# AMUNDI ETF MSCI ITALY UCITS ETF

## *Prospectus and Regulations*

# PROSPECTUS

UCITS compliant with European standards

## I. GENERAL FEATURES

- **Name:** **AMUNDI ETF MSCI ITALY UCITS ETF** (the " Fund")

- **Legal form and Member State in which the UCITS has been set up:** French Mutual Fund (FCP)

- **Launch date and scheduled duration:** The Fund was approved by the French Market Regulator (AMF) on 20 August 2008 and launched on 16 September 2008 for an anticipated duration of 99 years.

- **Summary of the management offer:**

| ISIN code | Allocation of profits | Accounting currency | Frequency of NAV calculation | Initial NAV | Minimum initial subscription | Minimum subsequent subscription | Eligible subscribers |
|---|---|---|---|---|---|---|---|
| FR0010655720 | Allocation of net profit: Accumulation and/or distribution at the discretion of the Management Company<br><br>Allocation of net capital gains realised: Accumulation and/or distribution at the discretion of the Management Company | euro | Daily | 98.14 euros | Primary market<br>13300 unit(s)<br><br>Secondary market<br>1 unit(s) | Primary market<br>13300 unit(s)<br><br>Secondary market<br>1 unit(s) | All subscribers |

- **Address from which the latest annual or periodic report and financial statements may be obtained:**

The latest annual or periodic report and financial statements will be sent to investors within one week upon written request from the holder to:

**Amundi**
Amundi ETF
90 boulevard Pasteur
CS 21564
75730 Paris Cedex 15
Tel.: 01 76 32 47 74
Email: info@amundietf.com

Further details are available from Amundi and on its website amundietf.com.

The AMF website (amf-france.org) contains further details on the list of regulatory documents and investor protection regulations.

## II. SERVICE PROVIDERS

### Management Company:

Amundi (the "Management Company")
Public company (Société Anonyme),
Portfolio Management Company operating under AMF approval no. GP 04000036
Registered office: 90, Boulevard Pasteur -75015 Paris

### Custodian and Registrar:

CACEIS BANK (the “Depositary”),
Public company (Société Anonyme),
Main business: Banking institution, investment services provider, licensed by the French banking and investment companies committee (Comité des Etablissements de Crédits et des Entreprises d'Investissement - CECEI) on 1 April 2005,
Registered office: 1-3 place Valhubert, 75013 Paris

### Institution responsible for clearing subscription and redemption orders by delegation of the Management Company:

CACEIS Bank France,
Public company (Société Anonyme),
Bank and investment services provider approved by the CECEI on 1 April 2005,
Registered office: 1-3 place Valhubert, 75013 Paris

### Independent Auditor:

PwC Sellam, represented by Mr Patrick Sellam,
Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine

### Delegated Accounting Manager:

CACEIS Fund Administration,
Public company (Société Anonyme),
Registered office: 1-3, Place Valhubert -75013 Paris

CACEIS Fund Administration is a company of the CRÉDIT AGRICOLE group specialising in the administrative and accounting management of UCITS on behalf of clients inside and outside the Group.
CACEIS Fund Administration has accordingly been appointed by the Management Company as Delegated Fund Accountant for the valuation and accounting for the Fund. CACEIS Fund Administration is responsible for valuing the assets, establishing the Fund’s NAV and establishing its regular financial statements.

### Market-makers:

On 05 December 2012, the financial institution acting as market-maker was as follows:

BNP Paribas Arbitrage
General Partnership (Société en nom collectif)
Registered office: 160-162 boulevard Mac Donald – 75019 Paris

# III. OPERATING AND MANAGEMENT ARRANGEMENTS

## III.1 General features

**Features of the units:**

**ISIN code:** FR0010655720

- **Nature of the right attached to the category of units:** each unitholder is entitled to joint-ownership of the Fund's assets, proportional to the number of units held.

- **Registration or other arrangements for maintaining unitholder records:** The Depositary is responsible for liability accounting. Units can be cleared through Euroclear France, Clearstream Banking S.A. and Euroclear Bank.

- **Voting rights:** no voting rights are attached to the units: decisions are made by the Management Company. Note: investors will be notified of changes to the Fund's operating arrangements either individually, through the press or by any other means in accordance with current regulations.

- **Form of units:** bearer units.

- **Decimalisation (fractioning), if any**: subscriptions and redemptions are made in whole units.

**Admission of the units to the NYSE Euronext NextTrack market:**

Under Article D.214-22-1 of the French Monetary and Financial Code (the "CMF"), shares or units of collective investment undertakings may be listed for trading provided that these entities have set up a mechanism to ensure that the listed market price of the shares or units does not diverge significantly from their net asset value. The following operating rules developed by NYSE Euronext SA apply accordingly to the listing of the Fund's units:

- reservation thresholds are set by applying a 1.5% variation on either side of the Fund's Indicative Net Asset Value or "iNAV" (see "Indicative Net Asset Value" section), published by NYSE Euronext Paris SA and provisionally updated during the session based on the change in the MSCI Italy Index;

- trading of the Fund's units on the NYSE Euronext NextTrack market will be suspended in the following cases:

  - suspension or halt of the listing or calculation of the MSCI Italy Index by the index provider;
  - suspension of the market(s) on which the securities composing the MSCI Italy Index are listed;
  - if the listed price of the MSCI Italy Index is unavailable to NYSE Euronext;
  - if NYSE Euronext cannot obtain the Fund's NAV for the day and/or publish the "iNAV";
  - violation of applicable NYSE Euronext rules by a market-maker;
  - failure of NYSE Euronext's IT or electronic systems in particular;
  - if stock market disturbances or difficulties render normal market-making impossible.
  - any other event that prevents the calculation of the Fund's iNAV or the trading of Fund units.

Market-makers likewise ensure that the market price of the Fund units does not diverge by more than 1.5% either side of the Fund's Indicative Net Asset Value, in order to comply with the reservation thresholds set by NYSE Euronext Paris SA (see "Indicative Net Asset Value" section).

**End date of financial year:** last trading day in March of each year.

**End date of first financial year:** last trading day of March 2009.

**Tax treatment:**

The Fund is eligible for the Plan d'Epargne en Actions ("PEA" reserved for French investors) and life insurance policies. The Fund may provide a support vehicle for life insurance policies denominated in units of account.

The UCITS, by its nature, is not subject to taxation. However, unitholders may be taxed on any income distributed by the Fund or when they sell Fund units. The tax treatment applicable to amounts distributed by the Fund or unrealised or realised capital gains or losses will depend on the individual unitholder's tax situation, residence for tax purposes and/or the investment jurisdiction of the Fund. If an investor is uncertain of his or her tax position, the investor should consult a financial advisor or a professional investment consultant to determine the tax rules applicable to his or her particular situation before any investment. Some income distributed by the UCITS to unitholders residing outside France may be subject to withholding tax in France.

## III.2 Special provisions

**Classification:**

Eurozone equities.
The Fund is an index-tracking Fund.

**Investment objective:**

The Fund's investment objective is to track the performance of the MSCI Italy Index (see "Benchmark index" section), as closely as possible, whether the Index rises or falls.

The Fund is managed so as to achieve a gap between changes in its NAV and changes in the value of the MSCI Italy Index (referred to below as the "MSCI Italy Index") as small as possible. The target for maximum tracking error between the Fund's NAV and the value of the MSCI Italy Index is 2%.
If the "tracking error" exceeds 2%, the objective would nevertheless be to remain below 15% of the volatility of the MSCI Italy Index.

**Benchmark index:**

The Fund's benchmark index is the euro-denominated MSCI Italy Index with net dividends reinvested (net return).

The MSCI Italy Index is an "equities" index calculated and published by the international index supplier MSCI Inc. ("MSCI"). The equities in the MSCI Italy Index are leading securities traded in the Italian markets.

The investment universe of the MSCI Italy Index aims at covering approximately 85% (+/-5%) of the Italian market's float-adjusted market capitalisation.

For a publicly traded company, the "float" or "free-float" is the portion of stock readily available for market trading, as opposed to shares considered to be stable (treasury shares, shares held by company founders or the government, blocking shares, controlling interests, etc.).

The MSCI Italy Index shares the following basic features with the MSCI indices:
a) it belongs to MSCI's range of "investable" equity indices, which are segmented by size, style and industry;
b) securities included in the MSCI Italy Index are float-adjusted;
c) classified by sector according to the Global Industry Classification Standard (GICS).

MSCI's methodology and calculation methods mean that the number of stocks making up the MSCI Italy Index varies. At 31 July 2008* the MSCI Italy Index had 38 components.

** Source: MSCI*

The full methodology of the construction of the MSCI Italy Index is available on the MSCI website:

mscibarra.com.

The performance tracked is the closing price of the MSCI Italy Index.

- **MSCI Italy Index publication**

The MSCI Italy Index is calculated by MSCI using the official closing prices of the stock exchanges on which the Index components are traded.

The MSCI Italy Index closing price is available on the MSCI website: msci.com.

The MSCI Italy Index is also calculated in real time on each Trading Day.
The MSCI Italy Index is available in real time via Reuters and Bloomberg.
Via Reuters: .dMIIT00000NEU
Via Bloomberg: MSDEITN

- **MSCI Italy Index revision**

The main revisions are as follows:
· real-time revisions for major changes in a company's capital structure (merger/acquisition, large rights issues or IPOs, etc.);
quarterly revisions (end of February, May, August and November) to take significant market events into account;
· half-yearly revisions (end of May and November) for rebalancing;
· annual full revision (end of May) of the investment universe of all the countries covered by the indices.

MSCI Italy Index revision rules are published by MSCI and available on the MSCI website: msci.com.

**Investment strategy:**

The Fund is managed by "index tracking".

**1. Strategy employed:**

The Fund is managed by a technique known as "index-tracking", and the objective is to replicate changes in the performance of MSCI Italy Index using a swap-based replication method.

To maintain the closest possible correlation with the performance of the MSCI Italy Index, the Fund will buy a portfolio of international equities (the "Portfolio") and an over-the-counter (OTC) total return swap, a financial derivative instrument which turns the exposure to the Portfolio into an exposure to the MSCI Italy Index.

The Fund will comply with the investment rules set forth in Articles R 214-21 and R214-22 of the French Monetary and Financial Code (CMF).

The Portfolio comprising directly held assets described in the "Assets used" section, complies with the provisions of Article R 214-21 of the French Monetary and Financial Code (CMF).

The Fund's exposure to the Index achieved through the total return swap may be eligible for exemption ratios applicable to the index-tracking funds referred to in Article R214-22 of the French Monetary and Financial Code (CMF). That Article stipulates that an index may comprise up to 20% equities or debt securities issued by the same entity; this limit may be raised to 35% maximum for a single issuing entity, when such increase is justified by special market circumstances such as the regulated markets where some marketable securities or some money-market instruments are largely dominant.

**2. Assets used (except embedded derivatives):**

The Fund's exposure to the Index is achieved through the total return swap.

The Portfolio consists of the Fund's directly held assets described below.

- Equities:

The Fund will be permanently 60% exposed at least to one or more markets for equities issued in one or more Eurozone countries. The Fund will be permanently 60% exposed at least to the Italian equities market.

Up to 100% of the Fund's net assets will be invested, subject to the legal and regulatory ratios, in international equities (any economic sector, traded on any market).

The equities in the Fund's assets will be the equities forming the MSCI Italy Index and other international equities, from all economic sectors, listed on all markets, including smallcap markets. The equities in the Fund's assets will be chosen to limit costs associated with reproducing the MSCI Italy Index.

Over 75% of the portfolio's value will, at all times, consist of stocks of companies registered in a Member State of the European Union, or in another State which is part of the European Economic Area (EEA) and has signed a tax convention with France that provides for administrative assistance to prevent fraud and tax evasion. This minimum level of equity exposure makes the Plan d'Epargne en Actions (French Stock Savings Plan - PEA).

- Interest-rate instruments: Interest-rate instruments: the Fund may hold up to 25% of its assets in of its assets in bonds of all kinds, having a minimum rating at the time of purchase of BBB- in the S&P and Moody's scale ("investment grade" rating).
  The bond issuers selected may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may account for up to 100% of all debt instruments.
  Foreign debt instruments will be denominated in the currency of one of the OECD member countries.

In order to meet its investment objective and/or manage intermediate financial flows, the Fund may hold up to 10% of its assets in the following:

- Debt instruments and money market instruments in euros: cash flow will be managed through money market instruments. The selected issuers (with a minimum rating of AA or above in the S&P and Moody's scale) may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may represent up to 100% of the debt instruments. The average maturity of these instruments will not exceed ten years.

- UCITS units or shares: The Fund may hold up to 10% of its assets in shares or units of the following UCITS or investment Funds:

  - ☒ French or foreign UCITS that comply with the Directive and may invest up to 10% of their assets in UCITS or investment funds
  - ☐ French UCITS not complying with the directive
  - ☐ Other investment funds

UCITS or investment Funds included in the Fund's assets will primarily be those managed by the Management Company or an affiliated company. The investment strategies of these UCITS and investment funds will be compatible with those of the Fund.

**3. Derivatives:**

The Fund will use derivative financial instruments, including total return equity swaps that swap the value of equities held by the Fund for the MSCI Italy Index value.

Off-balance sheet commitments are calculated by the accrual method of accounting.

The Fund may take positions in the following derivatives:

- Type of market:
  - ☒ regulated
  - ☒ organised
  - ☒ over-the-counter

- Categories of risk in which the Fund intends to take a position:
  - ☒ equity risk
  - ☒ interest rate risk
  - ☐ currency risk
  - ☐ credit risk
  - ☐ other risks

- Nature of positions to be taken, which must be limited to those required to meet the management objective:
  - ☒ hedging
  - ☒ exposure
  - ☐ arbitrage
  - ☐ other

- Types of instruments used:
  - ☒ futures: on equities and indices
  - ☒ options: on equities and indices
  - ☒ total return swaps: on equities and indices
  - ☐ total return swap:
  - ☐ credit derivatives: credit default swaps
  - ☐ other

- Strategies for use of incorporated derivatives to achieve the management objective:
  - ☒ constructing synthetic exposure to a particular security, sector and/or to the MSCI Italy index through the use of swaps.
  - ☒ management of intermediate cash flows (dividends, subscriptions/redemptions, etc.) to achieve the desired degree of exposure to a stock, a business sector and or the MSCI Italy index via the use of futures.
  - ☒ management of intermediate cash flows (dividends, subscriptions/redemptions, etc.) to reach the desired degree of exposure to a particular stock and/or sector and/or to the MSCI Italy Index via the use of options.

These instruments may be used to hedge up to 100% of the Fund's net assets.

**4. Securities incorporating derivatives ("embedded derivatives"):**

The Delegated Fund Manager may, at its discretion and for future optimisation of management of the Fund, use other instruments to meet its management objective such as embedded derivatives.

- Categories of risk in which the Fund may take a position:
  - ☒ equity risk
  - ☐ interest rate risk
  - ☐ currency risk
  - ☐ credit risk
  - ☐ other risks

- Nature of positions to be taken and description of all transactions that must be limited to the achievement of the management objective:
  - ☒ hedging
  - ☒ exposure
  - ☐ arbitrage
  - ☐ other

- Types of instruments used:
  - ☐ Euro Medium Term Notes (EMTN)
  - ☐ Negotiable Medium Term Notes (BMTN)
  - ☐ Structured bonds
  - ☐ Certificates
  - ☒ Warrants

- Strategy for using embedded derivatives to meet the investment objective:
  - ☒ general hedging of the portfolio, particular risks, particular securities, etc.
  - ☒ constructing synthetic exposure to particular assets or particular risks,
  - ☒ other strategy: following redemptions, retaining derivatives as opposed to selling them.

The Fund's commitments from embedded derivatives must not exceed 100% of assets.

The Fund will not overexpose its assets: all its commitments on derivatives and embedded derivatives may not exceed 100% of the Fund's net assets.

**5. Deposits and liquid assets:**

The Fund may hold up to 20% of its net assets in deposits for a maximum term of twelve months. The deposits are used for cash management purposes and help the Fund achieve its management objectives.

**6. Borrowing:**

The Fund may temporarily, and in exceptional cases, borrow up to 10% of its net assets in order to optimize its cash flow management.

- Over-exposure of the assets: None

All its commitments on derivatives and embedded derivatives may not exceed 100% of the Fund's net assets.

**Overview of the procedure for choosing intermediaries / counterparties and comments:**

The Management Company generally issues a bid tender. In this case, a comprehensive Request For Proposal ("RFP") (total return swap and market making) was issued for a portion of the AMUNDI ETF Fund product line. For this reason, neither the Management Company nor the Delegated Fund Manager have undertaken or shall undertake, for this particular Fund, a formal competitive bidding procedure that can be tracked and monitored among counterparties for OTC derivative financial instruments, as the counterparty has already been selected during the comprehensive RFP. The Fund may carry out these transactions with BNP Paribas SA or any other

Company of the BNP Paribas SA group as counterparties or intermediaries.

- **Risk profile:**

*Your money will be invested primarily in financial instruments selected by the Delegated Fund Manager. These financial instruments are subject to market fluctuations.*

Investors are warned that their initial capital invested is not guaranteed.

The Fund has high volatility due to its exposure to equity markets.

The main risks for investors if they invest in the Fund are as follows:

- Equity risk:
The Fund is 100% exposed to the MSCI Italy Index. The Fund is therefore 100% exposed to the market risks related to fluctuations in the value of stocks that make up the MSCI Italy Index. Fluctuations in stock markets can lead to significant changes in net assets which can adversely affect the Fund's NAV. Since the Fund's degree of exposure to equity risk is 100%, the Fund's NAV may decline significantly. The Fund accordingly has a high degree of equity risk.

- Capital risk:
Given the equity risk, investors are warned that they may suffer capital losses which cannot be quantified in advance since investments are subject to normal market fluctuations and to the risks inherent in any investment in securities. The initial capital invested is not guaranteed. Only people who would be able to bear the loss of their investment should invest.

- Factors that may influence the ability of the Fund to track the performance of the MSCI Italy Index:
The ability of the Fund to track the performance of the MSCI Italy Index may be affected by the following factors:
  - the re-weightings of the MSCI Italy Index which is tracked by the Fund may generate transaction and/or trading costs;
  - whether there are market fees;
  - and/or due to minor valuation discrepancies that would not be such as to result in the calculation of the Fund's net asset value being suspended. These discrepancies may be due to some commodities being temporarily unavailable in the MSCI Italy Index or to exceptional circumstances that may have caused distortions in the MSCI Italy Index weightings, including cases of suspension or temporary disruption in the listing of securities in the MSCI Italy Index.

- Credit risk:
This is the risk that the quality of an issuer's credit might fall or that the issuer might default. Depending on the direction of the Fund's trades, a fall (in a purchase) or a rise (in a sale) in the value of the debt securities to which the Fund is exposed can lead to a fall in the Fund's net asset value.

- Counterparty risk related to the tracking method selected:
To meet its investment objective the Fund will use OTC derivative financial instruments (including total return swaps) negotiated with credit institutions. The Fund will be exposed to the counterparty risk that results from the use of derivative financial instruments executed with a credit institution. The Fund is accordingly exposed to the risk that the credit institution in question will not be able to honour its commitments for these instruments. Default by the counterparty of a swap (or by any other issuer) may lower the Fund's NAV. Under the current rules, however, the counterparty risk resulting from the use of swaps will be limited to 10% of the Fund's net assets per counterparty at any time

- **Guarantee or protection:** None

- **Eligible subscribers and standard investor profile:**

- **Eligible subscribers:**

All subscribers

- **Standard investor profile:**

The Fund is open to any subscriber, including those investing in a French PEA.

This Fund is intended for investors who seek long term capital growth and exposure to Italian equities, while offering opportunities for short-term arbitrage. The Fund is indeed continuously listed on one or more trading markets and its units may be traded in the same way as simple stocks. It therefore combines the advantages of a listed security and those of an UCITS. Furthermore, it is eligible for the French stock savings plan (PEA).

The amount that might be reasonably invested in this Fund depends on the investor's personal situation. To determine this amount, investors should consider their personal assets, their current financial needs and the recommended investment period as well as their willingness to accept risks or their wish to invest cautiously. It is also strongly recommended that investors diversify their investments sufficiently to avoid exposure only themselves entirely to the contingencies affecting this Fund's performance.

All investors are therefore invited to consult their own financial advisors about their individual situations.

**Recommended investment period:**

The minimum recommended investment period is 5 years.

**Determination and allocation of revenues:**

- **Allocation of net profit:**

Accumulation and/or distribution at the discretion of the Management Company

- **Allocation of net capital gains realised:**

Accumulation and/or distribution at the discretion of the Management Company

**Distribution frequency:**

If the Management Company decides to distribute some or all of the net profit and/or of the net realised capital gains one or more payments may be made in a year.
Distributions will be made by encashment of coupons.

**Accounting currency:** euro

**Features of the units:**

- **Currency of the units:** euro

- **Initial NAV:**

98.14 euros per Fund unit.

The initial net asset value is equal to the closing price of the MSCI Italy Index on 16 September 2008.

**Subscription and redemption:**

As indicated above, the Fund's activity is organised on two markets, one "**primary**" and the other "**secondary**".

- **Subscription and redemption in the primary market:**

On the primary market, new Fund units are subscribed and/or redeemed in return for (i) cash or (ii) in-kind contribution/withdrawal of a basket of equities representative of the composition of the MSCI Italy Index complete with a "cash adjustment".

In this market, subscriptions and redemptions are allowed only in minimum quantities of 13300 units or multiples

thereof.

Orders for subscription and redemption of Fund units are centralised by the Depositary between 09:00 and 17:00 (Paris time) on every day when the Paris Stock Exchange is open ("**Trading Day**"). Subscription and redemption requests sent after 17:00 (Paris time) on a Trading Day will be processed as orders received between 09:00 and 17:00 (Paris time) on the next Trading Day.

A Trading Day is a business day on which the Fund's NAV can be calculated and published.

The Fund's net asset value on a given Trading Day is calculated using the closing price of the MSCI Italy Index on that day.

Subscriptions/redemptions for cash only
Orders for cash only centralised by the Depositary between 09:00 and 17:00 (Paris time) on a given Trading Day will be executed on the basis of the net asset value of the following Trading Day.

In-kind subscriptions/redemptions by contributions/withdrawals from a portfolio of equities representative of the MSCI Italy Index.
Orders centralised by the Depositary between 9:00 and 17:00 (Paris time) on a given Trading Day will be executed on the basis of the terms set by the Management Company at 17:00 (Paris time) on the same Trading Day, as follows:
(1) by contribution of a portfolio of equities reflecting the MSCI Italy Index as defined by the Management Company, to be delivered by the subscriber, and as applicable,
(2) by payment of a cash amount in euros to or from the Fund ("cash adjustment") for a subscription/redemption order is for an exact multiple of 13,300 Fund units. The cash adjustment will be equal to the difference in euros between the net asset value of the Fund units on that date and the value in euros of the equities to be delivered on that date.

The Delegated Fund Manager reserves the right to refuse the securities offered/requested for all subscriptions/redemptions made by contributions/withdrawals of securities and has 7 days from the date of the deposit/request to indicate its decision.

Subscriptions/redemptions must be paid for/delivered no later than five Trading Days after the calculation and publication of the net asset value.

Subscription and redemption orders must be for a whole number of units.

- **Institutions designated to receive subscriptions and make redemptions:**

CACEIS Bank France,
Registered office: 1-3 place Valhubert, 75013 Paris

*Investors should note that orders sent to distributors other than the aforementioned institution should take into account the fact that the cut-off time for the centralisation of orders applies to those distributors with CACEIS Bank France.*
*As a result, these distributors may apply their own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline withCACEIS Bank France..*

- **Listing and trading Fund units in the secondary market:**

The secondary market is where existing Fund units are traded. It consists of all stock markets on which the Fund is or will be listed for regular trading.

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Orders for the purchase or sale of units may be placed in any market where the Fund is (or will be) traded, through an approved broker. Nevertheless, placing a stock market order will trigger costs over which the Management

Company has no influence.

There is no minimum amount for purchase/sale orders placed in the secondary market, except those that might be imposed by the stock market where Fund units are listed.

The price of a unit traded in the secondary market depends on supply and demand and roughly matches the indicative NAV (see “Indicative Net Asset Value” section).

"Market makers" maintain market liquidity secondary market acting as market counterparties (see “Market-makers” section). They contract with the market companies in question to maintain a maximum difference between the highest bid and lowest offer prices within a set range. Their activities ensure that trading in Fund units remains liquid. They also ensure, through arbitrage between the primary and secondary markets, that the Fund’s listed market price for does not diverge significantly from its Indicative NAV.

If the MSCI Italy Index listing is halted or suspended, the Fund's listing is suspended at the same time. As soon as listing of the MSCI Italy Benchmark Index resumes, the Fund's listing resumes likewise, taking account of any change in the Fund's NAV and iNAV since the interruption.

The units acquired in the secondary market generally cannot be resold directly in the primary market. Unitholders must buy and sell units in a secondary market, with the assistance of an intermediary (a broker, for example) and may have to pay corresponding fees. In addition, unitholders may pay more than the current NAV when they buy units; unitholders may also receive less than the current NAV when they sell them.

Fund units will be listed on the NYSE Euronext market.

The Management Company may apply for these units to be listed on other markets.

On NYSE Euronext, Fund units will be listed and traded in the product segment dedicated to Trackers: NextTrack.

- **Market-makers:**

On 05 December 2012, the financial institution acting as market-maker was as follows:

BNP Paribas Arbitrage
General Partnership (Société en nom collectif)
Registered office: 160-162 boulevard Mac Donald – 75019 Paris

The "Market-makers" will provide market-making services for Fund units from the date they are listed on the market where the Fund is traded. They will mainly act as market-makers through their continuous presence on the market, maintaining a buy/sell price range and ensuring adequate liquidity.

Specifically, the financial institutions acting as "Market-Makers" that have signed a market-making contract for the Fund have made a commitment to NYSE Euronext Paris SA to meet the following conditions for the Fund:

- a maximum total spread of 2% between offer price and bid price in the centralised order book
- a minimum nominal amount on both offer and bid sides corresponding to the value in euros of 2300 Fund units.

The obligations of the "Market-makers'" will be suspended if the value of the MSCI Italy Index is not unavailable or if one of its component stocks is suspended. The obligations of the "Market-makers'" will generally be suspended in case of unusual disturbances or difficulties on the stock market in question which prevents standard market-making operations (e.g. listing disturbances, etc.).

Market-makers must also ensure that the Fund unit’s listed market price does not differ by more than 1.5% either side of the Indicative NAV (see “Indicative Net Asset Value” section).

The Management Company may ask market-makers to halt their trading in each Fund unit should exceptional circumstances arise or should investor interest require this.

## SECONDARY MARKET BUY AND SELL TERMS AND CONDITIONS

Fund units acquired in the secondary market generally cannot be resold directly to the Fund. Investors must buy

and sell units in a secondary market, with the assistance of an intermediary (a broker, for example) and may have to pay corresponding fees. In addition, investors may have to pay more than the current net asset value when they buy units; investors may also receive less than the current net asset value when they sell them.

Investors may however be authorised to sell their units in the primary market in the event of significant discrepancy between the stock market price of the Fund's units and its indicative net asset value or in the event of long-lasting suspension of trading in the units by the stock exchange operator in the main quotation market in which the unit is listed or in the event of lasting failure of the market-makers to fulfil their market-making commitment to ensure continuous presence in the market, thereby making trading in the unit impossible in the principal quotation market in which the Fund is listed for trading.

Should any of these events occur, the Management Company will post on its website amundietf.com the procedure to be followed by investors wishing to redeem their units in the primary market. The Management Company will notify the operator of the stock exchange that customarily lists the units so that the operator may notify the market of the procedure in place and of the location where such procedure is available.

Accordingly, a reasonable redemption fee will be charged to cover the transaction costs incurred by the Fund.

**Date and frequency of NAV calculation:**

Daily

**Place and methods of publication or communication of the net asset value:**

The net asset value is calculated and published each day when the NYSE Euronext listing market is open and if one of the markets on which the Fund is listed for trading is open (including Borsa Italiana, Deutsche Börse, London Stock Exchange and SIX Swiss Exchange), provided that the orders placed given in the primary and secondary markets can be covered.

The net asset value of the Fund is available on request from thee Management Company and on its website amundietf.com.

Furthermore, on days the NAV is published, an Indicative Net Asset Value (see “Indicative Net Asset Value” section) in euros will be published by NYSE Euronext.

**Costs and Fees:**

- **Subscription and redemption fees: :**

*Subscription and redemption fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. Fees are retained by the Fund to compensate for its costs incurred in investing or liquidating the assets. Fees not paid to the Fund revert to the Management Company, the distributor, etc.*

- On the primary market:

| Fees payable by the investor, deducted when subscriptions or redemptions are made | Basis | Rate |
|---|---|---|
| Subscription fee not retained by the Fund | Net asset value X number of units | 3% on each cash subscription |
| Subscription fee not retained by the Fund | Net asset value X number of units | None |
| Subscription fee not retained by the Fund | Net asset value X number of units | 3% on each cash subscription |
| Subscription fee not retained by the Fund | Net asset value X number of units | None |

**Exemption:**
The Management Company and BNP Paribas Arbitrage and BNP Paribas SA are exempt from paying subscription or redemption fees.

The nature of these fees is detailed in the section describing subscription and redemption arrangements.

- On the secondary market:

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Orders for the purchase or sale of units may be placed in any market where the Fund is traded, through an approved broker. Nevertheless, placing a stock market order will trigger costs over which the Management Company has no influence (e.g. broker's commission on stock-market orders to buy or sell units charged by the investor's broker).

The distribution of this Prospectus, and the purchase or sale of Fund units, may be subject to restrictions in certain countries, as may the purchase or sale Fund units. This Prospectus is not an offer or solicitation by any person in any country where such offer or solicitation would be illegal or where the person making it would not meet the applicable statutory conditions or directed to any person to whom it would be illegal to make such a solicitation.

- **Administrative and management fees: :**

*These fees cover all expenses billed directly to the Fund, except for transaction costs. These fees cover all costs directly billed to the Fund, except transaction costs which include dealing costs (brokerage…) and any turnover commission that might be received by the Depositary the Management Company.*

*The following fees may be charged on top of management and administrative fees:*
*- outperformance fees, These reward the Management Company when the Fund exceeds its objectives. They are therefore billed to the Fund;*
*- transaction fees billed to the Fund.*

*For more details of the costs actually billed to the Fund, refer to the key investor information document.*

| Fees charged to the Fund | Basis | Rate structure |
|---|---|---|
| Actual fixed rate | Net assets | 0.25% including tax |

Administrative and management fees will be charged directly to the Fund's income account.
Exceptional legal costs for the recovery of the Fund's receivables may be added to the fees invoiced to the Fund as listed above.

- **Commission in kind:**

The Management Company receives no commission in kind either for itself or for third parties.

Warning:

The tax treatment applicable to amounts distributed by the Fund or to its unrealised or realised capital gains or losses depends on the tax laws applicable to the individual investor's tax position and country of tax residence and/or on the jurisdiction in which the Fund holds assets.
Some income distributed by the Fund to unitholders residing outside France may be subject to withholding tax in France. We recommend that you consult your tax adviser on this issue.

Investors should also note that the Investment Income Taxation Directive specifies certain tax obligations taxation for Fund representatives and agents and on certain unitholders.
Other regulations specifying similar obligations may be introduced in jurisdictions outside the European Union. In principle, under that Directive, and potentially under comparable regulations that might be adopted elsewhere, the payment of interest (which may include the proceeds of the sale, redemption or repurchase of Fund units by certain unit-holders) may in certain circumstances be disclosed to the local tax authorities.

Investors are invited to refer to the Fund's Annual Report for further information.

# IV. COMMERCIAL INFORMATION

Unitholders are informed of any changes affecting the Fund in accordance with the procedures defined by the Autorite des Marches Financiers (AMF): individual information or by any other method (financial notice, interim report, etc.).

The Prospectus for the Fund, Key Investor Information Document, latest annual and periodic documents, and the Fund's NAV are sent within one week on request in writing from the investor to:
Amundi - Amundi ETF - 90 boulevard Pasteur - CS 21 564 - 75730 PARIS cedex 15

The Management Company provides investors with information on how the criteria for compliance with social, environmental and governance quality objectives are taken into account in its investment policy on its website at amundi.com and, in the Fund's annual report.

The transparency policy is available on request from the Management Company and on its website amundietf.com and information about the asset composition of the Fund is available on request from the Management Company and on its website amundietf.com where it is published with a delay of at least three stock market days.

Further details are available from the Management Company and at amundietf.com.

**Indicative net asset value:**

The indicative net asset value (“iNAV”) is published by the stock exchange during trading hours on every day the Fund’s NAV can be calculated and published.

A Trading Day is a business day on which the Fund’s NAV can be calculated and published.

The iNAV is the Fund’s instantaneous theoretical market value at a given moment, used as a reference price by market-makers and day traders. It is calculated for each market in which the Fund units are listed and traded.

The iNAV is automatically and continuously updated throughout the days when Fund units are listed for trading.

In case of closure of one or more stock exchanges on which the securities included in the MSCI Italy Index are listed (e.g. for a public holiday as defined in the Target calendar), when the iNAV cannot accordingly be calculated, trading in both Fund unit categories may be suspended.

On NYSE Euronext, the "iNAV" is published every 15 seconds throughout the Paris trading session (09:00 to 17:35). The "iNAV" history is published continuous on the NYSE Euronext website (euronext.com) and by most financial information providers (Reuters, Bloomberg and others).

Reservation thresholds are set giving a range of 1.5% on either side of the iNAV of both Fund unit categories, as published by NYSE Euronext Paris S.A. These are updated during each session on an estimate basis depending on changes in the MSCI Italy Index.

## V. INVESTMENT RULES

The Fund shall comply with the investment rules set forth by European Directive 2009/65/EC dated 13 July 2009.
The Fund will comply with the legal ratios decreed by the French Monetary and Financial Code - Regulatory Part.

The legal investment rules applicable to the Fund are those which govern coordinated UCITS, up to 10% of whose assets are invested in other UCITS, as well as those which are applied to its AMF classification - "Eurozone country equities".

The main financial instruments and management techniques used by the Fund are described in Chapter II.2 "Special Provisions" of the Prospectus. Amendments to the French Monetary and Financial Code will be taken into consideration by the Management Company in manging the Fund as soon as they are implemented.

AMUNDI ETF MSCI ITALY UCITS ETF (THE "FUND") IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDICES ARE THE EXCLUSIVE PROPERTY OF MSCI AND ARE SERVICE MARKS OF MSCI OR ITS AFFILIATES. THE MSCI INDICES HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY AMUNDI INVESTMENT SOLUTIONS. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY,EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS PARTICULAR FUND OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDICES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDICES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHERMORE, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDICES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHERMORE, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

## VI. GLOBAL RISK

Commitment calculation method.

## VII. ASSET VALUATION AND ACCOUNTING RULES

### Principle

General accounting conventions are applied in compliance with the following principles:

- continuity of trading,
- consistency of accounting methods from one year to the next,
- independent financial years.

The standard method for recognising assets in the accounts is the historic cost method, except for portfolio valuation.

### Asset valuation rules

The net asset value per unit is calculated in accordance with the following valuation rules:

- Securities traded in a regulated market (French or foreign), are valued at market price. Market price valuation is carried out under conditions specified by the Delegated Fund Manager. Securities contributed to or held by the Fund are valued at their latest market price.

- Differences between the market prices used to calculate the NAV and the historic cost of the securities in the portfolio are recognised in an account “Estimation Differences”.

However:

- Securities for which a price has not been recorded on the valuation date or for which the price has been corrected, are valued at their probable trading value as estimated by the Delegated Fund Manager. The Independent Auditor is informed of these valuations and their justification when conducting his audit.

- Except in the case of major transactions, negotiable debt instruments and similar securities are valued using an actuarial method; the rate use is the rate of equivalent securities issues adjusted, when necessary, by a difference that is representative of the intrinsic features of the security issuer. However, negotiable debt instruments with a residual maturity of three months or less will be valued according to the linear method unless they are particularly volatile. The procedures for the application of these rules are set by the Delegated Fund Manager. In accordance with the instructions of the French Market Regulator (AMF), negotiable debt instruments (other than Treasury Notes) are valued as indicated below:

    - short-term securities (3 months or less): valued at cost price, with any discount or premium spread over their remaining life;
    - securities with more than 3 months but not more than one year to maturity: valued at the Euribor rate published in the Official List, plus or minus a margin, based on the reputation of the issuer;
    - securities with over 1 year to maturity: valued at the equivalent BTAN rate, plus or minus a margin, based on the reputation of the issuer.

- Treasury notes are valued at market rate, notified daily by Banque de France.

- UCITS units or shares are valued at the last known net asset value.

- Securities not traded in a regulated market are valued by the Delegated Fund Manager at their likely trading value. Their valuation is based on their assets and yield, taking into account the prices used in recent major transactions.

- Securities, which are covered by a temporary disposal or acquisition contract, are valued in accordance

with the legislation in force, and the methods for application are determined by the Delegated Fund Manager.

Securities received under repurchase agreements are entered in the purchase portfolio as "Receivables representing securities received under repurchase agreements" at the value stipulated in the contract, plus interest receivable. Securities surrendered under repurchase agreements are entered in the purchase portfolio and valued at market price. Interest receivable and payable for repurchase transactions is calculated and prorated over time. Debts representing securities surrendered under repurchase agreements are entered in the sale portfolio at the value stipulated in the contract, plus interest payable. When these contracts are unwound, interest received or paid is recognised as interest on receivables or payables.

Loaned securities are valued at market price. The consideration received for the loan is registered under “income on receivables”. Accrued interest is included in the market value of the loaned securities.

- Transactions on firm forward financial agreements or options traded in organised markets (French or foreign) are valued at market value according to procedures specified by the Delegated Fund Manager. Contracts on forward markets are valued at the settlement price.

- Firm forward transactions, options or currency transactions on on OTC markets as authorised under the laws and regulations governing UCITS are valued at market value or at an value according to procedures specified by the Delegated Fund Manager. Interest rate and/or currency swaps are valued at market value by taking the Discounted Cash Flow (principal and interest) at the market interest and/or foreign exchange rates. This price is corrected for the credit risk.

### ◗ Accounting method

Securities entering or leaving the portfolio are booked excluding costs.

Revenues are accounted for when received.

Revenues consist of:
- income from securities,
- dividends and interest received on foreign securities, at the foreign currency rate,
- cash proceeds in foreign currency, loan income, and revenue from lending of securities and other investments.

The following deductions are made from these revenues:
- management fees,
- financial expenses and charges on the lending and borrowing of securities and other investments.

Off-Balance Sheet commitments:

Firm forward contracts are entered, for their market value, as Off-Balance Sheet commitments at the settlement price. Options are converted into their underlying equivalent asset. OTC interest rate swaps are valued on the basis of the nominal value, plus or minus the corresponding estimation difference.

### ◗ Equalisation account

Income Equalisation accounts ensure fair allocation of income among unit-holders, regardless of the subscription or redemption date.

**Prospectus updated on:** July the 1st, 2013

# REGULATIONS
# Fonds Commun de Placement
# AMUNDI ETF MSCI ITALY UCITS ETF

## SECTION 1 – ASSETS AND UNITS

### Article 1 – Joint-ownership units

The joint ownership rights are expressed as units, each unit corresponding to an identical share of the assets of the Fund (the "**Fund**"). Each unitholder is entitled to joint-ownership of the Fund's assets in proportion to the number of units held.
The term of the Fund is 99 years from its launch, unless it is wound up early or extended pursuant to these Regulations.

The features of the various categories of unit and their access conditions are set out in the Fund's Key Investor Information Document and Prospectus.

The different unit classes may:

- Have different arrangements for allocating revenue: (distribution or accumulation);
- Be denominated in different currencies;
- Incur different management fees;
- Be subject to different subscription and redemption fees;
- Have different nominal values;
- Be systematically hedged against risk, either partially or in full, as set out in the Prospectus. The hedging process is performed using financial instruments that reduce the impact of the hedging transactions for the Fund’s other unit classes to a minimum;
- Be reserved for one or several distribution networks.

Grouping or subdivision of units is allowed.

The Management Company's governing body may, at its sole discretion, divide units by creating new units which are allocated to unitholders in exchange for existing units.

### Article 2 – Minimum level of assets

Units may not be redeemed if the Fund’s assets fall below the amount set out in the Regulations; should this happen, and unless the asset value has in the meantime increased above this threshold, the Management Company shall take steps to merge or unwind the relevant Fund within thirty days or it shall take one of the actions set out in Article 411-16 of the French Market Regulator 's (AMF) General Regulations (transfer of UCITS).

### Article 3 – Issue and redemption of units

Units may be issued at any time at the request of the unitholders on the basis of their net asset value plus, as applicable, the subscription fee.

Redemptions and subscriptions shall be carried out under the terms and arrangements set out in the Fund's Key Investor Information Document and Prospectus.

Fund units may be listed for trading in compliance with applicable laws and regulations.

Subscriptions must be paid up in full on the day of the net asset value calculation. They may be paid in cash and/or securities. The Fund Manager may turn down the securities offered and must announce its decision within seven days. If accepted, contributed securities shall be valued according to the rules set out in Article 4

and the subscription shall take place based on the first net asset valuation following the acceptance of the securities concerned.
Redemptions shall be carried out in cash only, except when the Fund is to be wound up and the concerned unit-holders have agreed to accept redemption in the form of securities. They shall be settled by the issuing account holder within a maximum period of five days following the unit's valuation.

If however, under exceptional circumstances, the reimbursement requires the prior sale of Fund assets, this period may be extended but shall not exceed 30 days.

Except in the case of an inheritance or inter vivos distribution, the sale or transfer of units between unitholders, or from unitholders to third parties, is considered to be a redemption followed by a subscription; if sold or transferred to a third party, the amount involved must, where applicable, be supplemented by the beneficiary to bring it up to the minimum subscription stipulated in the Key Investor Information Document and the Prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the Management Company may temporarily suspend both the redemption by the Fund of its own units and the issue of new units when exceptional circumstances or the interest of the unitholders should so require.

If the net asset value of the Fund is lower than the amount specified by the Regulations, no further units may be redeemed.

Minimum subscription conditions may apply as stipulated in the Funds' prospectus.

The Fund may cease to issue units, in accordance with the second paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, in the following cases:

- in objective situations entailing the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the end of a given subscription period. These objective situations are described in the Fund's Prospectus,
- and other cases stipulated by the rules.

**Article 4 – NAV calculation**

The NAV of the units is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind may only consist of the securities, currencies or contracts eligible for the UCITS in question; they are valued in accordance with the same valuation rules as for the calculation of the Fund's NAV.

## SECTION 2 – FUND OPERATIONS

**Article 5 - The Fund Manager**

The Fund is managed by the Management Company in accordance with the guidelines defined for the Fund.

The Management Company will, at all times, act on behalf of the unitholders and it alone is entitled to exercise the voting rights attached to the securities included in the Fund.

**Article 5a – Operating rules**

The instruments and deposits eligible to form part of the Fund's assets are described in the Prospectus, as are the investment rules.

**Article 6 - Depositary**

The Depositary performs the duties for which it is responsible by application of the legal and regulatory provisions in force and those contractually entrusted to it by the Management Company. It must ensure that decisions taken by the Management Company are lawful. As applicable, it shall take any prudential measures that it deems useful. It is required to notify the French Market Regulator (AMF) of any disputes with the

Management Company.

**Article 7 – Independent Auditor**

An Independent Auditor is appointed for six financial years by the Management Company's governing body, subject to prior approval by the French Market Regulator (AMF).
It certifies the accuracy and reliability of the accounts.
The independent auditor may be renewed in its mandate.

The Independent Auditor is required to notify, as soon as practicable, the French Market Regulator (AMF) of any fact or decision concerning the undertaking for collective investments in transferable securities of which the Independent Auditor has become aware in the performance of the audit and that might:
1° constitute violation of the legal or regulatory provisions applicable to such undertaking and that might have material effects on the financial position, results or assets;
2° adversely affect the conditions or the continuity of its operations;
3° result in the Independent Auditor expressing a qualified opinion or refusing to certify the accounts.
Asset valuations and the determination of exchange rates used in currency conversions, mergers or demergers shall be subject to inspection by the Independent Auditor.
The Independent Auditor appraises any contribution in kind under its responsibility.
It audits the accuracy of the composition of the assets and other items prior to publication.

The fees of the Independent Auditor's fees are set by mutual agreement between the former and the governing body of the Management Company in accordance with a work programme specifying the measures deemed necessary.
The Independent Auditor shall certify the circumstances underlying any interim distributions.

**Article 8 – Report and accounts**

At the each financial year-end, the Management Company prepares summary accounts and a report on the management of the Fund during the year ended.

The Management Company is required to prepare at least half-yearly and under the oversight of the Depositary, the inventory of the Fund's assets. All the documents listed above are audited by the Independent Auditor.

The Management Company shall hold these documents for consultation by the unitholders for a period of four months from the financial year-end and shall notify the unitholders of the amount of income attributable to them: these documents are either sent by post at the express request of the unitholders, or made available to them at the Management Company's offices.

## SECTION 3 – ALLOCATION OF PROFITS

**Article 9**

The distributable sums consist of:
1. The net result plus any amounts carried forward and plus/minus the balance of income accruals;
2. The realised capital gains, net of fees, less any realised capital losses, net of fees recorded during the financial year, plus any net capital gains of the same nature recorded during prior financial years which have not be distributed or accumulated and plus/minus the balance of capital gains accruals.
The sums mentioned under 1 and 2 may be distributed, in whole or in part, independently from one another.
Distributable sums are paid out within maximum 5 months following the financial year-end.
The net profit of the Fund for the period is the total amount of interest, arrears, dividends, premiums and bonuses, Directors' attendance fees and yields from the securities in the Fund's portfolio, plus the product of any amount held in cash, minus management fees and interest on loans.
The Management Company determines the allocation of the distributable sums.

For each unit class, the Fund may select for each of the sums mentioned under 1 and 2 for one of the following options:

Full accumulation: distributable sums will be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;
Full distribution: the distributable sums are distributed in full, after rounding;
For Funds seeking to preserve the option to choose freely between accumulation and distribution, the Management Company shall decide every year how to allocate each of the sums listed under 1 and 2.
If applicable, the Management Company may decide,
during the financial year, to make one or more interim distributions within the limits of the net income of each of the sums mentioned under 1 and 2 recognised as at the date of the decision.The specific terms of allocation of income are described in the Prospectus.

## SECTION 4 – MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

### Article 10 – Merger – Demerger

The Management Company may contribute part or all of the Fund's assets to another UCITS managed by it or may split the Fund into two or more other mutual funds which it shall then manage.
bearers must be advised of future mergers or demergers one month in advance. After each transaction, new certificates will be issued stating the number of units held by each unit-holder.

### Article 11 – Dissolution – Extension

If the Fund's assets remain below the minimum level set in Article 2 for thirty days running, the Management Company shall notify the French Market Regulator (AMF) and then either arrange a merger with another mutual fund or wind up the Fund.

The Management Company may wind up the Fund early; it shall notify the unitholders of such decision and of the date after which subscription or redemption shall no longer be accepted.

The Management Company will wind up the Fund if it receives a request to redeem all its assets, if the Depositary ceases to operate and no other Depositary has been appointed, or on expiry of its term, if it is not extended.

The Management Company shall notify the French Market Regulator (AMF) by post of the winding-up date and procedure selected. It will then send the statutory auditors' report to the French Market Regulator (AMF).

The Management Company may decide, with the Depositary's consent, to extend the Fund's term. The decision must be taken at least three months before expiry of the Fund's anticipated term and the unitholders and the French Market Regulator (AMF) must be notified of such decision.

### Article 12 – Liquidation

If the Fund is wound up, the Management Company or the Depositary shall take on the role of liquidator: failing which a liquidator shall be appointed in court at the request of any interested party. To this end, the Management Company, or the Depositary where applicable, shall have the widest possible powers to sell the assets, pay any creditors and distribute the available balance among unitholders in cash or securities.

The Independent Auditor and the Depositary shall continue in office until all liquidation transactions have been completed.

## SECTION 5 - DISPUTES

### Article 13 – Jurisdiction – Election of domicile

Any disputes relating to the Fund that arise during the Fund's lifetime or during its liquidation, either among the unitholders or between the unitholders and the Management Company or the Depositary, shall be brought before the competent courts.

Regulations updated on: July the 1st, 2013

## ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

### A. General

AMUNDI ETF MSCI ITALY UCITS ETF (the "**Fund**") is an unincorporated collective investment scheme established under French law as a *Fonds Commun de Placement* (*FCP*). The investment manager of the Fund is Amundi (the "**Fund Manager**").

**This supplement forms part of and should be read in conjunction with the Fund's key investor information document (the "KIID") and the prospectus incorporating the Fund's detailed memorandum and the Fund's governing rules, as such documents may be amended or supplemented from time to time (the "Prospectus").** References to the KIID and the Prospectus are to be taken as references to those documents as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

The Fund is a recognised collective investment scheme within the meaning of Section 264 of the UK Financial Services and Markets Act 2000 (the "**FSMA**") and Fund units may be promoted to investors in the United Kingdom by persons who are authorised persons for the purposes of the FSMA.

### B. Facilities Agent

Amundi, London branch (the "**Facilities Agent**") has been appointed, pursuant to an agreement with the Fund Manager, to act as the facilities agent for the Fund in the UK and it has agreed to provide certain facilities at the address mentioned below in respect of the Fund. The Facilities Agent shall receive such fees as may be determined from time to time between the Fund Manager and the Facilities Agent.

### C. Documents Available for Inspection

The English language KIID and Prospectus (or either of its constituents i.e. the detailed memorandum and the Fund's governing rules) and the most recently published annual and half yearly reports relating to the Fund may be inspected free of charge and copies of them obtained (free of charge, in the case of the KIID and Prospectus and otherwise at no more than a reasonable charge) from the Facilities Agent at the address mentioned below.

### D. Prices and Redemption

Information regarding the price of Fund units may be obtained from the Facilities Agent at the address mentioned below, from the Fund Manager and via the website amundietf.com.

Investors may sell their Fund units on the London Stock Exchange at a price not significantly different from the indicative net asset value. Further information regarding the redemption of Fund units can be obtained from the Facilities Agent.

### E. Complaints

Complaints about the operation of the Fund may be submitted to the Fund Manager directly or through the Facilities Agent to the following address:

Amundi, London branch
41 Lothbury
London EC2R 7HF
England

If a complaint is not resolved to an investor's satisfaction, the investor may be entitled to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, UK. Investors will be informed of any rights they may have in this regard when a complaint is responded to.

### F. Compensation

The activities of the Fund Manager and the Delegated Fund Manager are not covered by the Financial Services Compensation Scheme.

**G. Cancellation**

With respect to the Fund Manager and the Delegated Fund Manager, investors in the Fund will have no right to cancel or withdraw from an investment in the Fund.