

**THIS NOTIFICATION IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE. THE BOARD OF DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS NOTIFICATION AS BEING ACCURATE AS AT THE DATE OF PUBLICATION.**

## **Amundi Funds**

*Société d'investissement à capital variable*  
*Registered office : 5, Allée Scheffer*  
*L-2520 Luxembourg*  
*R.C.S. de Luxembourg B-68.806*  
(the "Fund")

Luxembourg, 30 November 2020

Dear Shareholder,

We are writing to inform you of the following changes which will be made to the Sub-Funds and the Hong Kong offering document of the Fund and the Sub-Funds (comprising of the Prospectus and the Product Key Facts Statements of the Sub-Funds). Unless otherwise defined herein, terms and expressions used in this notice have the same meanings as given to them in the Hong Kong offering document of the Fund and the Sub-Funds.

### **1. Environmental, Social and Governance Policy**

Since its creation, 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 Environmental, Social and Governance (ESG) is a long-term driver of financial performance.

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

In addition to ESG integration, Amundi applies targeted exclusion policies to all of Amundi's active investing strategies by excluding companies in contradiction with the ESG policy, such as those, which do not respect international conventions, internationally recognised 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.

The Amundi ESG rating is an ESG quantitative score translated into seven grades. They range from A (the best scores) to G (the worst), with securities belonging to the exclusion list corresponding to a G rating.

The Amundi ESG rating aims to measure the ESG performance of an issuer, e.g. its ability to anticipate and manage Environmental, Social and Governance risks and opportunities inherent to an issuer's industry and individual circumstances.

More detailed information including Amundi’s ESG policies and rating methodology are available at [www.amundi.com.hk](http://www.amundi.com.hk). Please note that this website has not been reviewed by the Securities and Futures Commission in Hong Kong.

## ESG Investment Objectives

Various Amundi Funds’ Sub-Funds (as shown below) integrate ESG factors in their investment process and also aim to achieve a portfolio ESG score above the ESG score of its benchmark or investment universe (where there is no benchmark). The portfolio ESG score is the AUM-weighted average of the issuers’ ESG score based on Amundi ESG scoring model. Furthermore, unless otherwise specified in the investment policy of a Sub-Fund, all Amundi Funds’ sub-funds exclude all issuers specified in the exclusion list of the Amundi ESG Policy.

With effect from 1 January 2021, the investment policies of the following Sub-Funds will be amended to include a complementary objective that aims to achieve a portfolio ESG score above the ESG score of their respective benchmark:

- Amundi Funds – Cash EUR (This is not a money market fund in Hong Kong)\*
- Amundi Funds – Cash USD (This is not a money market fund in Hong Kong)\*
- Amundi Funds – Euro Corporate Bond
- Amundi Funds – Global Convertible Bond
- Amundi Funds – Top European Players

\* This is a standard variable net asset value money market fund under European Money Market Fund Regulation (EU) 2017/1131.

## 2. Addition of specified days which are not considered as Business Days in respect of Amundi Funds – SBI FM India Equity

Currently, any day that is a full bank business day in Luxembourg is considered as a “Business Day” for Amundi Funds – SBI FM India Equity under the Prospectus. Dealing requests for Amundi Funds – SBI FM India Equity received by the Cut-off Time (i.e. by 5.00 pm (Hong Kong time) if requests are received and accepted by CACEIS HK or by 2.00 pm (Luxembourg time) if requests are received and accepted by the Registrar, Transfer and Paying Agent) on a Dealing Day (defined as a Business Day during which banks are open for business in Luxembourg) (“**Dealing Requests**”) will be executed at the net asset value of the following Valuation Day. The net asset value will be calculated and published on that Valuation Day.

To ensure better protection for shareholders and avoid requests to buy, convert or redeem shares of Amundi Funds – SBI FM India Equity being executed on net asset values that are not fully reflecting fair market prices when the principal market(s) of Amundi Funds – SBI FM India Equity are closed, with effect from 1 January 2021, a public holiday in the countries shown in the table below will no longer be considered as a Business Day in respect of Amundi Funds – SBI FM India Equity:

Sub-Fund	Public Holiday in:
Amundi Funds – SBI FM India Equity	Luxembourg or India

Following the implementation of this change, in respect of Amundi Funds – SBI FM India Equity, the days specified above will no longer be a Dealing Day or a Valuation Day. No Dealing Requests will be processed

and no net asset value will be calculated and published for Amundi Funds – SBI FM India Equity for the days specified above.

### 3. Benchmark disclosures

Following recent regulatory guidance regarding the disclosure of information relating to the use of benchmarks by the Sub-Funds, we will make a number of adjustments to the Prospectus to improve disclosure related to the Sub-Funds’ use of benchmarks. The aim of this improved disclosure is to assist investors’ understanding of the relationship of benchmarks and their Sub-Funds. The Sub-Funds may have portfolios that are more or less different to the composition of a benchmark, or may have objectives or measures, which are actively managed or compared by reference to a benchmark. The Board of Directors invites you to read these carefully, in particular for those Sub-Funds with objectives which seeks to outperform a benchmark.

In particular, the Board draws the attention of shareholders of the following Sub-Funds that are designed to be actively managed by reference to and are seeking to outperform (after applicable fees) the following benchmarks respectively:

Sub-Fund	Benchmark
Amundi Funds – China Equity	MSCI China 10/40 Index
Amundi Funds – Emerging Markets Local Currency Bond	JP Morgan GBI-EM Global Diversified Index
Amundi Funds – Pioneer Global Equity	MSCI World Index
Amundi Funds – Pioneer US Bond	Bloomberg Barclays US Aggregate Index
Amundi Funds – Pioneer US Equity Research Value	Russell 1000 Value Index
Amundi Funds – Top European Players	MSCI Europe Index

The attention of Shareholders of Amundi Funds – China Equity is drawn to the fact that, although the management of Amundi Funds – China Equity is discretionary and allows investment in issuers not included in its benchmark, Amundi Funds – China Equity is predominantly exposed to the issuers of its benchmark and, the deviation from the benchmark may, in fact, be limited.

If this additional information is likely to call into question your investment into any Sub-Fund listed above, you may redeem your shares or convert your shares without redemption fee or conversion fee as provided in the section “Implication of the changes” below.

### 4. Change in the investment objective and policy involving a change in the benchmark of Amundi Funds – Cash USD

Currently, the investment objective of Amundi Funds – Cash USD is “to offer returns in line with money markets rates while seeking to achieve a stable performance in line with the USD Libor 3-month rate”. In anticipation of the phasing out of the USD Libor 3-month rate by the end of 2021, with effect from 1 March 2021, the investment objective of Amundi Funds – Cash USD will be changed to “to offer returns in line with money markets rates”. Its benchmark will be changed from the USD Libor 3-month rate to the Compounded Effective Federal Funds Rate (which is also in respect of USD) (the “**New Benchmark**”), and the use of the New Benchmark will be disclosed under its investment policy instead. Amundi Funds – Cash USD will still be actively managed and will still seek to achieve a stable performance in line with the New Benchmark. The New Benchmark will be used a posteriori (i.e. as an indicator for assessing Amundi Funds – Cash USD’s performance). There are no constraints relative to the New Benchmark restraining portfolio construction of Amundi Funds – Cash USD. The New Benchmark is not used for the purpose of portfolio

construction of Amundi Funds – Cash USD and the investment exposures, performance and returns of Amundi Funds – Cash USD may differ significantly from the New Benchmark.

The Effective Federal Funds Rate is a public benchmark, the official provider for which is the US Federal Reserve. The Effective Federal Funds Rate is calculated under the authority of the Board of Governors of the Federal Reserve System of the USA, using data on overnight federal funds transactions provided by domestic banks and US branches and agencies of foreign banks. The New Benchmark is a compounded version of the Effective Federal Funds Rate calculated by Amundi internally, which also factors in the impact of the reinvestment of interest on a daily basis using the Overnight Indexed Swap method.

#### Calculation and compounding methodology of the New Benchmark

The New Benchmark of a given calendar day which is a weekday (i.e. Mondays to Fridays) (D) is calculated by adding to the New Benchmark of the previous calendar day which is a weekday (D-1) the variation calculated by using the New Benchmark of the previous calendar day (D-1) multiplied by the Effective Federal Funds Rate of the given calendar day (D) and the DELTA, being the number of calendar days (including Saturdays and Sundays) elapsed since the last calculation, of the given calendar day (D) divided by 360, i.e.

$$\text{CEFR (D)} = \text{CEFR (D-1)} + [\text{CEFR (D-1)} * (\text{Effective Federal Funds Rate (D)} * \text{DELTA (D)} / 360)]$$

*N.B. The New Benchmark is shortened to “CEFR” for easy reading.*

Typically, the DELTA from Tuesdays to Fridays would be 1, and 3 on Mondays to account for the days elapsed during the weekend when no calculation is made. The source of the Effective Federal Funds Rate used by Amundi is ticker FRBRIFSPFF@US of Factset.

“DELTA” is used in the above formula because when displaying the performances of Amundi Funds – Cash USD on a monthly/quarterly/yearly/year-to-date basis, those performances are compared to a series of daily Effective Federal Fund Rates compounded on a monthly/quarterly/yearly/year-to-date basis. This allows Amundi to take into consideration the fact that the accrued interest received by Amundi Funds – Cash USD from previous investments are systematically reinvested. Accordingly, this gives a more accurate level of comparison between the performance of Amundi Funds – Cash USD and the performance of the benchmark in a given period.

The calculation of accrued interest on the basis of 360 days per year is the market practice for monetary funds expressed in USD.

The compounding of the New Benchmark is performed perpetually according to the above formula and no reset mechanism is contemplated. The starting point figure for this formula is the Effective Federal Funds Rate on 2 January 1996. This date was chosen historically to match the launch date of another fund under Amundi’s management.

#### Reasons for choosing the New Benchmark as a replacement of USD Libor 3-month rate for Amundi Funds – Cash USD

The New Benchmark is selected as the substitute benchmark of Amundi Funds – Cash USD for the following reasons:

- (1) Comparing with the currently available benchmarks, the New Benchmark is the most in line with the underlying investments of Amundi Funds – Cash USD because (1) the New Benchmark better reflects the use of hedging swaps based on the Overnight Indexed Swap method by Amundi Funds – Cash USD; and (2) the current possible benchmark alternatives are secured benchmarks, whereas Amundi Funds – Cash USD invests mainly in unsecured assets (which is in line with the New Benchmark).
- (2) The New Benchmark is compliant with the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
- (3) The New Benchmark is more consistent with the philosophy of Amundi Funds – Cash USD, which is designed to be similar to an overnight deposit. It is more logical to choose a compounded benchmark which capitalises the interests on a daily basis.

### The USD Libor 3-month rate and the New Benchmark

Although Amundi Funds – Cash USD will still be actively managed and will still seek to achieve a stable performance in line with the New Benchmark, investors should take note that the existing benchmark and the proposed New Benchmark are calculated based on different methodology and accordingly the benchmark figures on a given date for a given period will be different.

On 13 November 2020, the figure of USD Libor 3-month rate is 0.222% while the figure of the New Benchmark is 0.09%.

Following the implementation of this change, Amundi Funds – Cash USD will be managed by reference to the New Benchmark in the manner as described above. For the avoidance of doubt, there will be no change in the investment policy of Amundi Funds – Cash USD except as mentioned above.

As a result of the changes mentioned in this section and sections 1 and 3 above, the investment objective and policy of Amundi Funds – Cash USD will be amended as follows:

#### **“Objective**

*To offer returns in line with money markets rates ~~while seeking to achieve a stable performance in line with the USD Libor 3-month rate.~~*

#### **Investments**

*The ~~sub-fund~~**Sub-Fund** invests in short-term assets and, more precisely, mainly in money market instruments that are denominated in US dollar or hedged against the US dollar.*

*Specifically, the ~~sub-fund~~**Sub-Fund** invests at least 67% of assets in money market instruments (including ABCPs). The ~~sub-fund~~**Sub-Fund** maintains an average portfolio maturity of 90 days or less.*

*The ~~sub-fund~~**Sub-Fund** will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities. The ~~sub-fund~~**Sub-Fund** does not invest more than 30% of assets in money market instruments issued or guaranteed by any single nation, public local authority within the EU, or an international body to which at least one EU member belongs.*

*~~With effect from 1 January 2020, t~~**The ~~sub-fund~~**Sub-Fund** may invest up to 10% of its assets in units / shares of other MMFs.***

The ~~sub-fund~~Sub-Fund may invest in LAP, for example, contingent convertible debt securities, senior non-preferred debts, etc. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The ~~sub-fund~~Sub-Fund's expected total maximum investments in LAP will be less than 30% of its net asset value.

### **Benchmark**

**The Sub-Fund is actively managed and seeks to achieve a stable performance in line with the Compounded Effective Federal Funds rate Index (currently the “USD Libor 3-month rate” until the 1 March 2021) (the “Benchmark”). The Sub-Fund may use the Benchmark a posteriori (i.e. as an indicator for assessing the Sub-Fund's performance). There are no constraints relative to the Benchmark restraining portfolio construction. The Benchmark is not used for the purpose of portfolio construction of the Sub-Fund and the investment exposures, performance and returns of the Sub-Fund may differ significantly from the Benchmark. Further, the Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of its investment universe.**

**The Effective Federal Funds Rate is a public benchmark, the official provider for which is the US Federal Reserve. The Effective Federal Funds Rate is calculated under the authority of the Board of Governors of the Federal Reserve System of the USA, using data on overnight federal funds transactions provided by domestic banks and US branches and agencies of foreign banks. The Compounded Effective Federal Funds Rate is a compounded version of the Effective Federal Funds Rate calculated by Amundi internally, which also factors in the impact of the reinvestment of interest on a daily basis using the Overnight Indexed Swap method. The Compounded Effective Federal Funds Rate for a given calendar day which is a weekday (i.e. Mondays to Fridays) (D) is calculated by adding to the Compounded Effective Federal Funds Rate of the previous calendar day which is a weekday (D-1) the variation calculated by using the Compounded Effective Federal Funds Rate of the previous calendar day (D-1) multiplied by the Effective Federal Funds Rate for the given calendar day (D) and the DELTA, being the number of calendar days (including Saturdays and Sundays) elapsed since the last calculation, of the given calendar day (D) divided by 360, i.e.**

$$\text{CEFR (D)} = \text{CEFR (D-1)} + [\text{CEFR (D-1)} * (\text{Effective Federal Funds Rate (D)} * \text{DELTA (D)} / 360)]$$

**N.B. The Compounded Effective Federal Funds Rate is shortened to “CEFR” for easy reading.**

**Typically, the DELTA from Tuesdays to Fridays would be 1, and 3 on Mondays to account for the days elapsed during the weekend when no calculation is made. The source of the Effective Federal Funds Rate used by Amundi is ticker FRBRIFSPFF@US of Factset.**

**“DELTA” is used in the above formula because when displaying the performances of the Sub-Fund on a monthly/quarterly/yearly/year-to-date basis, those performances are compared to a series of daily Effective Federal Fund Rates compounded on a monthly/quarterly/yearly/year-to-date basis. This allows Amundi to take into consideration the fact that the accrued interest received by the Sub-Fund from previous investments are systematically reinvested. Accordingly, this gives a more accurate level of comparison between the performance of the Sub-Fund and the performance of the Benchmark on a given period.**

**The calculation of accrued interest on the basis of 360 days per year is the market practice for monetary funds expressed in USD.**

**The compounding of the Compounded Effective Federal Funds Rate is performed perpetually according to the above formula and no reset mechanism is contemplated. The starting point figure for this formula is the Effective Federal Funds Rate on 2 January 1996. This date was chosen historically to match the launch date of another fund under Amundi's management.**

### **Derivatives**

The ~~sub-fund~~**Sub-Fund** may use derivatives for hedging. The ~~sub-fund~~**Sub-Fund** will not invest in financial derivative instruments for investment purposes.

The ~~sub-fund~~**Sub-Fund**'s net derivative exposure may be up to 50% of its net asset value."

## **5. Change of investment policy of Amundi Funds – Top European Players**

Currently, it is part of the investment policy of Amundi Funds – Top European Players that it will invest at least 75% of its assets in equities issued by companies headquartered in the European Union. In anticipation of the prospective withdrawal of the United Kingdom from the European Union, Amundi Funds – Top European Players will no longer be able to comply with the aforementioned part of its investment policy. Therefore, with effect from 1 January 2021, the aforementioned part of the investment policy of Amundi Funds – Top European Players will be removed.

Following the implementation of this change, the manner in which Amundi Funds – Top European Players is currently being managed will change as it will be managed in accordance with the new investment policy. Therefore, it should be noted that Amundi Funds – Top European Players will no longer be required to invest any part of its portfolio in companies headquartered in the European Union. However, it is not expected that this change will result in any material changes to the current portfolio of Amundi Funds – Top European Players in the near future, as this change is motivated by the Investment Manager's intention to keep the current positions of Amundi Funds – Top European Players in United Kingdom equities that it would otherwise be obliged to liquidate.

To clarify, after this change, Amundi Funds – Top European Players will invest mainly (i.e. at least 50% and up to 100% of its net asset value) in equities of medium and large-capitalisation companies that have a market capitalization of EUR 3 billion or more and are based or do most of their business in Europe. It is generally expected that Amundi Funds – Top European Players will invest at least 67% of its net asset value in such equities.

As a result of the changes mentioned in this section and sections 1 and 3 above, the investment objective and policy of Amundi Funds – Top European Players will be:

### **“Objective**

*To increase the value of your investment.*

### **Investments**

The ~~sub-fund~~**Sub-Fund** invests mainly (i.e. at least 50% **and up to 100%** of net asset value) in equities of medium and large-capitalisation companies that have a market capitalisation of EUR 3 billion or more and are based or do most of their business in Europe. **It is generally expected that the Sub-Fund will invest at least 67% of its net asset value in such equities. The sub-fund invests at least 75% of its assets in equities issued by companies headquartered in the EU.** While the ~~sub-fund~~**Sub-Fund** may invest in any area of the economy, at any given time its holdings may be focused on a relatively small number of companies.

The ~~sub-fund~~Sub-Fund may invest up to 10% of its assets in other UCIs and UCITS.

The ~~sub-fund~~Sub-Fund does not intend to invest more than 10% of the ~~sub-fund~~Sub-Fund's net asset value in securities issued and/or guaranteed by a single sovereign issuer (including its government, a public or local authority of that country) which is below Investment Grade or unrated.

### **Benchmark**

**The Sub-Fund is actively managed by reference to and seeks to outperform (after applicable fees) the MSCI Europe Index (the “Benchmark”). The Sub-Fund is mainly exposed to the issuers of the Benchmark, however, the management of the Sub-Fund is discretionary, and will invest in issuers not included in the Benchmark. The Sub-Fund monitors risk exposure in relation to the Benchmark however the extent of deviation from the Benchmark is expected to be material. Further, the Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of the Benchmark.**

### **Derivatives**

The ~~sub-fund~~Sub-Fund may make use of derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities).

The ~~sub-fund~~Sub-Fund's net derivative exposure may be up to 50% of its net asset value.”

## **6. Change of investment policy of Amundi Funds – Asia Equity Concentrated**

With effect from 1 January 2021, the investment policy of Amundi Funds – Asia Equity Concentrated will be amended to enable investments in China A Shares via the status of a Renminbi Qualified Foreign Institutional Investor.

As a result of the changes mentioned in this section and section 3 above, the investment objective and policy of the Sub-Fund will be:

### **“Objective**

To achieve long-term capital growth. Specifically, the ~~sub-fund~~Sub-Fund seeks to outperform (after applicable fees) the MSCI AC Asia ex Japan index.

### **Investments**

The ~~sub-fund~~Sub-Fund invests mainly in Asian equities (excluding Japan).

Specifically, the ~~sub-fund~~Sub-Fund invests at least 67% of assets in equities and Equity-Linked Instruments of companies that are headquartered, or do substantial business, in Asia (excluding Japan and including China). Investments in Chinese equities can be made either through authorised markets in Hong Kong or through the Stock Connect. **The Sub-Fund may also invest in China A Shares via the status of a Renminbi Qualified Foreign Institutional Investor.** The ~~sub-fund~~Sub-Fund may invest up to 10% of net assets in China A Shares and B Shares (combined). There are no currency constraints on these investments.

While complying with the above policies, the remaining net assets of the ~~sub-fund~~Sub-Fund may also invest in other equities, Equity-Linked Instruments, convertible bonds, bonds, money market instruments and deposits, and may invest up to 10% of net assets in UCITS/UCIs.



## **Benchmark**

**The Sub-Fund is actively managed by reference to and seeks to outperform (after applicable fees) the MSCI AC Asia ex Japan Index (the “Benchmark”). The Sub-Fund is mainly exposed to the issuers of the Benchmark, however, the management of the Sub-Fund is discretionary, and will invest in issuers not included in the Benchmark. The Sub-Fund monitors risk exposure in relation to the Benchmark however the extent of deviation from the Benchmark is expected to be material. The Sub-Fund will hold a more concentrated portfolio than the Benchmark. The level of correlation with the Benchmark may limit the extent to which the performance of the portfolio deviates from the Benchmark.**

## **Derivatives**

The ~~sub-fund~~**Sub-Fund** may use derivatives for hedging and efficient portfolio management.

The ~~sub-fund~~**Sub-Fund**'s net derivative exposure may be up to 50% of its net asset value.”

## **7. Change in the arrangements for conversion of shares**

Currently, conversions from shares of one class of shares of a Sub-Fund to shares of another class of shares of either the same or a different Sub-Fund are permitted, if the investor complies with all the holdings and eligibility requirements for the class of shares into which he converts, except that conversions (in and out) are not allowed for Amundi Funds – Equity MENA.

It is the current practice of the Fund that different Sub-Funds may have different times for calculation of their net asset values, based on the Fund's calculation policy. As a result, the net asset value calculation process of certain Sub-Funds may have already been completed when other Sub-Funds start their calculation process, and thus conversion requests between Sub-Funds having different times for calculation of their net asset values have to be delayed until all relevant net asset values are available. To avoid such operational difficulties, the Board of Directors has decided to only allow conversion of shares between Sub-Funds which have the same times for calculation of their respective net asset values.

Therefore, with effect from 1 January 2021, investors may convert their shares only into and out of a Sub-Fund within the same group (A, B or C), as further indicated below.

Group A	All Sub-Funds except those in groups B and C below
Group B	Amundi Funds – Cash EUR
Group C	Amundi Funds – Cash USD

As a result of this change, conversions (in and out) will not be allowed for Amundi Funds – Cash EUR and Amundi Funds – Cash USD as there will be no other SFC-authorized sub-funds<sup>1</sup> under the Fund within their respective groups above. Also, as Amundi Funds – Equity MENA will be included in Group A, conversions (in and out) will be allowed for Amundi Funds – Equity MENA with another Sub-Fund in Group A.

Moreover, following the implementation of this change, if investors would like to convert their shares in a Sub-Fund of one group to shares of another Sub-Fund belonging to another group, they will have to do so

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<sup>1</sup> SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

by first redeeming their shares in the existing Sub-Fund followed by subscription for shares in the other Sub-Fund and should take note of the redemption and/or subscription fee(s) where applicable.

For the avoidance of doubt, other conditions detailed in the Prospectus of Amundi Funds in relation to the conversion of shares will remain unchanged.

#### **8. Increase in the maximum management fees for certain share classes of Amundi Funds – Cash USD**

As a commercial decision of the management company of the Fund to better align with market rates, with effect from 1 January 2021, the maximum management fees of the following share classes of Amundi Funds – Cash USD will increase as shown in the table below. However, the management fees of the affected share classes of Amundi Funds – Cash USD will remain unchanged in the near future notwithstanding the increase in the maximum management fees.

<b>Sub-Fund</b>	<b>Class of Shares</b>	<b>Current Maximum Management Fee (p.a. in percentage of net asset value)</b>	<b>New Maximum Management Fee (p.a. in percentage of net asset value)</b>
Amundi Funds – Cash USD	I2 USD (C)	0.10%	0.12%
	I2 USD AD (D)	0.10%	0.12%

Shareholders should note that the above increase is related to a potential maximum that the current levels of management fees may reach or not at any moment.

#### **9. Reduction in maximum administration fees of Amundi Funds – Equity ASEAN**

With effect from 1 June 2019, the maximum administration fees of the following share classes of Amundi Funds – Equity ASEAN have been reduced as shown in the table below.

<b>Sub-Fund</b>	<b>Class of Shares</b>	<b>Previous Maximum Administration Fee (p.a. in percentage of net asset value)</b>	<b>New Maximum Administration Fee (p.a. in percentage of net asset value)</b>
Amundi Funds – Equity ASEAN	A2 USD (C)	0.50%	0.30%
	A2 USD AD (D)	0.50%	0.30%

#### **10. Clarification on the means of publication of notices on swing pricing**

In general, when the net balance of subscriptions and redemptions for a given Sub-Fund is greater than a predetermined threshold percentage (will be determined and reviewed by the Board of Directors on a quarterly basis) of the Sub-Fund's assets on any Valuation Day, the net asset value will be adjusted upward or downward by not more than 2% of the original net asset value. The Board of Directors will periodically review this adjustment limit and may decide to increase this adjustment limit if it considers necessary to protect existing shareholders' interests. The Board of Directors would like to clarify that, in the event of increase in this adjustment limit, shareholders will be notified by way of a notice will be published at <http://www.amundi.com.hk/retail>. This website has not been reviewed by the Securities and Futures Commission.

## **Implication of the changes**

Save as otherwise provided in this notice, the changes to the Sub-Funds as mentioned in this notice will not have any material impact on the investment objectives and policies, portfolios of the Sub-Funds, as well as, the overall risk profiles of the Fund and the Sub-Funds. Except for the change as mentioned in section 8 above, there will be no change in the fee structure and fee level of the Sub-Funds and cost in managing the Sub-Funds following the implementation of the other changes. It is not expected that the changes will materially prejudice the rights and interests of shareholders. Except for the changes as mentioned in this notice, there is no other change in the operation and/or manner in which the Fund and the Sub-Funds are being managed.

The changes to the Sub-Funds as mentioned in this notice will not require the shareholders' approval pursuant to applicable law and the Articles of Incorporation.

Any costs and expenses associated with the changes to the Sub-Funds as mentioned in this notice will be borne by the management company of the Fund.

If you don't agree with the changes to your Sub-Fund(s), from the date of this notice, you have the right to redeem your shares or convert your shares to any other share class (provided that they meet the specific requirements as set out in Appendix I of the current Prospectus, for each type of share class) of other SFC-authorized sub-funds<sup>2</sup> of the Fund in Hong Kong, without redemption fee or conversion fee, before 5:00 p.m. Hong Kong time by 1 January 2021 (except for Amundi Funds – Cash USD for which you are entitled to redeem your shares or convert your shares in the manner as described above, without redemption fee or conversion fee, before 5:00 p.m. Hong Kong time by 1 March 2021 as a result of the change as mentioned in section 4 above) in accordance with procedures and arrangements for redemption and conversion as set out in the current Prospectus. For the avoidance of doubt, this arrangement is still applicable to shareholders of the Sub-Funds affected by the change as mentioned in section 7 above. Please note that although we will not impose any charges in respect of your redemption/conversion instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/conversion and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The Hong Kong offering document will be amended to reflect the above changes in due course. A copy of the latest Hong Kong offering document is available on request free of charge at the registered office of the Fund and at the office of the Hong Kong Representative at 901-908, One Pacific Place, No.88 Queensway, Hong Kong. The latest Hong Kong offering document will also be available online at: <http://www.amundi.com.hk>. Please note that this website has not been reviewed by the SFC.

If you would like any further information, please contact Amundi Hong Kong Limited, the Hong Kong Representative at (852) 2521 4231.

Yours faithfully,

**The Board of Directors**

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<sup>2</sup> SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Prospectus.***
- ***You should not invest in this product based on this statement alone.***

## Quick Facts

<b>Management Company:</b>	Amundi Luxembourg S.A.	
<b>Investment Manager:</b>	Amundi (UK) Limited (United Kingdom, internal delegation)	
<b>Depository:</b>	CACEIS Bank, Luxembourg Branch	
<b>Dealing Frequency:</b>	Daily (any full working day during which banks are open for business in Luxembourg)	
<b>Ongoing charges over a year#:</b>	A2 USD (C)	1.36%
	A2 USD AD (D)	1.36%
<b>Base currency:</b>	USD	
<b>Dividend policy:</b>	For distribution shares: Dividend, if declared, will be paid <sup>^</sup> For accumulation shares: No dividends will be declared <sup>^</sup> Dividend payments may, at the sole discretion of Amundi Funds, be made out of the fund's income and/or capital, or be paid out of gross income while charging/paying all or part of the fund's fees and expenses to the capital of the fund, resulting in an increase in distributable income for the payment of dividends by the fund, in which case, the fund is effectively paying dividends out of capital. Distributions out of capital or effectively out of capital may result in an immediate decrease of the net asset value per share of the fund.	
<b>Financial year end:</b>	30 June	
<b>Min. Investment:</b>	Initial: none	Additional: none

#The ongoing charges figure is based on expenses for the period from 1 July 2019 to 31 December 2019 and expressed as a percentage of the average net asset value for corresponding period annualized. This figure may vary from year to year.

## What is this product?

This fund is a sub-fund of Amundi Funds, a mutual fund domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier.

## Investment Objectives

To achieve a combination of income and capital growth (total return). Specifically, the fund seeks to outperform the JP Morgan Government Bond Global All Maturities Unhedged in USD index.

## Investment Strategy

The fund invests mainly in investment-grade bonds of issuers in OECD countries.

Specifically, the fund invests at least 67% of the assets in investment-grade bonds that are either issued or guaranteed by OECD governments or supranational entities (at least 60% of assets of the fund), or issued by corporate entities. There are no currency constraints on these investments.

The fund may invest up to 20% of its net assets in asset-backed securities / mortgage-backed securities. The fund primarily invests in bonds and currencies (indirectly via financial derivative instruments). The active currency positions implemented by the fund may not be correlated with the underlying assets (i.e. bonds) of the fund.

The fund may invest in debt instruments with loss-absorption features ("LAP"), for example, contingent convertible debt securities, senior non-preferred debts, etc. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The fund's expected total maximum investments in LAP will be less than 30% of its net asset value. The fund's exposure to contingent convertible bonds is limited to 10% of its net assets.

#### Use of financial derivative instruments ("FDI")

The fund may make use of FDI to reduce various risks, for efficient portfolio management, and as a way to gain its net exposure (long or short) to various assets, markets or other investment opportunities (including FDI which focus on credit, interest and foreign exchange). The fund will invest in FDI for investment purposes (e.g. currency exposure management, active duration management, and creating synthetic exposure to issuers) but it is not limited to a particular strategy regarding the usage of FDI. Such FDI may include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts. The fund may use credit derivatives (such as single issuer swap and indices credit default swap) for up to 40% of its net assets.

The fund may be leveraged through the use of FDI. The gross level of leverage is expected to be around 900% of the fund's net asset value. The expected level of leverage is an indicator and not a regulatory limit. The expected level of leverage may namely be higher when interest rates are expected to change significantly, when credit spreads are expected to widen or tighten significantly, or when market volatility is very low.

#### **Use of derivatives / investment in derivatives**

This fund's net derivative exposure may be more than 100% of the fund's net asset value.

#### **What are the key risks?**

**Investment involves risks. Please refer to the Prospectus for details including the risk factors.**

**1. Interest rate risk:** The Net Asset Value of the fund will be affected depending on fluctuations in interest rates. When interest rates decline, indeed, the market value of fixed-income securities tends to increase, and conversely. A rise in interest rates would have for consequences a depreciation of the funds investments.

**2. Credit risk:** The fund may invest in fixed-income securities. If the issuer of fixed-income securities default on its obligation, the fund will not recover its investment.

**3. Prepayment risk:** Regarding to investment in bonds and/or debt instruments, the fund may be exposed to a probability that, if interest rates fall, debtors or mortgagors will pay off their obligations (by refinancing them at lower current rates) thus forcing the fund to reinvest at lower rates.

**4. Risk attached to the use of Financial Derivative Instruments ("FDI"):** The fund will invest extensively in FDI for hedging and investment purposes. There is no guarantee that the performance of FDI will result in a positive effect for the fund. In adverse situation, the fund's use of FDI may become ineffective for hedging/investment and the fund may suffer significant losses. Investment in FDI is subject to additional risks, including:

- **Credit risk and counterparty risk** - The fund will be subject to the risk of the inability of any counterparty through or with which the fund conducts the FDI transactions to perform its obligations, whether due to insolvency, bankruptcy or other causes, and thereby exposing the fund to the counterparties' credit worthiness and their ability to perform and fulfill their financial obligations. Any failure of the counterparties may result in financial loss to the fund.
- **Liquidity risk** - There may be possible absence of a liquid secondary market for any particular FDI at anytime. The fund may be unable to sell illiquid FDI at an advantageous time or price, which may have an adverse impact on the value of the fund.
- **Valuation risk** - The fund is subject to the risk of mispricing or improper valuation of FDI, which may have an adverse impact on the value of the fund.
- **Volatility risk** – FDI tend to be more volatile and less liquid than underlying investments to which they relate, which may have an adverse impact on the value of the fund.

**5. CDS risk:** The fund may be exposed to a higher level of Credit Risk due to the acquisition of credit default swap (CDS). As the fund can hold CDS as a protection seller, in case of adverse credit event occurred to the reference asset of the CDS, the fund has to make up for the devaluation of the reference asset and may suffer losses.

**6. Downgrading risk:** The credit rating of debt securities or their issuers may be subject to the risk of being downgraded. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the fund's investment value in such security and, in turn, the value of the fund may be adversely affected. The

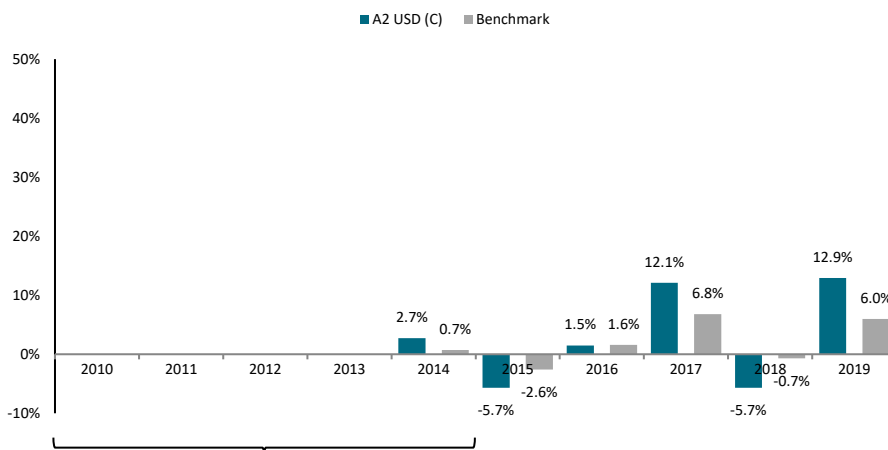
relevant Investment Manager may or may not dispose of the debt securities that are being downgraded.

**7. Exchange rate risk:** The fund may have significant exposure to currency position and therefore the fund is subject to exchange rate risk. The currency exposure of the underlying assets (i.e. bonds) may differ from the base currency of the fund, therefore currency exchange rate movements may adversely affect the value of the fund. As the active currency positions implemented by the fund may not be correlated with the underlying assets (i.e. bonds) of the fund, in the event of an adverse currency movement, the fund may suffer significant loss even if there is no loss of the value of the underlying assets (i.e. bonds) invested by the fund and therefore investors may suffer losses.

**8. High leverage risk:** The fund may have a net leverage exposure of over 100% of its net asset value to FDI. In adverse situations, this may result in significant loss or total loss of the fund's assets.

**9. Risks related to distribution out of capital:** For distribution class, Amundi Funds may at its discretion determine to pay dividends out of income or capital of the fund. In addition, Amundi Funds may at its discretion pay dividends out of gross income while charging / paying all or part of the fund's fees and expenses to the capital of the fund, resulting in an increase in distributable income for the payment of dividends by the fund, in which case, the fund is effectively paying dividends out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the fund's capital or payment of dividends effectively out of the fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share of the fund. Amundi Funds may change the fund's dividend distribution policy to pay dividends out of capital or effectively out of capital of the fund subject to the SFC's prior approval. For change of distribution policy, not less than one month's prior notice will be provided to affected Shareholders.

### How has the fund performed?



Effective 2 June 2014, the investment objective and policy of the fund was revised, and a benchmark was added to more closely reflect the existing investment approach.

Effective 1 October 2019, Amundi (UK) Limited was appointed as investment manager of the Sub-Fund in place of Amundi Asset Management.

- Past Performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- Investment manager views "A2 USD (C)" being the focus share class available to retail investors in Hong Kong as the most appropriate representative share class.
- These figures show by how much the share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The benchmark of the fund is "JP Morgan Government Bond Global All Maturities Unhedged in USD index".
- Fund launch date: 1990
- Class launch date: 2013

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

### What are the fees and charges?

#### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the fund.

Fee	What you pay
<b>Subscription fee</b>	Up to 4.50% of the amount you buy
<b>Switching fee</b>	Up to 1.00% of the converting amount
<b>Redemption fee</b>	None

### Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the fund's value)
<b>Management fee</b>	0.90% (maximum)
<b>Depository fee</b>	Included in Administration fee
<b>Performance fee</b>	Not Applicable
<b>Administration fee</b>	0.20% (maximum)

### Other fees

You may have to pay other fees when dealing in the shares of the fund. The fund will also bear the costs which are directly attributable to it, as set out in the Prospectus.

### Additional Information

- You generally buy and redeem shares at the fund's next-determined net asset value (NAV) after CACEIS Hong Kong Trust Company Limited, the Hong Kong service provider who process Hong Kong orders, receives your request in good order on or before 5 p.m. (Hong Kong time) being the dealing cut-off time. Investors are reminded that the distributors may have different cut-off time. Please pay attention to the dealing cut-off time of the respective distributors.
- The net asset value (NAV) of this fund is calculated and the price of shares published each business day. They are available online at [http://www.amundi.com.hk/retail\\*](http://www.amundi.com.hk/retail*).
- The past performance information of the representative share classes offered to Hong Kong investors are available by Amundi Hong Kong Limited on request and available in English on the website [http://www.amundi.com.hk\\*](http://www.amundi.com.hk*).
- The compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by Amundi Hong Kong Limited on request and can be found online at [http://www.amundi.com.hk\\*](http://www.amundi.com.hk*).

\*The above websites have not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.