



CPR Asset Management launches “Social Impact” fund dedicated to tackling inequalities

New thematic fund aims to tackle the social dimension of responsible investing

- *CPR Invest - Social Impact is the first global equity fund to address the issue of social inequality*
- *Provides retail and institutional investors with the opportunity to participate in reducing inequalities and to take account of social risks in their investments*
- *New methodology to calculate social inequality as an extra-financial risk, based on five pillars: Labour & Income, Health & Education, Diversity, Taxation, and Human Rights & Access to Basic Needs.*

London, 3 March 2020 – **CPR Asset Management, the thematic equities arm of the largest European asset manager Amundi, has launched a fund dedicated to tackling social inequalities, adding to CPR AM’s €10 billion thematic equities range.**

One of the major phenomena that accompanies globalization has been the widening of economic inequality around the world in recent decades. Between 1980 and 2018, globally, the incomes of the richest 1% increased twice as much as that of the poorest 50%. In addition, several studies show that the rise of inequality worldwide has negative effects on growth.¹

Inequality is also at the root of populist political agendas and social unrest movements, which have powerful negative consequences for markets. Investors are becoming conscious of the risks related to rising inequality, but until now lacked the appropriate investment solutions to address them.

CPR Invest - Social Impact provides the opportunity to put their savings to work helping to reduce inequalities and generate a positive social impact along with potentially higher financial returns. More socially aware companies should prosper since they will find it easier to attract capital, human talent, consumers and regulatory approval, while businesses that do not help to reduce inequalities are likely to face greater regulatory, political and reputational risk.

CPR Invest – Social Impact is an actively managed global equity fund, non-benchmarked, containing around 70 stocks. It will utilise an internal scoring methodology for companies and the countries where they are based, using 40 criteria. The investment objective is to outperform global equity markets over the long term (minimum five years), by investing in companies that are participating in

¹ “Trends in income inequality and its impact on economic growth”, 2014, OECD Social, Employment and Migration working papers / “Inequality overhang”, 2017, IMF working paper

the reduction of inequalities in their countries of establishment. Thematic equity portfolio managers, **Yasmine De Bray** and **Eric Labbé**, will co-lead the management of this fund.

Inequalities as a holistic phenomenon

Inequalities must be understood holistically and should not be limited to income gaps or gender disparities. Instead CPR AM proposes a holistic definition of inequalities is based on **five pillars**: Labour & Income, Health & Education, Diversity, Taxation, and Human Rights & Access to Basic Needs.

As inequalities must be assessed at country level first, the management team designed evaluation criteria for **countries** (e.g. progressiveness of the tax system, legal minimum wage, share of total expenditure on health and education as a percentage of GDP, legal provisions to combat discrimination, workers' rights). They then compile an inequality score for 3,000 **companies** (e.g. pay differentials, working conditions, diversity policy, tax optimisation, employee training). This way, companies are assessed according to their efforts in reducing inequalities in the countries where they are headquartered.

Proprietary 'inequality' scoring combined with Amundi's ESG scoring

CPR AM's scoring methodology is the result of two years of research and will use a scoring scale from A to E to assess companies based on 17 criteria and countries using 22 criteria. Data sources will be from recognised providers and organisations.

The methodology is based on three principles:

- **Selection:** 50% of the 3,000 stocks in the MSCI All Country World Index are excluded on the overall 'inequality' score.
- **Materiality:** despite a good overall score, misconduct one or more pillars could adversely impact a company's valuation; therefore, the worst 10% per pillar is excluded. Each pillar carries equal weighting.
- **Improvement:** the company's social policy must reflect the best practice of its country or improve the country's practices; therefore, companies selected must have an overall score greater than or equal to the country in which they are headquartered.

In addition to the 'inequality' scoring, CPR AM's ESG methodology assesses whether a particular company is to be included in the fund's investment universe. Filters are applied to businesses involved in major ESG controversies, as well as on any company that scores poorly on both overall ESG criteria and underlying social criteria (S).

Valérie Baudson, CEO of CPR Asset Management, said: *"The increasing tensions in our societies illustrate the pressing need for a transition to a fairer economic model. As an asset manager, we seek solutions that are concrete and relevant to social issues, and to fulfil our fiduciary duties. We believe that investing in listed companies that pay attention to social issues is a driver of value creation over the long term. CPR Invest – Social Impact provides investors with a unique solution taking into account the financial risks associated with inequalities and making it possible to contribute to reducing them through their investments."*

Jean-Jacques Barbéris, Head of Institutional and Corporate Clients Coverage at Amundi, added: *"Much like the environment, social inequality is the critical issue for the 21st century. Investors should integrate this dimension in their decisions. No one can substitute government action, but companies and investors do have a role to play. While the topic is complex, we offer investors a transparent methodology capable of selecting companies based on their participation in remedying social*

inequality. We hope this innovative approach will encourage the entire investment community to question their existing strategies and spur them to act fast.”

ENDS

Main features: CPR Invest – Social Impact

GENERAL				
Management company	CPR Asset Management			
Legal form	Sub-fund of the Luxembourg SICAV CPR Invest			
Inception date	10/12/2019			
Minimum recommended period	More than 5 years			
Reference currency	USD			
Registration countries	France, the United Kingdom – Pending registration in Austria, Belgium, the Czech Republic, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland			
SHARE CLASS	A EUR-Acc / A EUR-Dist	I EUR-Acc	E EUR-Acc	R EUR-Acc
ISIN code	C : LU2036821663 D : LU2036821747	LU2036822042	LU2036822471	LU2036822554
Investor type	All investors	Institutional investors	"Early Bird" institutional investors*	Distributors without retrocessions
Share class launch date	10/12/2019			
Share class reference currency	EUR			
Currency hedge	No			
Appropriation of income	Accumulation or distribution	Accumulation	Accumulation	Accumulation
ORDERS	A EUR-Acc / A EUR-Dist	I EUR-Acc	E EUR-Acc	R EUR-Acc
Minimum 1st subscription	1 fraction of share	€100,000	€100,000	1 fraction of share
Valuation frequency	Daily			
Centralisation time (Luxembourg time)	Before 2:00 p.m. on the basis of the NAV as at D			
S/R value date	D+2			
Custodian	CACEIS Bank, Luxembourg branch			
FEES**	A EUR-Acc / A EUR-Dist	I EUR-Acc	E EUR-Acc	R EUR-Acc
Max. subscription fee	5.00%			
Max. redemption fee	None			
Max. management fee p.a. (incl. tax)	1.50%	0.75%	0,55%	0,85%
Max. administration fee p.a.	0.30%	0.20%	0.20%	0,30%
Max. conversion fee (incl. tax)	5.00%			
Performance fees***	15% of the performance of the sub-fund above the reference assets, incl. tax, within the limit of 2% of net assets			
PROFILE				
Investment universe	Global equities, companies which contribute to social progress and to the reduction of inequalities around the world			
Management objective	Outperform global equity markets over a long-term period (minimum 5 years) by investing in international equities of companies which contribute to social progress and to the reduction of inequalities around the world, whilst integrating a sustainable approach in the investment process.			
Reference indicator	Reference indicator used a posteriori as a reference without imposing a specific management: MSCI All Country World Index (MSCI ACWI) Net Total Return Index in euro (net dividends reinvested)			

RISKS**	
Risk of capital loss	Yes
Equity risk	Yes (including emerging countries and small capitalization)
Foreign exchange risk	Yes (including emerging countries)
Counterparty risk	Yes
Bond and credit risk	Yes
Liquidity risk	Yes
Risk linked to China	Yes
RISK SCALE (SRRI)****	



Data as at 10/12/2019. Synthetic information to be completed by the consultation of the legal documents for the fund. Any subscription is made on the basis of the most recent Key Investor Information Document (KIID) which contained essential information regarding the fund. Not all share classes or units and, as the case may be, share categories are registered for sale in all countries. Investors may contact CPR Asset Management for further information. - * First subscribers at fund inception until a certain threshold or a certain period is reached - ** Please consult the KIID or the prospectus for a comprehensive explanation of all fees and risks related to the fund. - ***A detailed explanation of the performance fees or variable fees is provided in the KIID and prospectus which are available upon request at CPR Asset Management or on the website www.cpr-am.com - **** Synthetic Risk and Reward Indicator (SRRI) corresponds to the risk and reward profile as per the KIID and may change over time. The lowest level of risk does not mean « risk free ».

Important Information

This material is solely for the attention of journalists and professionals of the press/media sector. The information contained herein, is given solely in order to provide journalists and professionals of the press/media sector with an overview of the above-mentioned investment program and the use of same falls within their sole editorial independence, for which CPR Asset Management and its affiliates assume no responsibility nor accepts any liability whatsoever, whether direct or indirect, that may arise from the use of information contained on this page. CPR Asset Management and its affiliates can in no way be held responsible for any decision or investment made on the basis of this information. This material is communicated solely for information purposes and neither constitutes an offer to buy, an investment advice nor a solicitation to sell a product. Investments involves risk. **Past performance is not a guarantee or indication of future results.**

The provided information is not guaranteed to be accurate, exhaustive or relevant, it may be changed without notice. This document is not intended for citizens or residents of the United States of America or to any «U.S. Person», as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933.

United Kingdom:

For Professional Clients only. This document is being issued in the United Kingdom by Amundi (UK) Limited, 41 Lothbury, London EC2R 7HF, which is authorised and regulated by the Financial Conduct Authority (the “FCA”) under number 114503. This may be checked at <https://register.fca.org.uk/> and details about the extent of regulation by the FCA are available on request. **This document is only directed at persons who are Professional Clients (as defined in the FCA’s Handbook of Rules and Guidance), must not be distributed to the public and must not be relied or acted upon by any other persons.**

About the thematic equities team:

CPR AM is the Amundi group’s global thematic equity investment expertise centre. With more than 10 billion euros in assets under management as of end-December 2019 and flagship strategies such as the ageing population and disruptive companies, CPR AM is one of Europe’s largest players in this area. Since 2017, the company has been developing a wide ESG thematic range, on investment themes such as the food value chain, education, global warming and sustainable urbanisation. Led by Vafa Ahmadi, the team of 12 investment professionals share their know-how in optimising and enhancing thematic investment management capabilities with a major ambition of ensuring the sustainability and development of existing and future thematic investment solutions that reconcile “meaning and quest for performance”.

About CPR Asset Management:

CPR AM is an investment management company certified by the French Financial Markets Authority, an autonomous and wholly owned subsidiary of Amundi Group. CPR AM works exclusively in third-party investment management (for institutional, corporate, insurance, private banking, fund management, and wealth management clients). CPR AM covers the main asset classes, including equities, convertibles, diversified investments, interest rates and credit).

CPR AM in figures: (End-December 2019)

- More than €52 billion in assets under management
- More than 100 employees, of which a third are involved in investment management

Follow us:  www.cpr-am.com  [@CPR_AM](https://twitter.com/CPR_AM)  [cpr-asset-management](https://www.linkedin.com/company/cpr-asset-management)

About Amundi:

Amundi is the European largest asset manager by assets under management and ranks in the top 10 globally^[1]. It manages 1,563 billion^[2] euros of assets across six main investment hubs^[3]. Amundi offers its clients in Europe, Asia-Pacific, the Middle East and the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. Clients also have access to a complete set of services and tools. Headquartered in Paris, Amundi was listed in November 2015.

Thanks to its unique research capabilities and the skills of close to 4,500 team members and market experts based in 37 countries, Amundi provides retail, institutional and corporate clients with innovative investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.

Amundi. Confidence must be earned.

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

Follow us on   

Media contacts:**CPR Asset Management**

Gilles Cutaya

gilles.cutaya@cpr-am.com

+33 (1) 53 15 71 66

Maitland/AMO

Zara de Belder / Finlay Donaldson

Cpr-maitland@maitland.co.uk

+44 (0) 20 7379 5151

^[1] Source: IPE "Top 400 Asset Managers", published in June 2019, based on AuM at December 2018

^[2] Amundi figures as of 30 September 2019

^[3] Investment hubs: Boston, Dublin, London, Milan, Paris and Tokyo