

# PROSPECTUS

## I - GENERAL FEATURES

- ▶ **Name:** AMUNDI ABS
- ▶ **Legal form and Member State in which the UCI has been set up:** French Mutual Fund (FCP)
- ▶ **Launch date, approval date and scheduled term:** UCI launched on 16 May 2006, approved on 28 April 2006, for a term of 99 years

► **Summary of the investment offer:**

<b>Name Unit</b>	<b>ISIN code</b>	<b>Allocation of distributable income</b>	<b>Denomination currency</b>	<b>Minimum initial subscription</b>	<b>Minimum subsequent subscription</b>	<b>Eligible subscribers</b>
D units	FR0013235215	<u>Allocation of net profit:</u> Distribution  <u>Allocation of realised net capital gains:</u> Accumulation and/or distribution at the discretion of the Management Company	Euro	4 unit(s)	1 unit(s)	All subscribers, more specifically institutional investors
I GBP-D units	FR0013234028	<u>Allocation of net profit:</u> Distribution  <u>Allocation of realised net capital gains:</u> Accumulation and/or distribution at the discretion of the Management Company	Pound Sterling	4 unit(s)	1 unit(s)	All subscribers, more specifically institutional investors.
I-C units	FR0010319996	<u>Allocation of net profit:</u> Accumulation  <u>Allocation of realised net capital gains:</u> Accumulation	Euro	4 unit(s)	One hundred-thousandth of a unit	All subscribers, more specifically institutional investors
I3-C units	FR0013335502	<u>Allocation of net profit:</u> Accumulation  <u>Allocation of realised net capital gains:</u> Accumulation	Euro	100 unit(s)	1 unit(s)	Reserved for the groups Union Investment and Invensys
I3-GBP-C units	FR001400C2G4	<u>Allocation of net profit:</u> Accumulation  <u>Allocation of realised net capital gains:</u> Accumulation	Pound Sterling	100 unit(s)	1 thousandth of a unit	All subscribers, more specifically institutional investors.
L-C units	FR0013240447	<u>Allocation of net profit:</u> Accumulation  <u>Allocation of realised net capital gains:</u> Accumulation	Euro	1 unit(s)	1 thousandth of a unit	All subscribers, more particularly reserved for LCL Banque Privée
M-D units	FR001400APW1	<u>Allocation of net profit:</u> Distribution  <u>Allocation of realised net capital gains:</u> Accumulation and/or distribution at the discretion of the Management Company	Euro	1 unit(s)	1 thousandth of a unit	Units reserved for Italian management companies and insurance companies
R-C units	FR0013289428	<u>Allocation of net profit:</u> Accumulation  <u>Allocation of realised net capital gains:</u> Accumulation	Euro	1 unit(s)	1 thousandth of a unit	Strictly reserved for investors subscribing directly or via intermediaries providing portfolio or mandate management services and/or financial

		capital gains: Accumulation				investment consultancy services not authorising them to retain retrocessions, either contractually or pursuant to the MiFID II regulation or national legislation
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- **Address from which the latest annual or periodic report and financial statements may be obtained:**

- The latest annual report and interim financial statements along with the breakdown of assets will be sent to investors within 8 working days upon written request from the holder to:

Amundi Asset Management – Service Clients – 91-93, Boulevard Pasteur – 75015 Paris, France

For additional information, please contact your usual advisor.

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

## II - SERVICE PROVIDERS

### ► Management Company:

Amundi Asset Management, a French simplified joint-stock company (société par actions simplifiée) Portfolio Management Company operating under AMF approval no. GP 04000036  
Registered office: 91-93, Boulevard Pasteur - 75015 Paris, France

### ► Depositary and Registrar:

CACEIS BANK, a French public limited company (Société Anonyme)  
Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge, Nanterre Trade and Companies Register (RCS) No. 692 024 722  
Main business: Bank and investment services provider approved by CECEI on 01 April 2005.

With regard to regulatory duties and duties contractually entrusted by the Management Company, the Depositary's main tasks are the custody of the UCI's assets, ensuring that the Management Company's decisions are lawful and monitoring the UCI's cash flows.

The Depositary and Management Company are part of the same group; as such, in accordance with the applicable regulations, they have implemented a policy for identifying and preventing conflicts of interest. If a conflict of interest cannot be avoided, the Management Company and the Depositary shall take all necessary measures to manage, monitor and report this conflict of interest.

The description of the delegated custodial duties, the list of the depositary's delegates and sub-delegates and information relating to conflicts of interest that may result from these delegations are available on its website at: [www.caceis.com](http://www.caceis.com) or free of charge on written request.

Updated information can be provided to unitholders on request.

### ► Institution responsible for the centralisation of subscription and redemption orders appointed by the Management Company:

CACEIS BANK, a French public limited company (Société Anonyme)  
Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge, Nanterre Trade and Companies Register (RCS) No. 692 024 722  
Main business: Bank and investment services provider approved by CECEI on 01 April 2005.

The Depositary is also responsible, by delegation of the Management Company, for the UCI's liability accounting, which covers the clearing of subscription and redemption orders for units and managing the unit issue account.

► **Prime Broker:**

None

► **Statutory Auditor:**

PricewaterhouseCoopers Audit  
Represented by Philippe Chevalier  
63, rue de Villiers  
92200 Neuilly-sur-Seine, France

► **Promoters:**

Crédit Agricole Group, branches of the Regional Banks of Crédit Agricole and branches of LCL – Le Crédit Lyonnais in France

The list of promoters is not exhaustive due mainly to the fact that the UCITS is listed on Euroclear. Accordingly, some promoters may not be appointed by or known to the Management Company.

None

► **Delegated accounting manager:**

CACEIS Fund Administration, Société Anonyme  
Registered office: 1-3, Place Valhubert – 75013 Paris, France  
CACEIS Fund Administration is a company of the Crédit Agricole Group specialising in the administrative and accounting management of UCIs on behalf of clients inside and outside the Group. CACEIS Fund Administration has accordingly been appointed by Amundi Asset Management as Delegated Fund Accountant for the valuation and accounting of the UCITS.

## III - OPERATING AND MANAGEMENT ARRANGEMENTS

### 1. General features

► **Characteristics of units:**

• **Nature of the right attached to the unit class:**

Each unitholder is entitled to joint-ownership of the Fund's assets proportional to the number of units held.

• **Entry in a register or clarification of liability accounting methods:**

In terms of the Fund's liability accounting, the depositary centralises the subscription and redemption orders and operates the unit issuer's account in collaboration with Euroclear France, the company with which the Fund is listed.

Administered registered shares are entered in the liabilities manager's register.

• **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:**

Registered or bearer

- **Decimalisation:**

D units may be subscribed in thousandths of units provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

I GBP-D units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

I-C units may be subscribed in hundred-thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in hundred-thousandths of units.

I3-C units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

I3-GBP-C units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

L-C units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

M-D units may be subscribed in thousandths of units provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

R-C units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

- ▶ **Financial year end:** last trading day in May

- ▶ **First financial year end:** last trading day of May 2007

- ▶ **Accounting currency:** Euro

- ▶ **Tax treatment:**

The UCI, by its nature, is not subject to taxation. However, unitholders may be taxed on any income distributed by the UCI or, as applicable, when they sell UCI units. The tax regime applicable to amounts distributed by the UCI or to 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 UCI. Investors who have questions about their tax situation should consult a financial advisor or a professional investment consultant. Some income distributed by the UCI to unitholders residing outside France may be subject to withholding tax in France.

#### **US tax considerations**

The Foreign Account Tax Compliance Act (FATCA), which is part of the US Hiring Incentives to Restore Employment Act (HIRE), requires that non-US financial institutions (foreign financial institutions, or FFIs) report to the IRS (the US tax authorities) any financial information relating to assets held by US taxpayers<sup>(1)</sup> residing outside the United States.

In accordance with FATCA regulations, US securities held by any financial institution that does not adhere to or is considered to be non-compliant with the FATCA law will be subject to a withholding tax of 30% on (i) certain income generated from US sources; and (ii) the gross proceeds from the sale or disposal of US assets.

The UCI falls within the scope of FATCA and, as such, unitholders may be asked to provide certain mandatory information.

The United States has entered into an intergovernmental agreement with several governments in order to implement the FATCA law. In this context, the French and US governments have signed an intergovernmental agreement (IGA).

The UCI complies with the IGA Model 1 agreement between France and the United States of America. It is not anticipated that the UCI (or any sub-fund) will be subject to a FATCA withholding tax.

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<sup>1</sup> According to the US Internal Revenue Code, the term "US Person" means an individual who is a US citizen or resident, a partnership or corporation established in the United States or under the laws of the United States or any State thereof, or a trust if (i) a court within the United States has authority under applicable law to hand down orders or judgments concerning substantially all issues regarding the administration of the trust; and if (ii) one or more US Persons have authority to control all substantive decisions of the trust, or of an estate of a deceased person who was a citizen or resident of the United States.

The FATCA law requires that the UCI collect certain information about the identity (including ownership, holding and distribution details) of account holders who are US tax residents, entities that control US tax residents, and non-US tax residents who do not comply with the FATCA provisions or who fail to provide any of the accurate, complete and precise information required under the intergovernmental agreement (IGA).

For this purpose, all potential unitholders agree to provide the UCI, its delegated entity or the promoter with any information requested (including, but not limited to, their Global Intermediary Identification Number, or GIIN).

In the event of any change in circumstances impacting their FATCA status or their GIIN, potential unitholders shall immediately provide written notice to the UCI, its delegated entity or the promoter.

In accordance with the IGA, this information should be communicated to the French tax authorities, who may in turn share it with the IRS or with other tax authorities.

Investors who fail to document their FATCA status properly, or who refuse to report their FATCA status or to disclose the required information within the prescribed deadline, may be qualified as recalcitrant and be reported to the relevant tax or government authorities by the UCI or their Management Company.

In order to avoid the potential impacts of the foreign passthru payment mechanism and to prevent any withholding on such payments, the UCI or its delegated entity reserves the right to prohibit any subscription to the UCI or the sale of units or shares to any non-participating FFI (NPFPI),<sup>(1)</sup> particularly when such a prohibition is considered legitimate and justified for the protection of the general interests of investors in the UCI.

The UCI and its legal representative, the UCI's Depository and the transfer agent reserve the right, on a discretionary basis, to prevent or remediate the acquisition and/or direct or indirect holding of units or shares in the UCI by any investor who is in breach of the applicable laws and regulations, or where the latter's involvement in the UCI may have detrimental consequences for the UCI or for other investors, including, but not limited to, FATCA sanctions.

To this end, the UCI may reject any subscription or require the mandatory redemption of units or shares in the UCI in accordance with the provisions set out in the regulations or Articles of Association of the UCI<sup>(2)</sup>.

The FATCA law is relatively new and its implementation is ongoing. Although the above information summarises the Management Company's current understanding, this understanding may be incorrect, or the way in which FATCA is implemented could change such that some or all investors are subject to the 30% withholding tax.

The provisions herein are not a complete analysis of all the tax rules and considerations and are not tax-related advice, and they shall not be considered as a complete list of all the potential tax-related risks inherent in subscribing to or holding Fund units. All investors should consult their usual advisors regarding the tax aspects and potential consequences of subscribing, holding or redeeming units or equities by virtue of the laws applicable to such investors and, in particular, by virtue of the rules of disclosure or withholding under FATCA concerning investors in the UCI.

#### **Automatic Exchange of Information (CRS regulations):**

France has signed multilateral agreements on the automatic exchange of information relating to financial accounts, based on the Common Reporting Standard (CRS) ("Norme Commune de Déclaration" or NCD in France) as adopted by the Organisation for Economic Co-operation and Development (OECD).

Under the CRS law, the UCI or the Management Company must provide the local tax authorities with certain information about non-resident shareholders in France. This information is then communicated to the relevant tax authorities.

The information communicated to the tax authorities includes details such as name, address, tax identification number (NIF), date of birth, place of birth (if it appears in the records of the financial institution), account number, account balance or, if applicable, account value at the end of the year and the payments recorded on the account during the calendar year.

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1 NPFPI or non-participating FFI = a financial institution that refuses to comply with FATCA either by refusing to sign a contract with the IRS or by refusing to identify its clients or report to the authorities.

2 This may also apply to any person (i) who seems to be directly or indirectly in violation of the laws and regulations of any country or any government authority; or (ii) who may, in the opinion of the Fund's Management Company, cause damage to the Fund that it would not have otherwise suffered or incurred.

Each investor agrees to provide the UCI, the Management Company or their distributors with the information and documentation required by law (including, but not limited to, their self-certification) as well as any additional documentation that may reasonably be required in order to comply with their reporting obligations under the CRS.

Further information on the CRS is available on the OECD website and the websites of the tax authorities in the agreement signatory states.

Any unitholder who does not respond to requests for information or documents by the UCI: (i) may be held liable for penalties imposed on the UCI that are attributable to the failure of the shareholder to provide the requested documentation, or attributable to the shareholder providing incomplete or incorrect documentation; and (ii) will be reported to the relevant tax authorities for having failed to provide the necessary information for the identification of their tax residence and their tax identification number.

## 2. Special provisions

### ► ISIN code:

D units	I GBP-D units	I-C units	I3-C units	I3-GBP-C units	L-C units	M-D units	R-C units
FR0013235215	FR0013234028	FR0010319996	FR0013335502	FR001400C2G4	FR0013240447	FR001400APW1	FR0013289428

► **Classification:** Bonds and other international debt securities

### ► Investment objective:

The Fund's management objective is to outperform its benchmark index, the daily capitalised €STR for units denominated in euros and the daily capitalised SONIA for units denominated in GBP, after deducting ongoing charges over an investment horizon of 12 months, while integrating ESG (environmental, social and governance) criteria into the Fund's security analysis and selection process. To achieve this, the management team selects, from economic analyses, interest-rate forecasts and ESG and credit analyses, ABS (Asset-Backed Securities) and CLO (Collateralised Loan Obligations) and other securitisation vehicles issued in any currency by private entities in the OECD area.

### ► Benchmark index:

#### Capitalised €STR

The €STR (Euro Short-Term Rate) represents the overnight euro money-market rate. It is calculated by the European Central Bank and represents the risk-free rate for the eurozone.

The capitalised €STR also takes into account the impact of the reinvestment of interest using the OIS (Overnight Indexed Swap) method.

#### Capitalised SONIA

SONIA is the interest rate for unsecured transactions in the sterling money market.

#### **Benchmark index applicable to the Fund's investment objective:**

As at the date of the most recent update to this prospectus, the administrator of the Bank of England benchmark index was not yet registered in the ESMA register of administrators and benchmark indices.

The administrator of the benchmark index is the ECB (European Central Bank). As a central bank, this administrator benefits from an exemption under Article 2.2 of the benchmark regulation and, as such, does not need to be registered in the ESMA register.

Further information on the benchmark index is available on the website of the benchmark administrator: [https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/euro\\_short-term\\_rate/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html)

The reference benchmark does not evaluate or include its components according to these environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted in the portfolio.

Pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 08 June 2016, the Management Company has put in place a procedure for monitoring the benchmark indices used, which sets out the action to be taken in the event that a benchmark materially changes or ceases to be provided.

### ► Investment strategy:

**Principal investment management features of the UCI:**

Interest rate sensitivity range	[0; 3]
Geographic area of the securities' issuers	OECD countries 0%/100%
Currency of the securities	OECD countries
Level of exposure to currency exchange risk	0 to 2%

The Fund's spread of sensitivity to credit spreads may diverge significantly from the spread of sensitivity to interest rates stated above, in particular due to the securitisation selection, Asset-Backed Securities and Collateralised Loan Obligations (as defined in the "Assets Used" section) and other securitisation vehicles on the OECD area market.

**1. Strategies used**

In order to achieve the management objective and outperform the benchmark index, the management process is based specifically on the following sources of value added:

Securitisation selection, Asset-Backed Securities and Collateralised Loan Obligations (as defined in the "Assets Used" section) and other securitisation vehicles on the OECD area market.

This strategy is the main source of value added.

The iTraxx credit indices may be used for hedging purposes.

The iTraxx indices are credit market benchmark indicators composed of Credit Default Swaps. The entities included in iTraxx indices are European industrial or financial companies.

Active management of the portfolio's global bond risk aimed at a sensitivity range within 0 to 3%. This will mainly involve the purchase of Euribor-indexed variable-rate securities.

The selection of securities depends on the examination of several parameters, specifically:

- Analysis of the macro-economic environment (economic situation, financial variables forecasts, interest-rate strategy and the global credit market) conducted by in-house economic research and strategy teams and supplemented by external analyses
- Recommendations by ESG and credit analysts, whose job it is to examine securitisations and with specific skills for assessing the quality of the structure, the underlying assets, the assignor and the servicer, if other than the assignor.
- Assessment of the premium which the issue provides in terms of quality of credit and liquidity.

The UCI qualifies as an Article 8 financial product under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation"). Information on environmental and social characteristics can be found in the appendix to this prospectus.

The principal adverse impacts of investment decisions (within the meaning of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation")) are the negative, material or likely-to-be-material effects on sustainability factors that are caused or aggravated by or directly linked to investment decisions. Annex I of the Delegated Regulation supplementing the Disclosure Regulation lists the indicators of the principal adverse impacts.

The mandatory principal adverse impacts of Annex I of the Delegated Regulation are taken into account in the investment strategy through a combination of exclusions (normative and sector-based), integration of the ESG rating into the investment process, engagement and voting.

More detailed information on the principal adverse impacts can be found in the Management Company's Sustainable Finance Disclosure Statement available on its website:

[www.amundi.com](http://www.amundi.com).

**Integration of the ESG approach**



## 1 – General principles

To select eligible stocks within the investment universe, the management team relies on a credit analysis combined with a non-financial analysis based on ESG (Environment, Social and Corporate Governance) criteria. The non-financial analysis process is used to assign an ESG rating ranging from A (best rating) to G (lowest rating).

In addition to taking into account financial constraints, the investment process also covers the inclusion of non-financial constraints (ESG rating and exclusions) allowing for companies to be assessed based on their Environmental, Social and Corporate Governance-related conduct, so that the most deserving companies are selected. The ESG analysis of the investment universe seeks to conduct a more comprehensive assessment of the sector-related opportunities and risks specific to each issuer.

The management team thus oversees the average ESG rating of the portfolio:

70% of the investment universe is represented by European ABS with variable rates, as can be seen by the Bloomberg Pan-European Floating ABS Bond Index Euro hedged TR, and the other 30% is represented by the universe of European CLOs, as communicated by the Structured Credit Investor data provider, excluding CLOs managed by managers who are responsible for fewer than three European CLOs. The purpose of this investment universe is to measure the ESG performance of the Fund.

The investment process provides for: 1. the prior screening of the investment universe through financial and non-financial analyses of the issuers of each of the securities in the investment universe, the exclusion of certain issuers and the integration of Amundi's ESG management principles, and 2. portfolio construction based on the selection of securities combining the most favourable financial and non-financial criteria with control of the risks inherent in these choices.

The investment universe is made up of Asset-Backed Securities, Collateralised Loan Obligations and Residential/Commercial Mortgage-Backed Security securitisation vehicles from the European market.

## 2 – Types of ESG criteria

This analysis includes a set of generic criteria applicable to all issuers as well as criteria specific to each sector.

Among the generic criteria, we analyse in particular:

- energy consumption and greenhouse gas emissions, the protection of biodiversity and water, for the environmental aspect;
- human capital development, management of work and restructuring, health and safety, social dialogue, relations with clients and suppliers, local communities and respect for human rights, for the social aspect;
- independence of the Board, quality of audits and controls, remuneration policy, shareholders' rights, global ethics and ESG strategy, for the governance aspect.

Depending on the sector, additional assessments of specific criteria may be carried out for the environmental and social aspects, such as (for example, production of renewable energy for energy suppliers, eco-friendly vehicles and passenger safety for the automotive industry, or green finance and efforts undertaken to promote access to financial services in the banking sector).

ESG rating methodology applied to European securitisations:

Securitisation vehicles are asset-backed financial instruments, most often debt portfolios initially held by entities (states, credit institutions, companies etc.) known as creditors or assignors. These underlying assets may vary in their nature: mortgages, personal consumer credit, debts based on business activity etc.

To take into account the criteria that may have an impact on the sustainability of this type of financial instrument, Amundi's approach consists of a two-level analysis of the criteria that it considers as having a potential Environmental, Social and Governance impact:

This analysis combines

- An analysis of the reference entity of the securitisation, which sells and potentially manages the asset portfolio comprising the securitisation collateral.

This reference entity is the issuer in the methodology developed for corporate or financial institutions' bonds.

This is the bank or body selling the debt for RMBS (Residential Mortgage-Backed Securities), auto loans and consumer loans. This is the sponsor of the securitisation that is responsible for loans and CMBS (Commercial Mortgage-Backed Securities). This is the entity that manages the assets for CLOs.

- An analysis of the collateral – the pool of assets used as part of the securitisation vehicle.

The final ESG rating of each securitisation is calculated by combining the ESG rating of the collateral and the ESG rating of the reference entity.

## 3 – Integration at the portfolio level

In order to reconcile the search for profitability with the development of socially responsible practices, ESG criteria are conceived in accordance with a combination of regulatory, best-in-class and engagement-based approaches.

The UCI incorporates sustainability factors into its investment process via the Amundi exclusion policy, which includes the following regulations:

legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons, depleted uranium weapons etc.); companies that seriously and repeatedly contravene one or more of the ten principles of the Global Compact\*, without credible corrective action;

Amundi's sector-based exclusions on Coal and Tobacco; (details of this policy are available in Amundi's Responsible Investment Policy available on [www.amundi.fr](http://www.amundi.fr)).

\* United Nations Global Compact (UN Global Compact): "The Global Compact calls on businesses to adopt, support and implement within their sphere of influence a set of core values in the areas of human rights, labour and environmental standards, and anti-corruption.

The UCI also applies the following ESG integration rules:

Exclusion of issuers rated F and G (on a scale of A to G) at the time of purchase. If an issuer rating is downgraded below E or equivalent while it is part of the portfolio, the Management Company will seek to sell the security in question as soon as possible and in the interest of the investors;

The "rating improvement" approach: the weighted average ESG rating of the portfolio must be higher than the weighted average ESG rating of the investment universe of the UCI after eliminating the 20% lowest-rated issuers, based on Amundi's ESG rating model;

Coverage rate of portfolio securities at a minimum of 90% (i.e. securities that are subject to an ESG rating) in accordance with AMF Position-Recommendation 2020-03.

The UCI follows four indicators covering the E, S and G aspects:

the Fund's carbon footprint versus the ESG universe, human rights policy indicator, diversity of managers (percentage of female managers within companies) and independence of the board of directors. On these four indicators, a minimum coverage of 90% in ESG rating is required and the UCI's objective is a mandatory improvement of two indicators.

Using a best-in-class approach, the UCI seeks to give priority to issuers that are sector-leading in terms of ESG criteria, as identified by the Management Company's team of non-financial analysts.

Limit of the approach adopted

The best-in-class approach does not in principle exclude any business sector. All economic sectors are therefore represented with this approach and the UCI may thus be exposed to certain controversial sectors. To limit the potential non-financial risks of these sectors, the UCI also applies the exclusions mentioned above and, in particular, the Amundi coal and tobacco exclusion policy (details of which can be found in the Amundi Responsible Investment Policy available on the website at [www.amundi.co.uk](http://www.amundi.co.uk)) as well as the Group's engagement policy.

Finally, an active engagement policy is conducted to promote dialogue with issuers and support them in the improvement of their socially responsible practices. When there are deficiencies in the information collected, or even contradictions between the various contributors (non-financial rating agencies), the non-financial analysts broaden their information sources by drawing on the companies' reports, which remain a key factor in company assessments. The company is also contacted directly for a more in-depth analysis. The various data obtained are supplemented by other stakeholders: the media, NGOs, corporate and voluntary sector partners, etc.

In order to achieve the management objective and outperform the benchmark index, the management process is based specifically on the following sources of value added:

Securitisation selection, Asset-Backed Securities and Collateralised Loan Obligations (as defined in the "Assets Used" section) and other securitisation vehicles on the OECD area market.

This strategy is the main source of value added.

The iTraxx credit indices may be used for hedging purposes.

The iTraxx indices are credit market benchmark indicators composed of Credit Default Swaps. The entities included in iTraxx indices are European industrial or financial companies.

Active management of the portfolio's global bond risk aimed at a sensitivity range within 0 to 3%. This will mainly involve the purchase of Euribor-indexed variable-rate securities.

The selection of securities depends on the examination of several parameters, specifically:

Analysis of the macro-economic environment (economic situation, financial variables forecasts, interest-rate strategy and the global credit market) conducted by in-house economic research and strategy teams and supplemented by external analyses

Recommendations by the credit analysis team, comprising analysts whose job it is to examine Asset-Backed Securities and with specific skills for assessing the quality of the structure, the underlying assets, the assignor and the servicer, if other than the assignor.

Assessment of the premium which the issue provides in terms of quality of credit and liquidity.

The I-GBP and I3-GBP-C units are denominated in GBP, while investments in the portfolio are made in euros. The Fund will use derivatives (currency swaps, total return swaps) in order to hedge the exposure to currency risk for these units denominated in foreign

currency.

This enables the NAV performance of these units to be compared to that of their respective benchmark index, the SONIA.

## **2. Description of the assets used (excluding derivatives)**

- Bond and money market instruments:

Portfolio securities will be selected according to the best judgement of the management and in compliance with the internal credit risk monitoring policy of the Management Company. Management may specifically use securities with the ratings described below. However, management does not – either exclusively or automatically – rely on the ratings issued by rating agencies, but rather bases its convictions about buying and selling a security on its own credit and market analyses.

Up to 110% of the portfolio shall be invested in securitisation vehicles, in particular Asset-Backed Securities, Residential/Commercial Mortgage-Backed Securities, Collateralised Loan Obligations or securitised bonds such as Covered Bonds (10% maximum); these securities are issued in currencies of the OECD area. Non-euro positions shall be hedged for currency risk (technical deviations excepted).

Securitisations or Asset-Backed Securities (ABS) are structured financial products. The aim of the creditor or assignor (states, credit institutions, companies, etc.) is to convert their debt or assets portfolio into market instruments (bonds or negotiable debt securities). The investment vehicles are securities with a reimbursement profile linked to debts or to portfolios of “collateral” assets or to flows generated by them.

The underlying assets may vary in their nature (mortgage, personal credit, debts based on business activity etc.).

Collateralised Loan Obligations (CLOs) are obligations backed by bank loans. These structures issue securities with different levels of subordination. These securities, or tranches, issued by these vehicles, may be low-risk or more exposed to default risk (up to the equity tranches, which are not rated and are sensitive to initial losses).

The Fund mainly invests in securities with a rating at the time of acquisition from AAA to BBB- by Standard & Poor's or Fitch, or from AAA to Baa3 by Moody's, or with those deemed equivalent by the Management Company.

Within a limit of 20% of net assets, the Fund may invest in securities belonging to the “high-yield speculative” category (corresponding to securities rated at the time of acquisition between BB+ and B- by Standard & Poor's or Fitch or between Ba1 and B3 by Moody's or those deemed equivalent according to the Management Company).

If the Fund has liquidity available, it may invest in the following euro-denominated instruments issued by entities within the OECD area:

- o Short-term negotiable securities
- o Medium-term negotiable securities
- o Fixed-rate treasury notes (BTF)
- o French government treasury notes (BTAN)
- o Euro Commercial Paper
- o Money-market UCIs
- o Asset-Backed Commercial Paper

### **Holding of shares or units of other UCIs or investment funds:**

The Fund may hold up to 10% of its assets in shares or units of the following UCIs or investment funds:

- French or foreign UCITS<sup>(1)</sup>
- French or European AIFs or investment funds that comply with the criteria defined by the French Monetary and Financial Code<sup>(2)</sup>

These UCI and investment funds may invest up to 10% of their assets in UCITS, AIF or investment funds. They may be managed by the Management Company or an affiliated company. The risk profile of these UCIs is compatible with that of the Fund.

(1) up to 100% of net assets in total (regulatory maximum)

(2) up to 30% of net assets in total (regulatory maximum)

## **3. Derivatives used**

The use of both hedges and options is an integral part of the investment process due to the advantages they offer in terms of liquidity and/or cost/efficiency ratios. These instruments have underlying assets that are part of the asset classes used.

Forward agreements are used in purchases and sales as inexpensive, liquid substitutes for real securities on the one hand to adjust global portfolio exposure to the bond markets and, on the other, to manage portfolio allocation along the interest-rate curve.

Information about the counterparties of the OTC derivative contracts:

Amundi AM relies on the expertise of Amundi Intermédiation in the context of providing services regarding the selection of counterparties. Amundi Intermédiation provides Amundi AM with an indicative list of counterparties, the eligibility of which is approved beforehand by the Amundi (Group) Credit Risk Committee, concerning the aspects of counterparty risk.

This list is then validated by Amundi AM during ad-hoc "Broker Committees". The purpose of the Broker Committees is to:

- monitor volumes (share broking and net amounts for other products) by intermediary/counterparty, instrument type and market, where applicable;
- express their opinion on the quality of the service provided by the Amundi Intermédiation trading desk;
- carry out a review of the brokers and counterparties, and draw up the list for the coming period. Amundi AM may decide to limit the list or ask to extend it. If Amundi AM proposes to extend the list of counterparties at a committee meeting or subsequently, the Amundi Credit Risk Committee must analyse and approve the list once again.

The Amundi AM Broker Committees are composed of the Investment Directors or their representatives, representatives of the Amundi Intermédiation trading desk, a Head of Operations, a Head of Risk Control and a Head of Compliance.

The manager may invest in the following derivatives:

- Type of markets:

- regulated
- organised
- over-the-counter

- Risks which the manager wishes to address:

- equity
- fixed income
- currency
- credit

- Types of transactions and description of all operations that must be limited to the achievement of the investment objective:

- hedging
- exposure

- Type of instruments used:

- futures: interest rate
- options: futures, interest rate, currencies
- swaps: interest rate, currency, index
- forward foreign exchange contracts
- credit derivatives: Credit Default Swaps (CDS)

- Strategy for using derivatives to achieve the investment objective:

- interest rate risk hedging or exposure
- currency risk hedging
- credit risk hedging
- constructing a synthetic exposure to particular assets or the above-mentioned risks.

The UCITS may enter into credit derivatives (Credit Default Swaps) on iTraxx indices or tranches of iTraxx indices, securitisations or securitisation indices to hedge against credit or issuer default risk, in order to anticipate upward or downward changes in these instruments, or to exploit disparities for a single issuer between the credit risk market and that of the security or between two issuers. Purchasing protection reduces the risk of the portfolio whereas selling protection, which synthetically replicates holding a physical security, generates risk at least equivalent to the risk that exists for a security held directly. Credit Default Swaps may specifically involve issuers within the iTraxx benchmark as defined by the committee selecting index values, securitisations or securitisation indices.

Currency swaps, forward foreign exchange contracts and currency options may be used to adjust the allocation of currencies in the portfolio (exchange risk management) by hedging the portfolio's exposure.

In the GBP-denominated units, they are used to convert assets in GBP into assets in euros.

Interest rate swaps may be used to hedge or expose the portfolio in view of interest rate trends.

Interest rate futures may be used for arbitrating sensitivity between various maturities of the interest rate curve.

#### **4. Embedded derivatives**

- Risks which the manager wishes to address:

- equity
- fixed income
- currency
- credit

- Type of interventions and description of the set of operations to be restricted to the achievement of the management objective:

- hedging
- exposure

- Type of instruments used:

- Euro Medium Term Notes (EMTN)
- Negotiable Medium Term Notes (BMTN)
- certificates
- warrants
- Credit-Linked Notes (CLNs)
- Callable bonds
- Puttable bonds

- Strategy for using embedded derivatives to achieve the management objective:

- general hedging of the portfolio, of the above-mentioned risks, securities
- constructing a synthetic exposure to assets or the above-mentioned risks
- increase of market exposure and clarification regarding overexposure
- callable and puttable bonds are used to adjust exposure to the credit market
- other strategy

#### **5. Deposits**

The UCI can lodge deposits for a maximum 12-month period. These deposits contribute to achieving the investment objective of the UCI by allowing it to manage cash flows.

#### **6. Cash borrowings**

The UCI may have a debit position up to a maximum 10% of its net assets to accommodate cash inflows and outflows (investments/disinvestments in progress, subscriptions/redemptions).

#### **7. Temporary purchases and sales of securities**

- Types of transactions used:

- repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code
- lending and borrowing of securities with reference to the French Monetary and Financial Code

These transactions will cover eligible assets as defined by the regulations. These assets are held with the Depository.

- Purpose of the transactions, which must be limited to the achievement of the investment objective:

- cash and liquidity management: through repo agreements on securities and securities lending and borrowing

- optimisation of the Fund's income
- possible contribution to the Fund's leverage effect

- Fees: See Costs and Fees section

Summary of proportions used:

<u>Types of transactions</u>	<u>Reverse repurchase agreements</u>	<u>Repurchase agreements</u>	<u>Securities lending</u>	<u>Securities borrowing</u>
<u>Maximum proportion of net assets</u>	100%	100%	90%	20%
<u>Expected proportion of net assets</u>	25%	25%	22.5%	5%

## **8- Information relating to collateral (temporary purchases and sales of securities and/or over-the-counter (OTC) derivatives including total return swaps (TRS)):**

Type of collateral:

In the context of temporary acquisitions and sales of securities and OTC derivative transactions, the UCITS may receive securities or cash as collateral.

Securities received as collateral must adhere to the criteria defined by the Management Company. They must be:

- liquid;
- transferable at any time;
- diversified in compliance with the eligibility, exposure and diversification rules of the UCI;
- issued by an issuer that is not an entity of the counterparty or its group.

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

The criteria described above are detailed in a Risk Policy available on the Management Company's website at [www.amundi.com](http://www.amundi.com) and may be subject to change, particularly in the event of exceptional market circumstances.

The discounts that may be applied to the collateral received will take into account the credit quality, the price volatility of the securities and the results of the stress tests performed.

Reuse of cash received as collateral:

Cash received as collateral may be reinvested in deposits, government bonds, repurchase agreements or short-term money market UCITS in accordance with the Management Company's Risk Policy.

Reuse of securities received as collateral:

Not authorised: Securities received as collateral may not be sold, reinvested or provided as collateral.

### **► Risk profile:**

*Your money shall be invested primarily in financial instruments selected by the Management Company. These financial instruments are subject to market fluctuations.*

- **Interest rate risk:** The value of interest rate instruments may fall due to changes in interest rates. It is measured in terms of sensitivity. In periods when interest rates are rising, the net asset value may fall significantly.
- **Capital risk:** Investors are warned that their capital invested is not guaranteed and therefore may not be regained.

- **Credit risk:** The risk of a fall in value of the securities of a private issuer or the default of the latter. Depending on the direction of the UCITS' transactions, a fall (in the case of a purchase) or a rise (in the case of a sale) in the value of the debt securities to which the UCITS is exposed can lead to a fall in the net asset value.
- **Risk related to ABS (asset-backed securities) and MBS (mortgage-backed securities):** For ABS and MBS, the credit risk is dependent mainly on the quality of the underlying assets, which may be of various kinds (bank debts, debt securities, etc.). These instruments result from complex structures which may include legal risks and specific risks (liquidity) reflecting the characteristics of the underlying assets. The occurrence of these risks may lower the net asset value of the UCITS.
- **Risks related to the use of speculative (high-yield) securities:** This UCITS must be considered as in part speculative and, more particularly, intended for investors who are aware of the risks inherent in investments in securities with a low rating or no rating at all. Accordingly, the use of "high-yield" securities may result in a greater risk of decline in the net asset value.
- **Risks of overexposure:** The UCITS may use forward financial instruments (derivatives) to generate overexposure and to increase the UCITS' exposure in excess of net assets. Depending on whether the UCITS' transactions are buys or sells, the effect of a drop (if a position is bought) or of a rise of the underlying of the derivative (if a position is sold) may be amplified and lead to a greater fall in the net asset value of the UCITS.
- **Discretionary risk:** The discretionary management style used for the Fund is based on the selection of securities. There is a risk that the UCITS might not be invested in the best-performing markets at all times. The Fund may underperform the investment objective. Furthermore, the net asset value of the Fund may decline.
- **Currency risk (residual):** This is the risk that investment currencies lose value against the reference currency of the portfolio, the euro. Depending on the direction of the UCITS' trades, a fall (in the case of a purchase) or a rise (in the case of a sale) in the value of a currency against the euro may lead to a fall in the net asset value.

**Counterparty risk:** The UCI uses temporary purchases and sales of securities and/or OTC derivative contracts, including total return swaps. These transactions, entered into with a counterparty, expose the UCI to the risk of the counterparty defaulting and/or not executing the swap, which may have a significant impact on the UCI's net asset value. This risk may not necessarily be offset by the collateral received.

**Liquidity risk linked to temporary purchases and sales of securities and/or total return swaps (TRS):** The UCI may be exposed to trading difficulties or a temporary inability to trade certain securities in which the UCI invests or those received as collateral, in the event of a counterparty defaulting on temporary purchases and sales of securities and/or total return swaps (TRS).

**Legal risk:** the use of temporary purchases and sales of securities and/or total return swaps (TRS) may create a legal risk, particularly relating to the swaps.

**Sustainability risk:** the risk relating to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of the investment

## ► Target investors and typical investor profile:

### CHOICE §

I-C units, D units and I-GBP units: All subscribers, more specifically institutional investors.

L units: All subscribers, more particularly reserved for LCL Banque Privée

R-C units: Strictly reserved for investors subscribing directly or via intermediaries providing portfolio management services under mandate and/or financial investment consultancy services not authorising them to retain retrocessions, either contractually or pursuant to the MiFID II regulation or national legislation.

M-C units: Units reserved for Italian management companies and insurance companies

I-3-C units: Reserved for the groups Union Investment and Invensys

I3-GBP-C units: All subscribers, more specifically institutional investors.

This Fund is intended for investors seeking to boost the performance of the stable portion (twelve-month horizon) of their cash flows.

The recommended minimum investment period is 12 months.

The amount that is reasonable to invest in this UCI depends on the personal situation of the investor. 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 recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this UCI.

This Fund's units cannot be offered or sold directly or indirectly in the United States of America (including its territories and possessions) to the advantage of a U.S. Person as defined in U.S. "Regulation S" adopted by the Securities and Exchange Commission ("SEC").(\*)<sup>(1)</sup>

► **Date and frequency of NAV calculation:**

NAV is determined every day that the Euronext Paris markets are open with the exception of official French public holidays.

► **Subscription and redemption procedures:**

Subscription and redemption requests are centralised on each NAV calculation day (D) at 12:25 . These requests are executed on the basis of the net asset value of D and calculated on the following business day (D+1).

Orders will be executed in accordance with the table below:

D-1 business day	D-1 business day	D: the net asset value calculation day	D+1 business days	D+2 business days	D+2 business days
Clearing before 12.25 p.m. of subscription orders <sup>1</sup>	Clearing before 12.25 p.m. before 4.00 p.m. <sup>1</sup>	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

<sup>1</sup>Unless a specific deadline is agreed with your financial institution.

The persons wishing to acquire or subscribe units will be required to certify, at the time of any acquisition or subscription of units of the Fund, that they are not "U.S. Persons". Any unitholder who becomes a US Person must immediately notify the Fund's management company of the change.

► **Redemption capping scheme:**

In exceptional circumstances and if required by the interests of the investors, the Management Company may not fully execute redemption

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<sup>1</sup> The term "U.S. Person" means: (a) any individual residing in the United States of America; (b) any entity or company organised or incorporated under the laws of the United States; (c) any estate of which the executor or the administrator is a U.S. Person; (d) any trust of which any trustee is a U.S. Person; (e) any branch or subsidiary of a non-US entity located in the United States of America; (f) any non-discretionary account (other than an estate or trust) held by a financial intermediary or any other fiduciary organised, incorporated, or (if an individual) resident in the United States; (g) any discretionary account (other than an estate or trust) held by a financial intermediary or any other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (h) any entity or company, if it is (i) organised or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act of 1933, as amended, unless it is organised or incorporated and owned by Accredited Investors (as defined in Rule 501(a) of the Act of 1933, as amended) who are not individuals, estates or trusts.



orders at the same net asset value.

**Calculation method and threshold used:**

The Management Company may decide not to execute all redemption orders at the same net asset value if a threshold it has objectively established is reached at a particular net asset value.

At a single net asset value, this threshold is understood as the net redemption of all units divided by the net assets of the Fund.

In order to determine this threshold level, the Management Company shall take particular note of the following factors: (i) the frequency with which the net asset value of the Fund is calculated, (ii) the management strategy of the Fund, (iii) and the liquidity of the assets held by the Fund.

For the AMUNDI ABS Fund, the Management Company may trigger a redemption cap when a threshold of 5% of the net assets is reached. The threshold is identical for all unit classes of the Fund.

When redemption requests exceed the trigger threshold, and if the liquidity conditions allow, the Management Company may decide to meet the redemption requests above this threshold and thus execute the orders that may be blocked, in whole or in part.

Redemption requests that are not executed at a given net asset value will automatically be carried forward to the next centralisation date and are irrevocable.

The redemption gate is restricted to 20 net asset values over a three-month period.

**Information to investors in the event that the ceiling is triggered:**

In the event that the redemption capping scheme is triggered, unitholders shall be informed by any means on the Management Company's website ([www.amundi.com](http://www.amundi.com)).

Moreover, investors whose redemption requests have been partially or fully unexecuted will be informed by the centralising agent in a specific manner and as soon as possible after the centralisation date.

**Processing unexecuted orders:**

During the entire period of application of the redemption gate, orders will be executed in equal proportions for the Fund's investors who have requested redemption at the same net asset value.

Orders carried forward in this way shall not have priority over subsequent redemption requests.

**Exemption:**

If the redemption order is immediately followed by a subscription from the same investor for an amount at least equal to it and made at the same net asset value date, this scheme will not be applied to the redemption in question.

Further information on the gates mechanism is provided in the regulations of the UCI.

Example of how the mechanism is implemented on the Fund: If the total redemption requests for the Fund's units are 15% and the threshold is set at 10% of the net asset value, the Management Company may decide to honour redemption requests up to 12.5% of the net asset value (and therefore execute 83.3% of the redemption requests instead of 66.66% if it had strictly applied the 10% ceiling).

- ▶ **Establishments authorised to receive subscriptions and redemptions by delegation of the Management Company: Amundi Asset Management, CACEIS Bank, the branch office network of the Regional Banks of Crédit Agricole, branches of LCL – Le Crédit Lyonnais in France.**

*Investors should note that orders sent to promoters other than the aforementioned institutions should take into account the fact that the cut-off time for clearing orders applies to those promoters with CACEIS Bank.*

*As a result, these promoters may apply their own deadline, earlier than the time mentioned above, to allow them to meet their order transmission deadline to CACEIS Bank.*

- ▶ **Location and terms of publication or communication of net asset value:**

The UCITS' NAV is available on request from the Management Company and on its website: <http://www.societegeneralegestion.fr>.

► **Characteristics of units :**

• **Minimum amount of the initial subscription:**

D units: 4 unit(s)  
I GBP-D units: 4 unit(s)  
I-C units: 4 unit(s)  
I3-C units: 100 unit(s)  
I3-GBP-C units: 100 unit(s)  
L-C units: 1 unit(s)  
M-D units: 1 unit(s)  
R-C units: 1 unit(s)

The minimum initial subscription amount requirements do not apply to the Management Company, the Depositary or any entity of the same group, which may only subscribe to one unit.

• **Minimum amount of a subsequent subscription:**

D units: 1 unit(s)  
I GBP-D units: 1 unit(s)  
I-C units: One hundred-thousandth of a unit  
I3-C units: 1 unit(s)  
I3-GBP-C units: 1 thousandth of a unit  
L-C units: 1 thousandth of a unit  
M-D units: 1 thousandth of a unit  
R-C units: 1 thousandth of a unit

• **Decimalisation:**

D units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
I GBP-D units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
I-C units: Units may be subscribed in hundred-thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in hundred-thousandths of units.  
I3-C units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
I3-GBP-C units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
L-C units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
M-D units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.  
R-C units: Units may be subscribed in thousandths of units, provided that the minimum subscription amounts have been respected. Redemptions are made in thousandths of units.

• **Initial net asset value:**

D units: EUR 200,000.00  
I GBP-D units: GBP 200,000.00  
I-C units: EUR 200,000.00  
I3-C units: EUR 100,000.00  
I3-GBP-C units: GBP 100,000.00  
L-C units: EUR 100.00  
M-D units: EUR 100,000.00  
R-C units: EUR 100.00

- **Currency of units:**

D units: Euro  
I GBP-D units: Pound Sterling  
I-C units: Euro  
I3-C units: Euro  
I3-GBP-C units: Pound Sterling  
L-C units: Euro  
M-D units: Euro  
R-C units: Euro

- **Allocation of net profit:**

D units: Distribution  
I GBP-D units: Distribution  
I-C units: Accumulation  
I3-C units: Accumulation  
I3-GBP-C units: Accumulation  
L-C units: Accumulation  
M-D units: Distribution  
R-C units: Accumulation

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

D units: Accumulation and/or distribution at the discretion of the Management Company  
I GBP-D units: Accumulation and/or distribution at the discretion of the Management Company  
I-C units: Accumulation  
I3-C units: Accumulation  
I3-GBP-C units: Accumulation  
L-C units: Accumulation  
M-D units: Accumulation and/or distribution at the discretion of the Management Company  
R-C units: Accumulation

- **Distribution frequency**

D units: quarterly  
I GBP-D units: quarterly  
I-C units: not applicable  
I3-C units: not applicable  
I3-GBP-C units: not applicable  
L-C units: not applicable  
M-D units: quarterly  
R-C unit: not applicable

- ▶ **Costs and fees:**

- **Subscription and redemption fees:**

*Subscription and redemption fees are levied by addition to the subscription price paid by the investor or subtraction from the redemption price. The fees charged by the UCI serve to offset the costs incurred by the UCI to invest and divest investors' monies. Fees not accruing to the UCITS, are allocated to the Management Company, the promoter, etc.*

Fees paid by the investor, charged at subscription and redemption	Basis	Interest rates
Subscription fees not accruing to the UCI	Net asset value x Number of units	D units: None
		I GBP-D units: None
		I-C units: None
		I3-C units: maximum 1.00%
		I3-GBP-C units: None
		L-C units: maximum 5.00%
		M-D units: maximum 5.00%
Subscription fees accruing to the UCI	Net asset value x Number of units	None
Redemption fees not accruing to the UCI	Net asset value x Number of units	D units: None
		I GBP-D units: None
		I-C units: None
		I3-C units: None
		I3-GBP-C units: None
		L-C units: None
		M-D units: None
Redemption fees accruing to the UCI	Net asset value x Number of units	None

**- Administrative and management fees:**

*These fees cover all the charges invoiced directly to the UCITS, excluding transaction charges. Transaction fees include intermediary fees (i.e. brokerage fees, stock market taxes, etc.) and turnover fees, if any, may be charged, notably by the Depositary and the Management Company.*

*The following fees may be charged on top of management and administration fees:*

- *performance fees. These reward the Management Company when the UCITS exceeds its objectives. They are therefore charged to the UCITS;*
- *transaction fees invoiced to the UCITS;*
- *fees related to the temporary purchases and sales of securities.*

	Fees charged to the UCI	Basis	Rate structure
P1 — P2	Financial management fees <hr/> Administrative fees external to the Management Company	Net assets	D units: 0.35% maximum, incl. taxes I GBP-D units: maximum 0.35% per year incl. VAT I-C units: maximum 0.35% per year incl. VAT I3-C units: maximum 1.00% per year incl. VAT I3-GBP-C units: maximum 0.35% per year incl. VAT L-C units: maximum 0.70% per year incl. VAT M-D units: maximum 0.35% per year incl. VAT R-C units: maximum 0.50% per year incl. VAT
P3	Maximum indirect fees (fees and management fees)	Net assets	Not significant
P4	Turnover fees Charged by the depositary on all the instruments. ***** Charged by the Management Company on foreign exchange transactions and by Amundi Intermediation on any other instrument and transactions.	Deducted from each transaction or operation	Flat fee of between EUR 0 and EUR 113 inclusive of tax, depending on the stock market. ***** Fixed amount of €1 per contract (futures/options) + percentage fee ranging from 0% to 0.10% depending on the instrument (securities, currency etc.)
P5	Performance fees	Net assets	D units: 15.00% maximum p.a. of any gain above that of the benchmark index I GBP-D units: Maximum 15.00% p.a. of the performance above that of the benchmark index, calculated using the 'reference assets' methodology I-C units: Maximum 15.00% p.a. of the performance above that of the benchmark index, calculated using the 'reference assets' methodology I3-C units: None I3-GBP-C units: None



L-C units: Maximum 15.00% p.a. of the performance above that of the benchmark index, calculated using the 'reference assets' methodology
M-D units: None
R-C units: Maximum 15.00% p.a. of the performance above that of the benchmark index, calculated using the 'reference assets' methodology

The following costs may be added to the fees invoiced to the UCI, as listed above:

- exceptional legal costs associated with the recovery of the UCI's debts;
- costs related to fees payable by the Management Company to the AMF in connection with its management of the UCI.

Operating and management fees are charged directly to the UCI's Income Statement.

#### **- Performance fee:**

The calculation of the performance fee applies to each unit concerned and on each calculation date of the Net Asset Value. It is based on a comparison (hereinafter the "Comparison") between:

- The net assets of the unit (before deduction of the performance fee) and
- The reference assets (hereinafter the "Reference Assets"), which represent and replicate the net assets of the unit (before deduction of the performance fee) on the first day of the observation period, adjusted for subscriptions/redemptions at each valuation, to which the performance of the benchmark index is applied with increases as follows:
  - for I (C) units: the capitalised €STR, plus 0.65% per annum;
  - for L (C) units: the capitalised €STR, plus 0.30% per annum;
  - for I GBP (D) units: the capitalised SONIA, plus 0.65% per annum;
  - for D units: the capitalised €STR, plus 0.65% per annum;
  - for R (C) units: the capitalised €STR, plus 0.50% per annum;

As such, from 01 June 2022, the Comparison is performed over a maximum observation period of five years, for which the anniversary date corresponds to the calculation date of the last net asset value in May. All observation periods that begin on or after 01 June 2022 shall follow the new procedures below.

Over the unit's lifetime, a new maximum observation period of five years will begin:

- if the annual provision is paid on an anniversary;
- if a cumulative underperformance is recorded at the end of a period of five years.

In this case, any underperformance in excess of five years will no longer be considered during the new observation period; conversely, any underperformance generated over the last five years will continue to be considered.

The performance fee shall represent 15% of the difference between the net assets of the unit (before deduction of the performance fee) and the Reference Assets, provided that the following cumulative conditions are met:

- this difference is positive;
- the relative performance of the unit against the Reference Assets since the start of the observation period, as defined above, is positive or zero. Underperformance over the preceding five years must be offset before a provision can be recorded again.

This fee will be subject to a provision when the Net Asset Value is calculated.

For redemptions during the observation period, the apportioned share of the provision made, which corresponds to the number of units redeemed, accrues to the Management Company. This amount may be paid to the Management Company on each anniversary date.

If, during the observation period, the net assets of the unit (before deduction of the performance fee) are lower than the Reference Assets, the performance fee will be nil and will be subject to a provision reversal when the Net Asset Value is calculated. Provision reversals are capped at the level of previous allocations.

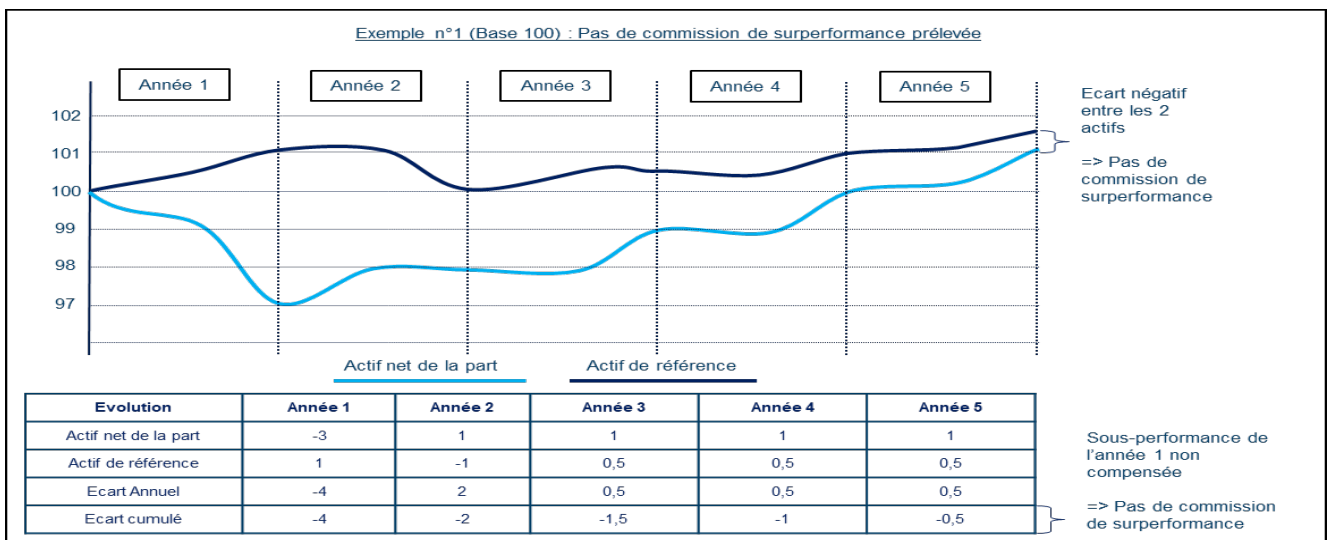
During the observation period, all provisions as defined above become payable to the Management Company on the anniversary date.

**The Management Company will receive the performance fee even if the unit's performance over the observation period is negative, provided that the unit outperforms the Reference Assets.**

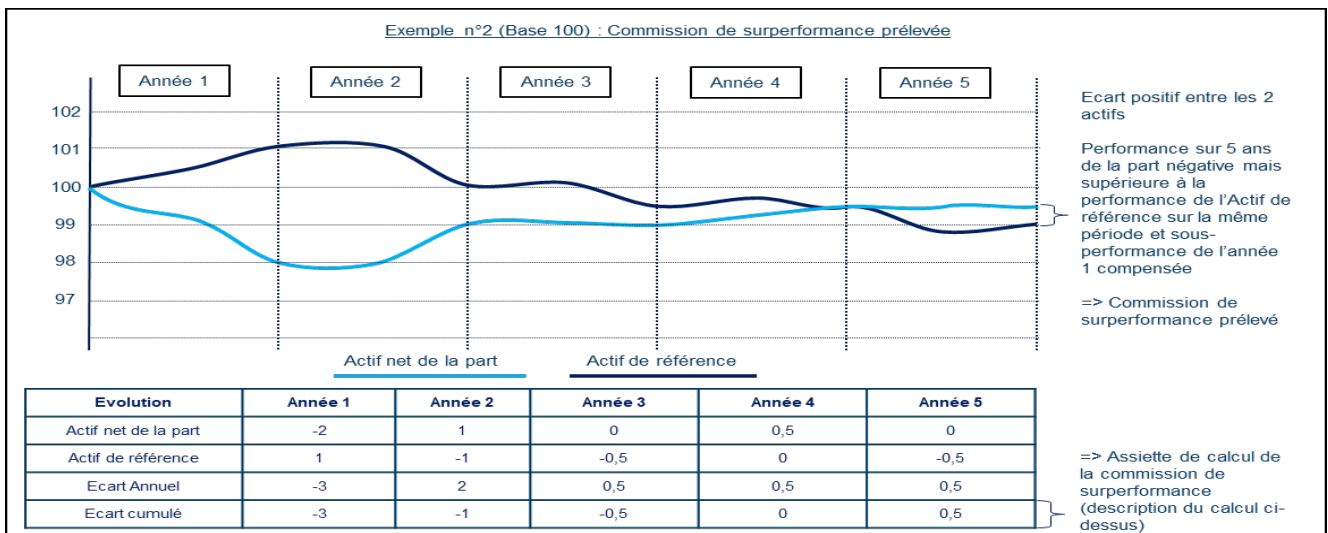
The three examples below outline the conditions applicable to observation periods of five years:

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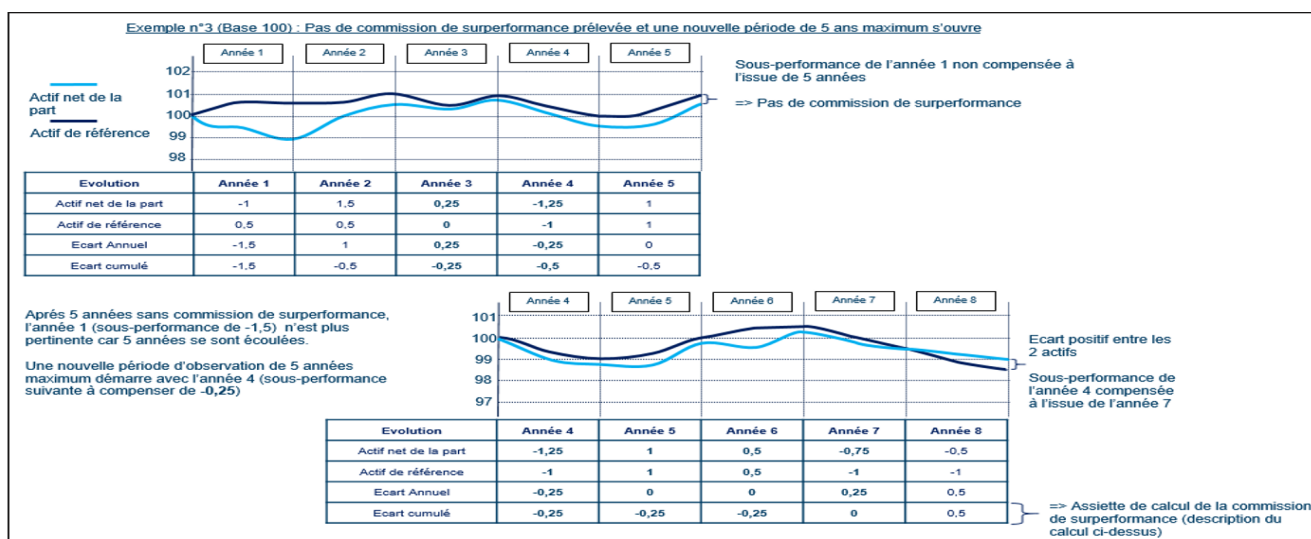
**In the case of unrecovered underperformance:**



**In the case of recovered underperformance:**



**In the case of unrecovered underperformance where a new observation period opens in a year of underperformance:**



For more information, please refer to ESMA's guidelines on performance fees in UCITS (undertakings for collective investment in transferable securities) and certain types of AIFs (alternative investment funds), ref. 34-39-968, as amended, as well as the related Q&As published by ESMA.

- for M-D units
- for I3-GBP-C units
- 15.00% for I-C units
- 15.00% for L-C units
- 15.00% for I GBP-D units
- 15.00% for D units
- 15.00% for R-C units
- for I3-C units

### **Securities lending and repurchase transactions:**

As part of securities lending and repurchase transactions, Amundi Asset Management, a subsidiary of Amundi, has entrusted Amundi Intermédiation, in the context of service provision, on behalf of the UCI, with executing transactions, undertaking in particular:

- consultancy services related to selecting counterparties;
- market contracts set up requests;
- the qualitative and quantitative monitoring of collateralisation (diversification, ratings, liquidities controls), repurchase agreements and securities lending

Income from such transactions is returned to the UCI. These transactions generate costs that are paid by the UCI. Amundi Intermédiation may not charge more than 50% of the income generated by these transactions.

Such transactions carried out by Amundi Intermédiation, a company that is part of the same group as the Management Company, creates a potential conflict of interest.

### **Selection of intermediaries:**

#### **Policy for selecting counterparties of OTC derivative contracts or of temporary sales of securities**

The management company implements a counterparty selection policy, especially when it enters into temporary purchases and sales of securities and certain derivatives.

Amundi Intermédiation presents Amundi Asset Management with an indicative list of counterparties whose eligibility has been previously validated by the Amundi Group's Credit Risk Committee, on the aspects of counterparty risk. This list is then validated by Amundi Asset Management during ad-hoc meetings of "Broker Committees". The purpose of the Broker Committees is to:

- monitor volumes (brokerage on equities and net amount for other products) by intermediary/counterparty, by type of instrument and by market if applicable;
- give an opinion on the quality of the trading desk service provided by Amundi Intermédiation;
- carry out a review of the brokers and counterparties, and to draw up the list for the coming period. Amundi Asset Management may decide to narrow down the list or ask to broaden it. Any proposal by Amundi Asset Management to broaden the list of counterparties, during a committee meeting or subsequently, is submitted again to Amundi's Credit Risk Committee for analysis and approval.

The Amundi Asset Management Broker Committees are composed of the Investment Directors or their representatives, representatives of



the Amundi Intermédiation trading desk, a Head of Operations, a Head of Risk Control and a Head of Compliance.

The assessment of counterparties to justify their inclusion in the Amundi Intermédiation shortlist involves several teams giving their opinion based on different criteria:

- counterparty risk: the Amundi Credit Risk team, under the supervision of the Amundi Group's Credit Risk Committee, is responsible for assessing each counterparty on the basis of specific criteria (ownership structure, financial profile, governance etc.);
- quality of order execution: the operational teams in charge of order execution within the Amundi Group assess execution quality based on a series of elements depending on the type of instrument and the markets concerned (quality of trading information, prices obtained, settlement quality);
- quality of post-execution processing.

The selection is based on the principle of selectivity of the best counterparties in the market and aims to select a limited number of financial institutions. The vast majority chosen are financial institutions from an OECD country with a minimum rating of AAA to BBB- on the Standard&Poor's rating scale at the time the transaction is set up, or with a rating deemed equivalent by the management company.

Broker selection policy

At Broker Committee meetings, the Management Company also draws up a list of approved brokers based on recommendations from Amundi Intermédiation. The Management Company may extend or adjust this list, as necessary, in accordance with pre-determined selection criteria.

The selected brokers will be monitored regularly in accordance with the Management Company's Performance Policy.

The assessment of brokers to justify their inclusion in the Amundi Intermédiation shortlist involves several teams giving their opinion based on different criteria:

- the pool is limited to brokers offering delivery versus payment as a transaction settlement method or cleared/listed derivatives;
- quality of order execution: the operational teams in charge of order execution within the Amundi Group assess execution quality based on a series of elements depending on the type of instrument and the markets concerned (quality of trading information, prices obtained, settlement quality);
- quality of post-execution processing.

## IV – COMMERCIAL INFORMATION

### **Circulation of Fund information:**

The prospectus, the latest annual report and interim statements are available from the Management Company: Amundi Asset Management – Service Clients – 91-93, Boulevard Pasteur – 75015 Paris, France

The UCI's NAV is available on request from the Management Company and on its website: [www.amundi.com](http://www.amundi.com)

Unitholders are informed of any changes affecting the UCI in accordance with the procedures defined by the French Market Regulator (AMF): individual information or by any other method (financial notice, interim report etc.).

Financial notices may be published in the press and/or on the Management Company's website: [www.amundi.com](http://www.amundi.com) in the News-and-documentation/Financial-Notices section.

### **Disclosure of the UCI portfolio composition:**

The Management Company may disclose, directly or indirectly, the composition of the UCI's assets to unitholders of the UCI who qualify as professional investors governed by the Autorité de contrôle prudentiel et de résolution (French Prudential Supervision and Resolution Authority — ACPR), the Autorité des marchés financiers (French Financial Markets Authority — AMF) or equivalent European authorities, solely for the purposes of calculating the regulatory requirements related to the Solvency II directive. If applicable, this information must be disclosed once more than 48 hours has passed since the publication of the net asset value.

### **Compliance of the Fund with the criteria relative to the Environmental, Social and Governance (ESG) objectives** methods:

The Management Company provides investors, on its website [www.amundi.com](http://www.amundi.com) and in the annual report of the Fund (for financial years starting on or after 01 January 2012), with information on how the ESG criteria are taken into account in the Fund's investment policy.

### **Regulation (EU) 2019/2088 on sustainabilityrelated disclosures in the financial services sector (the “Disclosures Regulation”)**

As a financial market participant, the management company of the UCI is governed by Regulation (EU) 2019/2088 of 27 November 2019 on sustainabilityrelated disclosures in the financial services sector (the “Disclosures Regulation”).

This Regulation lays down harmonised rules for financial market participants on transparency with regard to the integration of sustainability risks (Article 6 of the Regulation), the consideration of negative sustainability impacts, the promotion of environmental or social characteristics in the investment process (Article 8 of the Regulation) and sustainable investment objectives (Article 9 of the Regulation).

Sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of the investment.

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

#### **Regulation (EU) 2020/852 (the so-called “Taxonomy Regulation”) on establishing a framework to support sustainable investment and amending the Disclosure Regulation.**

The Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives: (i) climate change mitigation, (ii) climate change adaptation, (iii) sustainable use and protection of water and marine resources, (iv) transition to the circular economy (waste, prevention and recycling), (v) pollution prevention and control, (vi) protection of healthy ecosystems.

For the purpose of establishing the environmental sustainability of an investment, an economic activity is considered environmentally sustainable if it makes a substantial contribution to one or more of the six environmental objectives, does not significantly harm one or more of the environmental objectives (“do no significant harm” or “DNSH” principle), is carried out in accordance with the minimum safeguards set out in Article 18 of the Taxonomy Regulation, and complies with the technical review criteria that have been established by the European Commission under the Taxonomy Regulation.

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

Notwithstanding the above, the “do no significant harm” principle only applies to those investments underlying the UCI that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this UCI do not take into account the EU criteria for environmentally sustainable economic activities.

## **V – INVESTMENT RULES**

The UCI adheres to the investment rules laid down by the French Monetary and Financial Code that are applicable to its category.

In particular, the Fund may invest up to 35% of its assets in eligible financial securities and money-market instruments issued or guaranteed by any government or authorised public or semi-public institution.

## **VI – GLOBAL RISK**

### **Global risk ratio calculation method:**

Benchmark portfolio: the benchmark index of the UCI

## **VII - ASSET VALUATION AND ACCOUNTING RULES**

### **Principle**

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

- continuity of operations,
- consistency of accounting methods from one year to the next,
- independence of 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 of the units is calculated taking into account the following valuation rules:

- Transferable securities traded in a regulated market (French or foreign), are valued at market price. In line with the terms and conditions agreed, the benchmark market price is valued at the latest stock market price.

Differences between the listed price used to recalculate the NAV and the historic cost of the marketable securities that make up the portfolio are recognised in an account entitled "Estimation Differences".

However:

- Transferable securities for which a price has not been recorded as of the valuation date or for which the price has been corrected are valued at their probable trading value, as estimated by the Management Company. The Statutory Auditor is informed of these valuations and their justification when conducting audits.
- Negotiable debt securities and similar securities are valued on an actuarial basis, using a benchmark, as described below, plus a difference representing the intrinsic value of the issuer, where applicable:
  - Negotiable debt securities with a maturity of less than or equal to one year: Euribor interbank rate in euros;
  - Swapped negotiable debt securities: valued using the OIS (Overnight Indexed Swaps) curve
  - Negotiable debt securities with a term exceeding three months (money market UCIs): valued using the OIS (Overnight Indexed Swaps) curve
  - Negotiable debt securities with a maturity of over one year: Rates for French treasury bills and fungible treasury bonds with similar maturity dates for the longest durations.

Negotiable debt securities with three months or less to run will be valued according to the linear method.

Treasury notes are valued at the market rate, provided daily by the Treasury Securities Specialists.

- UCI shares or units are measured at the last known net asset value.
- Securities not traded in a regulated market are valued by the Management Company at their probable trading value. Their valuation is based on their assets and yield, taking into account the prices used in recent major transactions. Investment fund units or shares are valued at the last known net asset value or, if necessary, based on available estimates under the control and responsibility of the Management Company.
- Cash, deposits and financial instruments held in the portfolio and denominated in foreign currencies are converted into the accounting currency of the UCI using the exchange rate on the valuation date.
- Transferable 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 Management Company.

Securities received under repurchase agreements are recorded in the buy portfolio under the heading "Debt representing securities received as part of repurchase agreements" at the amount stated in the contracts, plus any interest receivable. Securities lent under repurchase agreements are posted in long portfolios at their stock market price. Interest receivable and payable for repurchase transactions is calculated pro rata. Liabilities representing securities lent under repurchase agreements are posted in short portfolios at the value set forth in the agreement, plus any accrued interest due. On settlement, the interest received and paid is shown as debt revenues.

Loaned securities are valued at market price. The indemnity collected in relation to these securities is recorded under revenues on debt securities. Accrued interest is included in the stock market value of the securities lent.

- 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 Management Company. Contracts on forward markets are valued at the settlement

price.

#### Valuation of collateral:

Collateral is valued daily at market price (mark-to-market method).

The discounts that may be applied to the collateral received will take into account the credit quality, the price volatility of the securities and the results of the stress tests performed.

Margin calls are made daily, unless otherwise stipulated in the framework contract covering these transactions or if the Management Company and the counterparty have agreed to apply a trigger threshold.

- - Futures, options or swap transactions on OTC markets as authorised under the laws and regulations governing UCIs are valued at market value or at an estimated value under arrangements specified by the Management Company. Interest rate and/or currency swap contracts are valued at their market value based on the price calculated by discounting future cash flows (principal and interest), at the market interest rates and/or currency rates. This price is adjusted for credit risk.

#### **Recognition method**

Securities entering and leaving the portfolio are recognised excluding costs.

Revenues are recognised when received.

Revenues consist of:

- income from transferable securities,
- dividends and interest received on foreign securities, at the foreign currency rate,
- cash proceeds in foreign currency, income from loans, 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**

Futures contracts are entered at their market value as off-balance sheet commitments at the settlement price. Options are converted into their underlying equivalent. OTC interest rate swaps are valued on the basis of the nominal value, plus or minus the corresponding estimation difference.

#### **Income accruals account**

Income accrual accounts ensure fair allocation of income among unitholders, regardless of the subscription or redemption date.

#### **Swing pricing mechanism**

Significant subscriptions and redemptions may impact the NAV because of the portfolio adjustment costs related to investment and divestment transactions. This cost may originate from the difference between the transaction price and the valuation prices, taxes or brokerage fees.

For the purposes of preserving the interests of the shareholders present in the UCI, the Management Company may decide to apply a swing pricing mechanism to the UCI with a trigger threshold.

As a result, as long as the absolute value of the balance of subscriptions and redemptions of all shares together is greater than the preset threshold, there will be an adjustment to the NAV. Consequently, the NAV will be adjusted upwards (or downwards) if the balance of subscriptions and redemptions is positive (or negative); the objective is to limit the impact of these subscriptions and redemptions on the NAV of the shareholders present in the Fund.

This trigger threshold is expressed as a percentage of the total assets of the UCI.

The level of the trigger threshold and the NAV adjustment factor are determined by the Management Company and are reviewed on a quarterly basis at a minimum.

Due to the application of swing pricing, the volatility of the UCI may be not only derived from the assets held in the portfolio.

In accordance with the regulations, only those in charge of its implementation know the details of this mechanism, including the percentage

of the trigger threshold.

## VIII - REMUNERATION

The Management Company has adopted the remuneration policy of the Amundi Group, to which it belongs.

The Amundi Group has implemented a remuneration policy adapted to its organisation and its activities. This policy is designed to regulate practices regarding the different remunerations of employees authorised to make decisions, exercise control functions or take risks within the Group.

This remuneration policy has been defined with regard to the Group's economic strategy, objectives, securities and interests, to the management companies which are part of the Group, to the UCIs managed by the Group's companies and their unitholders. The objective of this policy is to discourage excessive risk-taking by specifically running contrary to the risk profile of the UCIs' managed.

Furthermore, the Management Company has implemented suitable measures in order to prevent conflicts of interest.

The remuneration policy is adopted and overseen by the Board of Directors of Amundi, the parent company of the Amundi Group.

The remuneration policy is available on the website [www.amundi.com](http://www.amundi.com) or free of charge on written request from the Management Company.

Prospectus updated on: 07.07.2023

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:  
AMUNDI ABS

Legal entity identifier:  
969500PBY9KQBY31U106

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



X

No



It will make a minimum of **sustainable investments with an environmental objective:**

\_\_\_\_\_ %



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_\_ %



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_\_ 5 \_\_\_\_\_ % of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The management team incorporates sustainability factors into its investment process by taking into account the ESG rating of issuers in the portfolio composition.

The ESG analysis of issuers seeks to assess their ability to manage the potential adverse impact of their activities on sustainability factors. The aim of the analysis is to evaluate their ESG performance by assigning them an ESG rating ranging from A (best rating) to G (worst rating), so that a broader risk assessment may be carried out.

This analysis includes a set of generic criteria applicable to all issuers as well as criteria specific to each sector, based on a "best-in-class" approach.

The upstream ESG analysis methodology and the consideration of the overall ESG rating in the portfolio composition (by excluding the worst-rated issuers and focusing on those with

the best ratings) ensures that these three aspects (environmental, social and governance) remain in the spotlight.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicator is the portfolio's average ESG rating which must be higher than the ESG rating of the investment universe.

Amundi has developed its own internal ESG rating process based on the "best-in-class" approach. Ratings are adapted to each sector in order to assess the dynamics in which the companies operate.

Amundi's seven ESG ratings used to determine the ESG score range from A (the best score in the investment universe) to G (the worst score). On the Amundi ESG rating scale, securities on the exclusion list are rated G. For corporate issuers, ESG performance is broadly assessed according to the relevant criteria by comparison with the average performance for their business sector, by combining the three ESG aspects:

- the environmental aspect: this examines the issuer's ability to mitigate its direct and indirect impact on the environment by limiting its energy consumption, reducing its greenhouse gas emissions, combating resource depletion and protecting biodiversity;
- the social aspect: this measures how an issuer operates on the basis of two distinct concepts: the issuer's strategy for developing its human capital and its respect for human rights in general;
- the governance aspect: this assesses the issuer's ability to lay the foundations for an effective corporate governance framework and to generate value over the long term.

The ESG rating methodology applied by Amundi is based on 38 criteria that are either generic (common to all companies regardless of their line of business) or sector specific, weighted by sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. Amundi's ESG ratings may be expressed globally based on the three E, S and G aspects or individually based on any of the environmental or social factors.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of sustainable investments at Amundi is to invest in companies and/or economic players with business models and activities that contribute to supporting positive environmental or social objectives, by meeting two criteria:

1. They follow good environmental and social practices; and
2. They do not produce products or provide services that are harmful to the environment or society.

For a company and/or economic player to be deemed to contribute to the above objective, it must be the "best" in its business sector for at least one of its material environmental or social factors.

The definition "best" is based on Amundi's proprietary ESG methodology, which seeks to measure a company's ESG performance. To be considered the "best", a company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector for at least one major environmental or social factor. Major environmental and social factors are identified at the sector level. The identification of major factors is based on Amundi's ESG analysis framework, which combines non-financial data and a qualitative analysis of the associated sector-based and sustainability themes. Factors identified as major account for more than 10% of the overall ESG score. For the health sector for example, these major factors are: emissions and energy, biodiversity and pollution, working conditions, product and customer responsibility, and community engagement and human rights. For a more complete overview of the sectors and factors, please refer to Amundi's ESG Regulatory Statement available at [www.amundi.fr](http://www.amundi.fr).

The sustainability of an investment is assessed at company level. To be deemed a sustainable investment, a company must meet the above objectives and must not have significant exposure to activities that are considered to be incompatible with the long-term sustainable development goals (i.e. production and distribution of carbon-intensive energy, tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticide production, manufacture of single-use plastics).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that sustainable investments do not cause significant harm ("do no significant harm" or "DNSH"), Amundi uses two filters:

- The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS
  - Where reliable data are available (e.g. the greenhouse gas or GHG intensity of companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. that the carbon intensity of the company is not in the bottom decile for the sector).
  - Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal, unconventional fuels and tobacco.

Moreover, companies and economic players exposed to severe controversies related to working conditions, human rights, biodiversity and pollution are not considered sustainable investments.

- The objective of the second filter is to verify that a company does not perform poorly from an overall environmental or social standpoint compared to other companies within its sector. This corresponds to an environmental or social score of E or higher using Amundi's ESG rating scale.

This approach is specific to investments in securities. With respect to investments in funds managed by third-party managers, Amundi relies on the policies applied by the external manager.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

At Amundi, the adverse impact indicators are taken into account as detailed in the first DNSH filter above.

The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS, where reliable data are available through a combination of indicators and the following specific rules or thresholds:



- Have a CO<sub>2</sub> intensity that is not in the bottom decile of companies in its sector (only applies to high-intensity sectors), and
- Have a Board of Directors, the diversity of which is not in the bottom decile of companies in its sector, and
- Not be the subject of controversies concerning working conditions and human rights,
- Not be the subject of controversies concerning biodiversity and pollution.

Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal, unconventional fuels and tobacco.

*– How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into Amundi's ESG rating methodology. Our proprietary ESG rating tool assesses issuers using data available from our data providers. For example, the model includes a dedicated criterion called "Community engagement and human rights". This applies to all sectors together with other human rights criteria, including socially responsible supply chains, working conditions and labour relations. In addition, controversy monitoring is carried out at least once a quarter and includes companies that have been flagged for human rights violations. When controversies arise, analysts assess the situation and assign it a rating (using our proprietary scoring methodology) to determine the best course of action. Controversy ratings are updated quarterly to keep track of developments and remediation efforts.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives. It is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes, the financial product takes into account all of the mandatory principal adverse impacts set out in Table 1 of Annex I of the RTS applicable to the strategy of the financial product. It relies, directly or indirectly, on a combination of exclusion policies (norm-based and sector-based), the integration of ESG ratings within the investment process, and engagement and voting approaches:

- **Exclusion:** Amundi has defined rules for norm-based exclusions based on activity and sector, covering some of the main negative sustainability indicators listed in the SFDR Regulation.
- **Integration of ESG factors:** Amundi has adopted the minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of

G-rated issuers and weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account the key impacts on sustainability factors, as well as the quality of mitigation measures taken in this regard.

- **Engagement:** Engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to wider society and the global economy.
- **Voting:** Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues. For more information, please see Amundi's Voting policy.<sup>1</sup>
- **Controversy monitoring:** Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor the development of controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts, followed by a periodic review of any developments. This approach is applied to all Amundi funds.

For details on how to use the mandatory indicators for the principal adverse impacts, please refer to Amundi's ESG Regulatory Statement available at [www.amundi.fr](http://www.amundi.fr)

No



## What investment strategy does this financial product follow?

The investment strategy is to select ABS (asset back securities) and CDO (collateralised debt obligations) and other securitisation vehicles issued in any currency by private entities in the OECD area.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The UCI first applies Amundi's exclusion policy, which includes the following rules:

- legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons, depleted uranium weapons etc.);
- companies that seriously and repeatedly contravene one or more of the ten principles of the Global Compact, without credible corrective action;
- the Amundi Group sector exclusions on coal and tobacco; (details of this policy can be found in the Amundi Responsible Investment Policy available at [www.amundi.fr](http://www.amundi.fr)).

The UCI also applies the following rules:

- the "rating improvement" approach: the weighted average ESG rating of the portfolio must be higher than the weighted average ESG rating of the investment universe;
- the coverage rate of the portfolio securities is in compliance with AMF regulations;

<sup>1</sup> <https://about.amundi.com/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646>

- the UCI follows four indicators covering the E, S and G aspects: the Fund's carbon footprint versus the ESG universe, human rights policy indicator, diversity of managers (percentage of female managers within companies) and independence of the board of directors.

The Fund has received the government-backed SRI label. As such, it is committed to monitoring the following four E, S and G indicators:

- Environment: carbon intensity;
- Social: development and protection of human capital;
- Human rights: decent work and freedom of association;
- Governance: independence of the board of directors.

For these four indicators, the Fund's objective is to improve the first two indicators; the Fund is thus committed to ensuring that the portfolio's rating for the first two indicators is higher than the rating of the investment universe for the same indicators.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of these investments.

● ***What is the policy to assess good governance practices of the investee companies?***

To assess good governance practices of the companies, Amundi has developed an ESG rating methodology. Amundi's ESG rating is based on a proprietary ESG analysis framework, which takes into account 38 general and sector-based criteria, including governance criteria. For the governance aspect, we assess the issuer's ability to provide an effective corporate governance framework that ensures that it will achieve its long-term objectives (e.g. that maintains the issuer's value over the long term). The governance sub-criteria taken into account are: the board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy. Amundi's ESG rating scale consists of seven ratings, ranging from A to G, where A is the best rating and G is the worst. G-rated companies are excluded from the investment universe.

Each corporate security (shares, bonds, single-issuer derivatives, ETF shares and ESG bonds) included in the portfolios has been assessed for good governance practices by applying a filter for compliance with United Nations Global Compact (UNGC) principles to the issuer in question. The assessment is ongoing. Every month, Amundi's ESG Rating Committee reviews the lists of companies that do not comply with the UNGC and are therefore downgraded to a G rating. Investment is systematically withdrawn from G-rated securities within a period of 90 days.

This approach is supplemented by Amundi's Management Policy (engagement and voting) relating to governance.

This approach is specific to investments in securities. With respect to investments in funds managed by third-party managers, Amundi relies on the policies applied by the external manager.



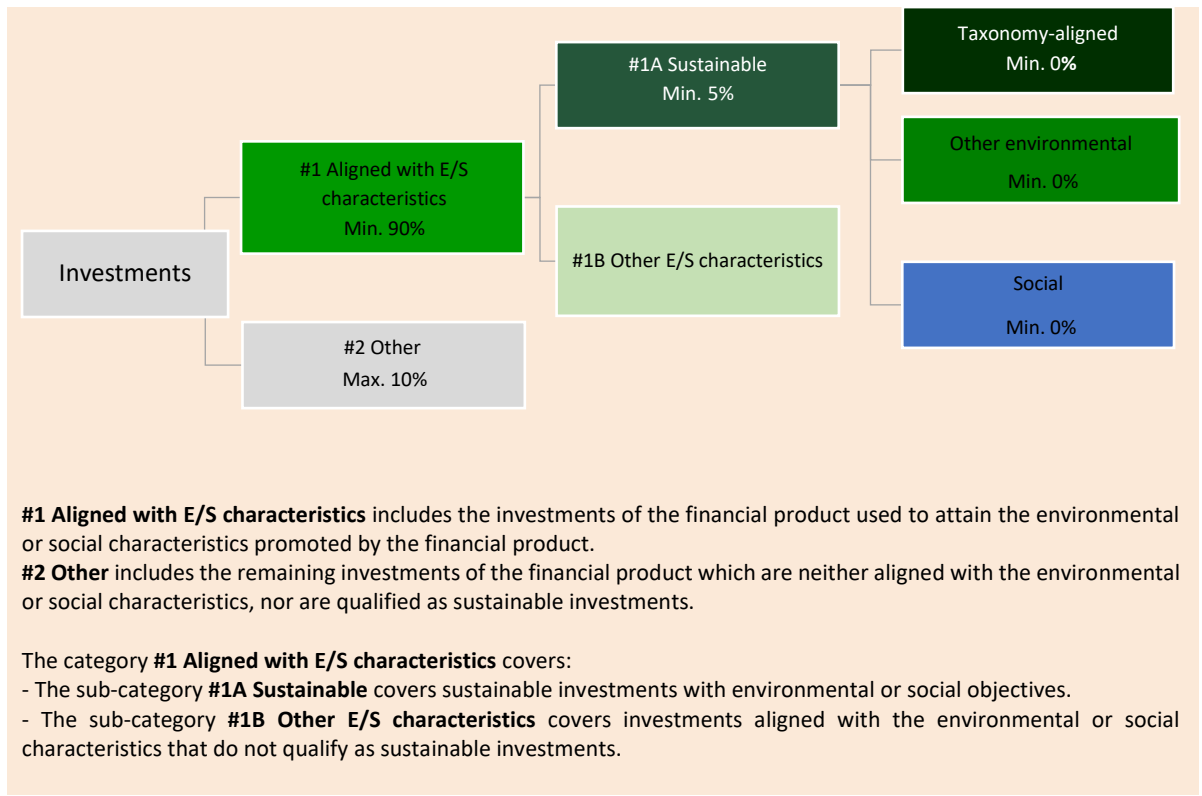
## **What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

At least 90% of the UCI's securities and instruments undergo ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in line with the binding elements of the investment strategy. In addition, the UCI undertakes that sustainable investments will account for at least 5% of net assets.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the ESG objective of the UCI.

🌍 **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

There is currently no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

As illustrated below, there is no commitment to making Taxonomy-compliant investments in fossil gas and/or nuclear energy. However, as part of the investment strategy, investments may be made in companies that are also active in these sectors. Such investments may or may not be aligned with the Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

- Yes:
- In fossil gas     In nuclear energy

**X**

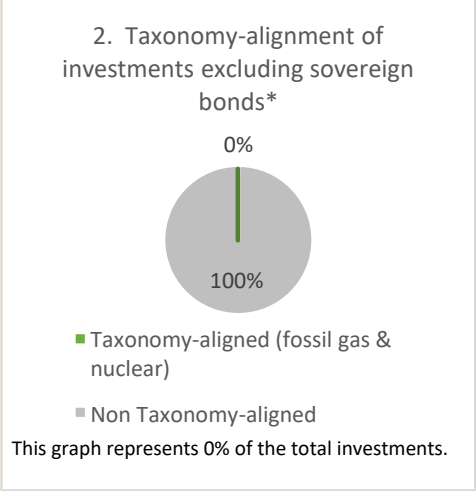
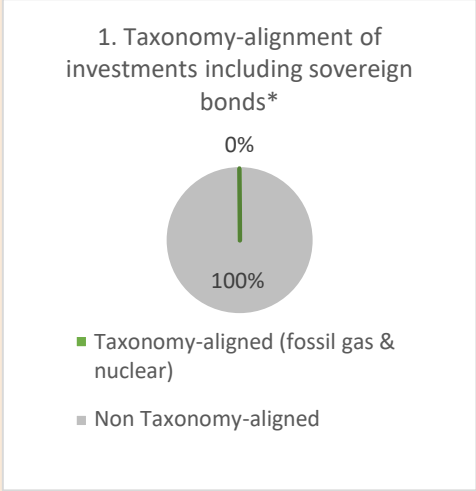
<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.


*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective not aligned with the EU Taxonomy.

 **What is the minimum share of socially sustainable investments?**

The UCI does not have a minimum share of sustainable investments with a social objective.



## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"#2 Other" consists of cash and instruments used for liquidity and portfolio risk management purposes. The category may also include securities without an ESG rating for which data needed to measure the attainment of environmental or social characteristics are not available.

There are no minimum environmental or social safeguards.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The reference benchmark does not evaluate or include its components according to these environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted in the portfolio.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



## Where can I find more product-specific information online?

More product-specific information can be found on the website:

**UCI NAME: AMUNDI ABS**

**MUTUAL FUND (FCP)**

# **REGULATIONS**

## **SECTION 1 - ASSETS AND UNITS**

### **Article 1 - Co-ownership units**

The joint ownership rights are expressed as units, each unit corresponding to an identical share of the Fund's assets. Unitholders are 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.

Unit classes: the features of the various classes of units and their access conditions are set out in the Fund's prospectus.

The different unit classes may:

- have different rules for allocating income (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- carry 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. Such hedging is done using financial instruments that reduce the impact of the hedging transactions for the UCI's other unit classes to a minimum;
- be reserved for one or more distribution networks.

The Management Company may, after having informed the unitholders and the Depositary, consolidate or split the number of units.

Units may be subdivided on the decision of the Management Company's Board of Directors in tenths, hundredths, thousandths, ten-thousandths or one hundred-thousandths called fractions of units. The provisions in the Regulations governing the issuance and redemption of units shall also apply to fractions of a unit, the value of which will always be proportional to that of the unit they represent. All other provisions regarding units shall automatically apply to fractions of a unit unless provided otherwise.

Finally, the Management Company's Board of Directors may, at its sole discretion, divide units by creating new units which are allocated to bearers in exchange for the former units.

### **Article 2 - Minimum asset amount**

Units may not be redeemed if the Fund's assets fall below €300,000; where net assets remain below that level for thirty days, the Management Company will take the necessary measures to wind up the relevant UCI, or to perform one of the transactions listed in Article 411-16 of the AMF General Regulations (transfer of the UCI).

### **Article 3 - Issue and redemption of units**

Units can be issued at any time at the request of the unitholders. They will be issued at their net asset value plus, where applicable, the subscription fee.

Redemptions and subscriptions are performed under the terms and conditions set out in the prospectus.

Fund units may be listed for trading in compliance with the regulations in force.

Subscriptions must be paid up in full on the day of the net asset value calculation. They may be paid in cash and/or financial instruments. The Management Company has the right to refuse the securities offered, provided it informs the purchaser of its decision within seven days

of their remittance. If accepted, contributed securities will be valued according to the rules set out in Article 4, and the subscription will take place based on the first net asset value following acceptance of the securities concerned.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative pro rata share of the assets in the portfolio, then the written agreement signed by the outgoing unitholder alone must be obtained by the Fund or the Management Company. Where the redemption in kind does not correspond to a representative pro rata share of the assets in the portfolio, all the unitholders must indicate in writing their agreement authorising the outgoing unitholder to redeem their units against particular assets, as explicitly set out in the agreement.

Notwithstanding the foregoing, when the Fund is an exchange-traded fund, redemptions on the primary market may, with the management company's consent and in compliance with the interests of shareholders, be made in kind under the conditions set out in the Fund's prospectus or regulations. The assets are then delivered by the issuing account holder under the conditions set out in the Fund's prospectus.

The redeemed assets are generally valued according to the rules set out in Article 4 and the redemption in kind is made on the basis of the first net asset value following acceptance of the securities concerned.

Redemptions will be settled by the issuing account holder within a maximum 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 event of an inheritance or an inter vivos gift, the disposal or transfer of units between unitholders, or from unitholders to a third party will be considered as a redemption followed by a subscription. If a third party is involved, the amount of the disposal or the transfer must, if applicable, be made up by the beneficiary in order to reach the minimum subscription level required by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, like the issuance of new units, may be temporarily suspended by the Management Company when exceptional circumstances require it and the interest of the unitholders demands it.

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

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code and Article 411-20-1 of the AMF General Regulations, the Management Company may decide to cap redemptions when exceptional circumstances or the interests of unitholders or the public so require.

This scheme may be triggered by the Management Company if a threshold (net redemptions divided by net assets) that is predefined in the prospectus is reached. In the event that the liquidity conditions allow, the Management Company may decide not to trigger the redemption capping scheme, and therefore to honour redemptions beyond this threshold.

The maximum period for which the redemption capping scheme may be applied depends on how frequently the Fund's net asset value is calculated, as specified in the prospectus.

Redemption orders that are not executed at a net asset value shall be automatically carried forward to the next clearing date.

Minimum subscription conditions could be set according to the procedures stipulated in the prospectus.

The Fund may cease to issue units pursuant to the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, either temporarily or permanently, fully or partially, in situations that objectively require the closure of subscriptions, such as reaching the maximum number of units issued, the maximum amount of assets or the end of a fixed subscription period. Existing unitholders will be informed by any means of the triggering of this tool, as well as of the threshold and the objective situation that led to the decision to carry out full or partial closure. In the case of partial closure, this information, communicated by any means, will explicitly specify the terms under which existing unitholders may continue to subscribe during the partial closure. The unitholders are also informed by any means of the Fund or Management Company's decision to either end the full or partial closure of subscriptions (when falling below the trigger threshold), or not to end it (in the event of a change to the threshold or to the objective situation that led to the implementation of the tool). A change to the objective situation invoked or to the trigger threshold for the tool must always be made in the interest of the unitholders. The information by any means shall specify the exact reasons for these changes.

Clauses resulting from the US Dodd-Frank Act:

The Management Company may limit or prevent the direct or indirect holding of UCI units/shares by any person who is a "Non-Eligible Person" as defined below.

A Non-Eligible Person is:



- a U.S. Person as defined in U.S. Regulation S of the Securities and Exchange Commission ("SEC"); or
- any other person (a) who seems to be directly or indirectly in violation of the laws and regulations of any country or any government authority, or (b) who may, according to the UCI's Management Company, cause damage to the UCI that it would not have otherwise suffered or incurred.

To this end, the UCI's Management Company may:

(i) refuse to issue any unit/share if it deems that, as a result of such issuance, said units/shares would or could be held directly or indirectly by or on behalf of a Non-Eligible Person;

(ii) at any time request that a person or entity whose name is listed in the unitholders'/shareholders' register provide it with information, accompanied by a statement to that effect, that it would deem necessary for the purposes of determining whether the actual beneficiary of the units/shares is a Non-Eligible Person or not; and

(iii) carry out, within a reasonable timeframe, a mandatory redemption of all the units/shares held by a unitholder/shareholder if it seems that the latter is (a) a Non-Eligible Person and, (b) such person is the sole or joint beneficiary of the units/shares. During such timeframe, the actual beneficiary of the units/shares may present comments to the competent body.

This may also apply to any person (i) who seems to be directly or indirectly in violation of the laws and regulations of any country or any government authority, or (ii) who may, according to the UCI's Management Company, cause damage to the UCI that it would not have otherwise suffered or incurred.

The mandatory redemption will be carried out at the latest known net asset value less any applicable costs, fees and dues, which will remain payable by the Non-Eligible Person.

## **Article 4 – NAV calculation**

The net asset value 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, instruments or contracts that are eligible to form the UCI's assets; contributions and redemptions in kind are valued using the same valuation rules as for the calculation of the net asset value.

# **SECTION 2 – FUND OPERATIONS**

## **Article 5 – The Management Company**

The Management Company manages the Fund in accordance with the strategy defined for the Fund.

The Management Company will at all times act in the sole interest of the unitholders and it alone is entitled to exercise the voting rights attached to the Fund units.

## **Article 5a – Operating rules**

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

## **Article 6 – The Depositary**

The Depositary performs the duties for which it is responsible under 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 shall notify the French Market Regulator (AMF) of any disputes with the Management Company.

If the Fund is a feeder UCI, the Depositary has entered into an information exchange agreement with the Depositary of the master UCI (or has drawn up appropriate specifications, where applicable, when it is also the Depositary of the master UCI).

## **Article 7 – The Independent Auditor**

The Management Company appoints an Independent Auditor for a term of six financial years, after obtaining the agreement of the AMF. It certifies that the accounts are true and fair. The Independent Auditor's appointment may be renewed.

The Independent Auditor is required to notify the AMF as soon as possible of any fact or decision concerning undertakings 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 undertakings 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. Trigger the expression of reservations or refusal to certify the accounts.

Asset valuations and the determination of exchange rates used in currency conversions, mergers or demergers shall be audited by the Independent Auditor.

It appraises any contribution or redemption in kind under its responsibility, excluding redemptions in kind for an exchange-traded fund on the primary market.

It shall verify the composition of the assets and other items prior to publication.

The Independent Auditor's fees shall be determined by mutual agreement between the Independent Auditor and the Management Company on the basis of a schedule of work specifying the measures deemed necessary.

The Independent Auditor shall certify the circumstances underlying any interim dividend distributions.

## **Article 8 – Management report and accounts**

At the end of each financial year, the Management Company shall prepare the summary documents and draw up a report on the management of the Fund during the year just ended.

The Management Company prepares an inventory of the Fund's assets at least half-yearly, which will be audited by the Depositary. The Management Company shall make these documents available to the unitholders for consultation for a period of six months following year-end and shall inform them of their income entitlement. 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: Allocation of distributable sums**

Distributable income consists of:

1. The net profit plus any amounts carried forward and plus or minus the balance of income accruals;
2. 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 been 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 income is paid out within a maximum of 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' fees and yields from the securities that make up the Fund's portfolio, plus the product of any amount held in cash, minus management fees and interest on loans.

The Management Company shall determine the allocation of the distributable income.

For each class of units, as applicable, the Fund may select for each of the sums mentioned under 1 and 2 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 the Funds which prefer to maintain the freedom to capitalise and/or distribute and/or carry forward any distributable sums, the Management Company decides each year on the appropriation of distributable amounts mentioned under 1 and 2.

If applicable, the Management Company may decide, during the fiscal year, to pay one or more interim dividends within the limits of the net income of each of the amounts 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 either transfer all or some of the Fund assets into the fund of another UCI or split the Fund into two or more other mutual funds.

These merger or demerger transactions can only be carried out after the unitholders have been informed. After each transaction, new certificates will be issued stating the number of units held by each unitholder.

### **Article 11 - Dissolution - Extension**

If the level of the Fund's assets remains below the level specified in Article 2 above for a period of thirty days, the Management Company shall inform the French Market Regulator (AMF) and shall wind up the Fund, except in the event of a merger with another mutual fund.

The Management Company may wind up the Fund early; it shall notify the unitholders of this decision and no application for subscription or redemption shall be accepted after such an announcement.

The Management Company may also wind up the Fund if it receives an application to redeem all its units, 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 will write to the French Market Regulator (AMF) to notify it of the wind-up date and procedure selected. It will then send the Independent 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) notified.

### **Article 12 - Liquidation**

In the event that the Fund is wound up, the Management Company or the person nominated to that effect shall act as the liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. They shall therefore be vested with extensive powers to realise the assets, pay any creditors, and distribute the available balance between the unitholders, in the form of either cash or securities.

The Independent Auditor and the Depositary will continue to perform their duties until the liquidation is complete.

## **SECTION 5 – DISPUTES**

### **Article 13 – Jurisdiction – Address for service**

Any disputes relating to the Fund arising during the Fund's life or during its liquidation, whether between unitholders, or between unitholders and the Management Company or the Depositary, shall be brought before the competent courts.

Rules updated: 07.07.2023