

Rewriting the Policy Equation: a conversation with Janet Yellen

Speaker:

Dr. Janet Yellen, *US Secretary of the Treasury (2021-2025), Chair, Board of Governors, Federal Reserve System (2014-2018)*

- **Debt and higher rates are a major risk**

Dr. Yellen warns that many borrowers took on debt during the low-rate era and are now exposed to refinancing and duration risk in a much higher-rate environment.

- **U.S. fiscal sustainability is a growing concern**

Current U.S. deficits are unsustainable over the long term and sees pressure for eventual adjustment through either higher taxes or lower spending.

- **Central bank independence remains crucial**

The strongest institutional message is that monetary policy should not be driven by fiscal pressures. Dr. Yellen sees real threats to Fed independence, even if she does not yet see full fiscal dominance.

- **Inflation may stay above target for longer**

Tariffs, energy shocks, and AI-related supply pressures are referenced as factors that could keep inflation elevated and risk un-anchoring expectations.

- **AI is likely to support productivity, but with a lag**

Dr. Yellen is optimistic that AI will eventually boost productivity, although demographics and labour force constraints may remain a headwind in the near term.

A New Monetary Order?

Speakers:

James Bullard, *President of Federal Reserve Bank of St. Louis (2008-2023)*

Dean of Purdue University's School of Business

Jean-Claude Trichet, *Former President of the European Central Bank,
President of the French Academy of Moral and Political Sciences (2023)*

- **Central Bank Independence Requires Ongoing Institutional Protection**

Discussions underscore the demonstrated value of central bank independence during financial stress, emphasizing the importance of maintaining clear boundaries between monetary and fiscal policy.

- **International Alignment on Price Stability Targets Supports System Stability**

Major central banks' convergence around a 2% price stability target represents a key development in the post-Bretton Woods system, supporting predictable policy frameworks and avoiding high-volatility inflation regimes.

- **Increased Geopolitical Complexity Necessitates Enhanced System Resilience**

A more multipolar global environment requires financial and regulatory systems designed with greater resilience and reduced dependency on assumptions of stable geopolitical conditions.

- **Comprehensive Risk Assessment and Scenario Planning Are Essential Governance Tools**

The panellists feel that robust stress testing and scenario analysis are critical for identifying and preparing for tail risks and low-probability, high-impact events that complement traditional forecasting.

- **Digital Asset Innovation Requires Balanced Regulatory Frameworks**

Regulatory approaches should distinguish between innovations with genuine economic utility and those primarily designed to circumvent existing frameworks, grounding sustainable development in clear use cases and compliance.

KEY TAKEAWAYS

Competing for the Future of Money: the Digital Heirs to Cash

Speakers:

Joseph Cox, Partner, Oliver Wyman

Kelvin Li, Senior Vice President, Ant International & General Manager, Platform Tech

Nicolas Louvet, Chief Executive Officer, Coinhouse

- **Digital money is becoming real infrastructure, not just a crypto story**

The discussion shifted away from speculation toward practical use cases: cross-border payments, treasury management, settlement, and tokenized funds.

- **Adoption is still early, but use cases are emerging where the pain is real**

Speakers agreed that scalable adoption is still limited, but tokenized bank deposits and tokenized money market funds are already delivering value in corporate treasury and real-time liquidity management.

- **Cross-border payments and treasury are the strongest near-term opportunities**

The clearest benefits mentioned were faster settlement, lower FX costs, reduced working capital, and 24/7 operability for multinational companies.

- **The ecosystem is still fragmented by regulation and geography**

The US, Europe, and Asia are taking different approaches to stablecoins, CBDCs, and tokenized assets. A major theme was the need for interoperability across systems and jurisdictions.

- **Europe needs faster adoption, better education, and stronger partnerships**

It is stressed that Europe already has much of the technology and regulation in place, but needs more collaboration between platforms, banks, and asset managers, plus better investor understanding.

- **Five years from now, money will likely look familiar, but the rails will be changing underneath**

The panel's view was broadly cautious: transformation will be meaningful, but gradual. The biggest shift will be behind the scenes in infrastructure, even if the user experience still feels similar.

- **The long-term risk for traditional institutions is commoditization**

As digital rails mature, financial institutions may need to move up the value chain toward advisory, workflow, and value-added services rather than just product distribution.

The Changing Face of Foreign Policy

Speakers:

Kevin McCarthy, 55th Speaker of the US House of Representatives

Qingguo Jia, Professor, School of International Studies at Peking University, Standing Committee Member of the CPPCC National Committee, China's top policy advisory body

- **The US–China relationship is entering a more managed, but still deeply competitive, phase.**
The speakers made clear that decoupling is neither practical nor desirable, even as rivalry intensifies across trade, technology and security.
- **Critical minerals have moved to the centre of geopolitics.**
Control over extraction, processing and supply-chain resilience is now a strategic issue for both the US and China, with major implications for industrial policy and market positioning.
- **AI is no longer just a technology story; it is a geopolitical force.**
The race to lead in artificial intelligence is reshaping productivity, regulation, labour markets and national security, while also widening the gap between countries that can adapt quickly and those that cannot.
- **Regional flashpoints continue to carry outsized market risk.**
The South China Sea, East China Sea, Iran and the Strait of Hormuz all featured as potential sources of disruption, underscoring how quickly geopolitical tensions can spill into energy and trade markets.
- **Domestic politics are increasingly shaping the external posture of major powers.**
US elections, executive authority and partisan pressures were presented as important variables in determining the pace and direction of international engagement.
- **Strategic autonomy is becoming the policy language of a more fragmented world.**
Governments are increasingly focused on resilience in energy, defence, manufacturing and technology, signalling a shift away from the assumptions of a highly integrated global order.

KEY TAKEAWAYS

Seizing the Reins: Europe's Quest for Autonomy

Speakers:

Dr. Benedikt Franke, Vice-Chairman & CEO, Munich Security Conference (MSC)

General Philippe Lavigne, Former NATO Supreme Allied Commander Transformation (2021-2024)

- **European strategic autonomy has shifted from aspiration to requirement.**
The war in Ukraine, Russia's posturing and uncertainty over transatlantic burden-sharing have made defence, deterrence and resilience core policy priorities.
- **NATO remains the foundation of European security, but greater European defence capability is essential.**
The discussion underscored the need for Europe to strengthen its own operational readiness, industrial base and decision-making speed while remaining anchored in the Alliance.
- **The nature of warfare is changing fast.**
Drones, AI, cyber, space and critical infrastructure are increasingly central to modern conflict, placing a premium on digital transformation, interoperability and whole society resilience.
- **Germany's defence transformation is underway, but delivery will determine credibility.**
Berlin is moving from decades of underinvestment to accelerated procurement and capability-building, with 2029 identified as a critical milestone for readiness.
- **European defence cooperation is progressing, but scale and integration remain decisive.**
European-wide cooperation programs were presented as important steps, yet the panel stressed that interoperability, common architectures and industrial coordination still require further progress.
- **Finance and industry will be central to the autonomy agenda.**
Strategic resilience is increasingly an investment theme, with capital allocation, defence industrial capacity and critical infrastructure protection now essential to Europe's long-term security posture.

KEY TAKEAWAYS

History in the Making

Speaker: **Giuliano da Empoli**, *Grand Prix du roman, Académie française (2022)*, *Prix Goncourt finalist for Le Mage du Kremlin (2022)*, *Senior advisor to Italian PM Matteo Renzi (2014–2016)*

- **Power is increasingly shifting from states to digital actors**
Da Empoli argues that software, platforms, and digital infrastructure are no longer just tools of the state; they are becoming centres of power in their own right, shaping how societies are governed.
- **Sovereignty is being eroded in subtle but real ways**
The example of Waze rerouting traffic through a small French town illustrates a broader point: decisions that used to belong to elected authorities are now being influenced by invisible digital systems.
- **We are in an era where aggression is rewarded**
Today's environment compares to historical moments when offensive technology advanced faster than defensive systems. In politics, media, and social platforms, aggressive behaviour now often outperforms restraint.
- **Tech and politics have become increasingly intertwined**
What began as an indirect or unintended political effect of platform business models has become explicit power. Da Empoli sees a growing alliance between tech elites and radical political figures.
- **Rule-breaking has strong popular appeal**
He warns that many people are drawn to leaders who promise immediate, visible action by breaking rules; especially when democratic systems feel slow, procedural, and unable to deliver change.
- **Europe needs to be more ambitious, not just more defensive**
Da Empoli's closing message is that Europeans cannot respond to these forces only by defending rules and institutions; they must also expand what they believe is politically possible.

KEY TAKEAWAYS

Consequences for Investors - DAY 1 - June 11, 2026

1. Higher geopolitical risk, inflation pressure and central bank uncertainty point to a regime of structurally higher volatility that investors must factor into allocation.
2. Reduce dollar concentration risk and treat currency exposure as an active portfolio decision.
3. Diversify portfolio balancing long-term transformation, medium-term resilience and short-term flexibility.
4. In an era of rupture, rethink equity allocation with a greater focus on the real economy to capture future opportunities.
5. In a world of higher inflation and rising currency debasement risk, commodities, gold, and selective private assets should be part of the strategic portfolio toolkit.
6. In equities, focus on countries and regions with the strongest structural tailwinds, from Asia's technology build-out to India's domestic growth, Japan's re-rating and Europe's strategic-autonomy beneficiaries.
7. Be active in fixed income in an era of higher fiscal credibility risk and expect further steepening of yield curves.
8. Diversify into emerging market bonds, where attractive yield, stronger policy credibility and lower sensitivity to current geopolitical disruption offer real value.
9. Europe's capital needs will be met increasingly by private savings, with pension reform, deeper capital markets, and securitization key to directing money into the real economy.
10. Infrastructure and private markets are key to supporting Europe's long-term growth through grids, data centres, electrification and defense.

Innovation and the New Frontiers of Sustainable Growth

Speaker: **Dr. Philippe Aghion**, 2025 Nobel Prize in Economics Laureate, Professor of Economics at Collège de France, INSEAD and London School of Economics

- **AI Represents a Transformative General-Purpose Technology**

Professor Aghion identifies AI as a significant technological revolution comparable to previous industrial transformations. AI has substantial potential to enhance productivity through task automation and accelerate innovation across economic sectors, with implications for long-term growth trajectories.

- **AI-Driven Labor Market Transitions Require Proactive Policy Support**

While AI will automate certain tasks and create workforce displacement in specific sectors, productivity gains and new innovation opportunities will generate employment. Flexible labour market systems with retraining support are essential to facilitate workforce transitions and maximize employment benefits.

- **Europe Faces Structural Barriers to Scaling Innovation**

Europe struggles to convert research excellence into breakthrough innovations due to fragmented capital markets, insufficient venture capital availability, research funding constraints, and regulatory complexity. Capital allocation patterns and institutional investor behaviour contribute to underinvestment in European technology development.

- **Effective Innovation Policy Requires Balanced Regulatory and Industrial Approaches**

Policymakers should implement coordinated strategies combining competition safeguards with targeted infrastructure investment. Streamlined regulations that reduce barriers to entry, long-term research funding mechanisms, and computing infrastructure development support innovation while avoiding excessive regulatory burden.

- **Human Capital and Institutional Foundations Enable Innovation**

Sustained innovation-driven growth depends on quality education systems, labour market flexibility, property rights protection, and cultural support for entrepreneurial risk-taking. These foundational elements are essential for converting research into practical innovation and sustainable economic growth.

KEY TAKEAWAYS

Engage savings. Power Growth

Speakers:

Sumeet Bhambri, *Global Head, Advisory & Managed Investments Wealth Solutions, Standard Chartered Bank*

Gerry Mallon, *Chief Executive Officer, True Potential*

Anneka Treon, *Global Head Private Banking, Wealth Management & Investments, ING*

- **Regional Investment Preferences Require Tailored Strategies**

Distinct regional trends are visible across Asia, including varying preferences between global and local asset allocation, growing interest in alternative asset classes, and consistent demand for yield-focused strategies. Market-specific product development and client segmentation are essential.

- **Europe's Savings Levels Present Capital Deployment Opportunities**

It is noted that European households maintain substantial cash reserves with below-average investment participation rates. Addressing this gap requires coordinated efforts in financial education, policy support, and accessible investment solutions.

- **Accessibility and Education Drive Investment Participation**

Retail investors perceive investment products as complex, expensive, and high-risk. Removing barriers through transparent fees, simplified products, and scalable advisory services can broaden participation among underserved segments.

- **Digital Platforms Enhance Advisor Productivity and Client Engagement**

Digital tools improve operational efficiency and client experience by expanding advisor capacity, providing client transparency, and supporting behavioural change through automated investment programs and simplified interfaces.

- **Integrated Financial Services Enable Comprehensive Client Planning**

Universal banking models leverage comprehensive financial data across banking, investment, and wealth services, supporting more informed financial planning and personalized solutions across customer segments.

KEY TAKEAWAYS

Energy Needs, New Industrial Models

Speakers:

Nagi Hamiyeh, *President and Head of MENA, Temasek Global Investments*

Stella Li, *Executive VP, BYD Company Limited, CEO, BYD Americas & Europe and MENA*

Lord Adair Turner, *Co-chair, Energy Transitions Commission*

- **The energy transition is advancing, but not yet at the pace required to meet the 1.5°C target.**
The discussion highlighted strong technological momentum, but also the reality that emissions remain too high and the window for limiting global warming is closing.
- **Electrification is emerging as the core model for future growth in transport and power.**
EVs, battery storage and solar-plus-storage were presented as the most immediate and scalable forces reshaping energy systems and improving grid efficiency.
- **Industrial decarbonization is moving from ambition to implementation.**
Hydrogen, green steel, carbon capture and other hard-to-abate solutions are becoming increasingly investable, with Asia, and particularly, China playing a leading role in execution.
- **China remains central to the clean-tech value chain.**
The panel acknowledged China's dominance in batteries, EVs, solar and electrolyzers, while arguing that Europe must respond through smart industrial strategy rather than broad-based protectionism.
- **Trade, security and industrial policy will need to be balanced more carefully.**
Tariffs and security screening may have a role, but the speakers stressed the importance of fact-based policy and technology transfer to support competitiveness and transition goals.
- **The most attractive opportunities lie in infrastructure, regional deployment and partnership capital.**
Grids, storage, the Global Sun Belt, AI-linked power demand and collaborative financing structures were identified as key areas for long-term investment.

KEY TAKEAWAYS

Financing the Future

Speakers:

Calvin Chiu, CEO, Manulife Investment Management (Hong Kong) Limited

Dr. Jörg Kukies, German Federal Minister of Finance (2024–2025)

Marcel Roberts, CIO, SPMS (Stichting Pensioenfonds Medisch Specialisten)

- **Retirement systems are coming under structural pressure from ageing populations and fiscal strain.**
The panel highlighted the urgency of moving beyond pay-as-you-go models as demographic trends begin to weigh more heavily on public budgets across Europe and Asia.
- **The shift from defined benefit to defined contribution is redefining the role of individuals, employers and asset managers.**
Speakers stressed that retirement provision is increasingly becoming a private capital and wealth management issue, not solely a state responsibility.
- **Pension reform is emerging as both a social and an economic-growth agenda.**
Greater funding of private and occupational pension structures is a means of strengthening retirement security while also channelling long-term capital into equity markets and productive investment.
- **Asia faces a particularly acute retirement challenge, but also an opportunity to re-design engagement.**
Rapid ageing, longer life expectancy and fragmented employment patterns are pushing markets to rethink adequacy, coverage and the role of digital and human advice in retirement planning.
- **Decumulation is becoming as important as accumulation.**
The discussion emphasized that investors increasingly want independence in retirement. Successful solutions will require personalized guidance, behavioural insight and products designed for long-duration income needs.
- **Policy design will be decisive in unlocking savings.**
German reforms, the Dutch mandatory model and targeted incentives for lower-income savers were cited as examples of how governments can catalyse participation, deepen capital formation and support long-term growth.

India's Path to Retirement

Speakers:

Challa Sreenivasulu Setty, *Chairman, State Bank of India*

- **India's retirement challenge is emerging as a major capital formation opportunity.**
With ageing set to accelerate over the coming decades, Chairman Setty framed retirement not only as a social policy issue, but also as a long-term investment theme linked to household savings, financial security and economic growth.
- **Financial inclusion forms the foundation for scale.**
India's progress in expanding access to bank accounts, digital infrastructure and smartphone penetration has been key to broadening retirement participation across both formal and informal segments of the workforce.
- **The informal economy remains the central coverage gap.**
With the vast majority of workers outside the formal pension system, Chairman Setty highlighted the need for simple, low-ticket, mobile-first products that can reach savers with irregular incomes and limited financial literacy.
- **Public-private partnership will be essential to building the retirement ecosystem.**
Governments can set the framework, but banks, asset managers, insurers, fin-tech companies and pension institutions will need to work together to design products, improve awareness and deliver solutions at scale.
- **Mutual funds are increasingly positioned to play a larger role in retirement savings.**
India's Systematic Investment Plan culture and the growth of the mutual fund industry were identified as important foundations, with regulatory evolution now opening the door to more life cycle and retirement-oriented investment products.
- **Retirement savings should be aligned with India's broader development agenda.**
Infrastructure, energy transition and the innovation economy are natural long-duration investment destinations, reinforcing the idea that retirement capital can support both individual security and national building.

Tech for Sovereignty

Speaker: **Patrice Caine**, *Chairman and Chief Executive Officer, Thales*

- **Thales positions itself as a global tech leader, not just a defence contractor**
Caine stressed that defence is only about half of the Thales business, with major activity also in aerospace, space, cyber, and digital identity - all underpinned by heavy R&D investment.
- **AI is already delivering operational gains, but only in “trusted” environments**
Thales is applying AI today to improve detection, speed, and accuracy in safety-critical systems, such as radar, targeting pods, and autonomous mine warfare. The key differentiator is trustworthiness, not scale alone.
- **Europe is unlikely to win the hyperscale battle, but can still control strategic dependencies**
Caine was blunt that the hyperscaler infrastructure race is effectively over. Where Europe can still defend sovereignty is in data security, encryption, identity management, and access control.
- **Quantum technologies are the next major leap after AI**
Quantum could be even more disruptive than AI, particularly through quantum sensing and quantum communication, with major implications for navigation, defence, and secure communications.
- **The real challenge is turning deep tech into real-world deployment**
The biggest gains are likely to come from moving R&D out of the lab and into operational use cases, especially where security, resilience, and sovereignty matter most.
- **Curiosity is the leadership trait that matters most in periods of technological disruption**
The closing message was simple: leaders facing rapid technological change need to stay curious and open to what is coming next.

KEY TAKEAWAYS

Consequences for Investors - DAY 2 - June 12, 2026

1. Energy transition investment opportunities are shifting from generation capacity to system integration, including grid modernisation, storage solutions, and grid flexibility technologies.
2. Energy security and strategic autonomy are becoming primary investment considerations across all regions and energy policy frameworks.
3. Renewable technology manufacturing capabilities are concentrated in specific regions and may influence international trade and investment patterns.
4. European utility sector transition from regulated monopoly models to competitive renewable-based systems may create investment opportunities in grid infrastructure and modernisation.
5. Emerging market renewable energy development requires substantial capital; blended finance structures and green bond markets are mechanisms to facilitate private capital participation.
6. Retirement planning outcomes depend on investor participation in financial markets; goal-based investment solutions may improve engagement compared to traditional asset-class approaches.
7. ETF have increased retail participation in European equity markets; broader investor base expansion remains an ongoing market development.
8. Private market allocations within pension portfolios may support long-term return objectives; partnership structures can facilitate broader access to these investment categories.
9. Technology and AI are no longer a competitive advantage on their own: it's how you use them that matters. We strongly believe that AI is an accelerator. However it should never be the final decision-maker. People should stay in charge.
10. AI opportunity set is broad but our preference is for attractively valued companies whose economics will be enhanced by deploying this technology. Europe and India can benefit from this adaptation to their industrial system.

KEY TAKEAWAYS**Disclaimer**

IMPORTANT INFORMATION

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