unemployment remain the weak links of the system

Pays Emergents :

a positive growth differential vs. the developed countries

- 
- Solid macroeconomic fundamentals and inflation spike behind us
 - Could benefit from a geographic rotation (developed markets towards emerging markets)
 - Easing monetary cycle starting in some countries

=> Fundamental view by asset class

Risky Assets



FIXED INCOME

- Necessity to allocate the spread premium (return) and interest rate risk (protection in crisis phase)
- We believe that US investment grade, emerging markets debt in hard currencies and "extended duration" high yield are all good investments pending a gradual turnaround in investor sentiment
- ⇒ Preference for a diversifying and prudent position with respect to the Euro zone



EQUITY

- Valuations that are attractive, good EPS growth prospects and positive surprises based on the stabilisation of growth and employment in the US
- We are steering clear of the Euro zone
- ⇒ Preference for US equities...
- ⇒ ...and emerging markets equities which have the potential to catch up with less pressure from the cost of work and capital and increasing competitiveness/price (monetary easing)



CONVERTIBLE BONDS

- ⇒ We prefer to synthesize the asset class via credit, equities and volatility with more diversification by sectors and issuers



CURRENCY STRATEGIES

- ⇒ The environment of low key rates in the emerging markets countries reduces the carry and the potential for performance

Diversifying Assets



VOLATILITY

- ⇒ Effective strategy during market turmoil (we buy volatility at low levels in order to maintain our asymmetric profile in the event of consolidation)



DURATION

- ⇒ Preference for the US 10-year (buying TNotes via futures)



SAFE HAVEN CURRENCIES

- ⇒ Seeking portfolio insurance and utilising it as much as possible
- ⇒ Preference for the dollar which remains a safe haven currency benefiting from spikes in risk aversion and more directly from increasing weakness in the Euro zone



COMMODITIES

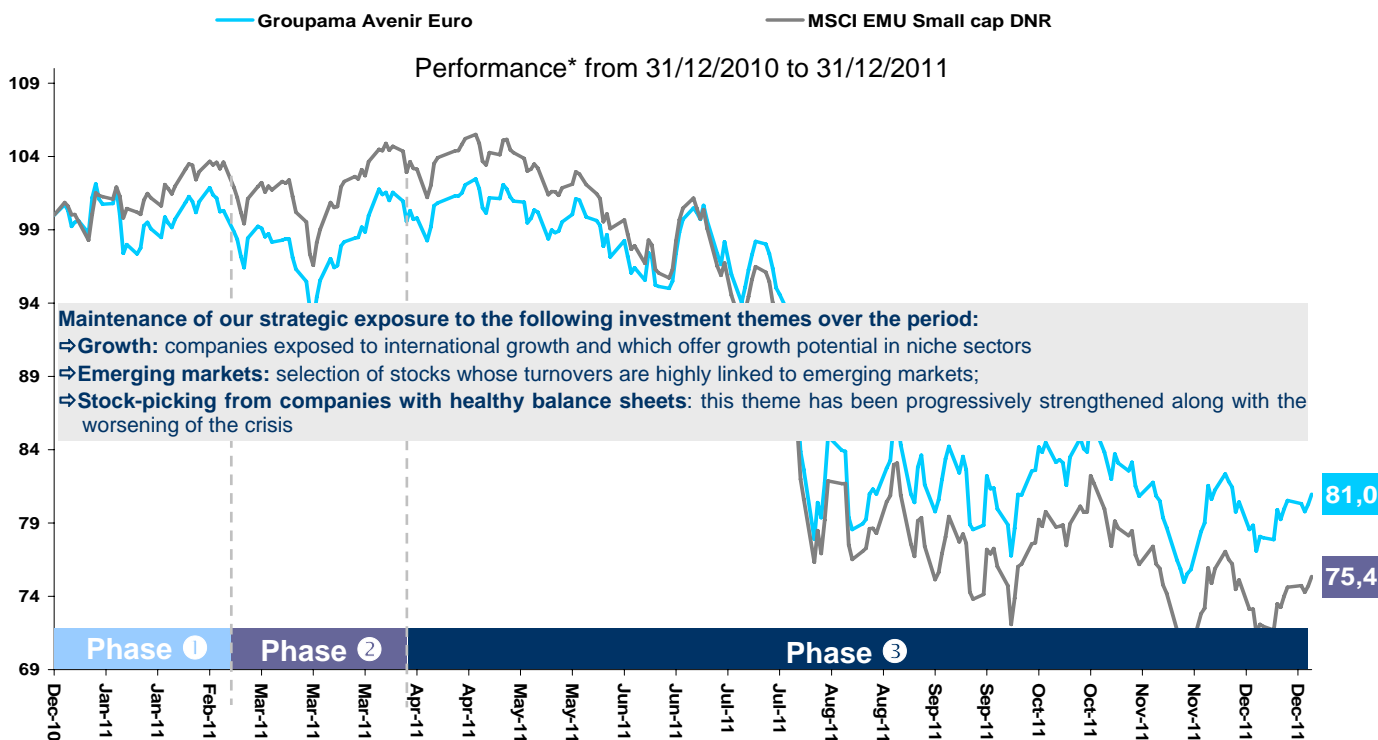
- ⇒ Cyclical commodities have a low power of decorrelation and do not stand up well in a context of weak growth...
- ⇒ And precious commodities are somewhat unclear

Small and mid cap Euro zone equities

Groupama Avenir Euro (FR0000990038)

Groupama Avenir Euro, our small and mid cap Eurozone equities fund, provides a **twofold benefit in the current market and macroeconomic context, offering exposure to the increasing demand from the middle classes in the emerging markets and to high-potential niche sectors**, combined with less exposure to disruptions in the financial sector (compared to a large cap universe).

=> In 2011, management in 3 phases with outperformance* beginning after April



Source : Groupama AM

Phase 1 : underperformance	Phase 2 : consolidation	Phase 3 : outperformance
<p>The rotation in favour of sectors and geographical zones that were neglected in 2012 corresponded more to a significant reduction in risk aversion than to a real change in the fundamental order.</p> <p>The portfolio is structured on two levels via:</p> <ol style="list-style-type: none"> Tactical investments in undervalued stocks (CA Immobilien and Smurfit Kappa in particular) and an increase in exposure to financial stocks, particularly Italian, and to non-cyclical stocks; Maintenance of our strategic exposure to the themes of "growth" and "the emerging markets"; 	<p>The recovery in investors' appetite for large capitalisation compared to small and medium caps, which was very pronounced until February, saw a gradual turnaround during this second phase. Small and mid cap benefited from their lower levels of exposure to the financial sector and the spike in risk aversion at the time of the Japanese earthquake, as well as from their exposure to mergers and acquisitions (e.g. Rhodia) and the industrial sector (positive sentiment among investors with regard to a "soft landing" in China), which featured more strongly in the small and mid cap indices.</p> <p>The fund underperformed its benchmark index very slightly during this period.</p>	<p>This outperformance, which began in April, intensified in July thanks to the considerable overweighting (+9%) in the convenience goods sector and the underweighting (-8%) in the industrial sector, which has been greatly affected by fears of a slowdown in the global economy. The significant underweighting in the financial sector and the lack of Italian banks (except during the tactical adjustment at the beginning of the year) and Greek banks in the portfolio since the beginning of the year also contributed to the outperformance.</p> <p>The principal driver for outperformance is still stock-picking, on:</p> <ol style="list-style-type: none"> Stocks realising a significant part of their turnover in the emerging markets Stocks in the "convenience goods" sector Stocks with resilient profiles in the course of consolidation ("cash rich" companies)

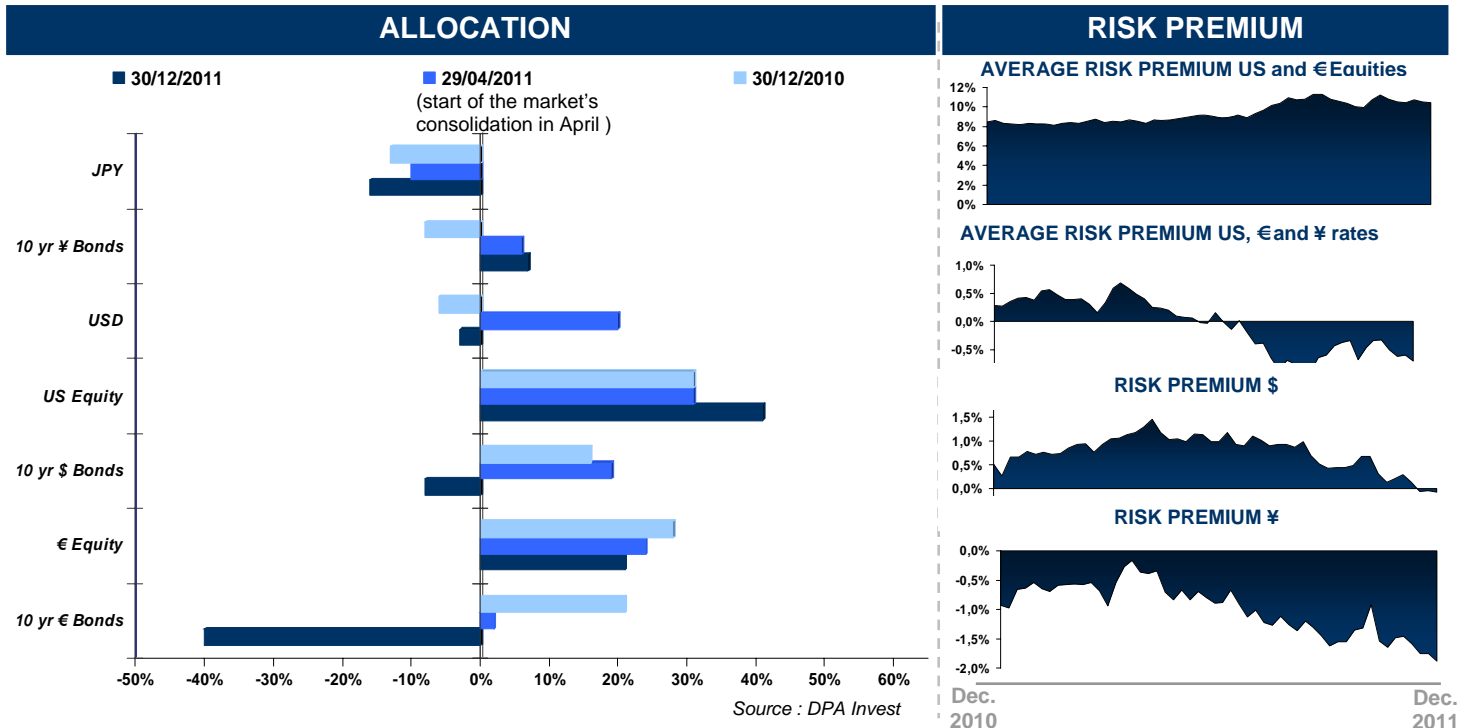
For 2012, we are maintaining our significant exposure to companies that realise a significant part of their turnover in the emerging markets and our exposure to companies with healthy balance sheets.

Optimise investors' risk/return ratio

Groupama Risk Premium (FR0010400127)

Phases of massive consolidation on the markets favour panic movements and price dislocations on some assets. They make it all the more necessary to understand exactly the nature (technical movement or change in fundamental order) of the price variations on the different asset classes. **Groupama Risk Premium offers the investor the opportunity to optimise their risk via a clear understanding of the prospective risk premium (return offered exceeding the risk free rate over the long term) on equities, bonds and currencies.**

=> Development of the fund's allocation and of risk premiums by asset class over 2011



1 ACTIONS

In a year marked by the scale of variations in the prices of asset classes, Groupama Risk Premium has continued to seek the optimum allocation of investors' risk-taking over the long term. The fund maintained a significant equity allocation of between 55% of the portfolio during the improvement in the spring and 64% in the period of pronounced stress during September. Confidence in the medium-term solidity of the Eurozone and therefore in the fundamentals of European businesses (generation of profits) did not prevent a tactical preference, which became stronger in the autumn, for US equities.

2 OBLIGATIONS

The volatility of long rates and also of the Bund-TNotes spread was expressed by significant modifications on bond positions. Having started the year with a positive allocation on the Bund and TNotes, flight to quality movements rendered "core" sovereign bonds much less attractive (the yield on the Bund passed below 1.7% in September). At such a high price, the risk premium on the Bund became negative with the prospect of remuneration in the long term being potentially lower than that of the cash allocation. This worked in favour of the implementation of a substantial sell position on the Bund (up to -70% of exposure in August), which was partially offset in terms of overall modified duration by an average buy position on TNotes.

3 DEVISES

The fund continued to sell yen. This is a "strategic" position linked to the fact that the yen is clearly overvalued compared to the Euro and furthermore has a relatively negative carry. The sale of yen offers a good risk/return ratio to the investor in the medium term, even though the position was a loss-maker in 2011. Management of the dollar exposure was very dynamic with a clear buy-side bias taking into account its undervaluation before its risk premium became less attractive during spikes in risk aversion, and the rise in the dollar linked to the intensification of the crisis in the Euro zone.

In 2012: Groupama Risk Premium will remain faithful to its philosophy of optimising investors' risk-taking over the medium term. The year begins with a number of opportunities (high risk premiums on equities, yen and overvalued "core" government bonds). Furthermore, continued high volatility should be favourable to Groupama Risk Premium, which will profit very dynamically from exposure to the different asset classes depending on valuations.

Disclaimer

Warning

* Past performance is no guarantee of future results. Funds' performance detail is available on our website www.groupama-am.com

The information contained in this document is provided for information purposes only and is therefore not binding for its author. You may contact the sales teams of Groupama Asset Management and its subsidiaries for a personalized recommendation. This document is strictly confidential and intended solely for the recipients. Any unauthorized use or distribution, in whole or in part and in any way whatsoever, is prohibited and subject to penalties. Neither Groupama Asset Management nor any of its subsidiaries may be held liable for the document if altered, changed or falsified.

** DPA Invest : DPA Invest manages under delegation the portfolio "Groupama Risk Premium" (FR0010400127, "I" share). DPA Invest is an asset management company with which Groupama AM has formed a partnership to enrich its offer to its institutional investors and European distributors clients.

Contacts

Director of Development

Jean-Marie Catala

01 44 56 79 18

jmcatala@groupama-am.fr

Director of International Sales Department

Arnaud Ganet

01 44 56 56 61

aganet@groupama-am.com

External Distribution and Northern Europe Sales Department

Alexandre Jaeglé

+33 1 44 56 89 17

ajaegle@groupama-am.com

Anne-Laure Mugnier

+33 1 44 56 56 21

almugnier@groupama-am.com

Matthieu Painturaud

+33 1 44 56 77 72

mpainturaud@groupama-am.com

Sales department – Italy

Alberico Potenza

+39 06 80 66 02 61

apotenza@groupama-am.it

Fabrizio Salvi

+39 06 80 80 361

fsalvi@groupama-am.it

Dario Carfizzi

+39 06 85 34 40 43

dcarfizzi@groupama-am.it

Sales department – Spain

Ivan Diez Sainz

+34 06 91 598 28 22

idiezsainz@groupama-am.es

Jorge Diaz

+34 06 91 598 28 28

jdiaz@groupama-am.es

GROUPAMA ASSET MANAGEMENT
58 bis, rue la Boétie
75008 Paris – France
<http://www.groupama-am.fr>