

# Liquidity Solutions

## Money Market Funds Vade-mecum

September 2025



1

## Money Market Funds Trends

# The Money Market Funds industry in Europe

Money Market Funds account for 9% of total Investment Funds in Europe

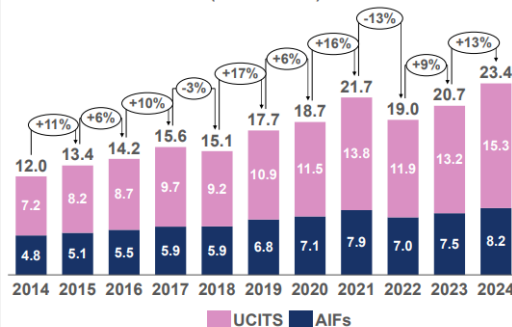


Net assets at end 2024  
**EUR 23.4 trillion**

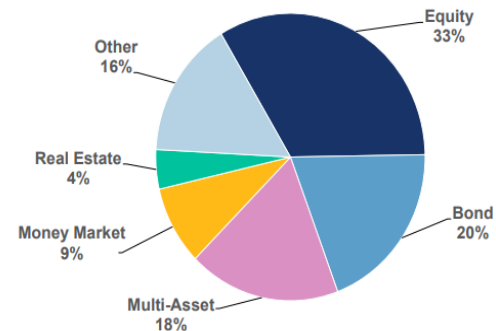
UCITS  
EUR 15.3 trillion

AIFs  
EUR 8.2 trillion

Net Assets of European Investment Funds  
(EUR trillions)



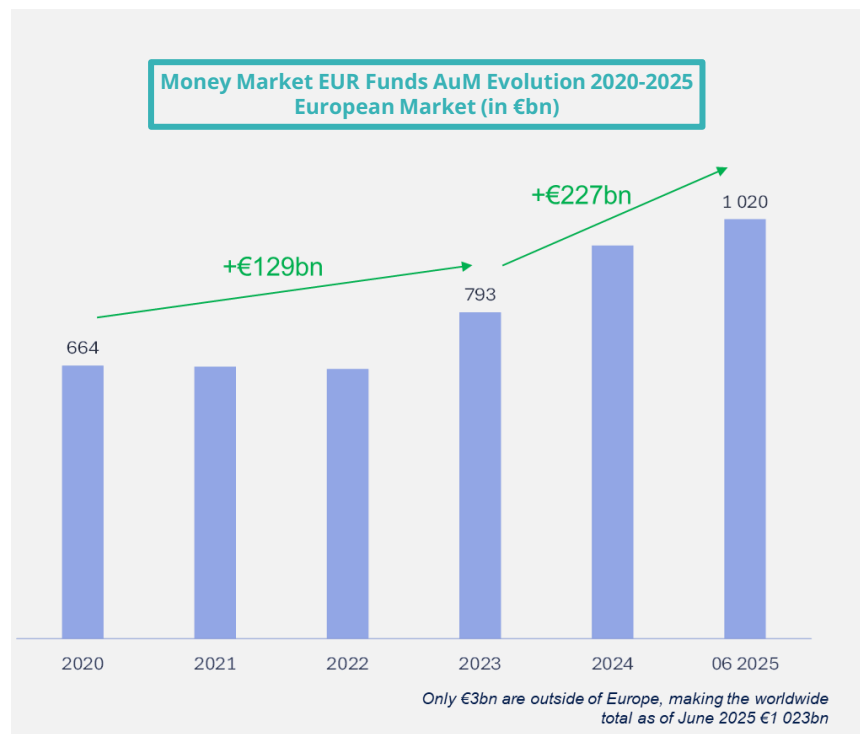
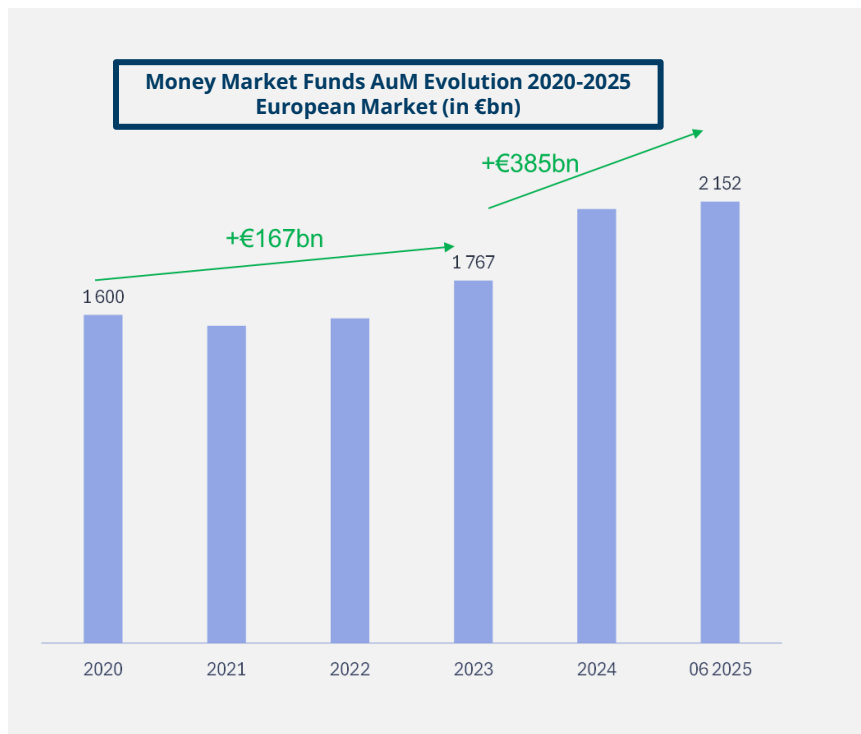
2.5: Net Assets of Total Investment Funds at End 2024  
(Percent)



Sources: EFAMA Factbook 2025

# European AuM in money market

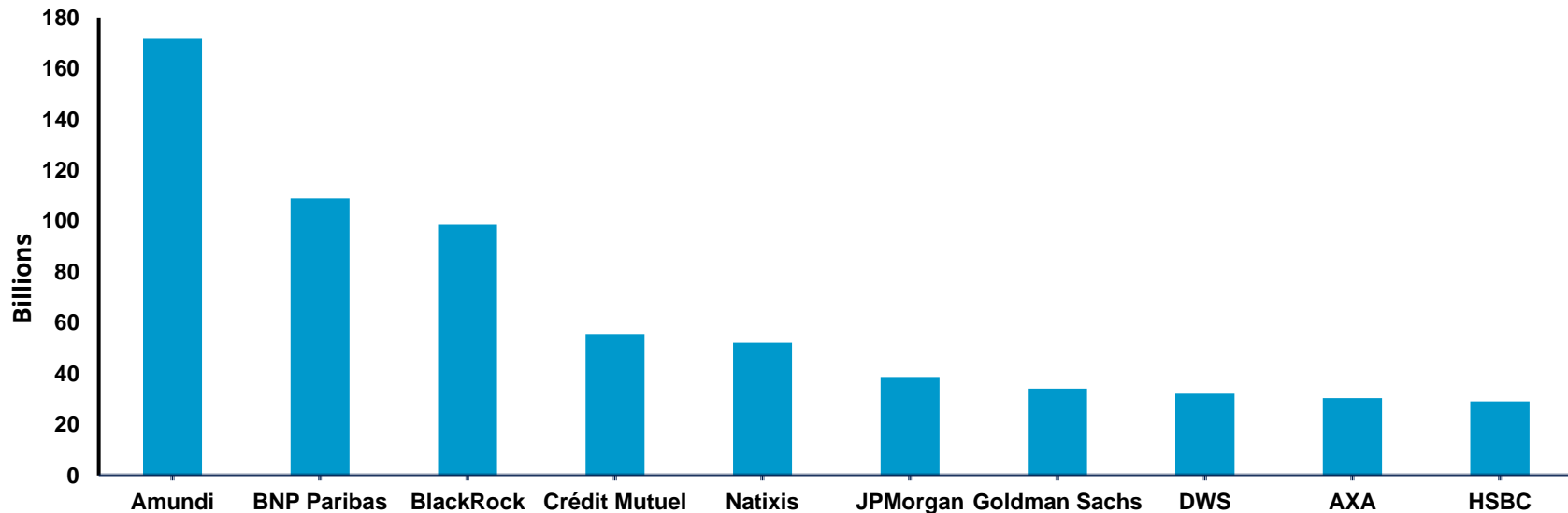
Since 2023, allocation to MMF accelerated in Europe totalizing **2,1 trillion EUR** (1 trillion for EUR MMFs)



Sources: Amundi BI, Broadridge

# Money Markets funds – the main players in Europe

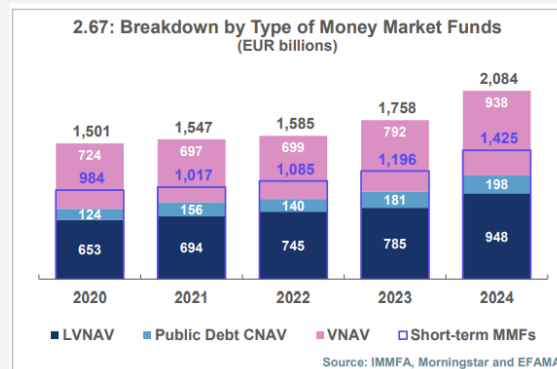
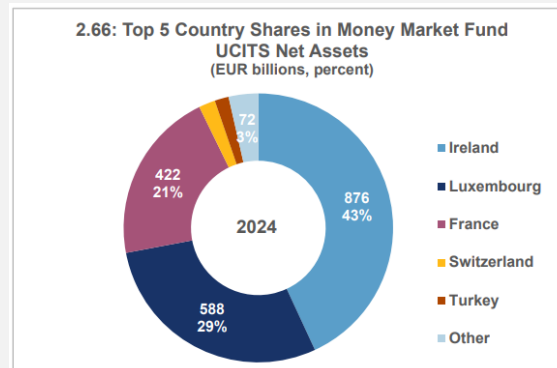
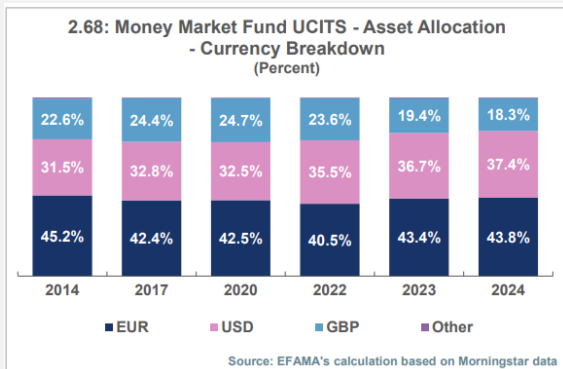
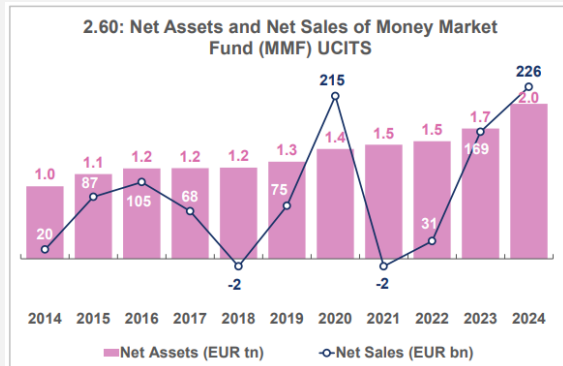
**Top 10 - Open-ended Money Market funds denominated in Euros** (Outstanding amounts in EUR billion)



Source : Broadridge as of July 2025. For illustrative purpose only, may be subject to change without prior notice.

# European AuM in money market

An industry **concentrated** in 3 countries and 3 currencies



Sources: EFAMA Factbook 2025

2

## Regulation

# REGULATION

EU 2017/1131 regulation defined **2 categories of Money Market Funds** and **3 different formats**:

## 1/ Short-Term MMF : Three different formats

- **Public CNAV**: constant net asset value, invested at 99.5% in gov. cash or reverse repo backed by gov. assets
- **LVNAV**: low volatility net asset value, invested in MM instruments
- **VNAV**: variable net asset value, invested in MM instruments

## 2/ Standard MMF : One sole format

- **VNAV**: variable net asset value, invested in MM instruments

**Both categories of funds benefit from dedicated guidelines aimed at increasing liquidity and safety.**

# EU MMFR : the regulatory snapshot

	Public Debt C-NAV	LV-NAV	Short Term V-NAV	Standard V-NAV
ELIGIBLE ASSETS	99.5% gov. assets, cash or reverse repo backed by gov. assets		MM instruments, Asset Backed Commercial Paper, instantly accessible deposits, short-dated reverse repo, other MMFs provided no circularity, currency and interest derivatives for hedging purposes only.	
MIN DAILY LIQUIDITY	10%		7.5%	
MIN WEEKLY LIQUIDITY	30%		15%	
WEEKLY LIQUIDITY ELIGIBLE ASSETS	Highly liquid assets from SSA < 190 days, up to 17.5% provided 1-day settlement.		MMFs up to 7.5%, or any security which can be sold and settled in 5 business days	
MAX ASSET MATURITY	397 days			2Y
MAX WAM	60 days			6 months
MAX WAL	120 days			12 months
DIVERSIFICATION <sup>1</sup>	-	• Max 5% per issuer	• Max 5% per issuer and up to 10% per issuer provided that the total of issuers >5% does not exceed 40%	
	-	• Max 10% per deposit counterparty. • Max 5% risk exposure per derivative counterparty. • Max 5% per MMF.		
	• Max 15% per reverse repo counterparty.			
	• Max 100% per sovereign, agency or European supranational, across at least 6 issues, max 30% per issue.			
AGGREGATE DIVERSIFICATION	-	• Max 15% overall exposure on a single body in securities, deposit and counterparty risk • Max 15% overall exposure to securitization and ABCPs, 20% targeted with STS format • Max 17.5% overall MMF exposure.		
CREDIT QUALITY	Favorable assessment based on internal credit quality assessment. The Credit Rating Agency ratings as inputs to internal assessment, among others.			
SECURITY LEVEL VALUATION	Amortized cost.	M2M/mark-to-model >75 days maturity. <sup>2</sup>	M2M/mark-to-model only. <sup>2</sup>	
PORTFOLIO VALUATION	Amortized cost.	Amortised cost for assets < 75 days and with a gap vs mark-to-market < 10 bps	M2M	
NAV	C-NAV rounded to 2 decimals i.e. 1.00	C-NAV rounded to 2 decimals. Move to 4 decimal V-NAV when M2M NAV valuation gap >20bps (ie 0,0020).	V-NAV rounded to 4 decimals i.e. 1.0000	
LIQUIDITY FEES/ REDEMPTION GATES	1. Discretionary liquidity fees, gates or temporary suspension of redemptions may be introduced if weekly liquidity < 30% and daily net redemptions > 10% 2. Mandatory fee or temporary gate will be imposed if the weekly liquid assets fall below 10%. 3. If suspension of redemptions exceeds 15 days over 90 consecutive days, move to V-NAV.		No (existing UCITS provisions on fund suspensions apply)	

<sup>1</sup> Companies included in the same group for the purpose of consolidated accounts shall be regarded as a single body for the purpose of diversification requirements.<sup>2</sup> Use of mark-to-model valuation method where use of mark-to-market method not possible or where market data is not of sufficient quality.

# 3

## Money market funds

Let's speak about ratios

# Selection of an issuer: compliance with regulatory ratios

MMF Regulation based on Regulation (EU) 2017/1131 enters into effect on 21 July 2018

## Fund diversification ratio

- **5%** : Investment of up to 5% in a group of issuers.
- **10%** : Ability to go up to a maximum of 10% on a group of issuers.
- **40%** : If the sum of the group exposures > 5% does not exceed 40%.

## Fund liquidity ratio (Short Term / Standard)

- **7.5% / 10%** : Minimum assets at maturity 1 day (cash / repo / maturities D+1)
- **15% / 30 %** : Minimum assets at maturity 7 days (cash / repo / maturities / UCITS up to 7.5%).

## Control ratio on outstanding money market instrument of an issuer

- **10%** : Funds investing in an issuer's program must not exceed 10% of the program's outstanding amount.

# Selection of duration: instrument liquidity profile

The **liquidity profile** of the instruments will be considered in determining our investment horizon :

- ❑ Securities issued by **banks** can be sold on the market (secondary) or to the issuer, which ensures their liquidity.
- ❑ Securities issued by **corporate** issuers can be sold to the market, some corporate issuers buy back their paper, however this is not the usual market practice.

# Maturity selection

The **maturity** of an investment in a money market fund is determined by **liquidity**, OIS curves, credit developments and supply maturities.

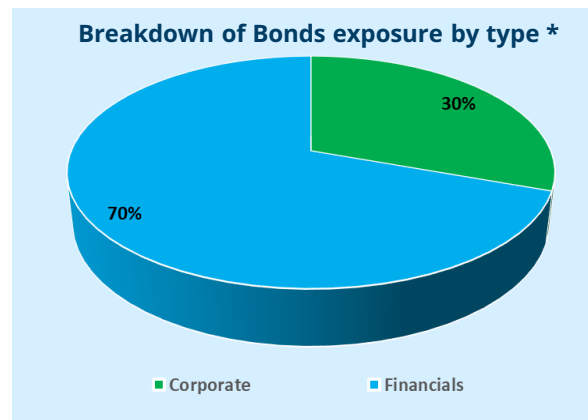
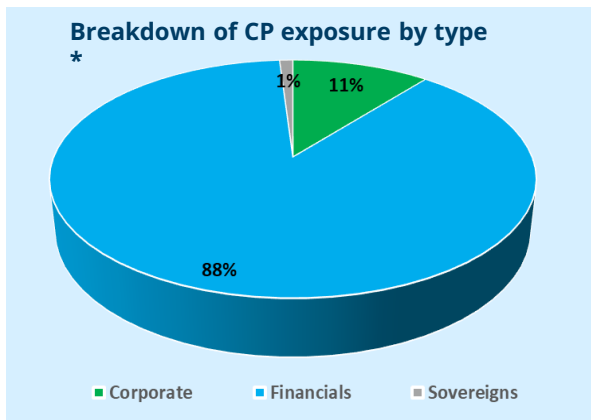
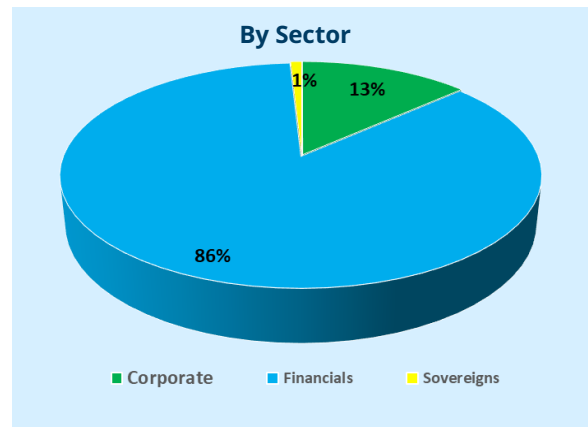
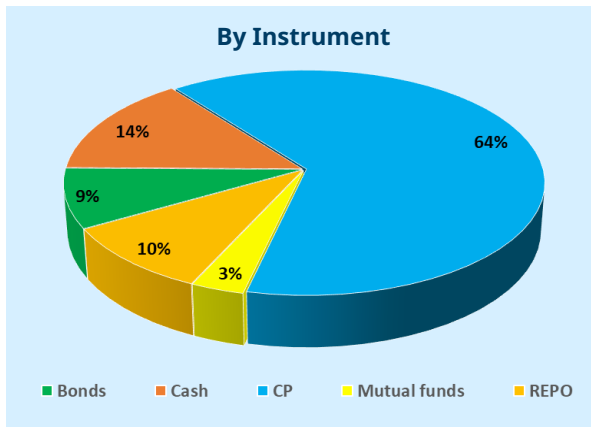
- ❑ **Banks** have an interest in issuing on maturities > 1 month to ensure their LCR ratio and > 6 months to strengthen the NSFR ratio.
- ❑ **Corporates** issuers are most of the time on the 0-3 months segment.

This area is **driven** by **corporate issuers**. It is a good way to cover their needs on short maturities, and for us, asset managers it is an **opportunity to invest** on relevant maturities for the liquidity profile of the funds, as long as the **yield is higher than the banks' one**.

## Key message

- Money market funds have a **role in refinancing** issuers in the short-term market.
- Risk of increased **misalignment** between MMFR and Banking regulation

# Breakdown of Amundi Group MMF



\* Amundi Group Short term and Standard MMFs - (September 25), CP = Commercial Papers issued by banks, corporates and agencies

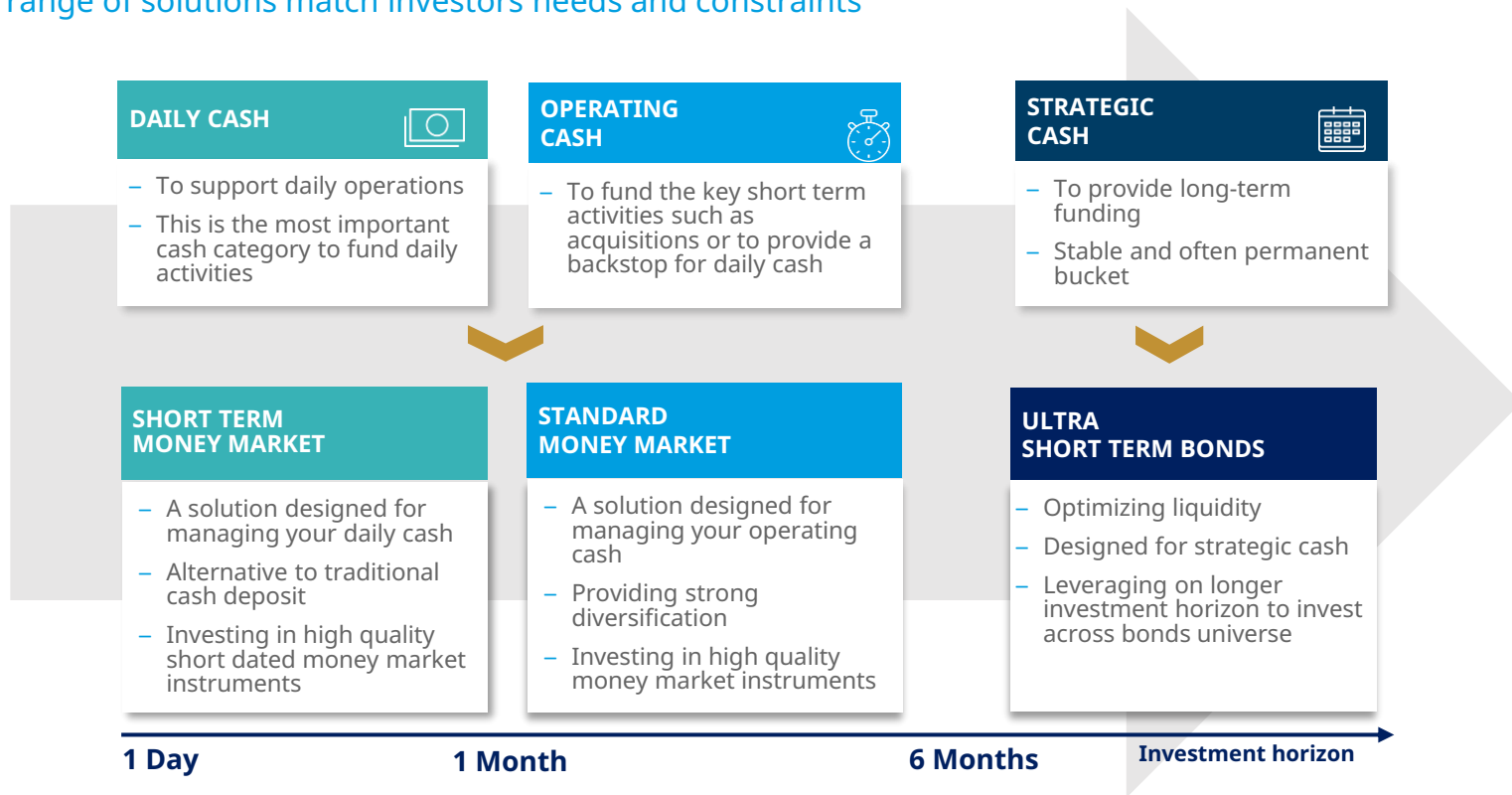
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## Money market funds

Towards our clients

# Investors need to invest their cash by horizon of investment

Our range of solutions match investors needs and constraints



Source : Amundi as of January 2025. Please refer to the Amundi Responsible Investment Policy and the Amundi Sustainable Finance Disclosure Statement available at <https://about.amundi.com/legal-documentation> . For more product-information, please refer to the relevant prospectus and relevant Pre-contractual Document (PCD) available on the [website](#)

# Our Money Market Investment Philosophy is based on a conservative approach

## Liquidity

- Significant size of assets which favours a **good market access**
- **Easily tradable** underlying investments
- **Diversification<sup>1</sup>** of portfolios for efficient **management of in- and out-flows**

## Transparency

- **Clearly defined** investment **universe** and management **constraints**
- **Fair valuation** based on continuously updated market data
- Detailed weekly and monthly **reporting**

## Security<sup>2</sup>

- **Risk Management** is at the forefront:
  - **Authorisation given by Credit Risk Department** before any investment (Go /NoGo for each issuer)
  - **Ex-post monitoring** of the portfolio

## Performance

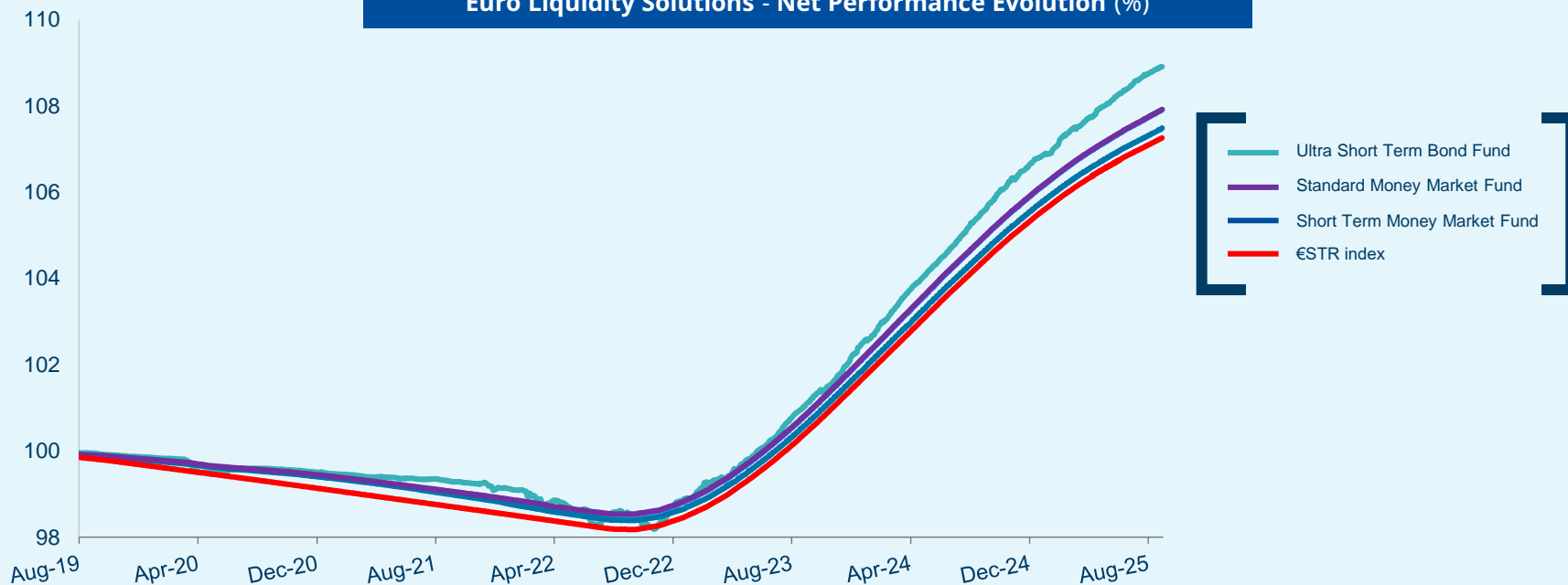
- **Seek consistent performance over time**
- **Low volatility**

Source : Amundi as of August 2025, for the management of Money Market Funds. 1 Diversification does not guarantee a profit or protect against a loss. 2 This commitment does not imply a capital or performance guarantee. Capital preservation may be subject to money markets conditions and short term rates evolution. Past performance is not a guarantee for future performance. The Internal Guidelines referenced do not necessarily represent prospectus/statutory limitations. These internal guidelines are used as guidance in the daily management of the Portfolio's investments. These guidelines may be changed without prior notice within the limits stated in the Prospectus. For further information on the Fund's investment policy please refer to the relevant fund's prospectus and KID available at [WEBSITE](#).

# EUR Range Risk/Return Profiles

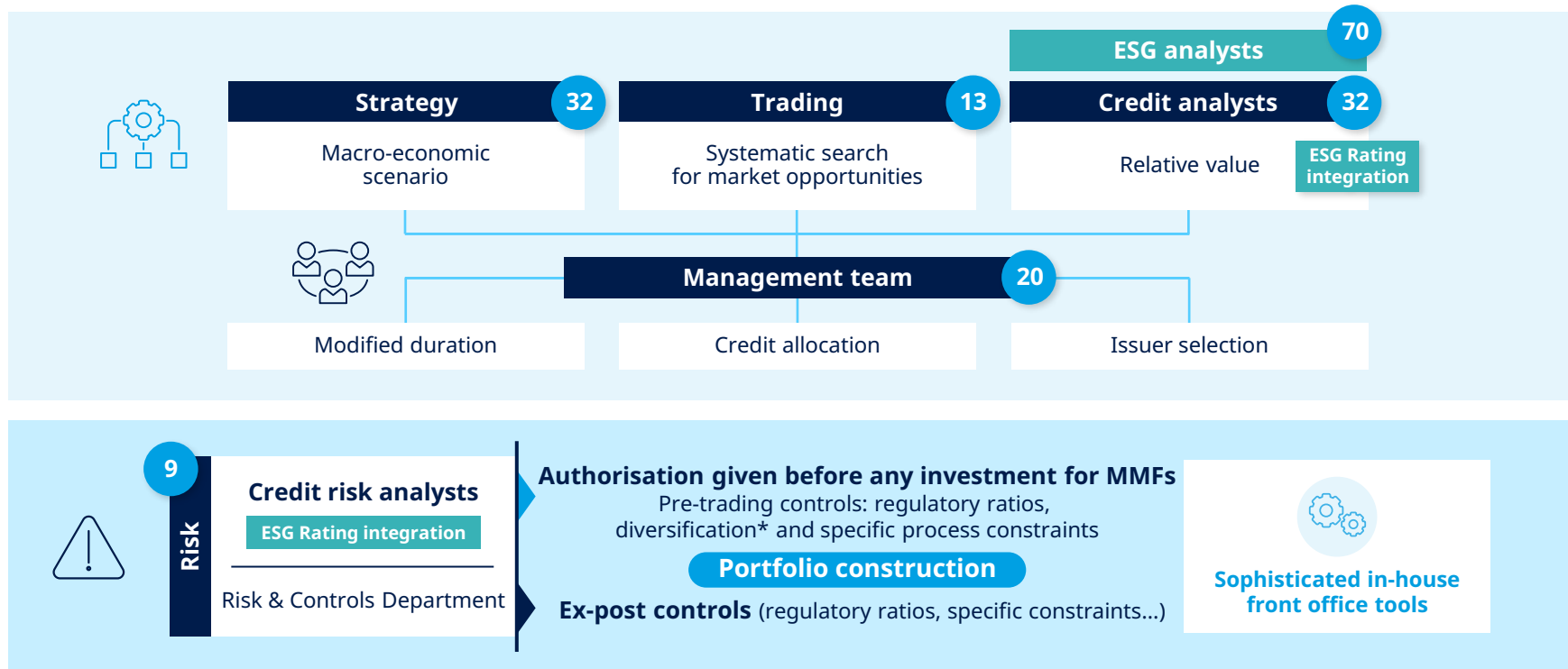
Past performance does not predict future results

Euro Liquidity Solutions - Net Performance Evolution (%)



Source: Amundi, as of 31/08/2025. Past performance is not indicative of future performance. Cumulative returns are calculated on an annual basis on the basis of 360 days over a period < 1 year and 365 days over a period > 1 year (expressed with the upper rounding). The above results refer to a full 12-month period per calendar year. All performances are calculated with net income reinvested and after deduction of all expenses incurred by the relevant Sub-Fund. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up depending on market conditions. For further information, please refer to the prospectus available on the [Website](#). Please refer to section 4 of this pitchbook for more information on each fund's past performance. The Sub-Funds are actively managed. The represented index (ESTR Index) is not the Funds' official benchmark and may not represent the funds' portfolio composition. For more information on the Funds please refer to the previous pages and the prospectus available at [Website](#)

# ... and a solid investment process



Source: Amundi, as of August 2025 for the management of Money Market Funds. \*Diversification does not guarantee a profit or protect against a loss. Given for indicative purposes only, may change without prior notice.

# Money Market Funds: features and benefits

Rigorous liquidity management: on both assets and liabilities through great diversification

## Assets

### Liquidity buffer

### Easily tradable assets

- Reverse Repo
- CDs
- CPs
- Bonds

### Diversification<sup>1</sup> in terms of:

- Issuers (99)
- Securities (296)
- Geography (17 countries)
- Sectors
- Ratings
- Maturities

## Investors base

### Diversification of investors base:

- +700 identified customers
- Geography (21 countries)
- Multi -type (Corporate, Institutions, Distributors, Mutual funds...)

### In-depth knowledge of investors base and their liquidity pattern

- Analysis of the intentions of the largest shareholders
- Longstanding relationship with investors allows us to manage large in and out-flows

### Limitation on the participation level of a single investor

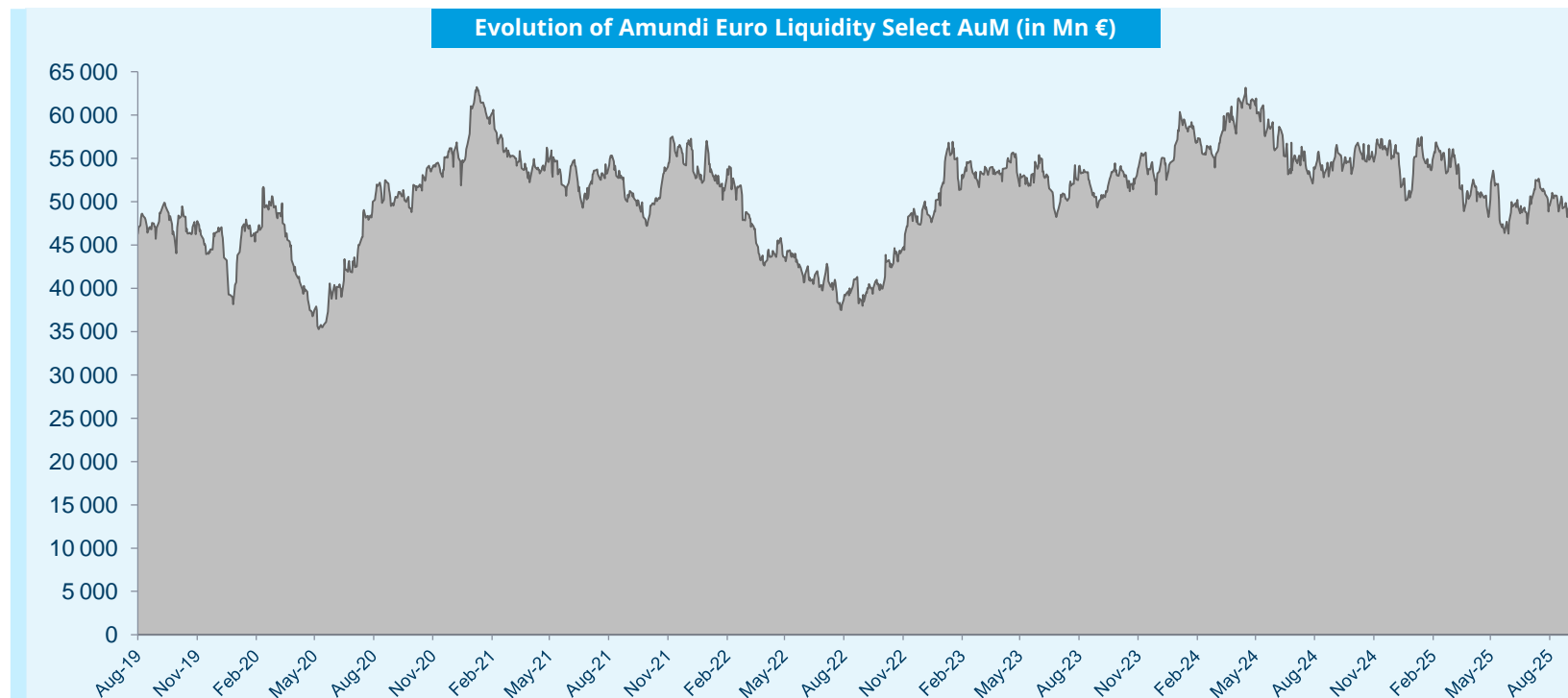


Since the COVID crisis, we have **strengthened the stress tests** on shareholders by integrating the **volatility** of the **various customer segments**

1. Diversification does not guarantee a profit or protect against loss. Source: Amundi, as of September 2025. For illustrative purposes only.

# Strong Ability to Manage Large In and Out Flows

Ensuring T+0 settlement without penalties or notice periods is our main objective...and constraint.



Source: Amundi as at 31 August 2025. Performance of the Amundi Euro Liquidity Select fund. Assets under management are presented for illustrative purposes only. The information disclosed is and constitutes our judgement and is subject to change without notice. There is no guarantee that it will be achieved. For more information on the products, please refer to the Prospectus.

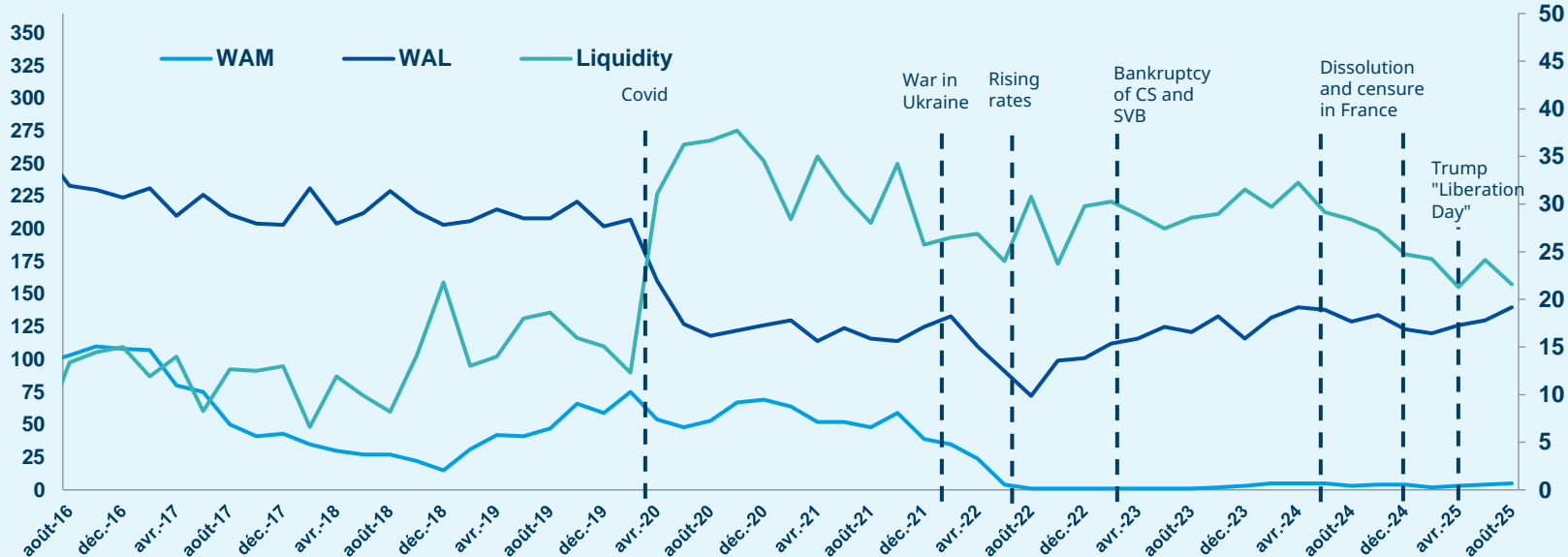
# Cautious but active management

Taking into account market conditions and managers' views

Days (WAL/WAM)

Evolution of duration rate (WAM), average life (WAL) and liquidity

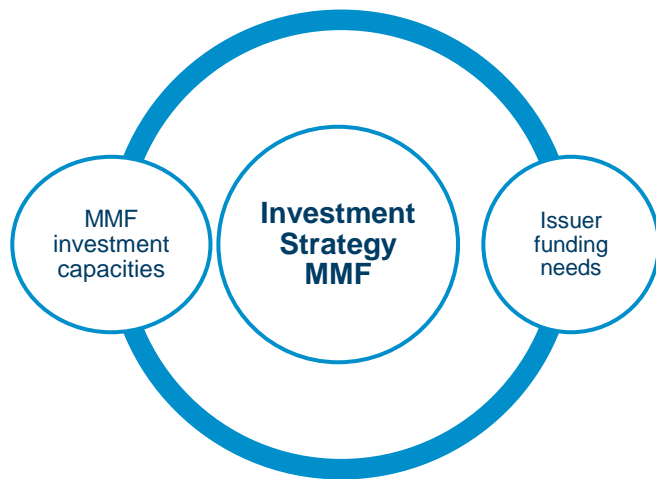
% Liquidity



WAL: Weighted Average Life, credit sensitivity is indicated in days. WAM: Weighted Average Maturity, the rate sensitivity is indicated in days. Source: Amundi Euro Liquidity Select as of August 31, 2025. Information provided for information purposes only. There is no guarantee of capital or performance. Illustration for Amundi Euro Liquidity Select. For more information on the product, please refer to the [Prospectus](#). This slide shows how duration, credit duration, and liquidity buckets management works across the entire MMF range.

# Amundi : a unique partnership with issuers

A short-term origination desk with the objective to match issuer funding needs with MMF investment capacities



# Let's conclude with ESMA's quotes on MMFs

*"MMFs are short-term cash management tools characterized by a high degree of liquidity, diversification and stability of value of the principal invested, combined with a market-based yield. They represent a crucial link bringing together demand for and supply of short-term funding"*

*"Money Market Funds (MMFs) play a crucial role in the financial system by providing short-term finance to financial institutions, corporations and governments, contributing to the financing of the economy in the European Union"*

# Biography



**Co-Head of the Money Market** Business Line and **Head of Investment Strategy** for Money Market Funds at **Amundi**, a leader in euro money market fund management.

A **recognized expert** in the money market, he regularly **participates in industry consultations**, helping to shape regulatory and strategic developments in the sector. Highly engaged with issuers and fund clients, Patrick plays a key role in developing and implementing investment strategies tailored to market needs.

Joining Amundi in 1990, **he brings over 30 years of asset management experience**, specializing in money markets. He holds a diploma from the French Banking School (C.F.P.B) with a specialization in Back Office and is known for his strategic vision and expertise in short-term liquidity management.