# AFH

## A Luxembourg UCITS

## PROSPECTUS

July 2022

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# A WORD TO POTENTIAL INVESTORS

### All Investments Involve Risk

With these sub-funds, as with most investments, future performance may differ from past performance. There is no guarantee that any sub-fund will meet its objectives or achieve any particular level of performance.

Sub-fund investments are not bank deposits. The value of your investment can go up and down, and you could lose money. No sub-fund in this prospectus is intended as a complete investment plan, nor are all sub-funds appropriate for all investors.

Before investing in any sub-fund, you should understand the risks, costs, and terms of investment of that sub-fund. You should also understand how well these characteristics align with your own financial circumstances and tolerance for investment risk.

As a potential investor, it is your responsibility to know and follow the laws and regulations that apply to you and to be aware of the potential tax consequences of your investment. We recommend that every investor consult an investment adviser, legal adviser and tax adviser before investing.

Note that any differences among portfolio securities currencies, share class currencies, and your home currency will expose you to currency risk. In addition, if your home currency is different from the currency in which the share class you own reports its performance, the performance you experience as an investor could be substantially different from the published performance of the share class.

### Who Can Invest in These Sub-funds

Distributing this prospectus, offering these shares for sale, or investing in these shares is legal only where the shares are registered for public sale or where sale is not prohibited by local law or regulation. This prospectus is not an offer or solicitation in any jurisdiction, or to any investor, where such a solicitation is not legally permitted.

These shares are not registered with the US Securities and Exchange Commission or any other US entity, federal or otherwise. Therefore, unless the SICAV is satisfied that it would not constitute a violation of US securities laws, these shares are not available to, or for the benefit of, US persons.

For more information on restrictions on share ownership, or to request board approval to invest in a restricted class, contact us (see page 35).

### Which Information to Rely On

In deciding whether or not to invest in a sub-fund, you should look at this prospectus, the relevant Key Investor Information Document (KIID), the application form, and the sub-fund's most recent annual report, when available. These documents must all be distributed together (along with any more recent semi-annual report, if published), and this prospectus is not valid without the other documents. By buying shares in any of these sub-funds, you are considered to have accepted the terms described in these documents.

Together, all these documents contain the only approved information about the sub-funds and the SICAV. The board is not liable for any statements or information about the sub-funds or the SICAV that is not contained in these documents. In case of any inconsistency in translations of this prospectus, the English version will prevail.

*Definitions of certain terms used in this prospectus appear on page 41*

# SUB-FUND DESCRIPTIONS

## Introduction to the Sub-Funds

All of the sub-funds described here are part of AFH, a SICAV that functions as an umbrella structure. The SICAV exists to offer investors a range of sub-funds with different objectives and strategies, and to manage the assets of these sub-funds for the benefit of investors.

For each sub-fund, the specific investment objectives and the main securities it may invest in, along with other key characteristics, are described in this section. In addition, all sub-funds are subject to the general investment policies and restrictions that begin on page 20.

The board of the SICAV has overall responsibility for the SICAV's business operations and its investment activities, including the investment activities of all of the sub-funds. The board has delegated the day-to-day management of the sub-funds to the management company, which in turn has delegated some of its responsibilities to a number of investment managers and other service providers.

The board retains supervisory approval and control over the management company. More information about the SICAV, the board, the management company and the service providers begins on page 35.

**CURRENCY ABBREVIATIONS**

**AUD** Australian dollar
**CAD** Canadian dollar
**CHF** Swiss franc
**CZK** Czech koruna
**DKK** Danish krone
**EUR** Euro
**GBP** British pound sterling
**HKD** Hong Kong dollar
**JPY** Japanese yen
**NOK** Norwegian krone
**NZD** New Zealand dollar
**PLN** Polish zloty
**RMB** Chinese renminbi
**SEK** Swedish krona
**SGD** Singapore dollar
**USD** United States dollar

For information on fees and expenses you may have to pay in connection with your investment, consult the following:

- Maximum fees for purchase, switching and redeeming shares: this section (main classes) and "Investing in the Sub-funds" section (all families of classes).
- Fees deducted from your investment: please refer to section "Main Share Classes and Fees" in the *Sub-Fund Descriptions* for each Sub-fund.
- Recent actual expenses: the applicable KIID or the SICAV's most recent shareholder report.
- Fees for currency conversions, bank transactions, and investment advice: your financial advisor, the transfer agent (page 40) or other service providers, as applicable.

# Technical Bond Investment

## Objective and Investment Policy

**Objective**

To provide income through exposures to bonds and money market instruments.

**Investments**

The Sub-Fund will invest mainly in bond and money market UCIs and UCITS.

In investing in those UCIs and UCITS, the Sub-Fund will be mainly exposed to public or private debt securities and instruments, from all geographical areas, denominated in euro and predominantly rated BBB- (S&P) or Baa3 (Moody's) at least.

The remaining part of the sub-fund's assets may be held in bonds, money market instruments or term deposits.

**Benchmark**

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

**Derivatives**

The sub-fund may use derivatives for hedging and efficient portfolio management.

**Base currency** EUR.

## Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investment" of the Prospectus. Given the Sub-Funds' investment focus, the investment manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The investment manager selects money market and bond funds to exploit two areas of added value: the sensitivity rate and the selection of credit securities. The allocation between the different underlying funds is built to achieve the management objective while maintaining an extremely limited level of volatility and sensitivity to interest rate products.

**Investment Manager**

Amundi Asset Management

**Techniques and instruments**

The Sub-Fund will not use securities financing transactions or total return swaps in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

## Main Risks

*See "Risk Descriptions" for more information.*

- Credit
- Currency
- Custody
- Counterparty
- Default
- Derivatives
- Interest rate
- Investment fund
- Liquidity
- Management
- Market
- Operational
- Standard practices
- Sustainable Investment

**Risk management method** Commitment.

## Planning Your Investment

*See "Investing in the Sub-Funds" for more information*

**Designed for** Investors who understand the risks of the sub-fund and plan to invest for any given period of 1 day to 3 months.

The sub-fund is designed to address an interest of Amundi related entities or funds for a relatively stable investment through exposure to debt instruments and securities.

**Business day** Requests to buy, switch and redeem shares are ordinarily processed on the last day of each week that is a full bank business day in Luxembourg.

**Timing of transactions** Requests received and accepted by 14:00 CET on a business day will ordinarily be processed the following business day. Transaction settlement occurs 3 business days after a request is received.

**Switching in/out** Permitted.

**SHARE CLASSES AND FEES**

| | | | | | Fees for Share Transactions | | Annual Fees | | |
|---|---|---|---|---|---|---|---|---|---|
| Share Class | Currency | Available to | Board Approval Needed | Minimum Initial Investment | Purchase (max) | Switch (max) | Management (max) | Indirect* (max) | Administration (max) |
| OE | EUR | Amundi related entities or funds | Yes | None | 6,00% | 1,00% | 0,00% | 1% | 0,05% |
| OE1 | EUR | Amundi related entities or funds | Yes | None | 6,00% | 1,00% | 0,00% | 1% | 0,05% |

**Details of annual fees:**

In the Management fee:

- fees of the management company
- fee of the investment manager
- fees of the distributors

In the Administration fee:

- fees of the depositary and of the administrative agent, registrar and transfer agent
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives, local paying agents and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV

Please note that some expenses are not included in the fees disclosed above (See "Expenses" on page 37).

# Multi Asset One

## Objective and Investment Policy

**Objective**
To achieve a combination of income and capital growth over any given 3-year period.

**Investments**
The Sub-Fund invests at least 80% of its assets in UCITS, regardless of their underlying assets.

The Sub-Fund will invest in UCITS that may expose to a broad range of asset classes including equities, currencies, bonds, money market instruments and convertibles bonds around the world (including emerging markets). The Investment Manager will seek to limit investments in UCITS exposing mainly to (i) equites by 30% of the assets and (ii) to high yield bonds by 5 % of the assets. Exposure to cocos, distressed debts, ABS/MBS, REITS or commodities is not contemplated while not excluded when very limited and not material at level of the target UCITS.

While complying with the above policy, the Sub-Fund may also invest in equities, bonds, money market instruments and term deposits.

**Benchmark**
The Sub-Fund is actively managed and is not managed in reference to a benchmark.

**Derivatives**The sub-fund may use derivatives for hedging and efficient portfolio management.

**Base currency** EUR.

## Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section “Sustainable Investment” of the Prospectus. Given the Sub-Funds' investment focus, the investment manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The investment team uses its own global economic analysis to determine the most attractive asset types and geographical regions, then uses analysis on individual managers to identify UCITS funds that may apply various investment strategies and that offer the best potential gain for the risk involved.

**Investment Manager** Amundi SGR
**Investment Advisor** Mangusta Risk Limited

**Techniques and instruments**

The Sub-Fund will not use securities financing transactions or total return swaps in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

## Main Risks

*See “Risk Descriptions” for more information. The sub-fund may involve above-average volatility and risk of loss.*

- Counterparty
- Credit
- Currency
- Custody
- Default
- Derivatives
- Emerging Market
- Equity
- Hedging
- High Yield
- Interest rate
- Investment fund
- Liquidity
- Management
- Market
- Operational
- Prepayment and extension
- Sustainable Investment

**Risk management method :** Commitment

## Planning Your Investment

**Designed for** Investors who understand the risks of the sub-fund and plan to invest for at least 3 years.
The sub-fund may appeal to investors who are looking for broad investment exposure.
**Business day** Requests to buy, switch and redeem shares are ordinarily processed on any day that is a full bank business day in Luxembourg.

**Timing of transactions** Requests received and accepted by 14:00 CET on a business day will ordinarily be processed the following business day. Transaction settlement occurs within 5 business days after a request is received .
**Switching in/out** Not Permitted.

### SHARE CLASSES AND FEES

| | | | | | Fees for Share Transactions | Annual Fees | |
|---|---|---|---|---|---|---|---|
| Share Class | Currency | Available to | Board Approval Needed | Minimum Initial Investment | Purchase (max) | All-in fee (max) | Performance |
| IE (D) | EUR | Institutional Investors | Yes | 50 000 000 | None | 0,1465%* | None |

*** additional management fee representing up to 1,50% are charged at level of UCITS in which the Sub-Fund invests.**

**For the sub-fund, the SICAV will issue only registered shares.**

**Details of annual fees:**

In the All-in fee:

- fees of the management company
- fees of the investment manager
- fees of the investment advisor
- fees of the distributors
- fees of the depositary and of the administrative agent, registrar and transfer agent
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives, local paying agents and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV

Please note that some expenses are not included in the fees disclosed above (See “Expenses” on page 37).

# Aequitas Flexile

## Objective and Investment Policy

**Objective**
The Sub-Fund aims to deliver a combination of income and capital growth over a 5 years period.

**Investments**
The Sub-Fund will be a fund of funds that will invest at least 50% of its net assets in UCITS/UCIs exposing to equities, bonds, high yield bonds, convertible bonds, contingent convertible bonds, term deposits and currencies.

While complying with the above, the Sub-Fund may also directly invest the remaining part of its assets in the above listed securities, as well as money market instruments.

The Investment Manager follows a flexible allocation strategy amongst those asset classes and selects investments believed to represent the most compelling trade-off between growth potential, valuation and risk.

Depending on the market volatility conditions, the portfolio of the Sub-Fund is constructed and rebalanced monthly, following one of the below allocation profiles:

- Dynamic profile:

The Sub-Fund seeks for growth opportunities and will be exposed mainly to equities, high yield bonds, convertible bonds and contingent convertible bonds.

- Conservative profile:

The Sub-Fund seeks capital preservation and will be exposed mainly to bonds with a limited equity exposure. The Sub-Fund will also invest in money market instruments.

- Balanced profile:

The Sub-Fund seeks to benefit from market opportunities while maintaining a risk-balanced investment style. The Sub-Fund will be exposed in a combination of the asset classes listed above.

Market volatility conditions considered by the investment committee to define the adequate allocation is analysed monthly and based on its expertise and on quantitative volatility indicators, such as the VIX and the MOVE indexes to provide an assessment based on the level of volatility relative to a 2-year rolling historical average.

Such assessment can be “positive” (when the volatility is below the historical average), “negative” (when the volatility is above the historical average) or “neutral” (where the volatility is in line with the historical average) and allows to determine the allocation profile of the Sub-Fund as follows:

- Positive – Dynamic profile
- Negative – Conservative profile
- Neutral – Balanced profile

There are no geographical or currency constraints on these investments although an exposure to currencies of emerging markets countries is expected only within the dynamic profile. At any times, the exposure to emerging markets equities and bonds is limited to 30% of net assets.

The Sub-Fund may be exposed to up to 20% in commodities and up to 5% in real estate, through eligible assets.

The Sub-Fund’s exposure to contingent convertible bonds is at any times limited to 10% of net assets.

The Sub-Fund may invest on an ancillary basis in money market instruments. The Sub-Fund is not a money market fund and is not subject to the special regulatory requirements (including maturity and credit quality constraints) designed to enable money market funds to maintain a stable share price.

**Benchmark** The Sub-Fund is actively managed and seeks to outperform (after applicable fees) the Euribor 3 Month ACT/360 + 2,50% (the “Benchmark”) over the recommended holding period.The Sub-Fund may use a benchmark a posteriori as an indicator for assessing the Sub-Fund's performance. There are no constraints relative to any such Benchmark restraining portfolio construction.

**Derivatives**The Sub-Fund makes use of derivatives to reduce various risks and for efficient portfolio management.

**Base currency** EUR.

## Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section “Sustainable Investment” of the Prospectus. Given the Sub-Funds’ investment focus, the investment manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The selection process is a combination of top-down and bottom-up approach. The Investment Manager uses its own and third party global economic analysis to determine the most attractive asset types, geographical regions and currency, then focuses on the analysis of specific securities to identify the financial instruments that offer the best potential gain for the risk involved. The Investment Manager aims to access the best growth opportunities and balancing income and returns with risk and liquidity.

**Investment Manager** Banca Patrimoni Sella & C. S.p.A

**Techniques and instruments**

The Sub-Fund will not use securities financing transactions or total return swaps in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

## Main Risks

*See “Risk Descriptions” for more information. The sub-fund may involve above-average volatility and risk of loss.*

- Country risk - China
- Commodity-related investment
- Contingent Convertible Bonds (CoCos)
- Counterparty
- Credit
- Currency
- Custody
- Default
- Derivatives
- High Yield
- Interest rate
- Investment fund
- Liquidity
- Management
- Market
- Operational
- Small and mid-cap stock
- Style
- Sustainable Investment
- Volatility

- Emerging Markets
- Equity
- Hedging

**Risk management method :** Commitment

## Planning Your Investment

**Designed for** Investors who understand the risks of the sub-fund and plan to invest for at least 5 years.
The sub-fund may appeal to investors who :

- are looking for broad investment exposure
- are looking to generate a positive return in any market condition

**Business day** Requests to buy, switch and redeem shares are ordinarily processed on any day that is a full bank business day in Luxembourg.
**Timing of transactions** Requests received and accepted by 10:00 CET on a business day will ordinarily be processed at the NAV for that valuation day. Transaction settlement occurs 3 business days after a request is received.
**Switching in/out** Not Permitted.

## Share Classes and Fees

| | | | | | Fees for Share Transactions | Annual Fees | | | |
|---|---|---|---|---|---|---|---|---|---|
| Share Class | Currency | Available to | Board Approval Needed | Minimum Initial Investment | Purchase (max) | Management (max) | Administration (max) | Indirect* (max) | Performance |
| A | EUR | All Investors | No | 100,000 EUR Subsequent minimum investment: 1000 EUR | 0.00% | 1.20% | 0.21% | 0.42% | 15% |
| I | EUR | Institutional Investors | No | 500,000 EUR Subsequent minimum investment: 1000 EUR | 0.00% | 0.50% | 0.19% | 0.42% | 15% |

* additional management fee are charged at level of UCITS in which the Sub-Fund invests.

**For the sub-fund, the SICAV will issue only registered shares.** The Management Company may waive the minimum investment requirement of any of these classes.

See “Notes on Sub-Fund Costs” on page 13.

**Performance fee**

Performance fee benchmark: Euribor 3 Month ACT/360 + 2,50%.

Performance fee mechanism: ESMA Performance Fee Mechanism.

The Anniversary Date is 31 December. The very first performance observation period will start on 1 July 2022 and may not end before 31 December 2023.

**Details of annual fees:**

In the Management fee:

- fees of the investment manager and of the distributors. The investment manager fee is limited to 0,40% irrespective of the portfolio allocation.

In the Administration fee:

- fees of the management company
- fees of the depositary and of the administrative agent, registrar and transfer agent,
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives, local paying agent fees and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV

Please note that some expenses are not included in the fees disclosed above (See “Expenses” on page 37).

# QTC Multi Asset

## Objective and Investment Policy

**Objective**
To achieve an annualized positive return over any given 3-year period.

**Investments**
The Sub-Fund is a fund of funds that will invest at least 80% of its assets in UCITS/UCIs.

The Sub-Fund mainly invests in EU UCITS/UCIs that expose to fixed income instruments (not including money market funds as defined by MMFR), including up to 15% of its net assets in UCITS/UCIs exposing to high yield bonds and up to 15% of its net assets in UCITS/UCIs exposing to emerging markets bonds.

The Sub-Fund may also invest up to 45% of its net assets in UCITS/UCIs exposing to equities, including up to 30% of its net assets in emerging markets equity UCITS/UCIs.

There are no geographical or currency constraints to these investments.

While complying with the above policy, the Sub-Fund may also invest on an ancillary basis in money market instruments and term deposits.

**Benchmark**
The Sub-Fund is actively managed and is not managed in reference to a benchmark.

**Derivatives**
The sub-fund may use derivatives for hedging and efficient portfolio management.

**Base currency** EUR.

## Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investment" of the Prospectus. Given the Sub-Funds' investment focus, the investment manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

When selecting underlying funds, the investment manager is monitoring the risk level of the fund and seeks to achieve a maximum 10% ex-ante volatility.

Consequently, the exposure to the different sub-asset classes may vary depending on the market economic outlook, overweighting riskier sub-asset classes (such as equity, high yield corporate bonds) in case of positive conditions and in the opposite scenario privileging safer sub-assets classes (such as government bonds and short-term fixed income securities).

The investment decision process is a combination of a top-down and bottom-up approaches according to the macro-economic outlook.

In the **top-down** approach the investment decisions are focused on:
- Allocation among asset classes (i.e. equity, bonds, cash);
- Allocation among sub-asset classes (i.e. government bond, corporate bond, high yield bond, emerging market bond, equity regional and sectors).

From a **bottom-up** perspective the UCITS selection process is mainly based on:
- Alpha generation capabilities;
- Combination of different management style approach (i.e. value vs growth or large cap vs small cap);
- Risk adjusted performance.

**Investment Manager** Amundi SGR
**Investment Advisor** Prometeia Advisor SIM

**Techniques and instruments**

The Sub-Fund will not use securities financing transactions or total return swaps in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

## Main Risks

*See "Risk Descriptions" for more information. The sub-fund may involve above-average volatility and risk of loss.*

- Counterparty
- Credit
- Currency
- Custody
- Default
- Derivatives
- Emerging Market
- Equity
- Hedging
- High Yield
- Interest rate
- Investment fund
- Liquidity
- Management
- Market
- Operational
- Prepayment and extension
- Sustainable Investment

**Risk management method :** Commitment

## Planning Your Investment

**Designed for** Investors who understand the risks of the sub-fund and plan to invest for at least 3 years.
The sub-fund may appeal to investors who are looking for broad investment exposure.
**Business day** Requests to buy, switch and redeem shares are ordinarily processed on any day that is a full bank business day in Luxembourg.

**Timing of transactions** Requests received and accepted by 10:00 CET on a business day will ordinarily be processed at the NAV for that valuation day. Transaction settlement occurs within 5 business days after a request is received .
**Switching in/out** Not Permitted.

## SHARE CLASSES AND FEES

| | | | | | Fees for Share Transactions | Annual Fees | | |
|---|---|---|---|---|---|---|---|---|
| Share Class | Currency | Available to | Board Approval Needed | Minimum Initial Investment | Purchase (max) | All-in fee (max) | Indirect* (max) | Performance |
| I | EUR | Institutional Investors | No | 1 000 000 | 5% | 0,19%* | 0,64% | None |

* additional management fees are charged at level of UCITS in which the Sub-Fund invests.

**For the sub-fund, the SICAV will issue only registered shares.**

**Details of annual fees:**

In the All-in fee:

- fees of the management company (subject to a minimum of EUR 99 000 per year)
- fees of the investment manager (subject to a minimum of EUR 50 000 per year)
- fees of the investment advisor
- fees of the depositary and of the administrative agent, registrar and transfer agent
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives, local paying agents and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV

Please note that some expenses are not included in the fees disclosed above (See “Expenses” on page 37).

# NOTES ON SUB-FUND COSTS

**General** The charges you pay as an investor in the sub-fund go to cover sub-fund operating costs, including marketing and distribution costs. These ongoing charges reduce the performance of your investment.

**One-off charges taken before or after you invest** These are deducted from your investment or your redemption proceeds, and are paid to sales agents and authorised intermediaries. The fees shown are maximums. To find out the actual fee for a transaction, contact your financial adviser or the transfer agent (see page 40).

**Charges taken from the sub-fund over a year** These charges are the same for all shareholders of a given share class.

**Performance fee** This fee is charged only when a share class of a sub-fund outperforms its stated performance fee reference indicator over the performance fee measurement period. The fee is equal to the performance fee percentage (as stated for each sub-fund and share class) multiplied by the amount of the outperformance.

The reference indicator is, in principle, a replica of the fund except that its portfolio performance is equal to the benchmark performance over the performance fee measurement period.

A High Water Mark is defined as the highest NAV per Share in any preceding period in respect of which a performance fee for the relevant Share was calculated and paid.

The ESMA Performance Fee Mechanism (benchmark model)

The calculation of performance fees applies to each concerned share class and on each NAV calculation date. The calculation is based on the comparison (hereafter the "Comparison") between:

- The NAV of each relevant share class (before deduction of the performance fee) and;
- the reference asset (hereafter the "Reference Asset") which represents and replicates the NAV of the relevant share class (before deduction of the performance fee) at the first day of the performance observation period, adjusted by subscriptions/redemptions at each valuation, to which the performance fees benchmark (as stated for each sub-fund and share class) is applied.

As from the date stated in any sub-fund's supplement, the Comparison is carried out over a performance observation period of five years maximum, the anniversary date of which corresponds to the day of calculation of the last NAV of the month as stated in the sub-fund description (hereafter the "Anniversary Date"). Any new share class may have a first performance observation period that starts on a specific date as further indicated in any sub-fund description or in https://www.amundi.lu/retail/Local-Content/Footer/Quick-Links/Regulatory-information/Amundi-Funds.

During the life of the share class, a new performance observation period of maximum 5 years starts:

- in the event of payment of the Performance Fees accruals on an Anniversary Date;
- in the event of cumulative underperformance observed at the end of a 5 year period. In this case, any underperformance of more than 5 years will no longer be taken into account during the new performance observation period; conversely, any underperformance generated over the past 5 years will continue to be taken into account.

The Performance Fee will represent a percentage (as stated for each sub-fund and share class) of the difference between the net assets of the share class (before deduction of the performance fee) and the Reference Asset if the following cumulative conditions are met :

- This difference is positive;
- The relative performance of the share class compared to the Reference Asset is positive or nil, since the beginning of the performance observation period. Past underperformances over the last 5 years should be clawed back before any new accrual of performance fee.

An allocation for performance fees will be accrued ("Performance Fees Accruals") in the NAV calculation process.

In the event of redemption during the performance observation period, the portion of Performance Fees Accruals corresponding to the number of Shares redeemed, is definitively acquired to the Management Company and will become payable at the next Anniversary Date.

If over the performance observation period, the NAV of each relevant share class (before deduction of the performance fee) is lower than the Reference Asset, the performance fee becomes nil and all Performance Fees Accruals previously booked are reversed. Those reversals may not exceed the sum of the previous Performance Fees Accruals.

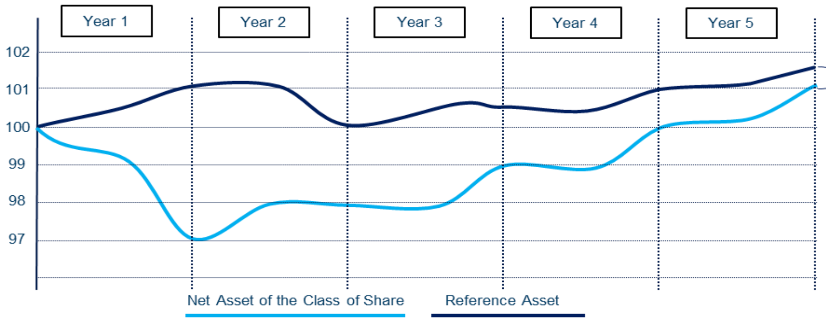
Over the performance observation period, all Performance Fees Accruals as defined above become due on the Anniversary Date and will be paid to the Management Company.

**The performance fee is paid to the Management Company even if the performance of the share class over the performance observation period is negative, while remaining higher than the performance of the Reference Asset.**

The three examples below illustrate the methodology described for 5 years performance observation periods:

### *Underperformance not compensated:*

Example n°1 (Base 100) : No performance fee charged




Negative difference between the 2 assets

=> No performance Fee

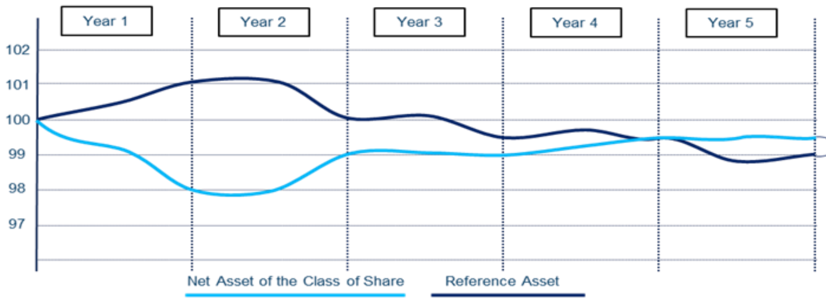
| Evolution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| Net Asset of the Class of Share | -3 | 1 | 1 | 1 | 1 |
| Reference Asset | 1 | -1 | 0,5 | 0,5 | 0,5 |
| Annual comparison | -4 | 2 | 0,5 | 0,5 | 0,5 |
| Cumulated comparison | -4 | -2 | -1,5 | -1 | -0,5 |

Underperformance of Year 1 not compensated

=> No performance fees

### *Underperformance compensated:*

Example n°2 (Base 100) : Performance Fees charged




Positive difference between the 2 assets

Negative performance on 5 years for the Class of Share but above the Reference Asset Performance on the same period and underperformance of the Year 1 compensated

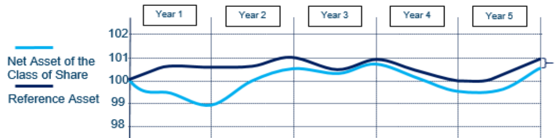
=> Performance Fees charged

| Evolution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| Net Asset of the Class of Share | -2 | 1 | 0 | 0,5 | 0 |
| Reference Asset | 1 | -1 | -0,5 | 0 | -0,5 |
| Annual comparison | -3 | 2 | 0,5 | 0,5 | 0,5 |
| Cumulated comparison | -3 | -1 | -0,5 | 0 | 0,5 |

=> Performance Fees basis (description of the method above)

### *Underperformance not compensated and new observation period starts:*

Example n°3 (Base 100) : No performance fee charged and a new observation period starts



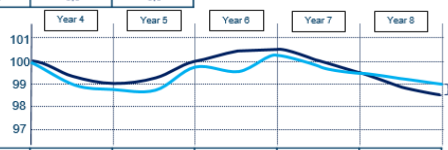

Underperformance of Year 1 not compensated at the end of Year 5.

=> No performance fee

| Evolution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| Net Asset of the Class of Share | -1 | 1,5 | 0,25 | -1,25 | 1 |
| Reference Asset | 0,5 | 0,5 | 0 | -1 | 1 |
| Annual comparison | -1,5 | 1 | 0,25 | -0,25 | 0 |
| Cumulated comparison | -1,5 | -0,5 | -0,25 | -0,5 | -0,5 |

After 5 years without performance fee, Year 1 (underperformance -1,5) is no longer relevant as 5 years have passed by.

A new observation period of maximum 5 years starts with Year 4 (next underperformance -0,25 to compensate)




Positive difference between the 2 assets

Underperformance of the Year 4 compensated at the end of Year 7

| Evolution | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
|---|---|---|---|---|---|
| Net Asset of the Class of Share | -1,25 | 1 | 0,5 | -0,75 | -0,5 |
| Reference Asset | -1 | 1 | 0,5 | -1 | -1 |
| Annual comparison | -0,25 | 0 | 0 | 0,25 | 0,5 |
| Cumulated comparison | -0,25 | -0,25 | -0,25 | 0 | 0,5 |

=> Performance Fees basis (description of the method above)

*For more details, please refer to the ESMA Guidelines n°34-39-968 on performance fees in UCITS and certain types of AIFs, as modified, and any related Q&A disclosed by ESMA.*

**Disclosure Regulation**

On 18 December 2019, the European Council and European Parliament announced that they had reached a political agreement on the Disclosure Regulation, thereby seeking to establish a pan-European framework to facilitate Sustainable Investment. The Disclosure Regulation provides for a harmonised approach in respect of sustainability-related disclosures to investors within the European Economic Area's financial services sector.

The scope of the Disclosure Regulation is extremely broad, covering a very wide range of financial products (e.g. UCITS funds, alternative investment funds, pension schemes etc.) and financial market participants (e.g. E.U. authorised investment managers and advisers). It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Its objectives are to (i) strengthen protection for investors of financial products, (ii) improve the disclosures made available to investors from financial market participants and (iii) improve the disclosures made available to investors regarding the financial products, to amongst other things, enable investors make informed investment decisions.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst each Sub-Fund qualifies as a "financial product". For further details on how a Sub-Fund complies with the requirements of the Disclosure Regulation, please refer to the supplement for that Sub-Fund. The Management Company seeks to provide a description of certain sustainability matter below and in the applicable Supplement in accordance with the Disclosure Regulation. In particular, the relevant supplement will set out further details on how (i) a Sub-Fund's investment strategy is utilised to attain environmental or social characteristics, or (ii) whether that Sub-Fund has Sustainable Investment as its investment objective.

**Taxonomy Regulation**

The Taxonomy Regulation aims to identify economic activities which qualify as environmentally sustainable (the “Sustainable Activities”).

The Taxonomy Regulation identifies such activities according to their contribution to six environmental objectives: (i) Climate change mitigation; (ii) Climate change adaptation; (iii) Sustainable use and protection of water and marine resources; (iv) Transition to a circular economy; (v) Pollution prevention and control; (vi) Protection and restoration of biodiversity and ecosystems.

An economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives, does not significantly harm any of the environmental objectives (“do no significant harm” or “DNSH” principle) and is carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation. The “do no significant harm” principle applies only to those investments underlying the relevant Sub-Funds that take into account the European Union criteria for environmentally sustainable economic activities.

The Sub-Funds identified as Article 8 or Article 9 in their respective supplements may invest, but do not commit to invest at the date of this Prospectus, in economic activities that contribute to the following environmental objectives set out in the Article 9 of the Taxonomy Regulation: climate change mitigation and / or climate change adaptation.

In line with the current state of the Taxonomy Regulation, the Management Company currently ensures that such investments do not significantly harm any other environmental objective by implementing exclusion policies in relation to issuers whose environmental and/or social and/or governance practices are controversial.

This commitment will be achieved gradually and continuously, by integrating Taxonomy Regulation requirements into the investment process of the concerned Sub-Funds as soon as reasonably possible. This will lead to a minimum degree of alignment of the portfolio with Sustainable Activities that will be made available to investors at that time.

In the meantime, the degree of alignment of any portfolio with Sustainable Activities will not be available to investors.

As from the full availability of the data and finalization of the relevant calculation methodologies, the description of to what extent the investments underlying the relevant Sub-Fund are made in Sustainable Activities will be made available to investors. This information, as well as information relating to the proportion of enabling and transitional activities, will be included in a future version of the prospectus.

For further details on how a Sub-Fund complies with the requirements of the Disclosure Regulation and the Taxonomy Regulation, please refer to the supplement for that Sub-Fund.

Please also refer to the Overview of the Responsible Investment Policy below for a summary of how the Sustainability Risks are integrated into investment processes.

**Overview of the Responsible Investment Policy**

Since its creation, the Amundi group of companies (“Amundi”) has put responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards sustainable society and that ESG is a long-term driver of financial performance.

Amundi considers that, in addition to economic and financial aspects, the integration within the investment decision process of ESG dimensions, including Sustainability Factors and Sustainability Risks,allows a more comprehensive assessment of investment risks and opportunities.

*Integration of Sustainability Risks by Amundi*

Amundi has developed its own ESG rating approach. The Amundi ESG rating aims to measure the ESG performance of an issuer, i.e. its ability to anticipate and manage Sustainability Risks and opportunities inherent to its industry and individual circumstances. By using the Amundi ESG ratings, portfolio managers are taking into account Sustainability Risks in their investment decisions.

Amundi applies targeted exclusion policies to all Amundi’s active investing strategies by excluding companies in contradiction with the Responsible Investment Policy, such as those which do not respect international conventions, internationally recognized frameworks or national regulations.

Amundi has developed its own in-house ESG rating process based on the “Best-in-class” approach. Ratings adapted to each sector of activity aim to assess the dynamics in which companies operate.

ESG rating and analysis is performed within the ESG analysis team of Amundi, which is also used as an independent and complementary input into the decision process as further detailed below.

The Amundi ESG rating is a ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). In the Amundi ESG Rating scale, the securities belonging to the exclusion list correspond to a G.

For corporate issuers ESG performance is assessed by comparison with the average performance of its industry, through the three ESG dimensions:

1. Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.
2. Social dimension: this measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of human rights in general.
3. Governance dimension: This assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long-term.

The methodology applied by Amundi ESG rating uses 37 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer

The Amundi ESG rating also considers potential negative impacts of the issuer's activities on Sustainability (principal adverse impact of investment decisions on on sustainability factors, as determined by Amundi) including on the following indicators:

– Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)
– Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)
– Water (Water Criteria)
– Waste (Waste, recycling, biodiversity and pollution Criteria)
– Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria, Board Structure Criteria, Labour Relations Criteria and Heal and Safety Criteria)
– Human rights (Community involvement & Human Rights Criteria)
– Anti-corruption and anti-bribery (Ethics Criteria)

The way in which and the extent to which ESG analyses are integrated, for example based on ESG scores, are determined separately for each Sub-Fund by the Investment Manager.

More detailed information including Amundi's Responsible Investment Policy and rating methodology are available at www.amundi.com

All investments involve risk. The risks of some of these sub-funds may be comparatively high.

The risk descriptions below correspond to the risk factors named in the information about the sub-funds. To permit the risks to be read properly in connection with any sub-fund's named risks, each risk is described as for an individual sub-fund.

The risk information in this prospectus is intended to give an idea of the main and material risks associated with each sub-fund.

Any of these risks could cause a sub-fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

**Collateral management** Counterparty risk arising from investments in OTC financial derivative instruments (including TRS) and securities lending transactions, securities borrowing transactions, reverse repurchase agreements and repurchase agreements is generally mitigated by the transfer or pledge of collateral in favor of the sub-fund. If a counterparty defaults, the sub-fund may need to sell non-cash collateral received at prevailing market prices in which case the sub-fund could realise a loss.

The sub-fund may also incur a loss in reinvesting cash collateral received, where permitted due to a decline in the value of the investments made.

**Concentration risk** To the extent that the sub-fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a fund that invests more broadly.

When a sub-fund invests a large portion of its assets in a particular issuer, industry, type of bond, country or region, or in a series of closely interconnected economies, its performance will be more strongly affected by any business, economic, financial, market or political conditions affecting the area of concentration. This can mean both higher volatility and a greater risk of loss.

**Contingent Convertible Bonds (Cocos) risk** These include risks related to the characteristics of these almost perpetual securities: Coupon cancellation, partial or total reduction in the value of the security, conversion of the bond into equity, reimbursement of principal and coupon payments "subordinate" to those of other creditors with senior bonds, the possibility to call during life at predetermined levels or to extend the call. These conditions can be triggered, in whole or part, either due to financial ratios at level of the issuer or by discretionary and arbitrary decision of the latter or with the approval of the competent supervisory authority. Such securities are also innovative, yet untested and may therefore be subject to reaction of the market that may not be anticipated and that may affect their valuation and liquidity. The attractive yield offered by such securities compared to similarly rated debts may be the result of investors' undervalued risk assessment and capacity to face adverse events. Occurrence of any such risks may cause a decrease in the net asset value.

**Counterparty risk** An entity with which the sub-fund does business could become unwilling or unable to meet its obligations to the sub-fund.

**Country risk — China** In China, it is uncertain whether a court would protect the sub-fund's right to securities it may purchase via the Shanghai-Hong Kong Stock Connect or other programs, whose regulations are untested and subject to change. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the sub-fund with relatively little standing to take legal action in China. In addition, the Security exchanges in China may tax or limit short-swing profits, recall eligible stocks, set maximum trading volumes (at the investor level or at the market level) or may otherwise limit or delay trading.

**Country risk — MENA countries** MENA countries may have particularly high levels of emerging market risks. Due to political and economic situation in Middle East and North Africa, markets of MENA countries have a comparatively high-risk of instability that may result from factors such as government or military intervention, or civil unrest. MENA markets may remain closed for days at a time (due to religious celebrations, for instance), and the exact dates of market closure may not be known in advance.

**Credit risk** A bond or money market security could lose value if the issuer's financial health deteriorates.

If the financial health of the issuer of a bond or money market security weakens, or if the market believes it may weaken, the value of the bond or money market security may fall. The lower the credit quality of the debt, the greater the credit risk.

In some cases an individual issuer could go into default (see "Default risk"), even though ordinary conditions prevail in the general market.

**Currency risk** Changes in currency exchange rates could reduce investment gains or increase investment losses, in some cases significantly.

Exchange rates can change rapidly and unpredictably, and it may be difficult for the sub-fund to unwind its exposure to a given currency in time to avoid losses.

**Custody risk** The SICAV's securities are generally held for the benefit of the SICAV's shareholders on the depositary or its sub-depositary's balance sheet and are generally not co-mingled with the depositary or the sub-depositary's assets. This provides protection for the SICAV's securities in the event of the insolvency of either the depositary or its sub-depositary.

However, in certain markets a risk may arise where segregation is not possible, and the securities are co-mingled with the sub-depositary's assets or pooled with the securities of other clients of the sub-depositary. The loss would then be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

**Derivatives risk** Certain derivatives could behave unexpectedly or could expose the sub-fund to losses that are significantly greater than the cost of the derivative.

Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s). In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or losses created by certain derivatives.

- **OTC derivatives** Because OTC derivatives are in essence private agreements between the sub-fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honor its obligations to the sub-fund. The list of counterparties contracts will be available in the annual report. This counterparty default risk is limited by the regulatory OTC derivatives counterparty limits. Mitigation techniques aiming to limit this risk are used, such as collateral policy or resets in contracts for difference.

  If a counterparty ceases to offer a derivative that the sub-fund had been planning on using, the sub-fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

  Because it is generally impractical for the SICAV to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any sub-fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the SICAV, which could leave the SICAV unable to operate efficiently and competitively.

- **Exchange-traded derivatives** While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for the sub-fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

**Default risk** The issuers of certain bonds could become unable to make payments on their bonds.

**Defensive stance risk** The more the current NAV gets close to the guaranteed NAV, the more the sub-fund seeks to preserve capital by reducing or eliminating its exposure to dynamic investments and by investing in more conservative investments. This reduces or eliminates the sub-fund's ability to benefit from any future value increases

**Emerging markets risk** Emerging markets are less established than developed markets and therefore involve higher risks, particularly market, liquidity, currency risks and interest rate risks, and the risk of higher volatility.

Reasons for this higher risk may include:

- political, economic, or social instability
- fiscal mismanagement or inflationary policies
- unfavorable changes in regulations and laws and uncertainty about their interpretation
- failure to enforce laws or regulations, or to recognise the rights of investors as understood in developed markets
- excessive fees, trading costs or taxation, or outright seizure of assets
- rules or practices that place outside investors at a disadvantage
- incomplete, misleading, or inaccurate information about securities issuers
- lack of uniform accounting, auditing and financial reporting standards
- manipulation of market prices by large investors
- arbitrary delays and market closures
- fraud, corruption and error

Emerging markets countries may restrict securities ownership by outsiders or may have less regulated custody practices, leaving the sub-fund more vulnerable to losses and less able to pursue recourse.

In countries where, either because of regulations or for efficiency, the sub-fund uses depository receipts (tradable certificates issued by the actual owner of the underlying securities), P-notes or similar instruments to gain investment exposure, the sub-fund takes on risks that are not present with direct investment. These instruments involve counterparty risk (since they depend on the creditworthiness of the issuer) and liquidity risk, may trade at prices that are below the value of their underlying securities, and may fail to pass along to the sub-fund some of the rights (such as voting rights) it would have if it owned the underlying securities directly.

To the extent that emerging countries are in different time zones from Luxembourg, the sub-fund might not be able to react in a timely fashion to price movements that occur during hours when the sub-fund is not open for business.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, South America and Eastern Europe, as well as countries that have successful economies but may not offer the same level of investor protection as exists in, for example, Western Europe, the US and Japan.

**Equity risk** Equities can lose value rapidly, and typically involve higher risks than bonds or money market instruments.

If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

**Guarantee limitations risk** The sub-fund's guarantee may not cover all of your investment, may extend only for a limited amount of time and may be altered at defined reset points.

**Hedging risk** Any attempts to hedge (reduce or eliminate certain risks) may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Any measures that the sub-fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely. To the extent that no hedge exists, the sub-fund or share class will be exposed to all risks that the hedge would have protected against.

The sub-fund may use hedging within its portfolio. With respect to any designated share classes, the sub-fund may hedge either the currency exposure of the class (relative to the portfolio's reference currency) Hedging involves costs, which reduce investment performance.

**High Yield risk** The high yield debt securities involve special considerations and risks, including the risks associated with international investing generally, such as currency fluctuations, the risks of investing in countries with smaller capital markets, limited liquidity, price volatility and restrictions on foreign investment.

Investment in high yield debt securities is subject to risks of interest rate, currency, market, credit and security. Compared to investment-grade bonds, the high yield bonds are normally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

**Interest rate risk** When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment.

**Investment fund risk** As with any investment fund, investing in the sub-fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the sub-fund and cause its NAV to fall
- the investor cannot direct or influence how money is invested while it is in the sub-fund
- the sub-fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor
- the sub-fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the sub-fund decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
- because the sub-fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
- because sub-fund shares are not publicly traded, the only option for liquidating shares is generally redemption, which could be subject to delays and any other redemption policies set by the sub-fund
- to the extent that the sub-fund invests in other UCITS / UCIs, it may incur a second layer of investment fees, which will further erode any investment gains
- to the extent that the sub-fund uses efficient portfolio management techniques, such as securities lending, repurchase transactions and reverse repurchase transactions, and in particular if it reinvests collateral associated with these techniques, the sub-fund takes on counterparty, liquidity,custody (e.g. of the assets' segregation) and operational risks, which can have an impact on the performance of the sub-fund concerned.
- the investment manager or its designees may at times find their obligations to the sub-fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably)

**Legal risk** The characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights.

**Leverage risk** The sub-fund's net exposure above the sub-fund net asset value makes its share price more volatile. To the extent that the sub-fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the sub-fund level.

**Liquidity risk** Any security could become hard to value or to sell at a desired time and price. Liquidity risk could affect the sub-fund's ability to repay repurchase proceeds by the deadline stated in the prospectus.

**Low interest rate risk** When interest rates are low, the yield on money market instruments and other short-term investments may not be enough to cover the sub-fund's management and operating costs, leading to a decline in the value of the sub-fund.

**Management risk** The sub-fund's management team may be wrong in its analysis, assumptions, or projections.

This includes projections concerning industry, market, economic, demographic, or other trends.

**Market risk** Prices of many securities change continuously, and can fall based on a wide variety of factors.

Examples of these factors include:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad. In particular, commodity market risk may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a sub-fund may invest and/or indices that a sub-fund may be exposed to. Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets etc.)

**MBS / ABS risk** Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity, credit and interest rate risks.

MBSs (a category that includes collateralised mortgage obligations, or CMOs) and ABSs represent an interest in a pool of debt, such as credit card receivables, auto loans, student loans, equipment leases, home mortgages and home equity loans.

When interest rates fall, these securities are often paid off early, as the mortgage-holders and other borrowers refinance the debt underlying the security. When interest rates rise, the borrowers of the underlying debt tend not to refinance their low-interest debt.

MBSs and ABSs also tend to be of lower credit quality than many other types of debt securities. To the extent that the debts underlying an MBS or ABS go into default or become uncollectable, the securities based on those debts will lose some or all of their value.

**Operational risk** In any country, but especially in emerging countries, there could be losses due to errors, service disruptions or other failures, as well as fraud, corruption, electronic crime, instability, terrorism or other irregular events. Operational risks may subject the sub-fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

**Prepayment and extension risk** Any unexpected behaviour in interest rates could hurt the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date). When interest rates fall, issuers tend to pay off these securities and re-issue new ones at lower interest rates. When this happens, the sub-fund may have no alternative but to reinvest the money from these prepaid securities at a lower rate of interest ("prepayment risk"). At the same time, when interest rates rise, borrowers tend not to prepay their low-interest mortgages. This may lead the sub-fund to receiving below-market yields until interest rates fall or the securities mature ("extension risk"). It can also mean that the sub-fund must either sell the securities at a loss or forgo the opportunity to make other investments that may turn out to have performed better.

The prices and yields of callable securities typically reflect the assumption that they will be paid off at a certain point before maturity. If this prepayment happens when expected, the sub-fund generally will not suffer any adverse effects. However, if it happens substantially earlier or later than expected, it can mean that the sub-fund effectively overpaid for the securities. Other factors as well can affect when or if an individual security is prepaid, including the presence or absence of any optional redemption and mandatory prepayment features, the default rate of the underlying assets and the nature of any turnover in the underlying assets.

Prepayment and extension considerations can also affect the sub-fund's duration, increasing or decreasing sensitivity to interest rates in undesired ways. In some circumstances, the failure of rates to rise or fall when anticipated could cause prepayment or extension risks as well.

**Real estate investments risk** Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable. Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management, and other factors that may affect the market value or cash flow of the investment.

**Small and mid-cap stock risk** Stocks of small and mid-size companies can be more volatile than stocks of larger companies.

Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of bankruptcy or other long-term or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

**Sustainable Investment Risk** The Investment Manager considers the principal adverse impact of investment decisions on Sustainability Factors when making investments on behalf of the Sub-Funds. As indicated in the relevant supplement certain Sub-Funds may also be established with either (i) investment policies that seek to promote environmental and social characteristics or (ii) a Sustainable Investment objective. In managing the Sub-Funds and in selecting the assets which the Sub-Fund shall invest in, the Investment Manager applies the Management Company's Responsible Investment Policy.

Certain Sub-Funds may have an investment universe that focuses on investments in companies that meet specific criteria including ESG scores and relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. Accordingly, the universe of investments of such Sub-Funds may be smaller than that of other funds. Such Sub-Funds may (i) underperform the market as a whole if such investments underperform the market and/or (ii) underperform relative to other funds that do not utilize ESG criteria when selecting investments and/or could cause the Sub-Fund to sell for ESG related concerns investments that both are performing and subsequently perform well.

Exclusion or disposal of securities of issuers that do not meet certain ESG criteria from the Sub-Fund's investment universe may cause the Sub-Fund to perform differently compared to similar funds that do not have such a responsible investment policy and that do not apply ESG screening criteria when selecting investments.

Sub-Funds will vote proxies in a manner that is consistent with the relevant ESG exclusionary criteria, which may not always be consistent with maximising the short-term performance of the relevant issuer. Further information relating to Amundi's ESG voting policy may be found at www.amundi.com.

The selection of assets may rely on a proprietary ESG scoring process that relies partially on third party data. Data provided by third parties may be incomplete, inaccurate or unavailable and as a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer.

**Style risk** Different investment styles typically go in and out of favor depending on market conditions and investor sentiment. At any given time, for instance, a growth-style portfolio may underperform a value-style portfolio, or vice-versa, and either may at any time underperform the market as a whole. Securities identified as undervalued may remain undervalued indefinitely, or may prove to have been fairly valued. With securities identified as offering above-average growth potential, a significant portion of the market price can be based on high expectations for future performance, and the price can fall rapidly and significantly if it begins to appear that these high expectations might not be met.

**Volatility risk** Changes in the volatility patterns of relevant markets could create sudden and/or material changes in the sub-fund's share price.

# GENERAL INVESTMENT POLICIES

Each sub-fund, and the SICAV itself, must comply with all applicable EU and Luxembourg laws and regulations, as well as certain circulars, technical standards and other requirements. This section presents, in synthesised form, the portfolio management requirements of the 2010 law, the main law governing the operation of a UCITS, as well as the ESMA requirements for risk monitoring and management. In case of any discrepancy the law itself (which is in French) would prevail.

In the case of any detected violation of the 2010 law, the appropriate sub-fund(s) must give priority to complying with the relevant policies in its securities trades and management decisions, taking due account of the interests of its shareholders. Except where noted, all percentages and restrictions apply to each sub-fund individually.

### PERMITTED SECURITIES AND TRANSACTIONS

The table below describes the types of securities and transactions that are allowable to any UCITS under the 2010 law. Most sub-funds set limits that are more restrictive in one way or another, based on their investment objectives and strategy. No sub-fund will make use of the investments described in Rows 6, 9 and 11 except as described in "Sub-Fund Descriptions". A sub-fund's usage of a security or technique must be consistent with its investment policies and restrictions. A sub-fund that invests or is marketed in jurisdictions outside the EU may be subject to further requirements (not described here) from regulators in those jurisdictions. Sub-funds that intend to use or invest in asset-backed securities, mortgage backed securities, contingent convertible bonds, distressed debt securities or securities in default will specifically indicate it in their investment policy.

Except for situations of exceptionally unfavourable market conditions where a temporary breach of the 20% limit is required by the circumstances and justified having regard to the interests of the shareholders, Sub-Funds of the Company may hold up to 20% of their net assets in ancillary liquid assets (as defined in point 8. of the table below), in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

A sub-fund does not need to comply with investment limits when exercising subscription rights, so long as any violations are corrected as described above.

| Security / Transaction | Requirements | |
|---|---|---|
| **1. Transferable securities and money market instruments** | Must be listed or dealt on an official stock exchange in an eligible state, or must trade in a regulated market in an eligible state that operates regularly, is recognised, and is open to the public. | Recently issued securities must pledge to seek a listing on a stock exchange or regulated market in an eligible state and must receive it within 12 months of issue. |
| **2. Money market instruments that do not meet the requirements in row** | Must be subject (either at the securities level or the issuer level) to investor protection and savings regulation and also must meet one of the following criteria:<br>• issued or guaranteed by a central, regional or local authority or a central bank of a EU member, the European Central Bank, the European Investment Bank, the EU, an international authority to which at least one EU nation belongs, a sovereign nation, or in the case of a federation, a federal state<br>• issued by an issuer or undertaking whose securities qualify under row 1 above<br>• issued or guaranteed by an issuer that is subject to EU prudential supervision rules or to other prudential rules the CSSF accepts as equivalent | Can also qualify if issuer belongs to a category recognized by the CSSF, is subject to investor protections that are equivalent to those described directly at left, and meets one of the following criteria:<br>• issued by a company with at least EUR 10 million in capital and reserves that publishes annual account<br>• issued by an entity dedicated to financing a group of companies at least one of which is publicly listed<br>• issued by an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line |
| **3. Shares of UCITS or UCIs that are not linked to the SICAV[1]** | Must be authorized by an EU member or by a state that the CSSF considers to have equivalent laws and adequate cooperation between authorities.<br>Must issue annual and semi-annual financial reports.<br>Must be limited by constitutional documents to investing no more than 10% of assets in other UCITS or UCIs. | Must be subject either to EU regulatory supervision and investor protections for a UCITS or to equivalent of those outside the EU (especially regarding asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments). |
| **4. Shares of UCITS or UCIs that are linked to the SICAV[1]** | Must meet all requirements in row 3.<br>The UCITS/UCI cannot impose any charges for buying, switching or redeeming shares. | The prospectus of any sub-fund with substantial investments in other UCITS/UCIs must state maximum management fees for the sub-fund itself and for UCITS/UCIs it intends to hold. |
| **5. Shares of other sub-funds of the SICAV** | Must meet all requirements in rows 3 and 4.<br>The target sub-fund cannot invest, in turn, in the acquiring sub-fund (reciprocal ownership).<br>The target sub-fund must be limited by constitutional documents to investing no more than 10% of its assets in any other sub-fund. | The acquiring sub-fund surrenders all voting rights in shares it acquires.<br>The shares do not count as assets of the acquiring sub-fund for purposes of minimum asset thresholds.<br>Adhering to these requirements exempts the SICAV from the requirements of the Law of 10 August 1915 with respect to the subscription, acquisition and/or the holding by a company of its own shares. |
| **6. Real estate and commodities, including precious metals** | Investment exposure is allowed only through transferable securities, derivatives, or other allowable types of investments. | The SICAV may directly purchase real estate or other tangible property that is directly necessary to its business.<br>Ownership of precious metals or commodities, directly or through certificates, is prohibited. |
| **7. Credit institution deposits** | Deposits with the exclusion of bank deposits at sight, which must be able to be withdrawn on demand and must not have a maturity longer than 12 months. | Institutions either must be headquartered in a EU Member State or, if not, subject to EU prudential rules or to other prudential rules the CSSF accepts as equivalent. |
| **8. Ancillary liquid assets** | Bank deposits at sight that are accessible at any time. | |

[1] A UCITS/UCI is considered to be linked to the SICAV if both are managed or controlled by the same or affiliated management companies, or if the SICAV directly or indirectly holds more than 10% of capital or voting rights of the UCITS/UCI.

| | | |
|---|---|---|
| **9. Derivatives and equivalent cash-settled instruments** | Underlying investments or reference indicators must be those described in rows 1, 2, 3, 4, 6 and 7, or must be indices, interest rates, forex rates or currencies. In all cases, these investments or indicators, and any investments they deliver, must be within scope for the sub-fund's non-derivative investments.<br>Total exposure cannot exceed 100% of sub-fund assets. | OTC derivatives must meet all of the following criteria:<br>• have reliable daily valuations that are accurate and independent<br>• be able to be sold, liquidated or otherwise closed at fair value at any time<br>• be with counterparties that are subject to prudential supervision and that are in categories approved by the CSSF<br>• have risk profiles that can adequately be measured<br>• not exceed 10% of the sub-fund assets when the counterpart is a credit institution or 5% with other counterparts. |
| **10. Transferable securities and money market instruments that do not meet the requirements in rows 1, 2, 6 and 7** | Limited to 10% of sub-fund assets. | |
| **11. Securities lending and borrowing, repurchase agreements and reverse repurchase agreements** | The volume of transactions must not interfere with a sub-fund's pursuit of its investment policy or its ability to meet redemptions. | The cash collateral from the transactions must be invested in high-quality, short term investments.<br>Lending or guaranteeing loans to third parties for any other purposes is prohibited. |
| **12. Borrowing** | Except for back-to-back loans used for acquiring foreign currencies, all loans must be temporary and are limited to 10% of sub-fund's net assets. | |

## DIVERSIFICATION REQUIREMENTS

To ensure diversification, a sub-fund cannot invest more than a certain amount of its assets in one body or one category of securities. For purposes of this table and the next, a "body" means an individual company, except for the limits in the "In aggregate" column, which are monitored at the group or consolidated level. These diversification rules do not apply during the first six months of a sub-fund's operation.

| | Maximum investment/exposure, as a % of sub-fund assets | | |
|---|---|---|---|
| **Category of securities** | **In any one issuer** | **In aggregate** | **Other** |
| **A. Transferable securities and money market instruments issued or guaranteed by an any nation, a public local authority within the EU, or an international body to which at least one EU member belongs** | 35% | | A sub-fund may invest in as few as six issues if it is investing in accordance with the principle of risk spreading and meets both of the following criteria:<br>1. the issues are transferable securities or money market instruments issued or guaranteed a sovereign entity, a public local authority within the EU or an international body to which at least one EU member belongs<br>2. the sub-fund invests no more than 30% in any one issue |
| **B. Bonds subject to certain legally defined investor protections* and issued by a credit institution domiciled in the EU** | 25% | 35% | 80% in bonds from all issuers or bodies in whose bonds a sub-fund has invested more than 5% of assets. |
| **C. Any transferable securities and money market instruments other than those described in rows A and B above** | 10%** | | 20% in all companies within a single issuer.<br>40%, in aggregate, in all issuers or bodies in which a sub-fund has invested more than 5% of its assets. |
| **D. Credit institution deposits** | 20% | 20% | |
| **E. OTC derivatives with a counterparty that is a credit institution as defined in row 7 (previous table)** | 10% exposure | | |
| **F. OTC derivatives with any other counterparty** | 5% exposure | | |
| **G. Units of UCITS or UCIs as defined in rows 3 and 4 (previous table)** | 20% | With no specific statement of policy, 10%; with a statement, 30% in UCI, 100% in UCITS | UCI compartments whose assets are segregated are each considered a separate UCI.<br>Assets held by the UCITS/UCIs do not count for purposes of complying with rows A - F of this table. |

* Bonds must invest the proceeds from their offerings to maintain full liability coverage and to give priority to bond investor repayment in case of issuer bankruptcy.

** For index-tracking sub-funds, if any, increases to 20%, so long as the index is a published, sufficiently diversified index that is adequate as a benchmark for its market and is recognised by the CSSF. This 20% increases to 35% (but for one issuer only) in exceptional circumstances, such as when the security is highly dominant in the regulated market in which it trades.

### LIMITS TO PREVENT SIGNIFICANT INFLUENCE

These limits, which apply at the SICAV level, are intended to prevent the SICAV from the risks that could arise for it and the issuer if the SICAV were to own a significant percentage of a given security or issuer.

| Category of securities | Maximum ownership, as a % of the total value of the securities issue |
|---|---|
| **Securities carrying voting rights** | Less than would allow the SICAV significant management influence |
| **Non-voting securities of any one issuer** | 10% |
| **Debt securities of any one issuer** | 10% |
| **Money market securities of any one issuer** | 10% |
| **Shares of any one UCITS or UCI** | 25% |

These limits can be disregarded at purchase if not calculable at that time.

These rules do not apply to:

- securities described in row A (previous table). shares held by the SICAV  in the capital of a company incorporated in a third country of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the third country complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 law.
- shares held by the SICAV in the capital of subsidiary companies which, carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of the shareholders on its or their behalf.

### FEEDER FUNDS

The SICAV can create sub-funds that qualify as a master fund or a feeder fund. It can also convert existing sub-funds into feeder funds, or switch any feeder fund to a different master fund. The rules below apply to any sub-fund that is a feeder fund.

| Security | Investment Requirements | Other Terms and Requirements |
|---|---|---|
| **Units of the master fund** | At least 85% of assets. | |
| **Derivatives and ancillary liquid assets** | Up to 15% of assets. | Derivatives must only be used for hedging. In measuring derivatives exposure, the sub-fund must combine its own direct exposure with the exposure created by the master fund. |

The master fund and feeder fund must have the same business days, share valuation days and financial year. The cut-off times for order processing must be coordinated so that orders for shares of the feeder fund can be processed and the resulting orders for shares of the master fund can be placed before the master fund's cut-off time.

### MANAGEMENT AND MONITORING OF GLOBAL RISK EXPOSURE

The management company uses a risk-management process, approved and supervised by its board, that enables it to monitor and measure the overall risk profile of each sub-fund. Risk calculations are performed every trading day.

There are three possible risk measurement approaches, as described below. The management company chooses which approach each sub-fund will use, based on the sub-fund's investment strategy. Where a sub-fund's use of derivatives is mostly for hedging and efficient portfolio management purposes, the commitment method is usually used. Where a sub-fund may use derivatives extensively, Absolute VaR is usually used, unless the sub-fund is managed with respect to a benchmark, in which case Relative VaR is used.

The board can require a sub-fund to use an additional approach (for reference only, however, not for purposes of determining compliance), and can change the approach if it believes the current method no longer adequately expresses the sub-fund's overall market exposure.

| Approach | Description |
|---|---|
| **Absolute Value-at-Risk (Absolute VaR)** | The sub-fund seeks to estimate the maximum loss it could experience in a month (meaning 20 trading days), and requires that 99% of the time, the sub-fund's worst outcome is no worse than a 20% decline in net asset value. |
| **Relative Value-at-Risk (Relative VaR)** | The sub-fund seeks to estimate the maximum loss it could experience beyond the estimated maximum loss of a benchmark (typically an appropriate market index or combination of indexes). The sub-fund calculates the amount that, with 99% certainty, is the limit for how much the sub-fund could underperform the benchmark over a month (20 trading days). The absolute VaR of the sub-fund cannot exceed twice that of the benchmark. |
| **Commitment** | The sub-fund calculates all derivatives exposures as if they were direct investments in the underlying positions. This allows the sub-fund to include the effects of any hedging or offsetting positions as well as positions taken for efficient portfolio management. A sub-fund using this approach must ensure that its overall market exposure from derivatives commitments does not exceed 210% of total assets (100% from direct investment, 100% from derivatives and 10% from borrowings). |

Any sub-fund that uses the Absolute or Relative VaR approaches must also calculate its expected gross level of leverage, which is stated in "Sub-Fund Descriptions". Under certain circumstances, gross leverage might exceed this percentage. This percentage of leverage might not reflect adequately the risk profile of the Sub-Funds and should be read in conjunction with the investment policy and objectives of the sub-funds. Gross leverage is a measure of total derivative usage and is calculated as the sum of the notional exposure of the derivatives used, without any netting that would allow opposite positions to be considered as cancelling each other out. As the calculation neither takes into account whether a particular derivative increases or decreases investment risk, nor takes into account the varying sensitivities of the notional exposure of the derivatives to market movements, this may not be representative of the actual level of investment risk within a sub-fund. The mix of derivatives and the purposes of any derivative's use may vary with market conditions.

For purposes of compliance and risk monitoring, any derivatives embedded in transferable securities or money market instrument count as derivatives, and any exposure to transferable securities or money market instruments gained through derivatives (except for index-based derivatives) counts as investment in those securities or instruments.

Derivatives contracts carry significant counterparty risk. Although the sub-funds use various techniques to mitigate exposure to counterparty risk, this risk is still present and could affect investment results. Counterparties used by the SICAV are identified in the annual report.

# MORE ABOUT DERIVATIVES AND TECHNIQUES

### TYPES OF DERIVATIVES THE SUB-FUNDS MAY USE

A derivative is a financial contract whose value depends on the performance of one of more reference assets (such as a security or basket of securities, an index or an interest rate). Always consistent with its investment policy, each Sub-Fund may invest in any type of financial derivative instrument. These may include the following types currently making up the most common derivatives:

- currency forwards (including non-deliverable forwards), currency options currency swaps, equity swaps, futures contracts, interest rate swaps, inflation-linked swaps, interest rate swaps options, options on futures contracts, contracts for difference,volatility futures, variance swaps, warrants.
- TRS are contracts where one party transfers to another party the total performance of a reference assets, including all interest, fee income, market gains or losses, and credit losses. The maximum and expected exposure of the Sub-Funds' assets to TRS are disclosed in the Prospectus. In certain circumstances these proportions may be higher.
- credit derivatives, such as credit default swaps are contracts where a bankruptcy, default, or other "credit event" triggers a payment from one party to the other
- TBA derivatives (forward contracts on a generic pool of mortgages. Overall characteristics of this pool is specified but the exact securities to be delivered to the buyer are determined 2 days before delivery, rather than at the time of the original trade)
- structured financial derivatives, such as credit-linked and equity- linked securities
- contracts for difference are contracts whose value is based on the difference between two reference measurements such as a basket of securities

Futures are generally exchange-traded. All other types of derivatives are generally OTC. For any index-linked derivatives, the index provider determines the rebalancing frequency.

Any Sub-Fund will, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving derivatives.

### PURPOSES OF DERIVATIVES USE

Consistent with its investment policy, a sub-fund may use derivatives for hedging against various types of risk, for efficient portfolio management or to gain exposure to certain investments or markets.

**Currency hedging** A sub-fund may engage in direct hedging (taking a position in a given currency that is in the opposite direction from the position created by other portfolio investments) and in cross-hedging (reducing the effective exposure to one currency while increasing the effective exposure to another).

Currency hedging can be done at the sub-fund level and at the share class level (for share classes that are hedged to a different currency than the sub-fund's base currency).

When a sub-fund holds assets that are denominated in multiple currencies, there is a greater risk that currency fluctuations will in practice not be fully hedged.

**Interest rate hedging** For interest rate hedging, the sub-funds typically use interest rate futures, interest rate swaps, writing call options on interest rates or buying put options on interest rates.

**Credit risk hedging** A sub-fund can use credit default swaps to hedge the credit risk of its assets. This includes hedges against the risks of specific assets or issuers as well as hedges against securities or issuers to which the sub-fund is not directly exposed.

**Duration hedging** seeks to reduce the exposure to interest rates parallel shifts along the curves. Such hedging can be done at the sub-fund level.

**Efficient portfolio management** The sub-funds can use any allowable derivative for efficient portfolio management. Efficient portfolio management includes cost reduction, cash management, the orderly maintenance of liquidity and related practices (for instance, maintaining 100% investment exposure while also keeping a portion of assets liquid to handle redemptions of shares and the buying and selling of investments). Efficient portfolio management does not include any activities that create leverage at the overall portfolio level.

**Gaining exposure** The sub-funds can use any allowable derivative as a substitute for direct investment, that is, to gain investment exposure to any security, market, index, rate, or instrument that is consistent with the sub-fund's investment objective and policy. This exposure may exceed the one than would be obtained through direct investment in that position (leverage effect).

A sub-fund can also sell a credit default swap as a way of gaining a specific credit exposure. Selling a credit default swap could generate large losses if the issuer or security on which the swap is based experiences a bankruptcy, default or other "credit event".

### TECHNIQUES AND INSTRUMENTS ON SECURITIES FINANCING TRANSACTIONS

Consistent with its investment policy each sub-fund may use the techniques and instruments on securities and financing transactions described in this section.

Each sub-fund must ensure that it is able at all times to meet its redemption obligations towards shareholders and its delivery obligations toward counterparties.

No sub-fund may sell, pledge, or give as security any securities received through these contracts.

***Securities lending and borrowing***

In securities lending and borrowing transactions, a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested by the lender. Through such transactions, a sub-fund may lend securities or instruments with any counterparty that is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

A sub-fund may lend portfolio securities either directly or through one of the following:

- a standardised lending system organised by a recognised clearing institution
- a lending system organised by a financial institution that specializes in this type of transaction

The borrower must provide a guarantee, in the form of collateral, that extends throughout the loan period and is at least equal to the global valuation of the securities lent, plus the value of any haircut considered appropriate in light of the collateral quality.

Each sub-fund may borrow securities only in exceptional circumstances, such as:

- when securities that have been lent are not returned on time
- when, for an external reason, the sub-fund could not deliver securities when obligated to

***Reverse repurchase and repurchase agreement transactions***

Under these transactions, the sub-fund respectively buys or sells securities and has either the right or the obligation to sell back or buy back (respectively) the securities at a later date and a specific price. A sub-fund may enter into repurchase agreements only with counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.The securities and counterparties allowed for these operations must comply with CSSF circular 08/356, CSSF circular 13/559 and CSSF circular 14/592.

***Acceptable Collateral***

As part of OTC Derivative transactions (including Total Return Swaps) and temporary purchases and sales of securities, the sub-fund may receive securities and cash as a guarantee (collateral).

Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.

It should be sufficiently diversified in terms of country, markets, issue and issuers and shall not entail on an aggregate basis an exposure to a given issuer for more than 20 % of its Net Asset Value.

Securities received as collateral, in compliance with and as listed in the

CSSF Circular 08/356, must adhere to the criteria defined by the management company. They must be:

- liquid;
- transferable at any time;
- diversified in compliance with the Fund's eligibility, exposure and diversification rules;
- issued by an issuer that is not an entity of the counterparty or its group and it is expected not to display a high correlation of the performance of the counterparty.

For bonds, securities will also be issued by high-quality issuers located in the OECD whose minimum rating may be AAA to BBB- on Standard & Poor's rating scale or with a rating deemed equivalent by the management company. Bonds must have a maximum maturity of 50 years.

Cash collateral received should only be (i) placed on deposit with entities prescribed in Article 41 1) (f) of the 2010 Law, (ii) invested in high-quality government bonds, (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the concerned Sub-Fund is able to recall at any time the full amount of cash on accrued basis, (iv) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

These criteria are detailed in a Risks policy which can be viewed on the website at www.amundi.com and may be subject to change, especially in the event of exceptional market circumstances.

All assets received as collateral should comply with the ESMA guidelines 2012/832 as to liquidity, valuation, issuer credit quality, correlation and diversification, with a maximum exposure to a given issuer of 20% of the net assets.

The assets received as collateral are held in custody by the Depository.

***Valuation of collateral***

Collateral received is valuated daily at market price (mark-to-market).

Haircuts may be applied to the collateral received (which depends on the type and sub-types of collaterals), taking into account credit quality, price volatility and any stress-test results. Haircuts on debt securities are namely based on the type of issuer and the duration of these securities. Higher haircuts are used for equities.

Margin calls are in principle made daily unless stipulated otherwise in a framework agreement covering these transactions if it has been agreed with the counterparty to apply a trigger threshold.

The collateral policy of the SICAV is made available to investor on the website at www.amundi.com

***Reinvestment of assets provided as guarantee***

Any cash provided as a guarantee can only be reinvested in keeping with CSSF circular 08/356.

Any other asset provided as a guarantee will not be re-used.

***Operational costs***

The net revenues achieved from efficient portfolio management transactions remain with the relevant sub-fund. Direct and indirect operational costs may be deducted from the revenues delivered to the sub-fund.

**Counterparties**

Counterparties are selected through a strict selection process. Counterparties analysis is based on credit risk analysis based on financial risk analysis (such as but not limited to earnings analysis, profitability evolution, structure of balance sheet, liquidity, capital requirement), and operational risk (such as but not limited to country, activity, strategy, business model viability, risk management and management track record).

The selection :

- only concerns financial institutions of OECD countries (without any legal status' criteria) whose minimum rating ranges between AAA to BBB- by Standard and Poor's, at the moment of transaction's, or considered to be equivalent by the Management Company according its own criteria and.
- is made from among reputable financial intermediaries on the basis of multiple criteria related to the provision of research services (fundamental financial analysis, company information, value added by partners, solid basis for recommendations, etc.) or execution services (access to market information, transaction costs, execution prices, good transaction settlement practices, etc.).

In addition, each of the counterparties retained will be analysed using the criteria of the Risk Department, such as country, financial stability, rating, exposure, type of activity, past performance, etc.

The selection procedure, implemented annually, involves the different parties of the front office and support departments. The brokers and financial intermediaries selected through this procedure will be monitored regularly in accordance with the Execution Policy of the Management Company.

# USE OF SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

The sub-funds will not use buy-sell back transactions or sell-buy back transactions and margin lending transactions in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

| SUB-FUNDS | Repo – Estimated (%) | Repo – Max (%) | Rev Repo – Estimated (%) | Rev Repo – Max (%) | Sec Lend – Estimated (%) | Sec Lend – Max (%) | Sec Borrow – Estimated (%) | Sec Borrow – Max (%) | TRS – Estimated (%) | TRS – Max (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| Technical Bond Investment | - | - | - | - | - | - | - | - | - | - |
| Multi Asset One | - | - | - | - | - | - | - | - | - | - |
| Aequitas Flexile | - | - | - | - | - | - | - | - | - | - |
| QTC Multi Asset | - | - | - | - | - | - | - | - | - | - |

# BENCHMARK REGULATIONS

The Indices listed below are at the date of the prospectus provided by benchmark administrators mentioned in the register referred to in article 36 of the Benchmark Regulation as administrator authorised pursuant to article 34 of the Benchmark Regulation.

| Benchmark administrator | Benchmark administrator legal name | Index | Sub-Fund |
|---|---|---|---|
| EMMI | European Money Markets Institute | Euribor 3 Month ACT/360 + 2,50% | Aequitas Flexile |

The Management Company has adopted a written plan setting out actions, which it will take with respect to the sub-funds in the event that the Index materially changes or ceases to be provided (the "Contingency Plan"), as required by article 28(2) of the Benchmark Regulation. A copy of the Contingency Plan may be obtained, free of charge, and upon request at the registered office of the Company and the Management Company.

# INVESTING IN THE SUB-FUNDS

### SHARE CLASSES

Within each sub-fund, the SICAV can create and issue share classes with various characteristics and investor eligibility requirements. Each share class is identified first by one of the base share class labels and then by any applicable suffixes(as described below) For instance, "AE-MD" would designate Class A shares that are denominated in Euro and pay monthly dividends.

### BASE SHARE CLASS DESIGNATIONS

*Note that even when advance approval from the board is not necessary to own a certain class of shares, such approval is always required to serve as a distributor of any given share class. For entry charges, you might be eligible to pay less than the maximum amounts shown. Consult a financial advisor. All fees shown are direct fees. Any indirect fees that are attributable to target funds and are relevant for a given sub-fund, are noted in that sub-fund's description. Performance fees apply to most of the sub-funds and share classes.*

### SHARE CLASS SUFFIXES

Where appropriate, one or more suffixes may be added to the base share class to indicate certain characteristics.

**Currency suffixes** These are of two types. The main type is a single or double letter that forms part of the actual share class label and indicates the primary currency in which the shares are denominated. Following are the single or double letter currency suffixes currently in use, and the currency each indicates (for definitions of currency abbreviations, see page 4):

| | | | | | |
|---|---|---|---|---|---|
| **A**: AUD | **CA**: CAD | **G**: GBP | **K**: CZK | **S**: SGD | **U**: USD |
| **C**: CHF | **E**: EUR | **J**: JPY | **P**: PLN | **SK**: SEK | |

In some cases, a share class may also be offered in a (non-hedged) currency into which the primary currency is converted. These are indicated on **fundsquare.com** or by the applicable three-letter currency code.

If no currency is indicated, the share class currency is the same as the base currency of the sub-fund.

**(C), (D)** These indicate whether shares are accumulation (C) or distribution shares (D). These abbreviations appear in parentheses. See "Dividend Policy" below.

**MD, QD, YD** For distribution shares, these further qualify the nature and frequency of dividend payments. See "Dividend Policy" below.

**H** Indicates that the shares are currency hedged. Currency hedging seeks to fully eliminate the effect of foreign exchange rate fluctuations between the share class currency and the currency exposure(s) of the relevant sub-fund portfolio. However, in practice it is unlikely that the hedging will eliminate 100% of the difference, because sub-fund cash flows, foreign exchange rates, and market prices are all in constant flux. For more on currency hedging, see "More About Derivatives and Techniques", page 25.

### AVAILABLE CLASSES

Not all share classes and categories are available in all sub-funds, and some share classes (and sub-funds) that are available in certain jurisdictions may not be available in others. For the most current information on available share classes, go to **fundsquare.com** or request a list free of charge from the registered office (see page 39).

## Share Class Policies

### ISSUANCE AND OWNERSHIP

**Registered shares** Currently, we issue shares in registered form only, meaning that the owner's name is recorded in the SICAV's register of shareholders. You can register your shares in the names of multiple owners (up to four) but can use only one registered address. Each owner of a joint account may act upon the account individually, except with respect to voting rights.

**Share certificates** Although we do not recommend it, you can request a printed share certificate that documents your registered shares. Certificates are mailed within 14 days of when we approve the opening of your account and process your payment for the shares.

One drawback of share certificates is that once one has been issued, you cannot switch or redeem any of your shares until you have endorsed the certificate and it has been physically received by the transfer agent. This can involve costs and can delay your transaction.

The loss of a certificate, regardless of the cause, creates further costs and delays. In addition, unless you request (and pay for) insurance, your certificates will be mailed to you at your own risk. You also bear the risk if you mail the signed certificates back to us for redemption.

**Investing through a nominee vs. directly with the SICAV** If you invest through an entity that holds your shares under its own name (a nominee account), that entity is legally entitled to exercise certain rights associated with your shares, such as voting rights. If you want to retain all shareholder rights, you may invest directly with the SICAV. Be aware that in some jurisdictions, a nominee account may be the only option available.

### DIVIDEND POLICY

**Distributing shares** These shares will distribute substantially all net investment income received by the relevant sub-fund, and may also distribute capital gains (both realised and unrealised) and capital. When a dividend is declared, the NAV of the relevant class is reduced by the amount of the dividend.

Shares that have the suffix MD, QD or YD pre-announce a target dividend amount, and schedule their dividend payments either monthly (MD), quarterly (QD) or yearly (YD). A target dividend is an amount that the sub-fund aims to pay, but does not guarantee. Target dividends may be stated as a specific currency amount or as a percentage of NAV. Note that in order to meet a targeted dividend amount, a sub-fund may end up paying out more money than it actually earned in dividends, meaning that in effect you are getting some of your capital back as a dividend.

For more information on dividend calendar and objectives, go to **amundi.com**.

Additional dividends may be declared as determined by the board.

Dividends on distributing shares are paid according to the bank account details we have on file for your account. For each share class, dividends are paid in the currency of the share class. You can request to have your dividends converted to a different currency. If the currency is one that the sub-fund uses, there is typically no currency conversion charge. In other cases you will be typically charged applicable currency conversion costs. Contact the transfer agent for terms and fees and to set up this service (see page 40).

Unclaimed dividend payments will be returned to the sub-fund after five years. Dividends are paid only on shares owned as at the record date.

No sub-fund will make a dividend payment if the assets of the SICAV are below the minimum capital requirement, or if paying the dividend would cause that situation to occur.

**Accumulating shares** These shares retain all net investment income in the share price and do not distribute them.

### OTHER POLICIES

A sub-fund may issue fractional shares of as little as one one-thousandth of a share (three decimal places). Fractional shares receive their pro rata portion of any dividends, reinvestments and liquidation proceeds.

Shares carry no preferential or preemptive rights. No sub-fund is required to give existing shareholders any special rights or terms for buying new shares.

## Purchasing, Switching, Redeeming and Transferring Shares

The instructions in this section are generally intended for financial intermediaries and for investors conducting business directly with the SICAV. If you are investing through a financial advisor or other intermediary, you may use these instructions, but in general we recommend that you place all transaction orders through your intermediary unless there is reason not to.

### INFORMATION THAT APPLIES TO ALL TRANSACTIONS EXCEPT TRANSFERS

**Placing requests** You can place requests to buy, switch or redeem (sell back to the SICAV) shares at any time by approved electronic means, or by fax or letter to a distributor or the transfer agent (see page 40). Fax requests by nature are subject to transmission errors, and we cannot be responsible for fax orders that do not reach us, are not legible, or become garbled in transmission.

As noted above, if you are redeeming or switching certificated shares, we cannot process your request until we have received your certificates.

When placing any request, you must include all necessary identifying information and instructions as to the sub-fund, share class, account, and size and type of transaction (purchasing, switching or redeeming). You may indicate the value of a request as a currency amount or a share amount.

Note that requests that arrive at a time when transactions in sub-fund shares are suspended will cancelled.

For each transaction, a confirmation notice will be sent to the registered account holder. These notices will include information about how much of the share price represents income, capital gains or a return of capital.

**Cut off times and processing schedule** Requests that have been timely received and accepted (meaning that they have arrived at the transfer agent and are considered complete and authentic) will be processed as shown for each sub-fund under "Timing of transactions" . The NAV is calculated using values as at the close of business on the business day indicated (the "NAV date").

Requests received and accepted after the cut-off time described under "Timing of transactions" on a business day will be processed as if they had been received on the following business day except as otherwise indicated in each "Sub-funds descriptions".
The rules for request processing described in this prospectus, including those concerning the date and NAV that will apply to the execution of any order, will prevail over any other written or verbal communications. A confirmation notice will normally be sent.

**Pricing** Shares are priced at the NAV for the relevant share class and are quoted in the currency of that share class. The price will be the NAV that is calculated on the day on which your order is processed (not the day on which we receive your order). Since this NAV will be not calculated until at least one business day after we accept your request, it is not possible to know the share price in advance.

**Currency conversions** We can accept and make payments in most freely convertible currencies. If the currency you request is one that the sub-fund accepts, there is typically no currency conversion charge. In other cases you will be typically charged applicable currency conversion costs, and also you may experience a delay in your investment or the receipt of redemption proceeds. The transfer agent converts currencies at exchange rates in effect at the time the conversion is processed.

Contact the transfer agent (page 40) before requesting any transaction in a currency that is different from that of the share class. In some cases, you may be asked to transmit payment earlier than would normally be required.

**Fees** Any purchase, switch or redemption may involve fees. To find out the actual purchase, switch or redemption fee for a transaction, contact your financial adviser or the transfer agent (see page 40). Other parties involved in the transaction, such as a bank, financial intermediary, or paying agent may charge their own fees. Some transactions may generate tax liabilities. You are responsible for all costs and taxes associated with each request you place.

**Changes to account information** You must promptly inform us of any changes in personal or bank information. We will require adequate proof of authenticity for any request to change the bank account associated with your sub-fund investment.

### BUYING SHARES

*Also see "Information that Applies to All Transactions Except Transfers" above*

To make an initial investment, submit a completed application form and all account opening documentation (such as all required tax and anti-money laundering information) to a distributor or the transfer agent (see page 40). If you place your request by fax, you must follow up by mailing a paper copy to the transfer agent (see page 40). Once an account has been opened, you can place additional orders by fax or letter.

Note that any order that arrives before your account is fully approved and established will normally be held until the account becomes operational. If we do not receive full payment for your shares within the time indicated above for settlement, we may redeem your shares, cancel their issuance and return the payment to you, minus any investment losses and any incidental expenses incurred in cancelling the shares issued.

For optimal processing of investments, send money via bank transfer in the currency denomination of the shares you want to buy.

### SWITCHING SHARES

*Also see "Information that Applies to All Transactions Except Transfers" above*

Unless specifically stated under "Sub-Fund Descriptions", you can switch (convert) shares of most sub-funds and classes into shares of certain other sub-funds and classes. To ensure that a switch is permissible, contact a distributor or the transfer agent (see page 40).

All switches are subject to the following conditions:

- you must meet all eligibility requirements for the share class into which you are requesting to switch
- you can only switch into a sub-fund and share class that is available in your country of residence
- the switch must not violate any particular restrictions of either sub- fund involved (as stated in "Sub-Fund Descriptions")

We process all switches of shares on a value-for-value basis, using the NAVs of the two investments (and, if applicable, any currency exchange rates) that are in effect as at the time we process the switch.

Once you have placed a request to redeem shares, you can withdraw it only if there is a suspension of trading in shares for the relevant sub-fund.

### REDEEMING SHARES

*Also see "Information that Applies to All Transactions Except Transfers" above*

When you redeem shares, we will send out payment (in the base currency of the share class) on the settlement day indicated for each sub-fund under "Timing of transactions". To have your redemption proceeds converted to a different currency, contact a distributor or the transfer agent prior to placing your request (see page 40).

We will pay redemption proceeds only to the shareholder(s) identified in the register of shareholders. Proceeds are paid according to the bank account details we have on file for your account. The SICAV does not pay interest on redemption proceeds whose transfer or receipt is delayed for reasons that are beyond its control.

Once you have placed a request to purchase shares, you can withdraw it only if there is a suspension of trading in shares for the relevant sub-fund.

Note that we will not pay out any redemption proceeds until we have received all investor documentation from you that we may consider necessary.

### TRANSFERRING SHARES

As an alternative to switching or redemption, you may transfer ownership of your shares to another investor through the transfer agent (see page 40).

Note that all transfers are subject to any eligibility requirements and holding restrictions that may apply. For example, institutional shares cannot be transferred to non-institutional investors, and no shares of any type can be transferred to a US investor. If a transfer to an ineligible owner occurs, the board will either void the transfer, require a new transfer to an eligible owner, or forcibly liquidate the shares.

## How We Calculate NAV

**Timing and formula** We calculate the NAV for each share class of each sub-fund as at the end of every day that is a business day for that sub-fund (as described in "Sub-Fund Descriptions"). The actual calculation of NAV occurs the following business day, immediately prior to the processing of transactions in sub-fund shares that were received and accepted before the cut-off time on the previous business day. Each NAV is stated in the designated currency of the share class (and, for some share classes, in other currencies as well) and is calculated to at least two decimal points. All NAVs whose pricing involves currency conversion of an underlying NAV are calculated at an exchange rate in effect at the time the NAV is calculated.

To calculate NAV for each share class of each sub-fund, we use this general formula:

$$\frac{\text{(assets − liabilities)}}{\text{number of outstanding shares}} = \text{NAV}$$

Appropriate provisions will be made to account for the costs, charges and fees attributable to each sub-fund and class as well as accrued income on investments. For more specific information about the calculation formulas we use, see the articles of incorporation.

Orders received on a day preceding a day on which the NAV is not calculated will be executed at the next available NAV.

**Swing pricing** On business days when it believes that trading in a sub-fund's shares will require significant purchases or sales of portfolio investments, the Board may adjust the sub-fund's NAV to more closely reflect the actual prices of the underlying transactions, based on estimated dealing spreads, costs, and other market and trading considerations. In general, the NAV will be adjusted upward when there is strong demand to buy sub-fund shares and downward when there is strong demand to redeem sub-fund shares. For any given business day, the adjustment will normally not be larger than 2% of NAV, but the Board can raise this limit when necessary to protect the interests of shareholders.

**Asset valuations** In general, we determine the value of each sub-fund's assets as follows:

- **Cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received.** Valued at full value, minus any appropriate discount we may apply based on our assessments of any circumstances that make the full payment unlikely.
- **Transferable securities, money market instruments and derivatives that are quoted or dealt in on any stock exchange or traded in any other regulated market.** Generally valued at the last available market price for the NAV date.
- **Non-listed securities, or listed securities for which the price determined according to the above methods not representative of fair market value.** Valued in good faith at a prudent estimate of their sales price.
- **Derivatives that are not listed on any official stock exchange or are traded over the counter.** Valued daily in a reliable and verifiable manner, consistent with market practice.
- **Shares of UCITS or UCIs.** Valued at the most recent NAV reported by the UCITS/UCI that is available at the time the sub-fund is calculating its NAV.
- **Swaps.** Valued at the net present value of their cash flows.
- **Currencies.** Valued at the applicable foreign exchange rate (applies to currencies held as assets and when translating values of securities denominated in other currencies into the base currency of the sub-fund.

For any asset, the board can choose a different valuation method if it believes the method may result in a fairer valuation.

Trades made in a sub-fund's portfolio will be reflected on the business day they are made to the extent practicable.

For complete information on how we value investments, see the articles of incorporation.

## Taxes

### TAXES PAID FROM SUB-FUND ASSETS

**Taxe d'abonnement** The SICAV is subject to a taxe d'abonnement at the following rates:

*Indexed sub-funds with listed shares*

- All classes: Zero.

*Cash sub-funds*

- All classes: 0.01%.

*All other sub-funds*

- Classesreserved to institutional investors: 0.01%.
- All other classes: 0.05%.

This tax is calculated and payable quarterly, on the aggregate net asset value of the outstanding shares of the SICAV at the end of each quarter. The value of the assets represented by units held in other UCIs are exempted from the subscription tax , provided such units have already been subject to the subscription tax provided for in Article 174 of the 2010 Law, article 68 of the law of 13 February 2007 on specialised investment funds or by article 46 of the law of 23 July 2016 on reserved alternative investment funds.

The SICAV is not currently subject to any other Luxembourg taxes on income or capital gains.

While the above tax information is accurate to the best of the board's knowledge, it is possible that a tax authority may impose new taxes (including retroactive taxes) or that the Luxembourg tax authorities may determine, for example, that any class currently identified as being subject to the 0.01% taxe d'abonnement should be reclassified as being subject to the 0.05% rate. The latter case could happen for an institutional share class of any sub-fund for any period during which an investor not entitled to hold institutional shares was found to have held such shares.

### TAXES YOU ARE RESPONSIBLE FOR PAYING

**Taxpayers in Luxembourg** Shareholders whom Luxembourg considers to be residents or otherwise to have permanent establishment there, currently or in the past, may be subject to Luxembourg taxes.

**Taxpayers in Other Countries** Shareholders who are not Luxembourg taxpayers are not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance or other taxes, with the rare exceptions of certain former Luxembourg residents and any investor who owns more than 10% of the SICAV's total value. However, an investment in a sub-fund may have tax implications in any jurisdiction that considers you to be a taxpayer.

**European Savings Directive Withholding Tax** We automatically enroll all sub-fund accounts in the European Union Savings Directive (EUSD) exchange of information regime. As a result, information on distributions and redemptions in certain sub-Funds are reported to the Luxembourg authorities, who in turn will share it with the tax authorities of the EU member state in which the shareholder is residing.

**FATCA** The US Foreign Account Tax Compliance Act (FATCA) imposes a 30% withholding tax on certain payments to foreign entities that originate in the US, unless an exception applies. As from 1 January 2017, any shareholders who do not provide all FATCA-related information requested, or whom we believe are US investors, may be subject to this withholding tax on all or a portion of any redemption or dividend payments paid by the sub-fund. From this same date, we may prohibit the sale or ownership of shares involving any Non-Participating FFI (NPFFI) or any other investor we believe to be subject to the withholding tax, in order to avoid any potential issues from the "Foreign Passthru payment" mechanism and the necessity of deducting the tax.

Amundi Luxembourg and the SICAV are each considered a "Reporting FFI Model 1" under FATCA, and each intends to comply with the Model I Intergovernmental Agreement between Luxembourg and the United States (IGA). Neither the SICAV nor any sub-fund expects to be subject to any FATCA withholding tax.

FATCA requires the SICAV and the sub-funds to gather certain account information (including ownership details, holdings and distribution information) about certain US investors, US-controlled investors and non-US investors that do not comply with applicable FATCA rules or do not provide all required information under the IGA.

In this regard, each shareholder agrees in the Application Form to provide any required information upon request from the SICAV, a sub-fund, or its agent.

Under the IGA, this information must be reported to the Luxembourg tax authorities, who in turn may share it with the US Internal Revenue Service or other tax authorities.

FATCA is comparatively new and its implementation is still developing. While the above information summarises the board's current understanding, that understanding could be incorrect, or the way FATCA is implemented could change in a way that would make some or all investors in the sub-funds subject to the 30% withholding tax.

**COMMON REPORTING STANDARD**

Under CRS law, the SICAV is likely to be treated as a Luxembourg reporting financial institution. As such, the SICAV will be required to annually report to the Luxembourg tax authorities personal and financial information related to the identification and holdings of, and payments made to, certain investors and controlling persons of certain non-financial entities that are themselves reportable persons. Certain operations performed by reportable persons will be reported to the Luxembourg tax authorities through the issuance of statements, which will serve as a basis for the annual disclosure to these authorities.

Any shareholder who fails to comply with the SICAV's information or documentation requests may be held liable for penalties imposed on the SICAV that are attributable to the shareholder' s failure to provide the documentation.

## Rights We Reserve

We reserve the right to do any of the following at any time:

- **Reject or cancel any request to buy shares,** whether for an initial or additional investment, for any reason. We can reject the entire request or part of it.
- **Refuse your investment** if we do not receive all documentation we consider necessary to open your account. Without prejudice to other specific rules (see "Fight Against Money Laundering and Financing of Terrorism"), we will return your initial investment money without interest.
- **Redeem your shares and send you the proceeds or switch your holding to another class if you no longer meet the qualifying criteria for the share class you hold.** We will give you 30 calendar days' notice before doing so, to allow you time to switch to another class or redeem the shares.
- **Request proof of eligibility to hold shares or compel an ineligible shareholder to relinquish ownership.** If we believe that shares are being held in whole or in part by an ineligible owner, or that the circumstances of ownership may cause the SICAV to be taxed by jurisdictions other than Luxembourg, we may redeem the shares without the owner's consent. At our option, we may request certain information from the owner to establish eligibility, but we may still at any time proceed with forcible redemption. The SICAV will not be held liable for any gain or loss associated with these redemptions.
- **Temporarily suspend the calculation of NAVs or transactions in a sub-fund's shares** when any of the following is true:
  - the principal stock exchanges or markets associated with a substantial portion of the sub-fund's investments are closed during a time when they normally would be open, or their trading is restricted or suspended
  - a master fund of which the sub-fund is a feeder fund has suspended its NAV calculations or share transactions
  - the board believes an emergency exists that has made it impractical to reliably value or to trade sub-fund assets; this may include political, military, economic, monetary, fiscal, or infrastructure-related events
  - portfolio transactions are being hampered or blocked by restrictions on cash transfers or currency conversions, cannot be completed at normal exchange rates, or are otherwise affected by any settlement issue
  - notice has been given of decision to merge the SICAV or the sub-fund, or of a shareholder meeting at which it will be decided whether or not to liquidate the sub-fund or the SICAV
  - any other circumstance exists that would justify the suspension for the protection of shareholders

  A suspension could apply to any share class and sub-fund, or to all, and to any type of request (buy, switch, redeem). We can also refuse to accept requests to buy, switch or redeem shares. During times of suspension, any unprocessed subscription orders are cancelled, and any unprocessed conversion/redemption orders are suspended, unless you withdraw them.

  If your order is delayed in processing because of a suspension, you will be notified of the suspension within 7 days of your request, and of its termination. If a suspension lasts for an unusually long time, all investors will be notified.
- **Limit how many shares are redeemed in a short amount of time.** On any business day, no sub-fund will be obligated to process redemption requests that, in total, exceed either 10% of its outstanding shares or 10% of its net assets. To meet these limits, the sub-fund can reduce the requests on a pro rata basis. If this occurs, unfulfilled portions will be deferred to the next business day and given priority over new requests.

  On any day when the volume of redemptions to be processed is larger than the redemption capacity for the day, as determined by the rules stated in this bullet, all orders scheduled to be processed will be processed as partial redemptions, with the same pro rata percentage for each order. A sub-fund will only limit redemptions when necessary to prevent liquidity constraints that would be detrimental to remaining shareholders.
- **Process unusually large purchases or redemptions at a price different from NAV.** With any order we believe is large enough that the purchases or liquidations of portfolio securities necessary to process the order may affect the prices at which the transactions occur, we may use actual ask or bid prices (for purchases or liquidations respectively) in determining the amount of redemption proceeds due or the quantity of sub-fund shares purchased.
- **Use fair market valuation.** In any case when a sub-fund has calculated its NAV and there is subsequently a material change in the quoted market prices of that sub-fund's investments, the board may direct the sub-fund to cancel its current NAV and issue a new NAV that reflects fair market values for its holdings. If any transactions were processed at the canceled NAV, the sub-fund may re-process them at the new NAV. The board will only take these measures when it believes they are warranted in light of unusual market volatility or other circumstances. Any fair value adjustments will be applied consistently to all share classes within a sub-fund.

## Fight Against Money Laundering and Financing of Terrorism

To comply with Luxembourg laws, regulations, circulars, etc. aimed at preventing money laundering and the financing of terrorism, we or any distributor or delegate (especially the Registrar and Transfer Agent) may require certain types of account documentation to allow us ensuring proper identification of Investors and ultimate beneficial owners.

We or any distributor or delegate may ask you in addition to the application form, any information and supporting documents we deem necessary as determined from time to time (either before opening an account or at any time afterward) to ensure proper identification in the meaning of applicable laws and regulations, including information about the beneficial ownership, proof of residence, source of funds and origin of wealth in order to be compliant at all times with applicable laws and regulations.

You will also be required regularly to supply updated documentation and in general, you must ensure at all times that each piece of information and documentation provided, especially on the beneficial ownership, remains up to date.

In case you subscribe through an intermediary and/or nominee investing on your behalf, enhanced due diligence measures are applied in accordance with applicable laws and regulations, to analyse the robustness of the AML/CFT control framework of the intermediary/nominee.

Delay or failure to provide the required documentation may result in having any order delayed or not executed, or any proceeds withheld. Neither us or our delegates have any liability for delays or failure to process deals as a result of an investor providing no or only incomplete information and/or documentation.

We shall ensure that due diligence measures on investments are applied on a risk-based approach in accordance with applicable laws and regulations.

## Excessive Trading and Market Timing

The sub-funds are in general designed to be long-term investments and not vehicles for frequent trading or for market timing (defined as short-term intended to take advantage of arbitrage opportunities that may arise from the interaction of market opening times and the timing of NAV calculations).

These types of trading are not acceptable as they may disrupt portfolio management and drive up sub-fund expenses, to the detriment of other shareholders. We may therefore take various measures to protect shareholder interests, including rejecting, suspending or cancelling any request we believe represents excessive trading or market timing. We may also forcibly redeem your investment, at your sole cost and risk, if we believe you have engaged in excessive trading or market timing.

To determine the extent to which certain transactions are motivated by short-term trading or market timing considerations and therefore may be subject to the policy of restricting certain transactions, the SICAV considers various criteria, including the Intermediary's assumption to involve certain volumes and frequencies, market norms, historical patterns and the intermediary' s asset levels.

## Late Trading

We take measures to ensure that any request to buy, switch or redeem shares that arrives after the cut-off time for a given NAV will not be processed at that NAV.

## Privacy of Personal Information

In accordance with the Data Protection Law, the SICAV, acting as data controller, hereby informs the shareholders (or if the shareholder is a legal person, informs the shareholder's contact person and/or beneficial owner) that certain personal data ("Personal Data") provided to the SICAV or its delegates may be collected, recorded, stored, adapted, transferred or otherwise processed for the purposes set out below.

Personal Data includes (i) the name, address (postal and/or e-mail), bank details, invested amount and holdings of a shareholder; (ii) for corporate shareholders: the name and address (postal and/or e-mail) of the shareholders' contact persons, signatories, and the beneficial owners; and (iii) any other personal data the processing of which is required in order to comply with regulatory requirements, including tax law and foreign laws

Personal Data supplied by shareholders is processed in order to enter into and execute transactions in Shares of the SICAV and for the legitimate interests of the SICAV. In particular, legitimate interests include (a) complying with the SICAV's accountability, regulatory and legal obligations; as well as in respect of the provision of evidence of a transaction or any commercial communication; (b) exercising the business of the SICAV in accordance with reasonable market standards and (c) the processing of Personal Data for the purpose of: (i) maintaining the register of shareholders; (ii) processing transactions in Shares and the payment of dividends; (iii) maintaining controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules; (v) marketing and client-related services; (vi) fee administration; and (vii) tax identification under the EU Savings Directive, OECD Common Reporting Standard (the "CRS") and FATCA.

The SICAV may, subject to applicable law and regulation, delegate the processing of Personal Data, to other data recipients such as, inter alia, the Management Company, the Investment Managers, the Sub-Investment Managers, the Administrator, the Registrar and Transfer Agent, the Depositary and Paying Agent, the auditor and the legal advisors of the SICAV and their service providers and delegates (the "Recipients").

The Recipients may, under their own responsibility, disclose Personal Data to their agents and/or delegates, for the sole purposes of assisting the Recipients to provide services to the SICAV and/or to fulfil their own legal obligations. Recipients or their agents or delegates may, process Personal Data as data processors (when processing upon instruction of the SICAV), or as data controllers (when processing for their own purposes or to fulfil their own legal obligations). Personal Data may also be transferred to third parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable law and regulation. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

Data processors may include any entity belonging to the Société Générale group of companies (including outside the EU) for the purposes of performing operational support tasks in relation to transactions in the Shares, fulfilling anti-money laundering and counter-terrorist financing obligations, avoiding investment fraud and for compliance with the obligations of CRS.

In accordance with the conditions laid down by the Data Protection Law, shareholders have the right to:

- request access to their Personal Data
- request the correction of their Personal Data where it is inaccurate or incomplete
- object to the processing of their Personal Data
- request erasure of their Personal Data
- request for restriction of the use of their Personal Data and
- request for Personal Data portability)

Shareholders may exercise the above rights by writing to the SICAV at the following address: 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg.

The shareholders also have the right to lodge a complaint with the National Commission for Data Protection (the "CNPD") at the following address: 15, boulevard du Jazz, L-4370 Belvaux, Grand Duchy of

Luxembourg, or with any competent data protection supervisory authority.

A shareholder may, at its discretion, refuse to communicate its Personal Data to the SICAV. In this event however, the SICAV may reject the request for subscription for Shares and block an account for further transactions. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by applicable law.

# THE SICAV

## Operations and Business Structure

**SICAV name**
AFH

**Registered office**
5, allée Scheffer
2520 Luxembourg, Luxembourg

**Other contact information**
Amundi Luxembourg
Tel +352 26 86 80 80

**Legal structure** Open-ended investment company organised as a société anonyme and qualifying as a société d'investissement à capital variable (SICAV)

**Legal jurisdiction** Luxembourg

**Founding/history** Formed on 5 April 2018 as a *société d'investissement à capital variable*.

**Duration** Indefinite

**Articles of incorporation** Dated 5 April 2018. Publcation in the Recueil Electronique des Sociétés et Associations is pending.

**Regulatory authority**
Commission de Surveillance du Secteur Financier (CSSF)
283, route d'Arlon
1150 Luxembourg, Luxembourg

**Registration number** B 223.412

**Financial year** January 1 to December 31

**Capital** Sum of the net assets of all of the sub-funds.

**Minimum capital (under Luxembourg law**) EUR 1,250,000 or equivalent in any other currency, to be reached within the first six months.

**Par value of shares** None

**Share capital and reporting currency** EUR

## Structure and Governing Law

The SICAV functions as an "umbrella fund" under which the sub- funds are created and operate. The assets and liabilities of each sub-fund are segregated from those of other sub-funds (meaning that third-party creditors have recourse only to the assets of the sub-fund concerned). The SICAV qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part 1 of the 2010 law, and is registered on the official list of collective investment undertakings maintained by the CSSF.

Any legal disputes involving the SICAV, the depositary or any shareholder will be subject to the jurisdiction of the competent Luxembourg court, although the SICAV or the depositary may submit to a competent court of another jurisdiction when that jurisdiction's regulations require it. The ability for a shareholder to bring a claim against the SICAV expires five years after the event on which the claim would be based (30 years in the case of claims concerning entitlement to the proceeds of a liquidation).

## Board of Directors of the SICAV

**Mr. Joseph El Gharib**
Head of Amundi Services
Amundi Asset Management
91-93, boulevard Pasteur
F-75015 Paris, France

**Mrs. Jeanne Duvoux**
Chief Executive Officer and Managing Director,
Amundi Luxembourg S.A.
5, allée Scheffer
L-2520 Luxembourg, Luxembourg

**Mr. Nicolas Vauléon**
Chief Executive Officer
Amundi Global Servicing
5, allée Scheffer
L-2520 Luxembourg

The board is responsible for the overall management and administration of the SICAV and has broad powers to act on its behalf, including:

- appointing and supervising the management company
- setting investment policy and approving the appointment of any investment manager or sub-investment manager
- making all determinations regarding the launch, modification, merger or discontinuation of sub-funds and share classes including such matters as timing, pricing, fees, dividend policy and payment and amount of dividends, liquidation of the SICAV, and other conditions
- determining whether to list a sub-fund's shares on any stock exchange
- determining whether and where to publish sub-fund NAVs and dividend notices
- determining when and in what manner the SICAV will exercise any of the rights reserved in this prospectus or by statute and making any associated shareholder communications
- ensuring that the management company and the depositary are adequately capitalised and that their appointment is consistent with the 2010 Law and any applicable contracts of the SICAV
- determining the availability of any share class to any investor or distributor or in any jurisdiction
- approving any multi-year investment plans, making any changes to the terms, fees, general structure, and extent of shareholder choices it may desire

The board is responsible for the information in this prospectus and has taken all reasonable care to ensure that it is materially accurate and complete.

Directors serve until their term ends, they resign, or they are revoked, in accordance with the articles of incorporation. Any additional directors will be appointed in accordance with the articles of incorporation and Luxembourg law. Directors may receive compensation for serving on the board. Any such compensation will be disclosed as required by applicable law or regulation.

## Conducting Officers

**Mrs. Jeanne Duvoux**

Managing Director / Chief Executive Officer

Amundi Luxembourg S.A.

**Mr. Enrico Turchi**

Managing Director / Deputy Chief Executive Officer

Amundi Luxembourg S.A.

## Service Providers Engaged by the SICAV

### Depositary

**CACEIS Bank, Luxembourg Branch.**

5, allée Scheffer

2520 Luxembourg, Luxembourg

caceis.com

The depositary holds all of the SICAV' s assets, including its cash and securities, either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the depositary, as described in the depositary agreement.

The depositary is entrusted with the safe-keeping and/or, as the cas may be , recordkeeping of the SICAV's assets on behalf of and for the exclusive interest of the shareholders. All assets that can be held in custody are registered in the depositary's books in segregated accounts, opened in the name of the SICAV, in respect of each sub-fund. The depositary must verify the ownership of such assets by the SICAV in respect of each sub-fund, and shall ensure that the SICAV' s cash flows are properly monitored.

In addition, the depositary is responsible for ensuring that:

- the sale, issue, repurchase, cancellation and valuation of shares are done according to law and the articles of incorporation
- all income produced by the SICAV is properly allocated (as specified in the articles)
- all monies due to the SICAV arrive within the customary market period
- the SICAV carries out the board's instructions (unless they conflict with the law or the articles of incorporation)
- the NAV of the shares is calculated in accordance with the law and the articles of incorporation

The depositary must use reasonable care in exercising its functions and is liable for the loss or theft of any financial instrument held in custody. In such case, the depositary must return a financial instrument of identical type or the corresponding amount to the SICAV without undue delay unless it proves that the loss is the result of an external event beyond its reasonable control.In compliance with Luxembourg law, the depositary is liable to the SICAV and its shareholders for any loss incurred by the depositary or resulting from its failure to execute, or from its wrongful execution of, its duties. It may entrust assets to third party banks, financial institutions or clearinghouses but this will not affect its liability. The list of such delegates or the potential conflict of interest that may arise from such delegation is available on the website of the depositary, caceis.com section "veille reglementaire". Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the UCITS, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the UCITS' and its shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- identifying and analysing potential situations of conflicts of interest
- recording, managing and monitoring the conflict of interest situations either in:
  a) relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  b) implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned shareholders of the UCITS, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the UCITS, notably, administrative agency and registrar agency services.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement, the depositary may delegate to a local entity, provided that the investors have been duly informed and that instructions to delegate to the relevant local entity have been given by or for the SICAV.

CACEIS Bank, Luxembourg Branch is a branch of CACEIS Bank France, a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, identified under number 692 024 722 RCS Paris.

CACEIS and Amundi are members of the Crédit Agricole Group.

### Auditor

**PricewaterhouseCoopers, société coopérative**

2, rue Gerhard Mercator

B.P. 1443

L-1014 Luxembourg, Grand-Duchy of Luxembourg

The auditor, a "reviseur d'entreprise" appointed at the annual general meeting of shareholders, provides independent review of the financial statements of the SICAV and all sub-funds once a year. As part of the annual audit of the financial statements the auditor performs audit procedures on the performance fee presented and provides reasonable assurance that the financial statements are not materially misstated.

### Local Agents

The SICAV may engage local agents in certain countries or markets, whose duties include making available applicable documents (such as the prospectus, KIIDs and shareholder reports), in the local language if required. In some countries, use of an agent is mandatory, and the agent may not merely facilitate transactions but may hold shares in its own name on behalf of investors. For information on the local agents in various countries, go to **amundi.com**

## Shareholder Meetings and Voting

The annual general meeting is generally held in Luxembourg at 11:00 AM CET on the last Thursday of April each year, or if that is not a business day in Luxembourg, then the next business day. In exceptional circumstances the board may hold the annual general meeting outside of Luxembourg. Other shareholder meetings can be held at other places and times; if any are scheduled, notices will be distributed to you and will be made publicly available as required by law or regulation (including by an alternative means of communication where individually accepted by each shareholder).

Resolutions concerning the interests of all shareholders generally will be taken in a general meeting. Those concerning the rights of the shareholders of a specific sub-fund, share class or share class category may be discussed in a meeting of those shareholders only.

The meeting notice will indicate any applicable quorum requirements as well. When no quorum is required, decisions will be taken if approved by a majority (either a two-thirds majority or a simple majority, as required by law) of those shares that actually vote on the matter, whether in person or by proxy.

Each share gets one vote in all matters brought before a general meeting of shareholders. Fractional shares do not have voting rights. Nominees determine the voting policy for all shares of which they are the owner of record. The same rules apply at any meetings of sub- funds, share classes or share class categories.

For information on admission and voting at any meeting, refer to the applicable meeting notice.

## Expenses

Each sub-fund and/or class pays all costs it incurs directly and also pays its pro rata share (based on net asset value) of costs not attributable to a specific sub-fund or class.

*Expenses included in the fees disclosed in "Sub-Fund Descriptions"*

The expenses paid out of shareholder assets are described below:

- fees of the management company
- fee of investment managers
- fees of sub-investment managers
- fees of investment advisors
- fees of distributors
- fees of the depositary and of the administrative agent, registrar and transfer agent
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives, local paying agents and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV

*Expenses not included in the fees disclosed in "Sub-Fund Descriptions"*

- taxes on assets and income
- standard brokerage and bank charges incurred on business
- transactions and securities trades
- any fees that the board agrees the SICAV should pay to independent board members for their service on the board (currently, no such fees are paid)

Certain sub-funds may charge one or more aggregate fees with a fixed or capped rate covering part of the fees listed above and as specified for each sub-fund in "Sub-funds descriptions". The details of such aggregate fees are described for each Sub-Fund in "Sub-Funds descriptions". Any other fees which are not specifically listed in "Sub-Funds descriptions" will be charged separately to each sub-fund (including fees up to 0,06% of the NAV for the depositary and up to 0,1% of the NAV for the administrative agent, registrar and transfer agent).

All expenses that are paid from shareholder assets are reflected in NAV calculations, and the actual amounts paid are documented in the SICAV's annual reports.

Recurring expenses will be charged first against current income, then against realised capital gains, and lastly against capital.

For each share class whose currency is different from the base currency of the sub-fund, all costs associated with maintaining the separate share class currency (such as currency hedging and foreign exchange costs) will be charged to that share class.

The Management Company may at its discretion decide to support part of the expenses attributable to a sub-fund.

## Best Execution

Each investment manager and sub-investment manager has adopted a best execution policy to implement all reasonable measures to ensure the best possible result for the SICAV, when executing orders. In determining what constitutes best execution, the investment manager and/or sub-investment manager will consider a range of different factors, such as price, liquidity, speed and cost, among others, depending on their relative importance based on the various types of orders or financial instrument. Transactions are principally executed via brokers that are selected and monitored on the basis of the criteria of the best execution policy. Counterparties that are affiliates of Amundi are also considered. To meet its best execution objective, the investment manager and/or sub-investment manager may choose to use agents (affiliates of Amundi or not) for its order transmission and execution activities.

The investment manager and sub-investment manager may use soft commission arrangements to enable them to obtain goods, services or other benefits (such as research) that are beneficial to the management of the SICAV, in the best interest of the shareholders. All transactions undertaken on a soft commission basis in respect of the SICAV will be subject to the fundamental rule of best execution and will also be disclosed in the shareholder reports.

## Notices and Publications

### PUBLICATION OF NOTICES

Notice of any material change to the SICAV or its sub-funds will be mailed to you at the address of record. If applicable, the prospectus will also be revised and made available.

NAVs and notices of dividends for all existing share classes of all sub-funds are available from the registered office, and through other financial and media outlets as determined by the board. NAVs are also available at **fundsquare.com**.

Information on past performance appears in the KIID for each sub- fund, by share class, and in the shareholder reports. Audited annual reports are issued within four months of the end of the financial year. Unaudited semi-annual reports are issued within two months of the end of the period they cover. Accounts for the SICAV are expressed in EUR and sub-fund accounts are expressed in the base currency of each sub-fund.

### COPIES OF DOCUMENTS

You can access various documents about the SICAV online at **fundsquare.com**, **amundi.com,** at a local agent (if one exists in your country) or at the registered office, including:

- KIIDs
- shareholder reports (latest annual report and semi-annual report)
- notices to shareholders
- the prospectus
- the SICAV's policies on best execution, complaint handling, managing conflicts of interest, and the voting rights associated with portfolio securities
- the management company's remuneration policy
- each master fund's prospectus, articles of incorporation or management regulations, annual and semi-annual financial reports, key investor information documents and the agreement entered into between the SICAV and the master fund

Also at the registered office, you can read or get copies of all of the above documents as well as other relevant documents, such as the articles of incorporation, and certain key agreements between the SICAV and the management company, investment managers and service providers.

## Liquidation or Merger

### LIQUIDATION

The board may decide to liquidate any sub-fund or share class if any of the following is true:

- the value of all assets of the sub-fund or share class falls below what the board views as the minimum for efficient operation
- the liquidation is justified by a significant change in economic or

political situation affecting the investments of the sub-fund or share class
- the liquidation is part of a project of rationalisation (such as an overall adjustment of sub-fund offerings)
- in case the relationship with the investment manager / the sub-investment manager of a sub-fund is terminated, where in the best interest of shareholders.

If none of these is true, then any liquidation of a sub-fund or share class requires the approval of the shareholders of the sub-fund or share class. Approval may be given by a simple majority of the shares present or represented at a validly held meeting (no quorum required).

Generally, shareholders of the relevant sub-fund or share class may continue to redeem or switch their shares, free of any redemption and switching fee up to the liquidation date. The prices at which these redemptions and switches are executed will reflect any costs relating to the liquidation. The board can suspend or refuse redemptions and switches if it believes it is in the best interests of shareholders.

Only the liquidation of the last remaining sub-fund will result in the liquidation of the SICAV. In such a case, once liquidation is decided upon, the SICAV and all sub-funds must cease issuing new shares except for the purpose of liquidation.

The SICAV may itself be dissolved at any time by a resolution of shareholders (for quorum and voting requirements, see the articles of incorporation). In addition, if it is determined that the SICAV's capital has fallen below two-thirds of minimum required capital, shareholders must be given the opportunity to vote on dissolution at a general meeting held within 40 days of the determination.

Dissolution will occur if approved by a majority of the shares present and represented at the meeting, or by 25% of the shares present and represented if the SICAV's capital is below 25% of the minimum (no quorum required).

Should the SICAV need to liquidate, one or more liquidators appointed by the shareholders meeting will liquidate the SICAV's assets in the best interest of shareholders and will distribute the net proceeds (after deduction of any costs relating to the liquidation) to shareholders in proportion to their holdings.

Amounts from any liquidations that are not claimed promptly by shareholders will be deposited in escrow with the Caisse de Consignation. Amounts still unclaimed after 30 years will be forfeited according to Luxembourg law.

## MERGERS

Within the limits of the 2010 Law, any sub-fund may merge with any other sub-fund, wherever domiciled (whether the other sub-fund is within the SICAV or in a different UCITS). The board is authorised to approve any such mergers. If the merger involves a different UCITS, the board may also choose the effective date of the merger.

The SICAV may also merge with another UCITS as permitted by the 2010 law. The board is authorised to approve mergers of other UCITS into the SICAV and to set effective dates for such mergers. However, a merger of the SICAV into another UCITS must be approved by a majority of the shares present or represented at a shareholder meeting.

Shareholders whose investments are involved in any merger will receive at least one month's advance notice of the merger, during which they will be able to redeem or switch their shares free of any redemption and switching charges.

# THE MANAGEMENT COMPANY

## Operations and Business Structure

**Management company name**
Amundi Luxembourg S.A.

**Registered office and operations center**
5, allée Scheffer
2520 Luxembourg, Luxembourg
Tel +352 26 86 80 80

**Legal form of company** Société Anonyme

**Incorporated** 20 December 1996.

**Articles of incorporation** First effective on 20 December 1996 and published in the Mémorial on 28 January 1997. Last modified on 1 January 2018 and published in the RESA on 8 January 2018.

**Regulatory authority**
Commission de Surveillance du Secteur Financier
283, route d'Arlon
1150 Luxembourg, Luxembourg

**Registration number** B 57.255

**Capital** EUR 17,785,525

**Other FCPs managed** Amundi SIF, Innovative Investment Funds Solutions, Amundi S.F., Amundi Unicredit Premium Portfolio, Amundi Total Return, Camca Lux Finance and Amundi Asia Funds.

### RESPONSIBILITIES

The management company is responsible for investment management, administrative services, marketing services and distribution services. The management company also serves as domiciliary agent, in which capacity it is responsible for the administrative work required by law and the articles of incorporation, and for keeping the books and records of the sub-funds and the SICAV. The management company is subject to Chapter 15 of the 2010 Law.

The management company has the option of delegating to third parties some or all of its responsibilities. For example, so long as it retains control and supervision, the management company can appoint one or more investment managers to handle the day-to-day management of sub-fund assets, or one or more advisors to provide investment information, recommendations and research concerning prospective and existing investments. The management company can also appoint various service providers, including those listed below, and can appoint distributors to market and distribute sub-fund shares in any jurisdiction where the shares are approved for sale.

### FEES

The management company is entitled to receive a management company fee as indicated for each sub-fund in "Sub-Fund Descriptions". This fee is calculated based on each sub-fund's daily net assets and is paid quarterly in arrears. The management company pays any investment managers, service providers and distributors out of the management company fee.

### AGREEMENTS WITH MANAGERS AND OTHER SERVICE PROVIDERS

The investment managers, sub-investment managers, and all other service providers have agreements with the management company to serve for an indefinite period. An investment manager in material breach of its contract can be terminated immediately. Otherwise, investment managers and other service providers can resign or be replaced upon 90 days' notice.

### REMUNERATION POLICY

The management company has designed and implemented a remuneration policy that is consistent with, and promotes, sound and effective risk management by having a business model that by its nature does not encourage excessive risk taking, such risk taking being inconsistent with the risk profile of the sub-funds. The management company has identified those of its staff members whose professional activity has a material impact on the risk profiles of the sub-funds, and will ensure that these staff members comply with the remuneration policy. The remuneration policy integrates governance, a pay structure that is balanced between fixed and variable components, and risk and long-term performance alignment rules. These alignment rules are designed to be consistent with the interests of the management company, the SICAV and the shareholders, with respect to such considerations as business strategy, objectives, values and interests, and include measures to avoid conflicts of interest. The management company ensures that the calculation of any performance-based remuneration is based on the applicable multi-year performance figures of the SICAV and that the actual payment of such remuneration is spread over the same period. The details of the current remuneration policy of the management company, such as a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits, are available on the "Regulatory information" page of amundi.com, or you can request a free paper copy from the registered office of the management company.

## Board of Directors

*Directors of the management company employed by Amundi*

**Mrs. Jeanne Duvoux**
Chief Executive Officer and Managing Director
Amundi Luxembourg S.A.

**Mr. David Joseph Harte**
Chief Executive Officer
Amundi Ireland Limited

**Mr. Enrico Turchi**
Deputy Chief Executive Officer and Managing Director
Amundi Luxembourg S.A.

*Directors of the Management Company not employed by Amundi*

**Mr. Claude Kremer**
Partner of Arendt & Medernach

**Mr. Pascal Biville**
Independent Director

**Mr. François Marion**
Independent Director

## Conducting Officers

**Mrs. Jeanne Duvoux**
Chief Executive Officer and Managing Director
Amundi Luxembourg S.A.

**Mr. Enrico Turchi**
Deputy Chief Executive Officer and Managing Director
Amundi Luxembourg S.A.

**Mr. Pierre Bosio**
Chief Operating Officer
Amundi Luxembourg S.A.

**Mr. Charles Giraldez**
Deputy Chief Executive Officer
Amundi Luxembourg S.A.

**Mr. Benjamin Launay**
Real Estate Portfolio Manager
Amundi Luxembourg S.A.

## Investment Managers and Sub-Investment Managers

**INVESTMENT MANAGER(S)**

**Amundi Asset Management**
91-93, boulevard Pasteur
75015 Paris, France

**Amundi SGR S.p.A.**
Via Cernaia, 8-10
20121 Milan, Italy

**Banca Patrimoni Sella & C. S.p.A.**
via Lagrange, 20
10123 Torino, Italy

The investment manager is responsible for day-to-day management of the sub-funds.

Upon request of the board, the investment manager may provide advice and assistance to the board in setting investment policy and in determining related matters for the SICAV or for any sub-fund.

The investment manager has the option of delegating to sub-investment managers, at its own expense and responsibility and with the approval of the board, the management company and the CSSF, any or all of its investment management and advisory duties.

For example, so long as it retains control and supervision, the investment manager can appoint one or more sub-investment managers to handle the day-to-day management of sub-fund assets, or one or more advisors to provide investment information, recommendations and research concerning prospective and existing investments.

## Service Providers Engaged by the Management Company

**CENTRAL ADMINISTRATION**

CACEIS Bank, Luxembourg Branch
5, allée Scheffer
2520 Luxembourg, Luxembourg

CACEIS Bank, Luxembourg Branch has been appointed to act as administrative agent and as registrar and transfer agent. The administrative agent is responsible for certain administrative and clerical services delegated to it, including calculating NAVs and assisting with the preparation and filing of financial reports. The registrar and transfer agent is responsible for maintaining the SICAV's register of shareholders and for processing requests to issue, buy, sell, redeem, switch or transfer sub-fund shares.

## Terms with specific meanings

The terms in this box have the following meanings within this prospectus: Words and expressions that are defined in the 2010 Law but not here have the same meaning as in the 2010 Law.

**2010 Law** The Luxembourg law of December 17, 2010 on Undertakings for Collective Investment, as amended.

**articles of incorporation** The Articles of Incorporation of the SICAV, as amended.

**base currency** The currency in which a sub-fund does the accounting for its portfolio and maintains its primary NAV.

**board** The Board of Directors of the SICAV.

**business day** Any day that the sub-fund calculates a NAV and processes transactions in shares, as defined for each sub-fund in "Sub-Fund Descriptions".

**Data Protection law** The Luxembourg law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework and the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as amended from time to time.

**disclosure regulation or SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

**EMEA** Countries located in Europe, Middle-East and North Africa

**emerging country** All countries except Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States of America, Vatican City.

**environmentally sustainable Investments** means an investment in one or several economic activities that qualify as environmentally sustainable under the Taxonomy Regulation (TR)

**environmentally sustainable economic activities** for the purpose of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the environmental objectives set out in the TR, does not significantly harm any of the environmental objectives set out in the TR, is carried out in compliance with the minimum safeguards laid down in the TR and complies with the technical screening criteria that have been established by the European Commission in accordance with the TR.

**equity-linked instrument** A security or instrument that replicates or is based on an equity, including a share warrant, a subscription right, an acquisition or purchase right, an embedded derivative based on equities or equity indexes and whose economic effect leads to be exclusively exposed to equities, a depository receipt such as an ADR and GDR, or a P-Note. Sub-funds that intend to use P-Notes will specifically indicate so in their investment policy.

**Europe** Denmark, France, Netherlands, United Kingdom and their respective dependencies; Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldavia, Monaco, Montenegro, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, Vatican City, European Union, Russian Federation (CIS).

**ESG** means environmental, social and governance matters.

**ESG rated** means a security which is ESG rated or covered for ESG evaluation purposes by Amundi Asset Management or by a regulated third party recognised for the provision professional ESG rating and evaluation.

**institutional investors** Investors who qualify as institutional investors under article 175 of the 2010 Law or under the guidelines or recommendations of the CSSF.

**investment grade** Rated at least BBB- by S&P, Baa3 by Moody's and/or BBB- (by Fitch).

**KIID** Key Investor Information Document.

**Latin America** Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela.

**member state** A member state of the EU or of the European Economic Area.

**MENA (Middle East and North Africa)** Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates.

**NAV** Net asset value; the value of one share.

**prospectus** This document, as amended from time to time.

**shareholder reports** The annual and semi-annual reports of the SICAV.

**SICAV** AFH, a Luxembourg-domiciled SICAV.

**sustainability factors** Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery.

**sustainable investment** (1) An investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

**sustainability risks** An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

**Taxonomy Regulation or TR** means regulation 2020/852 of the European Parliament and of the Council of 27th November 2019 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 'disclosure regulation' or 'SFDR''

**US person** Any of the following:

– a US resident, a trust of which a US resident is a trustee, or an estate of which a US resident is an executor or administrator

– a partnership or corporation organized under US federal or state law

– an agency or branch of a foreign entity located in the US

– a non-discretionary or similar account (other than an estate or trust account) that is held by a dealer or other fiduciary who is one of the above, or for the benefit or account of one of the above

– a partnership or corporation organised or incorporated by one of the above under non-US laws primarily for investing in securities that are not registered under the 1933 Act, unless organised and owned by accredited investors who are not natural persons, estates or trusts

**US tax resident** Any of the following:

– a US citizen or resident, or the estate of such a person

– a partnership or corporation organized in the US or under US federal or state law

– a trust that is substantially controlled by any of the above and is substantially within the jurisdiction of a US court

**we, us** The SICAV, acting through the board or through any service providers described in this prospectus except for the auditor and any distributors.

**you** Any past, current or prospective shareholder, or an agent for the same.