

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

**Quick Facts**

<b>Manager:</b>	Amundi Hong Kong Limited 東方匯理資產管理香港有限公司	
<b>Trustee:</b>	HSBC Institutional Trust Services (Asia) Limited 滙豐機構信託服務（亞洲）有限公司	
<b>Dealing Frequency:</b>	Daily (any business day during which banks are open for normal banking business in Hong Kong but excluding Saturdays and Sundays, or days as the Manager and the Trustee may agree)	
<b>Ongoing charges over a year#:</b>	Class Classic USD – Accumulation	1.40%
	Class Classic USD – Distribution	1.40%
	Class Classic HKD – Accumulation	1.40%
	Class Classic HKD – Distribution	1.40%
	Class Classic RMB – Accumulation	1.40%
	Class Classic RMB – Distribution	1.40%
	Class Classic AUD (hedged) – Distribution	1.40%
	Class Classic CAD (hedged) – Distribution	1.40%
	Class Classic EUR (hedged) – Distribution	1.40%
	Class Classic GBP (hedged) – Distribution	1.40%
	Class Classic NZD (hedged) – Distribution	1.40%
	Class Classic RMB (hedged) – Accumulation	1.40%
	Class Classic RMB (hedged) – Distribution	1.40%
	Class Classic A USD – Accumulation	1.45%
<b>Base currency:</b>	USD	
<b>Dividend policy:</b>	For Distribution classes: Dividends will be declared and paid monthly (however, the rate of distribution is not guaranteed)^ For Accumulation classes: No dividends will be declared ^Dividend payments may, at the sole discretion of the Manager, be made out of the Sub-Fund's income and/or capital, or be paid out of gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund, in which case, the Sub-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 unit of the Sub-Fund.	
<b>Financial year end:</b>	31 December	
<b>Min. Investment: (in USD or equivalent in the relevant class currency)</b>	Initial: USD1,000 Additional: USD1,000	

# The ongoing charges figure is based on the expenses for the period from 1 January 2023 to 31 December 2023 and expressed as a percentage of the average net asset value for the corresponding period. This figure may vary from year to year.

### **What is this product?**

Amundi HK – Balanced Fund (the “Sub-Fund”) is a sub-fund constituted in a form of unit trust under Amundi HK Portfolios which is an umbrella unit trust governed by the laws of Hong Kong.

### **Investment Objectives**

The investment objective of the Sub-Fund is to achieve moderate long term capital growth through an actively managed portfolio of global equities, bonds and cash. It cannot be guaranteed that the performance of the Sub-Fund will generate a return and there may be circumstances where no return is generated or capital is not preserved.

### **Investment Strategy**

The Sub-Fund will invest 40% to 80% of its net asset value in global equities, equity equivalent securities and exchange traded funds, and the remaining shall be invested in bonds, currencies and cash.

The manager will combine active strategic and tactical asset allocation approaches. Equity investments will be actively managed and are expected to be a main source of return. Bond positions will provide yield and serve as a cushion. Derivatives may be used for hedging purposes only. The Sub-Fund may invest up to 10% in RMB-denominated underlying investments, where the Sub-Fund may invest in China A-Shares through the Stock Connects and in Mainland China’s onshore bond market through Bond Connect.

The Sub-Fund may invest in debt instruments with loss-absorption features (“LAP”), for example, contingent convertible debt securities, debt instruments that meet the qualifying criteria to be Additional Tier 1 Capital or Tier 2 Capital under the Banking (Capital) Rules, 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’s expected total maximum investments in LAP will be less than 10% of its net asset value.

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

The Sub-Fund’s net derivative exposure may be up to 50% of the Sub-Fund’s latest available net asset value.

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

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

**1. Equity, market and volatility risk:** The Sub-Fund may invest directly or indirectly in equities and are thus, subject to the risks generally associated with equity investment, namely, the market value of the stocks may go down as well as up. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions. It is possible that your investment value could suffer substantial loss.

**2. Credit risk:** The Sub-Fund may invested in fixed-income securities. Bonds involve credit risk of the issuer which may be evidenced by the issuer’s credit rating. Bonds which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings.

In the event that any issuer of bonds in which the assets of the Sub-Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may affect the value of the relevant bonds (which may be zero) and any amounts paid on such bonds (which may be zero).

**3. Counterparty risk:** The Sub-Fund may invest in fixed-income securities. If the counterparty or third party cannot fulfil its obligations to the Sub-Fund and settle a transaction in accordance with market practice, the Sub-Fund may be exposed to the risk of a counterparty. To the extent that a counterparty defaults on its obligations and a Sub-Fund is delayed or prevented from exercising its rights with respect to the investment in its portfolio, a Sub-Fund may experience a decline in the value of the security, lose income and incur costs associated with its rights attached to the security.

**4. Currency risk:** The Sub-Fund may be invested in whole or in part in underlying assets quoted in other currencies than the Sub-Fund’s base currency. Also, a class of units may be designated in a currency other than the Sub-Fund’s base currency. The performance and the net asset value of the Sub-Fund may therefore

be affected unfavorably by movements in the exchange rate between these currencies and the base currency of the Sub-Fund and by changes in exchange rate controls. As a result of the Sub-Fund's exposure to currency risk, the Sub-Fund may suffer loss.

**5. Risk of small and medium sized companies:** According to the objectives and investment strategy of the Sub-Fund, it may invest in emerging countries/regions which small and medium sized companies are commonly found. Investment in small and medium sized companies involves a higher degree of risk, due to higher risks of failure or bankruptcy and illiquid nature of the small and medium companies' shares. Investment in small and medium companies' shares are likely to have a higher risks of price volatility and the Sub-Fund may suffer loss.

**6. Risk attached to the use of Financial Derivative Instruments ("FDI"):** The Sub-Fund may invest in FDI which is subject to additional risks, including credit risk of the issuer, liquidity risk, counterparty risk and valuation risk. In adverse situation, the Sub-Fund's use of FDI may become ineffective in hedging/efficient portfolio management and the Sub-Fund may suffer significant losses.

**7. Risks relating to Distribution Policy:** For distribution classes, the Manager may at its discretion determine to pay dividends out of income and/or capital of the Sub-Fund. In addition, the Manager may at its discretion pay dividends out of gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund, in which case, the Sub-Fund is effectively paying dividends out of capital. Payment of dividends out of capital and/or effectively 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. Such distributions may result in an immediate reduction in the net asset value per unit of the Sub-Fund. In addition, returns to investors will vary from year to year depending on the dividend income and capital returns generated by the underlying investments. The Manager will declare and pay dividends every calendar month for those registered unitholders as at the end of a calendar month. However, the rate of distribution is not guaranteed and is subject to the discretion of the Manager. The Manager may change the Sub-Fund's dividend distribution policy (including for example the frequency of distributions) subject to the SFC's prior approval (where necessary) and by giving not less than one month's prior notice to affected unitholders.

The distribution amount and net asset value of the hedged unit classes may be adversely affected by differences in the interest rates of the class currency of the hedged unit classes and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and/or effectively out of capital (as the case may be) and hence a greater erosion of capital than other non-hedged unit classes.

**8. RMB classes related risk:** Starting from 2005, the exchange rate of the RMB is no longer pegged to the US dollar. While the RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies, movement in RMB is still subject to policy control. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. Accordingly, the investment in RMB classes of the Sub-Fund may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not a freely convertible currency. The supply of RMB and the conversion of foreign currency into RMB are subject to exchange control policies and restrictions imposed by the Mainland authorities. Such exchange control policies and restrictions are subject to change, and the position of the Sub-Fund and its investors may be adversely affected. As RMB is not freely convertible, currency conversion is subject to availability of RMB at the relevant time. As such, in case of sizable redemption requests for the RMB classes are received, the Manager has the absolute discretion to delay any payment of redemption requests from the RMB classes where it determines that there is not sufficient RMB for currency conversion by the Sub-Fund for settlement purpose. In any event, for proper redemption requests received before the Dealing Deadline, realisation proceed will be paid no later than one calendar month after the relevant Dealing Day when the redemption requests were received.

For "non-hedged" RMB classes, since the unit prices of RMB classes are denominated in RMB, but the Sub-Fund will have limited RMB-denominated underlying investments and its base currency is USD, so even if the prices of underlying investments and/or value of the base currency rise or remain stable, investors may still incur losses if RMB appreciates against the currencies of the underlying investments and/or the base currency more than the increase in the value of the underlying investments and/or the base currency. Furthermore, under the scenario where RMB appreciates against the currencies of the underlying investments and/or the

base currency, and the value of the underlying investments decreased, the value of investors' investments in RMB classes may suffer additional losses.

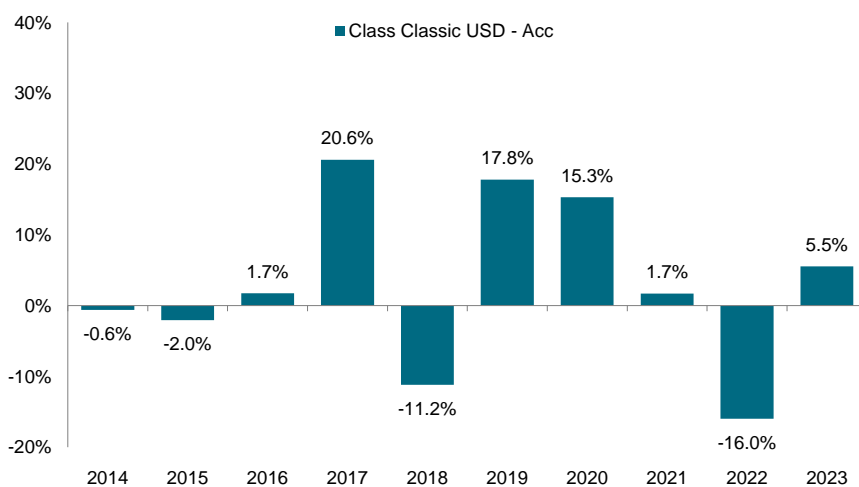
For hedged RMB classes, investors have to bear the associated hedging costs which may be significant depending on prevailing market conditions. If the counterparties of the instruments used for hedging purpose default, investors of the hedged RMB classes may be exposed to RMB currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no guarantee that the hedging strategy will be effective in which case investors will still be subject to the related risk for "non-hedged" RMB classes mentioned above. Hedged RMB classes will hedge the Sub-Fund's base currency back to RMB, on a best effort basis, with an objective to align the performance of the hedged RMB classes to that of the equivalent class denominated in the Sub-Fund's base currency. This strategy will limit the hedged RMB classes from benefiting from any potential gain resulting from the appreciation of the base currency against RMB. Please also refer to the description on "Hedging Risk" below for details.

When calculating the value of the RMB classes, the offshore RMB in Hong Kong (the "CNH") will be used. The CNH rate may be at a premium or discount to the exchange rate for onshore RMB in Mainland China (the "CNY") and there may be significant bid and offer spreads. While CNH and CNY represent the same currency, they are traded in different and separate markets which operate independently. As such, CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY. Any divergence between CNH and CNY may adversely impact investors.

The value of the RMB classes thus calculated will be subject to fluctuation. The exchange rate of RMB may rise or fall. There can be no assurance that RMB will not be subject to devaluation. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB classes of the Sub-Fund. Non-RMB based (e.g. Hong Kong) investors may have to convert Hong Kong dollar or other currencies into RMB when investing in the RMB classes. Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the units) and RMB dividends received (if any) back to Hong Kong dollar or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against Hong Kong dollar or such other currencies upon receipt of the RMB redemption proceeds and/or RMB dividends (if any).

**9. Hedging Risk:** Each of the hedged classes of units will hedge the Sub-Fund's base currency back to its currency of denomination, on a best effort basis, with an objective to align the performance of the hedged classes to that of the equivalent class denominated in the Sub-Fund's base currency. The effects of hedging will be reflected in the net asset values of the hedged classes. The Manager is also permitted but not obliged to use hedging techniques to attempt to offset market risks. However, there is no guarantee that the hedging techniques employed by the manager will fully and effectively achieve the desired result and effect. Furthermore the volatility of the hedged classes may be higher than that of the equivalent class denominated in the Sub-Fund's base currency.

### How has the fund performed?



- 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.
- Class Classic USD accumulation class denominated in the Sub-Fund's base currency is chosen by the manager as the representative unit class.
- These figures show by how much the unit 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.
- Fund launch date: 2010
- Class launch date: 2011

### Is there any guarantee?

This Sub-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 units of the Sub-Fund.

Fee	What you pay
<b>Subscription fee (Preliminary Charge)</b>	Classic Classes and Classic A Classes: 4.50% of the issue price (maximum is 4.50% of the issue price)
<b>Switching fee</b>	Classic Classes and Classic A Classes: 1.00% of the issue price of the new units (maximum is 1.00%)
<b>Redemption fee (Realisation Charge)</b>	Classic Classes and Classic A Classes: Currently is none (maximum is 1.00% of the realisation price)

### Ongoing fees payable by the Sub-Fund

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

	Annual rate (as a % of the Net Asset Value of the Sub-Fund)
<b>Management fee</b>	Classic Classes: 1.20% (maximum is 1.75%) Classic A Classes: 1.25% (maximum is 2.00%)
<b>Trustee fee</b>	Classic Classes and Classic A Classes: 0.0875% (maximum is 1.00%)
<b>Performance fee</b>	Not Applicable
<b>Administration fee</b>	None
<b>Registrar's Fee</b>	An annual maintenance fee of USD1,500 for maintaining the register of unitholders for the first 20 unitholders and thereafter USD100 per annum per unitholder

### Other fees

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum.

### Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after HSBC Institutional Trust Services (Asia) Limited, the Trustee of the Fund, 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 Sub-Fund is calculated and the price of units published each business day. They are available online at [http://www.amundi.com.hk/retail\\*](http://www.amundi.com.hk/retail*) in English and [http://www.amundi.com.hk/zh\\_retail\\*](http://www.amundi.com.hk/zh_retail*) in Chinese.
- The past performance information of other unit classes offered to Hong Kong investors are available by the Manager 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 the Manager 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 Securities and Futures Commission ("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.