

**New to Risk? - Get Started for FREE!**

START YOUR 30-DAY FREE TRIAL

SUBSCRIBE TODAY

or

SIGN-UP FOR EMAIL UPDATES

- [Risk.net](#)
- [Risk Library](#)
- [Central Banking](#)
- [FX Week](#)
- [Risk Events](#)
- [Risk Books](#)
- [Jobs in Risk](#)
- [Unquote](#)
- [WatersTechnology](#)



Financial Risk Management News and Analysis

Search

Search

- [Subscribe](#)
- [Email alerts](#)
- [Mobile](#)
- [RSS](#)
- [Home](#)
- [Risk management](#)
- [Derivatives](#)
- [Regulation](#)
- [Structured products](#)
- [Insurance](#)
- [Hedge funds](#)
- [Asia](#)
- [Commodities](#)
- [Journals](#)
- [Subscribe](#)
- [Free Trial](#)
- [News](#)
- [Analysis](#)
- [Technical analysis](#)

**New to Risk? - Get Started for FREE!**

START YOUR 30-DAY FREE TRIAL

SUBSCRIBE TODAY

or

SIGN-UP FOR EMAIL UPDATES

- [About us](#)
  
- [Operational Risk](#)
- [News](#)
- [Analysis](#)
- [Technical papers](#)
- [Special reports](#)
- [Video](#)
- [Training](#)
- [Events](#)
  
- [News](#)
- [Analysis](#)
- [Technical papers](#)
- [Special reports](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [News](#)
- [Analysis](#)
- [Special reports](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [News](#)
- [Analysis](#)
- [Product reviews](#)
- [Special reports](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [News](#)
- [Analysis](#)
- [Technical papers](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [News](#)
- [Analysis](#)
- [Profiles](#)
- [Special reports](#)
- [Video](#)
- [Events](#)

- [News](#)
- [Analysis](#)
- [Special reports](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [News](#)
- [Analysis](#)
- [Technical papers](#)
- [Special reports](#)
- [Video](#)
- [Events](#)
- [Training](#)
  
- [Submit your paper](#)
- [Latest Issues](#)
- [Meet our authors](#)
- [Meet our editors](#)
- [Contact us](#)

Where am I? > [Home](#) > [Hedge Funds](#) > [Fund of funds](#)

[Interview](#)

# Green Way: Amundi Alternative Investments

Author: [Hedge Funds Review editorial](#)

Source: [Hedge Funds Review](#) | 23 Nov 2011

Categories: [Fund of funds](#), [Hedge Funds](#)

- [Send](#)
- [Print](#)
- [Share](#)
- [Comment](#)
- Send to Kindle
- [Reprints](#)

- [Tweet](#) 0
- [g+1](#) 0
- [Like](#) 0
- [Share](#)
- [Stm](#)



Hedge Funds Review European Fund of Hedge Funds Awards 2011

### **Shortlist: Best performing diversified FoHF over three years**

Green Way is the flagship FoHF for Paris-based Amundi Alternative Investments, an experienced asset manager that also offers its clients a managed accounts platform through which to invest. Some 78% of assets are in FoHFs, including a multi-billion mandate from Credit Agricole Group's life insurance company.

Diversification is the key tenet of the Green Way fund of hedge funds run by Amundi Alternative Investments. The FoHF is mandated to consider all hedge fund strategies.

Consequently the FoHF has always been well diversified according to Benoit Testard, managing director and senior portfolio manager. This diversification means there are constraints on single-strategy allocation within those strategies considered to be primary strategies for the portfolio such as global macro, which never exceeds 25% and never falls below 10% of the FoHF's overall allocation.

The fund has a 12-month forward-looking horizon where its decision makers look to see what they expect the broad markets to be like and how they expect the various strategies to perform under those conditions. Allocations are then made accordingly.

The business cycle is also taken into account as its impact on high-yield credit and distressed securities is key.

The fund currently has 62 underlying managers and the normal range is between 50 and 85. Turnover over the long term is typically around 15% and it increases to reach 25%-30% in the case of an unstable macroeconomic environment.

Individual managers are selected following the efforts of a dedicated research team that looks at managers' strategies as well as carrying out operational due diligence. Its recommendations are made to the portfolio manager team and continued monitoring is carried out once the fund is invested to ensure that the overall investment objectives and aims continue to be met and that day-to-day operations are satisfactory.

There are 69 underlying funds at present and the turnover of managers varies. In the recent past there has been greater turnover than normal which is due to wider market turmoil and the need to adjust the fund's underlying holdings accordingly, but also because Amundi is a leading proponent of managed accounts. The FoHF has been divesting in commingled accounts and replacing them with a managed account version.

Doing this, according to Testard, means the fund is more liquid and so more appealing to nervous investors keen to avoid exposure to too much risk, since managed accounts generally tend to be geared to provide even weekly liquidity in some cases. In addition the liquidity can be more closely aligned with the underlying investment and acts as a guarantee for investors that the product is clean and that investments are flexible and transparent with

regard to risk control.

In current market conditions the portfolio managers think this liquidity and flexibility is key. For example at the end of July 2011 the fund was 95% invested. This was speedily reduced to 85% in reaction to the eurozone crisis.

In addition the fund is employing tail hedge products to protect capital. In essence this means balancing long volatility with short volatility, using just long volatility would incur too much cost and an algorithm is used to help decide which strategy to employ and when.

Investors in the FoHF are largely institutional (80%) and the majority are European with a sizeable minority also in the Middle East. The fund is not currently available in Asia.

In line with Amundi's other offerings, the fund is due to be redomiciled from Bermuda to Dublin by the end of 2011 to ensure its future availability to the broadest possible investor base and to comply with the expected prerequisites of the European Union's alternative investment fund managers (AIFM) directive.

### **Related reading**

[Exponential growth: Managed account platforms](#)

[Managed account platforms](#) increasingly attractive for institutional investors and hedge fund managers

[Amundi set to expand offering on managed accounts for institutional investors](#)

[Video](#): Interview with Franck Dargent, managing director and head of product specialists and client servicing, Amundi Asset Management

### **Fund facts**

Full name of fund: Green Way

Name of portfolio manager: Benoît Testard (managing director, senior portfolio manager)

Name of investment/management company: Amundi Alternative Investments

Contact information: Amundi Alternative Investments, Client Servicing, 90 boulevard Pasteur, 75730 Paris Cedex 15, France (+33 (0)1 76 32 80 00; clientservicing-ai@amundi.com; www.amundi-ai.com)

Launch date: February 2, 2009 (the first generation of Green Way was launched in 1996, so the multi-strategy multi-manager diversified FoHF shows over 14 years' audited track record at Amundi Alternative Investments)

Assets under management: \$360 million (September 30, 2011)

Target risk/return: Libor plus 5% with volatility below 6% (US dollar quarterly share class A)

Net cumulative performance since inception: 12.68% (US dollar quarterly share class A)

Annualised return: 4.58% (US dollar quarterly share class A)

Annualised volatility: 3.90% (US dollar quarterly share class A)

Sharpe ratio: 1.10 (US dollar quarterly share class A)

Strategy: multi-strategy multi-manager diversified

Share classes: monthly and quarterly share classes available in US dollar, euro, sterling, yen, Norwegian krone; quarterly share class in Swiss franc

Administrator: Caceis (Bermuda)

Sub-administrator: Caceis Fastnet Ireland

Auditor: Deloitte & Touche (Dublin)

Custodian: Caceis Bank Luxembourg, Dublin branch

Legal counsel: Appleby (Bermuda); A&L Goodbody (Ireland)

Domicile: Bermuda (redomiciling to Dublin, Ireland by end 2011)

Listing: Irish Stock Exchange

Management fee: for quarterly share classes: 1% (including 0.25% administrative fee); for monthly share classes: 1.50% (including 0.25% administrative fee)

Performance fee: 7.5% of net new profits

Minimum investment: \$200,000 (class A); €200,000 (class B); ¥20 million (class C); Nkr1.5 million (class D); £150,000 (class E); Sfr300,000 (class F)

Lock-up: none

Redemption/liquidity terms: Monthly or quarterly with 95 days' notice

Redemption gate: for quarterly share classes: one-fifth of investor's holdings; for monthly share classes: one-twelfth of investor's holdings

Subscription: monthly

*Amundi Green Way is not an authorised or recognised scheme in the UK and may not be promoted to the general public. Accordingly, performance data relating to the fund may not be reproduced in any publication available in the UK to such persons.*

#### Related articles

- [SEC probes retail hedge fund liquidity](#)
- [European FoHF's celebrate outstanding performance](#)
- [House of the year – BNP Paribas](#)
- [Amundi AI sees AIFMD as key to unlocking European investor flows](#)

#### Ninth European Fund of Hedge Funds Awards 2010

*Highly commended: Best performing diversified fund of hedge funds over one year*

Topics: [Crédit Agricole Asset Management Alternative Investments](#), [Event driven](#), [Global macro](#), [Equity long/short](#), [Multi-strategy](#)

- [Send](#)
- [Print](#)
- [Share](#)
- [Comment](#)