

GROUPAMA CREDIT EURO ISR

SRI CREDIT BOND MANAGEMENT

Marketing
material



Key features

- Mutual Fund under French law
- « Bonds and other euro debt securities » fund
- Investment term: > 3 years
- Investor profile: Institutional Investors
- Capitalization (C) / Distribution (D)
- Launch date: 24/12/2008
- UCITS in compliance with European regulations
- Admitted for Euroclear listing
- Bloomberg Code: GCEISRI
- Performance objective*: to outperform the Barclays Capital Euro Aggregate Credit Corporate index

Risk scale (based on fund's asset class and key features)

Risk level:
Intermediate

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Why Invest In GROUPAMA CREDIT EURO ISR ?

GROUPAMA CREDIT EURO ISR is designed for investors wishing to add a Sustainable Development orientation to their investment. It offers an active management of mid-long term bond portfolio invested in euro zone Credit Investment Grade.

- **Financial management objective:** To outperform the Barclays Capital Euro Aggregate Credit Corporate index
- **Extra-financial management objective:** To outperform the ESG (extra-financial Environmental, Social and Governance criteria) quality of the benchmark.
- **Investment philosophy:** The SRI approach used in the management process is a "Best In Class Return" approach, it is conveyed by:
 - A hierarchy of issuers in each sector on the extra-financial criteria;
 - The award of a SRI bonus/malus to the expected return of each issuer.
- The extra-financial analysis covers 85% of the benchmark.
- **Main Risks for Investors :**
 - Rate risk: a rise of rates on bond markets could lead to a decrease in bond quotations;
 - Credit risk: an issuer's down rating could negatively affect the security quotation;
 - Counterparty risk (related to swaps and repo activities): there is a possibility that the credit institutions will not live up to their contractual obligations as regards with these instruments;
 - Equity risk (accessory) : a variation in equity quotation could positively or negatively affect the fund's net asset value.

* Past performances are not a reliable indicator of future performance levels.

Groupama Asset Management : A Recognized Player In The SRI Field

- **A historical commitment within Groupama AM:**
 - Participation in works of « the place » (AFG, UNEP FI, Paris Europlace, FIR/EUROSIF),
 - Adherence to Principles of Responsible Investment - PRI (under the aegis of the United Nations),
 - Club Eurôka !...
- **Over €600 million in assets managed under SRI label** (bonds and equities).
- **A strong analysis capability:**
 - 13 Financial and Credit Analysts;
 - 3 dedicated SRI Analysts.
- **An in-house extra-financial analysis methodology** based on a three-layer approach (Environmental, Social and Governance) and fed by a number of external data sources (Vigeo, Risk Metrics,...) and our internal research:
 - a **global approach** of **G**overnance appreciation, which is a favored linchpin between financial and extra-financial analyses;
 - a **sectoral approach** of **E**nvironmental and **S**ocial issues.

« The SRI philosophy of Groupama Asset Management conveys a belief: issuers the most virtuous in terms of Corporate Social Responsibility (integration of ESG issues in the development model of the company) will benefit from a better financial risk / return couple over the long term. »

Stéphane MAZEL
Head of SRI Development

- SRI Equities and SRI Euro Credit Bonds management processes optimizing the risk/return couple and the financial performance over the mid-long term.
- **Specific tools dedicated to the SRI Credit management:**
 - a Front Office tool dedicated to SRI management;
 - SRI reporting and monitoring tools.

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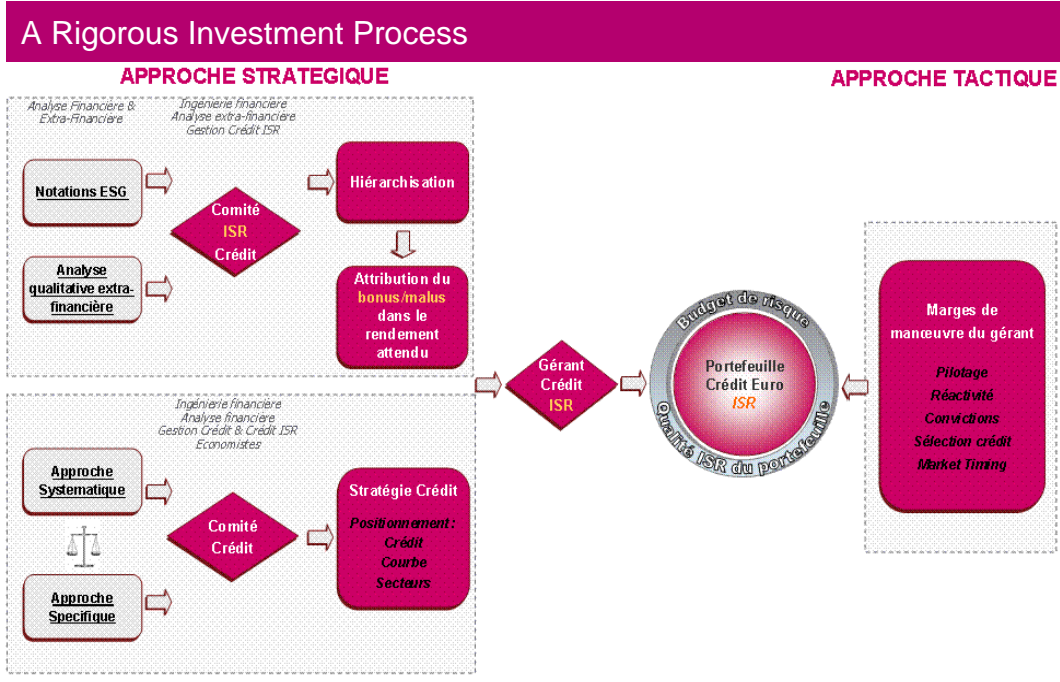
Portfolio Construction

- Benchmark: Barclays Capital Euro Aggregate Credit Corporate closing price
- Modified duration: 3 - 6
- 30 to 60 issuers
- Credit Investment Grade (euro zone private issuers): > 75%
- Maximum of securities rated « A »: = 60% (maximum 4% by issuer)
- Maximum of securities rated « BBB »: 40% with maximum 2% by issuer (4% if its weight in the benchmark is higher)
- Maximum of non rated securities (minimum rated BBB-): 5% (maximum 2% by issuer)
- Currency risk exposure: Nil

Fund information

- Management fees: 0.80% taxes included; Incentive fee: Nil
- Subscription fees not earned by the fund: 2.75%; earned by the fund: Nil
- Redemption fees earned and not earned by the fund: Nil
- Movement commission accruing to the management company by type of instrument (taxes included):
 - Equities and similar: maximum 0.1%;
 - Bonds and similar: maximum 0.03%;
 - Futures and options: maximum €1 per lot
- Valuation frequency: Daily
- Subscription / redemption terms and conditions: All subscription and redemption requests are centralized every day (D) before 11.45 am by the FINAMA Bank at an unknown NAV with settlement on D+3

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Sources Of Added Value

| | ESG Hierarchy | Bonus/Malus Attribution | Credit Strategy |
|--|--------------------|-------------------------|--------------------|
| MANAGEMENT | X | X | X |
| FINANCIAL AND EXTRA-FINANCIAL ANALYSIS | X | X | X |
| FINANCIAL ENGINEERING | X | | |
| ADDED VALUE | [20% ; 25%] | [10% ; 15%] | [60% ; 70%] |

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