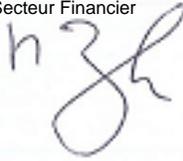


VISA 2021/166848-8206-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2021-12-22

Commission de Surveillance du Secteur Financier

A handwritten signature in black ink, appearing to be 'h3h', is written over the text of the Commission de Surveillance du Secteur Financier.

## **PI Solutions**

*Société d'Investissement à Capital Variable*

A LUXEMBOURG INVESTMENT FUND

## **PROSPECTUS**

**dated December 2021**

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## DEFINITIONS

“Agent”	Any entity appointed directly or indirectly by the Management Company for the purposes of facilitating subscriptions, conversions or redemptions of Shares in the SICAV.
“AIF”	An alternative investment fund within the meaning of AIFMD.
“AIFM”	An alternative investment fund manager within the meaning of AIFMD. The AIFM of the SICAV is Amundi Luxembourg S.A..
“AIFM Law”	The law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time.
“AIFMD”	The European Parliament and Council Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers, as may be amended from time to time.
“AML Law”	The Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing transposing Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention on the use of the financial system for the purpose of money laundering, as may be amended from time to time.
“Articles”	The articles of incorporation of the SICAV, as may be amended from time to time.
“Base Currency”	The assets and liabilities of a Sub-Fund are valued in its Base Currency and the financial statements of the Sub-Funds are expressed in the Base Currency.
“Board”, “Board of Directors”, “Directors”	The members of the board of directors of the SICAV for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
“Business Day”	A full day on which banks and the stock exchange are open for business in Luxembourg City or, in the case of some Sub-Funds, in other jurisdictions as the case may be.
“Class”	A class of Shares within a Sub-Fund of the SICAV.

“Data Protection Law”	The data protection law applicable to the Grand Duchy of Luxembourg and the GDPR.
“Disclosure Regulation” or “SFDR”	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
“Eligible Investment Assets”	Assets referred to in Article 10 of the ELTIF Regulation.
“ELTIF”	A European long-term investment fund regulated by the ELTIF Regulation.
“ELTIF Regulation”	Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds.
“ELTIF Delegated Regulation”	Commission Delegated Regulation (EU) 2018/480 of 4 December 2017 supplementing the ELTIF Regulation with regard to regulatory technical standards on financial derivative instruments solely serving hedging purposes, sufficient length of the life of the European long-term investment funds, assessment criteria for the market for potential buyers and valuation of the assets to be divested, and the types and characteristics of the facilities available to retail investors.
“Emerging Markets”	Countries generally considered to be a country defined as an emerging or developing economy by the World Bank or its related organizations or the United Nations or its authorities or those countries represented in the MSCI Emerging Markets Index or other comparable index.
“ESG”	environmental, social and governance matters.
“EU”	European Union.
“GDPR”	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
“Investment Grade”	A debt or debt-related instrument that is rated at least BBB- by Standard & Poor’s, is rated the equivalent by

any other internationally recognised statistical rating organisation, or considered to be of comparable quality by the Management Company.

“Law of 17 December 2010”	The law of 17 December 2010 on undertakings for collective investment, as amended.
“Management Company”	Amundi Luxembourg S.A..
“Member State”	A member State of the EU.
“MiFID II”	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as may be amended from time to time.
“MIFIR”	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
“Net Asset Value”	The Net Asset Value per Share as determined for each Class shall be expressed in the Pricing Currency of the relevant Class and shall be calculated by dividing the Net Asset Value of the Sub-Fund attributable to the relevant Class which is equal to (i) the value of the assets attributable to such Class and the income thereon, less (ii) the liabilities attributable to such Class and any provisions deemed prudent or necessary, through the total number of Shares of such Class outstanding on the relevant Valuation Day.
“OECD”	the Organisation for Economic Cooperation and Development.
“Other Regulated Market”	market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a State or by a public authority which has been delegated by that State or by another entity which is recognized by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.

“Other State”	Any country which is not a Member State.
“Pricing Currency”	The currency in which the Shares in a particular Class within a Sub-Fund are issued.
“Professional Investors”	A professional investor is an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and meets the criteria laid down in Annex II of MiFID II (e.g. credit institutions; investment firms; other authorised or regulated financial institutions; insurance companies; collective investment schemes and management companies of such schemes; pension funds and management companies of such funds; commodity and commodity derivatives dealers; locals or other institutional investors).
“Prospectus”	This prospectus of the SICAV, as may be amended or supplemented from time to time.
“Reference Currency”	The currency in which the combined accounts of the SICAV are maintained. The Reference Currency is the Euro.
“Regulated Market”	A regulated market as defined in paragraph 21 of Article 4(1) of MiFID II. A list of regulated markets is available from the European Commission or at the following internet address: <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF</a> .
“Regulatory Authority”	The Commission de Surveillance du Secteur Financier, being the Luxembourg authority in charge of the supervision of UCIs in the Grand Duchy of Luxembourg (or any successor body).
“Responsible Investment Policy”	The responsible investment policy as described in the “Sustainable Investment” section.
“Retail Investors”	An investor who is not a Professional Investor.
“Sustainability Factors”	environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
“Sustainability Risks”	an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion,

environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

“Sustainable Investment”	(1) an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
“Share” or “Shares”	Shares of any Class in the SICAV.
“Shareholder”	A holder of Shares in the SICAV.
“SICAV”	PI Solutions.
“Sub-Fund”	A sub-fund of the SICAV.
“UCI”	Undertaking for collective investment.
“UCITS Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended.
“UCITS Eligible Assets”	Assets referred to in Article 50(1) of the UCITS Directive.
“U.K.”	The United Kingdom.
“U.S.A.” or “U.S.”	The United States of America.
“Valuation Day”	The Business Day on which the Net Asset Value per Share is calculated as determined in Appendix I of the Prospectus for each Sub-Fund individually by reference to the value of the underlying assets of the relevant Class within the relevant Sub-Fund.

## IMPORTANT INFORMATION

### General Notice

This Prospectus contains information about the SICAV that a prospective investor should consider before investing therein and should be retained for future reference. If you are in any doubt about the contents of this Prospectus you should consult your financial adviser.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are, at the date of this Prospectus, true and accurate in all material respects and no material facts are omitted which would make such information misleading. The Directors accept responsibility accordingly.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction where such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors, may be restricted or prohibited by law. Investors should note that some or all Sub-Funds and/or Classes may not be available to investors. Investors should request their financial adviser to provide them information about which Sub-Funds and/or Classes are offered in their country of residence.

**The Shares under this Prospectus may be advised on, offered or sold to Professional Investors or Retail Investors, including through an appointed nominee, as specified in Appendix I. A key information document (KID) in compliance with the relevant provisions of Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653 will be published for each Class available to future Retail Investors. KID are handed over to future Retail Investors in good time prior to their subscription in the SICAV and are (i) provided to the Retail Investor using a durable medium other than paper or (ii) available under [www.amundi.lu/amundi-funds](http://www.amundi.lu/amundi-funds) and can be obtained in paper form free of charge upon request from the Management Company.**

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of Shares and any foreign exchange restrictions that may be relevant to them.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and the Articles in connection with the offer of Shares, and, if given or made, such information or representation must not be relied upon as having been authorised by the SICAV or the Registrar and Transfer Agent.

The Shares represent undivided interests solely in the assets of the SICAV. They do not represent interests in or obligations of, and are not guaranteed by any government, the Depositary, the Management Company and the Investment Managers (as defined hereinafter) or any other person or entity.

The SICAV, in its sole discretion and in accordance with the applicable provisions of the Prospectus, the Articles and any applicable law, may refuse to register any transfer in the register of Shareholders or may compulsorily redeem any Shares acquired in contravention of the provisions of the Prospectus, the Articles or any applicable law.

The SICAV, Management Company and its service providers and Agents may use telephone recording procedures to record, inter alia, transactions, orders or instructions. By giving instructions or orders by telephone, the counterparty to such transactions is deemed to consent to the tape recording of conversations between the counterparty and the SICAV, Management Company or its appointed service providers or Agents and to the use of any tape recordings by the SICAV, Management Company, its service providers or Agents in legal proceedings or otherwise at their discretion.

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general Shareholders' meetings, if the investor is registered himself and in his own name in the Shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

This Prospectus and any supplement may be translated into other languages. Any translation shall contain the same information and have the same meaning as the English language Prospectus and supplements. To the extent that there is any inconsistency between the English language Prospectus or supplement and the Prospectus or supplement in another language, the English language Prospectus or supplement will prevail. Any further country specific information which is required as part of the offering documents in a particular country will be provided in accordance with laws and regulations of that country.

Following the acquisition of the Pioneer Investments group, the Amundi group of companies will undergo a range of corporate and investment management adjustments. The designated investment manager within the Amundi group may change for a particular Sub-Fund and information regarding any changes will be made available at [www.amundi.lu/retail/layout/set/body/Common-Content/Shareholder-information](http://www.amundi.lu/retail/layout/set/body/Common-Content/Shareholder-information).

**INVESTING IN THE SICAV INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL. INVESTORS ARE ADVISED TO READ THE PROSPECTUS CAREFULLY, IN PARTICULAR THE SPECIAL RISK CONSIDERATIONS IN APPENDIX II.**

### **Data Protection**

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

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

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

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

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

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

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

- request access to their Personal Data;
- request the correction of their Personal Data where it is inaccurate or incomplete;

- object to the processing of their Personal Data;
- request erasure of their Personal Data;
- request for restriction of the use of their Personal Data; and
- request for Personal Data portability.

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

Shareholders also have the right to lodge a complaint with the National Commission for Data Protection (the “CNPD”) at the following address: Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg, or with any competent data protection supervisory authority.

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

### **Information for the Shareholders**

Audited annual reports and unaudited semi-annual reports will be mailed free of charge by the Management Company to the Shareholders upon request and will be available at the registered office of the SICAV, Management Company/Distributor or Agents (if any) as well as at the offices of the information agents of the SICAV in any country where the SICAV is marketed.

Information listed in Article 23 of the AIFMD and any other financial information concerning the SICAV or the Management Company, including:

- the periodic calculation of the Net Asset Value per Share,
- the issue, conversion and the redemption prices,
- historical performance,
- risk profiles,
- description of risk management (including, in case a Sub-Fund qualifies as an ELTIF, additional information relating to the quantitative limits that apply to its risk management, the methods chosen to that end, and the recent evolution of the main risks and yields of the categories of assets),
- leverage,
- identification of situations with potential conflicts of interest,
- voting rights policy,
- information listed in Section B of the Annex of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, for a Sub-Fund that uses securities financing transactions, and
- the jurisdictions in which a Sub-Fund that qualifies as an ELTIF has invested, in accordance with Article 23 (4) (i) of the ELTIF Regulation

will be made available free of charge at the registered office of the Management Company and the Depositary. Any other substantial information concerning the SICAV may be notified to Shareholders in such manner as may be specified from time to time by the Management Company.

The Management Company has adopted a written plan setting out actions, which it will take with respect to the Sub-Funds in the event that any benchmark used by any Sub-Fund within the meaning of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmarks Regulation”) changes or ceases to be provided. Information regarding this plan may be obtained, free of charge, at the registered office of the Management Company.

For a complete list of benchmarks currently referred to in this Prospectus and (i) provided by benchmark administrators who are availing of the transitional arrangements afforded under Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") and accordingly do not appear on the register of administrators and benchmarks maintained by ESMA pursuant to article 36 of the Benchmark Regulation or (ii) provided by benchmark administrators mentioned in the register referred to in article 36 of the Benchmark Regulation as administrator authorised pursuant to article 34 of the Benchmark Regulation, go to [www.amundi.lu/amundi-funds](http://www.amundi.lu/amundi-funds).

Copies of this Prospectus may be obtained from:  
Amundi Luxembourg S.A.  
5, Allée Scheffer L-2520 Luxembourg

Also available from:

- Société Générale Luxembourg, the Depositary and Paying Agent, the Administrator and the Registrar and Transfer Agent;
- the local information agents in each jurisdiction where the SICAV is marketed.

### **Queries and Complaints**

Any person who would like to receive further information regarding the SICAV or wishes to make a complaint about the operation of the SICAV should contact the compliance officer, Amundi Luxembourg S.A., 5, Allée Scheffer, L-2520 Luxembourg. The Management Company has established a policy for handling clients complaints that can be accessed at [amundi.com](http://amundi.com).

## THE SICAV

### Structure

**PI Solutions** is an investment company incorporated under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* (investment company with variable share capital) in accordance with the provisions of Part II of the Law of 17 December 2010. The SICAV is created as an umbrella fund which may comprise one or several separate Sub-Funds. The SICAV was incorporated for an unlimited period on 10 April 2014. The Articles have been published in the Mémorial C for the first time on 25 April 2014 and have last been amended on 21 October 2021. The SICAV is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés – R.C.S.*) under number B-186248.

The SICAV's initial capital is of thirty one thousand Euro (EUR 31,000.-) divided into three hundred and ten (310) Shares of no par value. The SICAV's capital is represented by fully paid up Shares of no par value.

At all times the SICAV's capital will be equal to the Net Asset Value of the SICAV and will not fall below the minimum capital required by Luxembourg law.

The SICAV has appointed Amundi Luxembourg S.A. (the "Management Company") as its management company, within the meaning of the Law of 17 December 2010. Further details on the Management Company are provided below under section "Management Company". The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative, marketing and distribution services to the SICAV.

The Board of Directors, of which further information may be found below, is responsible for the overall management and control of the SICAV in accordance with the Articles. The Board of Directors is further responsible for the implementation of the investment objective and policies of the SICAV as well as for oversight of the administration and operations of the SICAV.

The members of the Board of Directors will receive periodic reports from the Management Company and/or the Administrator detailing the performance and analysing the investment portfolio of the SICAV.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to the Shareholders.

The SICAV qualifies as an alternative investment fund ("AIF") under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers ("AIFMD") and the Luxembourg law of 12 July 2013 in this connection, as may be amended from time to time (the "AIFM Law").

The Management Company has also been appointed as alternative investment fund manager ("AIFM") of the SICAV within the meaning of the AIFMD and the AIFM Law. It is thus responsible, among others, for portfolio management and risk

management functions. The Management Company is authorized to manage AIFs with the following investment strategies:

- Hedge fund;
- Private equity fund;
- Real estate fund;
- Fund of funds;
- Other:
  - Equity fund;
  - Fixed income fund; and
  - Other fund.

### **Investment Objective**

The Board of Directors shall have power to determine the corporate and investment objective and policy of the SICAV, and the course of conduct of the management and business affairs of the SICAV.

Investors have the opportunity to invest in one or more Sub-Funds and thus determine their own preferred exposure on a region by region and/or asset class by asset class basis. The specific information concerning each Sub-Fund is detailed in Appendix I of the Prospectus.

The investment objectives and policies of the Sub-Funds are determined jointly by the SICAV and the Management Company. The SICAV and the Management Company may change the investment objective and policy of the Sub-Funds, subject to the approval of the Regulatory Authority. In such case, where applicable, Shareholders will be duly informed of such changes prior to implementation and the Prospectus will be amended accordingly.

### **Sub-Funds**

As indicated above the SICAV may comprise a number of Sub-Funds. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. This structure enables investors to choose between one or more investment objectives by investing in the various Sub-Fund(s). Investors may choose which Sub-Fund(s) are most appropriate for their specific risk and return expectations as well as their diversification needs.

Each Sub-Fund corresponds to a distinct part of the assets and liabilities of the SICAV. For the purposes of the relations as between Shareholders, each Sub-Fund is deemed to be a separate entity. The rights of Shareholders and creditors in respect of a Sub-Fund which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.

## **Shares**

The Directors may decide to create Shares of different classes (individually a “Class” and collectively the “Classes”) in each Sub-Fund. Within each Sub-Fund the assets of each Class are commonly invested according to the investment policy of the Sub-Fund and investors may choose from alternative Class features most suited to their individual circumstances, according to the amount subscribed, the length of time they expect to hold their Shares, and other personal investment criteria.

Shares of the various Classes within the Sub-Funds may be issued, redeemed and converted at prices calculated on the basis of the Net Asset Value per Share of the relevant Class of a Sub-Fund.

The Directors have authorised the issue of Classes A, A2, B, C, D, E, F, G, H, I, I2, J, J2, K, R, R2, S and X Shares in some or all Sub-Funds of the SICAV as well as the issue of Distributing and Non-Distributing Shares of particular Classes.

Shares may be made available in GBP, Euro, U.S. dollars or such other freely convertible currency as may be decided by the Directors.

Information as to the availability of Classes in each country where the Shares of the SICAV are registered for sale may be obtained from the local information agents.

The Directors may decide to make an application to list the Shares of any Class of Sub-Fund on any recognised stock exchange.

## **Creation of additional Sub-Funds/Classes**

The Directors may, at any time, resolve to create additional Sub-Funds with investment objectives different from the existing Sub-Funds and additional Classes with features different from existing Classes. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated or supplemented. The Directors may also resolve to close a Sub-Fund or one or more classes of Shares within a Sub-Fund to further subscriptions at any time.

## **Pricing, Base and Reference Currency**

The Shares in any Sub-Fund shall be issued in such currency as may be determined by the Directors. The currency in which the Shares in a particular Class within a Sub-Fund are issued being the “Pricing Currency”.

The assets and liabilities of each Sub-Fund are valued in its Base Currency.

The combined accounts of the SICAV will be maintained in the reference currency of the SICAV (the “Reference Currency”).

## **Conflicts of Interest**

The Directors, the Management Company, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the “Relevant

Parties”) may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, depository, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the SICAV or which may invest in the SICAV. It is, therefore, possible that any of them may, in the course of business, have actual or potential conflicts of interest with the SICAV. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the SICAV and will endeavour to ensure that such conflicts are resolved timely and fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the SICAV, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. Any Relevant Party may deal with the SICAV as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Management Company Agreement, the Administration Agreement and/or the Depository Agreement, where and to the extent applicable.

In calculating the SICAV’s Net Asset Value, the Administrator may consult with the Management Company with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company in determining the Net Asset Value of the SICAV and the entitlement of the Management Company to a management fee which is calculated on the basis of the Net Asset Value of the SICAV.

The Management Company or any of its affiliates or any person connected with the Management Company may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the SICAV.

The Management Company has established and implemented a conflicts of interest policy that contains appropriate measures to mitigate such conflicts of interests.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the SICAV. The Directors will seek to ensure that any conflict of interest of which they are aware is resolved in a fair and timely manner.

## GENERAL CORPORATE INFORMATION ON THE SICAV

### Meetings of Shareholders and Reports to Shareholders

#### *Meetings*

The Annual General Meeting of Shareholders of the SICAV takes place in Luxembourg at a place specified in the notice of meeting each year on the last Friday of April at 11.30 am CET or if such day is not a Business Day, on the next Business Day.

Notice of all general meeting of Shareholders shall be sent by post to registered Shareholders at least 8 days prior to the meeting and shall be published in a Luxembourg newspaper to the extent and in the manner required by Luxembourg law and in such other newspapers as shall be determined by the Board of Directors. The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Class meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only and may be held at any time.

Any amendment to the Articles shall be filed with the Luxembourg Trade and Companies' Register and published in the Recueil électronique des sociétés et associations.

#### *Reports*

The accounting year of the SICAV ends on 31 December of each year. The SICAV will publish a semi-annual report drawn up as at 30 June of each year.

Detailed audited reports of the SICAV on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, a statement of assets and liabilities, a detailed income and expenditure account for the financial year, the number of Shares in issue and the Net Asset Value per Share, a report on the activities of the financial year, a description of the assets of the SICAV and a report from the Independent Auditor. The semi-annual unaudited reports of the SICAV on its activities are also published including, *inter alia*, a description of the assets of the SICAV and the number of Shares issued and redeemed since the last publication.

The SICAV's financial statements will be prepared in accordance with Luxembourg GAAP. The accounts of the SICAV are maintained in Euro being the Reference Currency of the SICAV.

The above reports will be available to the Shareholders within four months for the annual reports and two months for the semi-annual reports of the date thereof at the registered office of the SICAV. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the SICAV. These reports are also made available to Shareholders on the website of the Management Company at [www.amundi.lu/amundi-funds](http://www.amundi.lu/amundi-funds).

### Shareholder rights

a) Shares: The Shares issued by the SICAV are freely transferable and entitled to participate equally in the profits, and, in case of Distributing Shares, dividends of the Classes to which they relate, and in the net assets of such Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

b) Voting: At general meetings of the SICAV, each Shareholder has the right to one vote for each whole Share held. A Shareholder of any particular Sub-Fund or Class will be entitled at any separate meeting of the Shareholders of that Sub-Fund or Class to one vote for each whole Share of that Sub-Fund or Class held. In the case of a joint holding, only the first named Shareholder may vote.

c) Compulsory redemption: The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the SICAV including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold. If it shall come to the attention of the Directors at any time that Shares are beneficially owned by a Restricted U.S. Investor (as defined below) the SICAV will have the right to compulsorily redeem such Shares.

### **Transfers**

The transfer of Shares may be made by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant certificate to be cancelled.

### **Dissolution and Liquidation of the SICAV**

The SICAV may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the SICAV shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present or represented at the meeting and voting.

The question of the dissolution of the SICAV shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares present or represented at the meeting and voting.

The meeting must be convened so that it is held within a period of 40 days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the Regulatory Authority and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of the SICAV shall be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of such Class.

Should the SICAV be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with applicable provisions of Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the “*Caisse de Consignation*” at the time of the closure of the liquidation. Amounts not claimed from escrow within the statute of limitation period shall be forfeited in accordance with the provisions of Luxembourg law.

### **Closure of Sub-Funds (or Classes thereof)**

#### *Closure decided by the Directors*

In the event that for any reason the value of the total net assets in any Sub-Fund or Class has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner (as defined for each Sub-Fund in Appendix I), or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to redeem all the Shares of the relevant Sub-Fund or Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class.

The SICAV shall serve a written notice to the Shareholders of the relevant Class prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

#### *Closure decided by the Shareholders*

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Class may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple

majority of those present or represented and voting.

Assets which are not be distributed to Shareholders upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. All redeemed Shares shall be cancelled.

## **Mergers and Amalgamations of Sub-Funds and Classes**

### *Mergers of Sub-Funds*

The Board of Directors of the SICAV may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the SICAV or to another UCI (the “New Sub-Fund”) and to redesign the Shares of such Sub-Fund as Shares of the New Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described under “*Closure of Sub-Funds (or Classes thereof)*” above (and, in addition, the publication will contain information in relation to the New Sub-Fund), one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period.

At the expiry of this period, the decision related to the contribution binds all the Shareholders who have not exercised such right, provided that when the UCI benefiting from such contribution is of the contractual type (*e.g.* a “*fonds commun de placement*”), the decision only binds the Shareholders who agreed to the contribution.

The Board of Directors of the SICAV may also, under the same circumstances as provided above, decide to allocate the assets and liabilities attributable to any Sub-Fund to a foreign UCI.

A Sub-Fund may exclusively be contributed to a foreign UCI upon approval of all the Shareholders of the Classes within the Sub-Fund concerned or under the condition that only the assets of the consenting Shareholders be contributed to the foreign UCI.

Notwithstanding the powers conferred to the Board of Directors of the SICAV by the preceding paragraph, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund of the SICAV may be decided upon by a general meeting of the Shareholders issued in the Compartment concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolution taken by a simple majority of validly cast votes.

A contribution of the assets and of the liabilities attributable to any Sub-Fund to another UCI or to another sub-fund within such other UCI shall require a resolution of the Shareholders of such Sub-Fund taken with 50% quorum requirement of the share capital in issue attributable to that Sub-Fund and adopted at a 2/3 majority of the validly cast votes, except when such a contribution is to be implemented with a Luxembourg UCI of the contractual type (*fonds commun de placement*) or a foreign-based UCI, in which

case such resolutions shall be binding only on those Shareholders who have voted in favour of such contribution.

#### *Amalgamation of Classes*

In the event that for any reason the value of the assets in any Class has decreased to an amount determined by the Board of Directors of the SICAV in the interests of Shareholders to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economic, political or monetary situation relating to the Class concerned would have material adverse consequences on the investments of that Class or if the range of products offered to investors is rationalised, the Board of Directors of the SICAV may decide to allocate the assets of any Class to those of another existing Class within the SICAV and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The SICAV shall send a written notice to the Shareholders of the relevant Class one month prior to the effective date for the amalgamation in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. This notice will indicate the reasons and the procedure for the amalgamation operations. Unless it is otherwise therein advised in the interests of Shareholders, or to maintain equality of treatment between the Shareholders, the Shareholders of the Class concerned may continue to request redemptions or conversions of their Shares without any additional charges (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

A contribution of the assets and of the liabilities attributable to any Class to another Class within any Sub-Fund of the SICAV may be decided upon by a general meeting of the Shareholders of the Class concerned for which there shall be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of the validly cast votes.

#### **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the SICAV and the Shares are set out below.

Mr. E. Turchi is a Director of the Management Company.

The Directors or companies of which they are shareholders, members, officers or employees may subscribe for, exchange or redeem, Shares on the same terms as other Shareholders.

#### **Indemnity**

The Articles provide that every Director, agent, auditor, or officer of the SICAV and his personal representatives shall be indemnified and secured harmless out of the assets of the SICAV against all actions, proceedings, costs, charges, expenses, losses, damages

or liabilities incurred or sustained by him in or about the conduct of the SICAV business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the SICAV in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his having joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the SICAV; or (iv) on account of the insufficiency of any security in or upon which any money of the SICAV shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence or wilful misconduct against the SICAV.

## MANAGEMENT AND ADMINISTRATION

### Overview

#### **Registered Office of the SICAV**

5, Allée Scheffer L-2520 Luxembourg  
Grand Duchy of Luxembourg

#### **Board of Directors of the SICAV**

##### Chairman:

- Mr. Enrico TURCHI, Deputy Chief Executive Officer and Managing Director, Amundi Luxembourg S.A., residing in Luxembourg.

##### Members:

- Mr. Herve LECLERCQ, Head of Real and Private Assets, Amundi Luxembourg S.A., residing in Luxembourg;
- Mr. Thierry VALLIERE, Global Head of the Private Debt Platform, Amundi Asset Management S.A.S., residing in France; and
- Mr. Pierre BOSIO, Chief Operating Officer, Amundi Luxembourg S.A., residing in Luxembourg.

#### **Management Company, Domiciliary Agent and Distributor**

Amundi Luxembourg S.A.  
5, Allée Scheffer L-2520 Luxembourg  
Grand Duchy of Luxembourg.

#### **Board of Directors of the Management Company**

##### Members:

- Mrs. Jeanne DUVOUX, Chief Executive Officer and Managing Director, Amundi Luxembourg S.A., residing in Luxembourg;
- Mr. David Harte, Deputy Head of Operations, Services & Technology Division, Amundi Ireland Limited, residing in Ireland;
- Mr. Claude KREMER, Partner of Arendt & Medernach S.A., residing in Luxembourg;
- Mr. Enrico TURCHI, Deputy Chief Executive Officer and Managing Director, Amundi Luxembourg S.A., residing in Luxembourg;
- Mr. François MARION, Independent Director, residing in France;

- Mr. Pascal BIVILLE, Independent Director, residing in France.

### **Depository and Paying Agent**

Société Générale Luxembourg  
11, Avenue Emile Reuter  
L-2420 Luxembourg  
Grand Duchy of Luxembourg

### **Administrator, Registrar and Transfer Agent**

Société Générale Luxembourg  
Operational Center:  
28-32, Place de la Gare  
L-1616 Luxembourg  
Grand Duchy of Luxembourg

### **Investment Managers**

Amundi Asset Management S.A.S.  
90, boulevard Pasteur  
75015 Paris  
France

Amundi (UK) Limited  
41, Lothbury  
London EC2R7HF  
United Kingdom

Amundi Immobilier  
91-93, boulevard Pasteur  
75015 Paris  
France

CPR Asset Management  
90, boulevard Pasteur  
75015 Paris  
France

Amundi Private Equity Funds  
90, boulevard Pasteur  
75015 Paris  
France

**Auditors of the SICAV**

PricewaterhouseCoopers, Société Cooperative  
2, rue Gerhard Mercator  
B.P. 1443  
1014 Luxembourg  
Grand Duchy of Luxembourg

**Legal advisors**

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## **The Management Company and AIFM**

Amundi Luxembourg S.A. (the “Management Company”), a public limited company (“*société anonyme*”) incorporated in the Grand Duchy of Luxembourg organised under Chapter 15 of the Law of 17 December 2010 has been appointed as management company of the SICAV and, as such, acts as its alternative investment fund manager (“AIFM”) within the meaning of the AIFMD and the AIFM Law. It is thus responsible, among others, for portfolio management and risk management functions. Its share capital amounts to Euro 17,785,525.- and its shares are fully owned by Amundi Asset Management S.A.S.. The Management Company belongs to the group Crédit Agricole. A list of funds managed by the Management Company is available on [www.amundi.lu/amundi-funds](http://www.amundi.lu/amundi-funds).

The Management Company covers through additional own funds its professional liability risk associated with its function as AIFM of the SICAV.

The Management Company was incorporated on 20 December 1996 for an unlimited period of time. Its articles of incorporation are published in the *Mémorial* of 28 January 1997 and have been amended for the last time on 1 January 2018 with a publication of such amendment in the *Recueil électronique des sociétés et associations* dated 8 January 2018.

The Management Company is also appointed as domiciliary agent for the SICAV (the “Domiciliary Agent”).

## **Depositary and Paying Agent**

Société Générale Luxembourg has been appointed as Depositary (the “Depositary”) of the SICAV’s assets. In accordance with the AIFMD and the AIFM Law, the Depositary is responsible for monitoring the SICAV’s cash flows, for the safe-keeping of the assets of the SICAV and for other oversight duties such as to:

- (a) ensure that the sale, issue, redemption, conversion and cancellation of Shares effected by the SICAV or on its behalf are carried out in accordance with applicable law and the Articles;
- (b) ensure that in transactions involving the assets of the SICAV, any consideration is remitted to it within the customary settlement dates; and
- (c) ensure that the income attributable to the SICAV is applied in accordance with the Articles.

The Depositary may delegate to third parties the safe-keeping of the assets of the SICAV subject to the conditions laid down in the AIFMD, the AIFM Law and the ELTIF Regulation, where necessary, and in particular that such third parties are subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments.

However, where the laws of a third country requires that certain financial instruments be held in custody by a local entity and no local entities satisfy these delegation requirements, the Depositary may delegate its functions to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy these delegation requirements. Furthermore, the Depositary will only delegate the custody of financial instruments to such a third party not satisfying these delegation requirements upon instruction of the Management Company. The Depositary is not delegating its function to such local entities not satisfying the delegation requirements under AIFMD and the AIFM Law for the time being, but may do so if required in the future. Details on such delegations, if any, may be obtained upon request to the Management Company and the Depositary.

The identity of such delegates may be obtained upon request to the Management Company or the Depositary.

The Depositary's liability shall not be affected by any such delegation mentioned in the above paragraphs.

Except for Sub-Funds which qualify as ELTIF and which are marketed to Retail Investors, the Depositary may discharge its liability in case of loss of assets held in custody with delegates provided that:

- a) all requirements for the delegation of its safe-keeping services set forth above are met;
- b) the written contract between the Depositary and the relevant delegate expressly transfers the liability of the Depositary to that delegate and makes it possible for the Management Company acting on behalf of the SICAV to make a claim against that delegate in respect of the loss of assets or for the Depositary to make such a claim on behalf of the SICAV; and
- c) there is objective reasons for such discharge of liability which are:
  - (i) limited to precise and concrete circumstances characterising a given activity; and
  - (ii) consistent with the Depositary's policies and decisions.

Such objective reasons shall be established each time the Depositary intends to discharge itself of liability. There is no discharge of liability of the Depositary in place for the time being. In case this situation changes, details in such connection may be obtained upon request to the Management Company and the Depositary.

The SICAV has further appointed the Depositary as its paying agent (the "Paying Agent") responsible, upon instruction by the Registrar and Transfer Agent, for the payment of distributions, if any, to Shareholders of the SICAV and, if any, for the payment of the redemption price by the SICAV.

The Depositary is a Luxembourg *Société Anonyme* and is registered with the Regulatory Authority as a credit institution.

### **Administrator**

The Management Company has appointed Société Générale Luxembourg as the administrator of the SICAV (the “Administrator”) responsible for all administrative duties required by Luxembourg law, and in particular for the book-keeping and calculation of the Net Asset Value.

### **Distributor / Domiciliary Agent**

The Management Company is appointed as distributor (the “Distributor”) to market and promote the Shares of each Sub-Fund.

The Distributor may conclude agreements with other Agents, including Agents or affiliated with the Investment Managers or the Depositary, to market and place Shares of any of the Sub-Funds in various countries throughout the world except in the United States of America or any of its territories or possessions subject to its jurisdiction as well as for connected processing services.

The Distributor and its Agents may be involved in the collection of subscription, redemption and conversion orders on behalf of the SICAV and the Agents may, subject to local law in countries where Shares are offered and with the agreement of the respective Shareholders, provide a nominee service to investors purchasing Shares through them.

Agents may only provide a nominee service to investors if they are (i) professionals of the financial sector located in a country which, subject to the discretion of the Management Company, is generally accepted as a country which has ratified the conclusions of the Financial Action Task Force and deemed to have identification requirements equivalent to those required by Luxembourg law or (ii) professionals of the financial sector being a branch or qualifying subsidiary of an eligible intermediary referred to under (i), provided that such eligible intermediary is, pursuant to its national legislation or by virtue of a statutory or professional obligation pursuant to a group policy, obliged to impose the same identification duties on its branches and subsidiaries situated abroad.

In this capacity, the Agents shall, in their name but as nominee for the investor, purchase or sell Shares for the investor and request registration of such operations in the SICAV’s register. However, the investor may, subject as provided below, invest directly in the SICAV without using the nominee service and if the investor does invest through a nominee, he has at any time the right to terminate the nominee agreement and retain a direct claim to his Shares subscribed through the nominee. This is not applicable for Shareholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Distributor and, if appropriate, the Agents, shall, to the extent required by the Registrar and Transfer Agent in Luxembourg, forward application forms to the Registrar and Transfer Agent.

## **Registrar and Transfer Agent**

The Management Company has appointed Société Générale Luxembourg as the registrar (the “Registrar”) and transfer agent (the “Transfer Agent”) of the SICAV. The Registrar and Transfer Agent is responsible for handling the processing of subscriptions for Shares of the SICAV, dealing with requests for redemption and conversion of Shares of the SICAV and accepting transfers of funds, safekeeping the register of Shareholders of the SICAV and providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders of the SICAV.

The appointment of the Registrar and Transfer Agent was made pursuant to a Registrar and Transfer Agent Agreement between the Management Company, the SICAV and the Registrar and Transfer Agent, for an unlimited period of time from the date of its signature. It may be terminated at any time by either party upon three months’ notice.

## **Investment Managers**

The Management Company may appoint one or several investment managers with respect to the different Sub-Funds and/or even with respect to one Sub-Fund.

The Management Company has appointed Amundi Asset Management S.A.S., Amundi (UK) Limited, Amundi Immobilier, CPR Asset Management and Amundi Private Equity Funds as investment managers (the “Investment Managers”) to the SICAV.

The Investment Managers shall provide the Management Company with advice, reports and recommendations in connection with the management of the SICAV, and shall advise the Management Company as to the selection of the securities and other assets constituting the portfolio of each Sub-Fund. Furthermore, the Investment Managers shall, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Board of Directors of the Management Company, purchase and sell assets and otherwise manage the SICAV’s portfolio and may, with the approval of the Management Company, sub-delegate all or part of their functions hereunder, in which case this Prospectus shall be amended.

## **INVESTMENT RESTRICTIONS**

### **Risk Diversification / Investment Restrictions**

The assets of each Sub-Fund shall be managed in accordance with the investment restrictions and risk diversification rules as set forth below and supplemented for each Sub-Fund, as the case may be, by specific investment restrictions in Appendix I.

In compliance with the provisions of the Law of 17 December 2010, the ELTIF Regulation, when applicable and any applicable CSSF circulars, as may be amended and/or supplemented from time to time, the investment strategy of each Sub-Fund will be based on the following principles of risk diversification.

Unless otherwise specified for each Sub-Fund in Appendix I, the SICAV and its Sub-Funds will not use securities financing transactions (as such terms are defined in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25

November 2015 on transparency of securities financing transactions and of reuse) and total return swaps. Securities financing transactions include in particular repurchase transactions, securities lending and borrowing, as well as buy-sell back or sell-buy back transactions.

Total return swaps are agreements in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement.

Counterparties to such total return swaps are duly assessed and selected by the Management Company and are first class institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority.

#### *Investments in securities and money market instruments*

- a) each Sub-Fund will not invest more than 10% of its assets in securities (including units of closed-ended funds) which are not admitted to official listing on a stock exchange or dealt on another Regulated Market;
- b) in order to achieve a minimum spread of the investment risks, each Sub-Fund may not acquire more than 10% of the securities of the same type issued by the same issuer;
- c) each Sub-Fund will not invest more than 20% of its assets in securities (including units of closed-ended funds) issued by the same issuer.

Exceptions to the above principles or additional restrictions, if any, applicable to a particular Sub-Fund are set out in Appendix I.

The restrictions set forth under (a) to (c) above do however not apply to investments in securities issued or guaranteed by an OECD member state or its regional or local authorities or by EU, regional or global supranational institutions and bodies and to investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to UCIs subject to Part II of the Law of 17 December 2010.

The Sub-Funds may invest in money market instruments pursuant to the restrictions set forth under (a) to (c) above.

Certain Sub-Funds may invest in contingent convertible bonds to a limited extent and in any event no more than 5% of their assets, unless otherwise specified in their specific investment policies.

### *Investments in UCIs*

Investment in UCIs shall only be possible under the following conditions:

- a) each Sub-Fund will be able to acquire more than 50% of the units or shares issued by the same UCI, provided that, in such circumstances, if the UCI is a UCI with multiple sub-funds, the investment of each Sub-Fund in the legal entity constituting the target UCI must represent less than 50% of the net assets of each Sub-Fund;
- b) each Sub-Fund may not, in principle, invest more than 20% of its net assets in units or shares issued by the same UCI. For the purpose of this restriction of 20%, each sub-fund of a target UCI with multiple sub-funds is to be considered as a distinct target UCI on the condition that the principle of segregation of the commitments of the different sub-funds towards third parties is ensured.

Exceptions to the above principles or additional restrictions, if any, applicable to a particular Sub-Fund are set out in Appendix I.

By derogation, the above restrictions under (a) and (b) shall not apply to investments in open-ended target UCIs subject to risk diversification rules similar to those provided for in respect of Luxembourg UCIs governed by Part II of the Law of 17 December 2010, if such target UCIs are submitted in their state of origin to a permanent control carried out by a regulatory authority set up by law in order to ensure the protection of investors. Such derogation may not, at any time, result in an excessive concentration of investments of each Sub-Fund in any single target UCI, it being understood that, for the purpose of this limitation, each sub-fund of a target UCI with multiple sub-funds is to be considered as a distinct target UCI provided that the principle of segregation of the commitments of the different sub-funds towards third parties is ensured.

### *Short sales*

Short sales may not result in a Sub-Fund holding:

- (1) a short position on transferable securities which are not listed on a stock exchange or dealt on an Other Regulated Market, operating regularly and being recognised and open to the public. However, each Sub-Fund may hold short positions on transferable securities which are not quoted and not dealt on a Regulated Market if such securities are highly liquid and do not represent more than 10% of the Sub-Fund's assets;
- (2) a short position on transferable securities which represent more than 10% of the securities of the same type issued by the same issuer;
- (3) a short position on transferable securities of the same issuer, (i) if the sum of the cancelling price of the short positions relating thereto represents more than 10% of the Sub-Fund's assets or (ii) if the short position entails a commitment exceeding 5% of the assets.

The commitments arising from short sales on transferable securities at a given time correspond to the cumulative non-realised losses resulting, at that time, from the short sales made by a Sub-Fund. The non-realised loss resulting from a short sale is the positive amount equal to the market price at which the short position can be covered less the price at which the relevant transferable security has been sold short.

The aggregate commitments of each Sub-Fund resulting from short sales may at no time exceed 50% of the assets of the relevant Sub-Fund. If a Sub-Fund enters into uncovered sales, it must hold sufficient assets enabling it at any time to close the open positions resulting from such short sales.

The short positions of transferable securities for which a Sub-Fund holds adequate coverage are not considered for the purpose of calculating the total commitments referred to above. It is to be noted that the fact that a Sub-Fund has granted a security, of whatever nature, on its assets to third parties to guarantee its obligations towards such third parties, is not to be considered as adequate coverage for the Sub-Fund's commitments, from the point of view of that Sub-Fund.

In connection with short sales on transferable securities, each Sub-Fund is authorised to enter, as borrower, into securities lending transactions with first class professionals specialised in this type of transaction. The counterparty risk resulting from the difference between (i) the value of the assets transferred by a Sub-Fund to a lender as security in the context of the securities lending transactions and (ii) the debt of a Sub-Fund owed to such lender may not exceed 20% of the Sub-Fund's assets. It is to be noted that the Sub-Fund may, in addition, grant guarantees in the context of systems of guarantees which do not result in a transfer of ownership or which limit the counterparty risk by other means.

A Sub-Fund which qualifies as an ELTIF shall not undertake short selling of assets.

#### *Financial Derivative Instruments and Other Techniques*

Each Sub-Fund is authorised to make use of the financial derivative instruments and techniques referred to hereafter. In derogation to the below and pursuant to the ELTIF Regulation and the ELTIF Delegated Regulation, a Sub-Fund that qualifies as an ELTIF may invest in financial derivative instruments solely serving the purpose of hedging the risk inherent to other investments of such Sub-Fund, arising from exposures to Eligible Investment Assets and UCITS Eligible Assets. The purpose of hedging the risks arising from exposures to the aforementioned assets shall only be considered to be fulfilled where the use of that financial derivative instrument results in a verifiable and objectively measurable reduction of those risks at the Sub-Fund level. Where financial derivative instruments to hedge the risks arising from the exposure to the aforementioned assets are not available, financial derivative instruments with an underlying of the same asset class may be used. The use of the financial derivative instruments aimed to provide a return for a Sub-Fund that qualifies as an ELTIF shall not be deemed to serve the purpose of hedging the risks,

The financial derivative instruments may include, amongst others, options, futures and forward contracts on financial instruments and options on such contracts as well as swap contracts by private agreement on any type of financial instruments. In addition, each

Sub-Fund may participate in securities lending transactions as well as sale with right of repurchase transactions and repurchase transactions. Securities or instruments relating to such transactions will be safe-kept with the Depositary.

Authorised counterparties to efficient portfolio management techniques must be specialised in the relevant types of transactions and are either credit institutions with a registered office in a Member State or an investment firm, authorised under MiFID II or an equivalent set of rules, and subject to prudential supervision, with a rating of at least BBB- or its equivalent.

Leverage is defined as any method by which the Management Company increases the exposure of the AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The leverage of an AIF is expressed as the ratio between the exposure of the AIF and its net asset value.

The exposure of an AIF is calculated in accordance with the gross method and with the commitment method. The gross method shows the sum of the absolute values of the positions, not taking into account hedging and netting effects. The commitment method shows the sum of the absolute values of the positions, taking into account hedging and netting effects.

The maximum expected levels of leverage calculated in accordance with gross method and with the commitment method will be set out for each Sub-Fund in Appendix I. Under certain circumstances (e.g. very low market volatility) the leverage may exceed the levels referred to in Appendix I. The financial derivative instruments must be dealt on an organised market or contracted by private agreement with first class professionals specialised in this type of transactions.

The aggregate commitments resulting from short sales of transferable securities together with the commitments resulting from financial derivative instruments entered into by private agreement and, if applicable, the commitments resulting from financial derivative instruments dealt on a Regulated Market may not exceed at any time the assets of the Sub-Funds.

*a. Restrictions relating to financial derivative instruments*

- (1) Margin deposits in relation to financial derivative instruments dealt on an organised market as well as the commitments arising from financial derivative instruments dealt “over-the-counter” (*i.e.* contracted by private agreement, “OTC” financial derivative instruments) may not exceed 50% of the assets of each Sub-Fund. The reserve of liquid assets of each Sub-Fund must represent at least an amount equal to the margin deposits made by the Sub-Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member states or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a Regulated Market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.

- (2) A Sub-Fund may not borrow to finance margin deposits.
- (3) A Sub-Fund may not enter into contracts relating to commodities other than commodity future contracts. However, each Compartment may acquire, for cash consideration, precious metals which are negotiable on an organised market.
- (4) The premiums paid for the acquisition of options outstanding are included in the 50% limit referred to under item (1) above.
- (5) Each Sub-Fund must ensure an adequate spread of investment risks by sufficient diversification.
- (6) A Sub-Fund may not hold an open position in any single contract relating to a financial derivative instrument dealt on an organised market or a single OTC financial derivative instrument for which the margin required or the commitment taken, respectively, represents 5% or more of the assets of the Sub-Fund.
- (7) The premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the assets of each Sub-Fund.
- (8) A Sub-Fund may not hold an open position in financial derivative instruments relating to a single commodity or a single category of forward contracts on financial instruments for which the margin required (in relation to financial derivative instruments negotiated on an organised market) together with the commitment (in relation to OTC financial derivative instruments) represent 20% or more of the assets of the Sub-Fund.
- (9) The commitment of a Sub-Fund in relation to a transaction on an OTC financial derivative instrument corresponds to the non-realised loss resulting, at that time, from the relevant transaction.
- (10) The risk exposure of a Sub-Fund to a counterparty in an OTC financial derivative instrument may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution which has its registered office in a member state of the European Union or, if the registered office of the credit institution is situated in another state, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in European Union rules; or 5% of its net assets in other cases.

*b. Securities lending transactions*

To the maximum extent allowed by, and within the limits set forth in the Law of 17 December 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and positions of the Regulatory Authority, in particular the provisions of CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions and (B) engage in securities lending transactions.

Securities lending involves a Sub-Fund lending its securities to a third party against agreed collateral and this may be done either directly or through a recognised clearing institution or a financial institution. Borrowers of securities are approved by the Management Company based on an assessment of the borrower's status and financial standing. The Management Company may appoint Amundi Intermediation S.A. and CACEIS bank, Luxembourg Branch (both belonging to the group Crédit Agricole) to provide services to the Sub-Funds in respect of efficient portfolio management techniques. Any revenues from efficient portfolio management techniques will be returned to the applicable Sub-Fund, less direct and indirect operational costs.

*c. Sale with right of repurchase transactions and repurchase transactions*

The Sub-Fund may enter into sale with right of repurchase transactions (*opérations à réméré*) which consist in the purchase and sale of securities where the terms reserve the right to the seller to repurchase the securities from the buyer at a price and at a time agreed between the two parties at the time when the contract is entered into. The Sub-Fund can also enter into repurchase transactions (*opérations de mise en pension*) which consist in transactions where, at maturity, the seller has the obligation to take back the asset sold whereas the original buyer either has a right or an obligation to return the asset sold.

The Sub-Fund can either act as buyer or as seller in the context of the aforementioned transactions. Its participation in the relevant transactions is however subject to the following rules:

*1. Rules to bring the transactions to a successful conclusion:*

The Sub-Fund may participate in sale with right of repurchase transactions (*opérations à réméré*) or repurchase transactions (*opérations de mise en pension*) only if the counterparties in such transactions are first class professionals specialised in this type of transactions.

*2. Conditions and limits of these transactions:*

During the duration of a sale with right of repurchase agreement where the Sub-Fund acts as purchaser, it may not sell the securities which are the subject of the contract before the counterparty has exercised its right to repurchase the securities or until the deadline for the repurchase has expired, unless such a Sub-Fund has other means of coverage. If the Sub-Fund is open for redemption, it must ensure that the value of such transactions is kept at a level such that it is able at any time to meet its redemption obligation. The same conditions are applicable in the case of a repurchase transaction on the basis of a purchase and firm re-sale agreement where the Sub-Fund acts as purchaser (transferee).

Where the Sub-Fund acts as seller (transferor) in a repurchase transaction, the Sub-Fund may not, during the whole duration of the repo, transfer the title to the security under the repo or pledge them to a third party, or repo them a second time, in whatever form. The Sub-Fund must

at the maturity of the repurchase transactions hold sufficient assets to pay, if appropriate, the agreed upon repurchase price payable to the transferee.

### *3. Periodical information of the public:*

In its financial reports, the Sub-Fund must separately, for its sale with right of repurchase transactions and for its repurchase transactions, indicate the total amount of the open transactions at the date as of which the relevant reports indicate are issued.

#### *d. Collateral*

As the case may be, cash collateral received by each Sub-Fund in relation to any of these above-mentioned transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in (a) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits, (c) money market instruments as defined in the above referred Grand-Ducal regulation, (d) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or worldwide scope, (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's market risk, in particular if it creates a leverage effect.

Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In derogation from the above, a Sub-Fund that qualifies as an ELTIF may re-invest cash collateral so received in a manner consistent with the investment objectives of such Sub-Fund and in financial derivative instruments solely serving the purpose of hedging the risk inherent to other investments of such Sub-Fund, as further described in Appendix I.

Other exceptions to the above principles or additional restrictions, if any, applicable to a particular Sub-Fund are set out in Appendix I.

#### *Cash holding*

In order to maintain adequate liquidity, Sub-Funds may hold cash on an ancillary basis.

However, some Sub-Funds may have to hold, temporarily, cash representing fifty per cent (50%) or more of their net assets. Cash will be deposited with one or more credit institutions having their registered office in the EU.

#### *Borrowings*

A Sub-Fund may borrow permanently and for investment purposes from professionals specialised in this type of transaction.

Such borrowings are limited to 200% of the net assets of the relevant Sub-Fund. Consequently, the value of the assets of the Sub-Fund may not exceed 300% of its net assets. Sub-Funds adopting a strategy which presents a high degree of correlation between long and short positions are authorised to borrow up to 400% of their net assets.

The counterparty risk resulting from the difference between (i) the value of the assets transferred by a Sub-Fund to a lender as security in the context of the borrowing transactions and (ii) the debt of the Sub-Fund owed to such lender may not exceed 20% of the Sub-Fund's assets. A Sub-Fund may, in addition, grant guarantees in the context of systems of guarantee which do not result in a transfer of ownership or which limit the counterparty risk by other means.

The counterparty risk resulting from the sum of (i) the difference between the value of the assets transferred as security in the context of the borrowing of securities and the amounts due under the last paragraph of section "Short Sales" above and (ii) the difference between the assets transferred as security and the amounts borrowed referred to above may not exceed, in respect of a single lender, 20% of a Sub-Fund's assets.

A Sub-Fund that qualifies as an ELTIF will comply with the requirements of the ELTIF Regulation with respect to borrowings.

#### *Techniques and Instruments*

Unless further restricted by the investment policies of a specific Sub-Fund as described in Appendix I, the SICAV may employ techniques and instruments relating to transferable securities and money instruments and other securities in which it can invest, under the conditions and within the limits laid down in this Prospectus and provided that such techniques and instruments are used for efficient portfolio management and hedging purposes.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in Appendix I.

#### *Side Pocket*

The Board of Directors may decide, in the interest of Shareholders and subject to the approval of the Regulatory Authority, to segregate certain assets from a Sub-Fund's portfolio (*e.g.* assets which have become illiquid or hard to evaluate) within a "side pocket", the form and specificities of which will be disclosed to the relevant Sub-Fund's Shareholders by way of notice. The creation and implementation of a side pocket shall not require any approval by the relevant Sub-Fund's Shareholders.

Side pockets may be created in any form authorised in the Grand Duchy of Luxembourg and may result, amongst others, in Shareholders becoming Shareholders of an additional new Class (within the same Sub-Fund or within a new Sub-Fund) or Sub-Fund. In this respect, any provisions of the Articles normally applicable to a Class or Sub-Fund which are incompatible with the implementation the side pocket shall be set aside if the interest of the relevant Shareholders so requires.

Upon creation of a side pocket, the Net Asset Value of the relevant Sub-Fund shall be reduced so that it takes into account only such assets of the Sub-Fund which would have not been isolated within the side pocket.

The Board of Directors will try to sell the assets isolated in any side pocket on the market. Shareholders of the Sub-Fund in relation to which a side pocket has been created shall be entitled to receive a portion of the assets (in cash or in kind) of such side pocket at its liquidation; such portion shall be proportional to their shareholding in the relevant Sub-Fund at the time of creation of the side pocket.

#### *Use of subsidiaries*

The Board of Directors may decide that investments in relation to any Sub-Fund should be held by subsidiaries located in or outside Luxembourg rather than being held directly by the SICAV. The use of subsidiaries is subject to compliance with the following conditions:

- the sole purpose of the subsidiaries must be to directly or indirectly own assets acquired for the purpose of implementing the investment objectives of the SICAV;
- the securities of the subsidiaries must be issued in registered form only;
- the majority of the directors of the Luxembourg domiciled subsidiaries must be either Directors of the SICAV and/or directors and/or officers of Amundi Luxembourg S.A.;
- the auditor of the accounts of the subsidiaries must be of the same group as the SICAV's auditor;
- the financial year-end of the subsidiaries must be on the same date as the financial year-end of the SICAV;
- in the annual accounts of the SICAV, the subsidiaries must be consolidated: the accounts of the SICAV must list the subsidiaries and the assets held via these entities;
- the overall external borrowings must be calculated on a consolidated basis;
- the subsidiaries must comply with the investment restrictions of the SICAV;
- the Depositary must be able at any time to carry out its duties set forth by law and regulations.

#### *Investments in Other Sub-Fund(s)*

A Sub-Fund may subscribe, acquire and/or hold Shares of one or more Sub-Fund(s) (the "Target Sub-Fund(s)"), without it being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to the

subscription, acquisition and/or the holding by a company of its own shares provided that:

- a) the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund;
- b) the voting rights, if any, which might be attached to the Shares concerned will be suspended for as long as they are held by the relevant Sub-Fund and without prejudice to an appropriate treatment in accounting and in the periodical reports; and
- c) in any case, as long as the Shares are held by the Sub-Fund, their value shall not be taken into account for the calculation of the Sub-Fund's Net Asset Value for the control of the minimum threshold of net assets imposed by the Law of 17 December 2010.

### **Risk Management**

A Sub-Fund is required to use a risk management process to monitor and measure at all times the risks associated with its investments and their contribution to the overall risk profile of the relevant Sub-Fund.

This risk-management process will measure the market risk of each Sub-Fund with the Value at Risk ("VaR"), unless otherwise specified for a Sub-Fund in Appendix I.

#### Value-at-Risk

In financial mathematics and risk management, the VaR approach is a widely used risk measurement of the maximum potential loss for a specific portfolio of assets, due to market risk. More specifically, the VaR approach measures the maximum potential loss of such a portfolio at a given confidence level (or probability) over a specific time period under normal market conditions.

Absolute VaR links the VaR of the portfolio of a Sub-Fund with its Net Asset Value and relative VaR links the VaR of the portfolio of a Sub-Fund with the VaR of a reference portfolio.

#### Leverage

The use of financial derivative instruments and other positions, efficient portfolio management techniques and borrowing may result in a Sub-Fund being leveraged. Leverage is monitored on a regular basis. The leverage for each Sub-Fund is not expected to exceed the gross and net levels set out for each Sub-Fund in Appendix I.

The Sub-Funds may receive any collateral in connection with OTC financial derivative instruments and efficient portfolio management techniques and have the right to reuse such collateral. The nature of the rights granted for the reuse of collateral will be disclosed in the financial reports.

The leverage of an AIF is expressed as the ratio between the exposure of the AIF and its net asset value, where the exposure is calculated in accordance with the gross method

and with the commitment method. The gross method shows the sum of the absolute values of the positions, not taking into account hedging and netting effects. The commitment method shows the sum of the absolute values of the positions, taking into account hedging and netting effects.

Under certain circumstances (e.g. very low market volatility) the leverage may exceed the levels referred to in Appendix I.

#### Liquidity Management

With respect to liquidity management, the Management Company shall:

- employ for each Sub-Fund an appropriate liquidity management system and adopt procedures which enable to monitor the liquidity risk of the Sub-Funds and to ensure that the liquidity profile of the investments of the Sub-Funds comply with their underlying obligations;
- regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable to assess the liquidity risk of the Sub-Funds and monitor the liquidity risk of the Sub-Funds accordingly; and
- ensure that, for each Sub-Fund, the investment strategy, liquidity profile and redemption policy are all consistent.

#### **Asset Structure/Pooling of Assets**

For the purpose of effective management, where the investment policies of the Sub-Funds (as disclosed in Appendix I of the Prospectus) so permit, the Management Company may choose to co-manage assets of certain Sub-Funds.

In such case, assets of different Sub-Funds will be managed in common. The assets which are co-managed shall be referred to as a “pool” notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the co-managed Sub-Funds shall be allocated its specific assets.

Where the assets of more than one Sub-Fund are pooled, the assets attributable to each participating Sub-Fund will initially be determined by reference to its initial allocation of assets to such a pool and will change in the event of additional allocations or withdrawals.

The entitlements of each participating Sub-Fund to the co-managed assets apply to each and every line of investments of such a pool.

Additional investments made on behalf of the co-managed Sub-Funds shall be allotted to such Sub-Funds in accordance with their respective entitlements, whereas assets sold shall be levied similarly on the assets attributable to each participating Sub-Fund.

## **Sustainable Investment**

### ***Disclosure Regulation***

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

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

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

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

### ***Overview of the Responsible Investment Policy***

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

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

### ***Integration of Sustainability Risks by Amundi***

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

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

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

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

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

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

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

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

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

- a) Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)

- b) Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)
- c) Water (Water Criteria)
- d) Waste (Waste, recycling, biodiversity and pollution Criteria)
- e) Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria, Board Structure Criteria, Labour Relations Criteria and Health and Safety Criteria)
- f) Human rights (Community involvement & Human Rights Criteria)
- g) Anti-corruption and anti-bribery (Ethics Criteria).

The way in which and the extent to which ESG analyses are integrated, for example based on ESG scores, are determined separately for each Sub-Fund by the Investment Managers. When considering investment opportunities or in response to invitations to participate in new transactions in respect of private debt investments, the Investment Managers integrate ESG criteria into the due diligence phase and, following that phase, use their best efforts to apply exclusion requirements of the Responsible Investment Policy.

More detailed information including Amundi's Responsible Investment Policy and rating methodology are available at [www.amundi.com](http://www.amundi.com).

#### *Integration of Sustainability Risks at Sub-Fund level*

In accordance with Amundi's Responsible Investment Policy, the Investment Managers of all Sub-Funds not classified pursuant to article 8 or 9 of the Disclosure Regulation, integrate Sustainability Factors in their investment process, and take into account adverse impacts of investment decisions on Sustainability Factors through the use of Amundi's ESG rating and the exclusion of any issuers specified in the exclusion list of the Responsible Investment Policy.

## SHARES

All Sub-Funds may offer Classes A, A2, B, C, D, E, F, G, H, I, I2, J, J2, K, R, R2, S and X Shares as more fully described individually in Appendix I of the Prospectus. Each Class whilst participating in the assets of the same Sub-Fund (i) has a different fee structure, (ii) may be targeted to different types of investors, (iii) may not be available in all jurisdictions where the Shares are sold, (iv) may be sold through different distribution channels, (v) may have different distribution policies, (vi) may be quoted in a different Pricing Currency as compared to the Base Currency of the relevant Sub-Fund in which it is issued and (vii) may aim to offer protection against certain currency fluctuations.

With respect to certain Classes (collectively, the “Hedged Classes”), the Management Company (or its agents) may employ techniques and instruments to protect against currency fluctuations between the Pricing Currency of the Class and the predominant currency of the assets of the relevant Sub-Fund with the goal of providing a similar return to that which would have been obtained for a Class denominated in the predominant currency of the assets of the relevant Sub-Fund. In normal circumstances, the above hedging against currency fluctuations will approximate and not exceed 100% of the net assets of the relevant Hedged Class. While the Management Company (or its agents) may attempt to hedge the currency risk, there can be no guarantee that it will be successful in doing so.

The use of the techniques and instruments described above may substantially limit Shareholders in the relevant Hedged Class from benefiting if the Pricing Currency falls against the currency in which some or all of the assets of the relevant portfolio are denominated. All costs, gains or losses arising from or in connection with such hedging transactions are borne by the Shareholders of the respective Hedged Class.

Class H Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of at least EUR 1 Million or its equivalent in any other freely convertible currency subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with.

Unless otherwise specified for a Sub-Fund in Appendix I, Class I and I2 Shares may only be purchased by investors who make an initial investment of at least EUR 10 Million or its equivalent in any other freely convertible currency subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with.

Class J and J2 Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of EUR 30 Million or more (or the equivalent in another currency) in that Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with. Where a Shareholder’s investment falls below EUR 30 Million, the Management Company reserves the right to convert those Class J Shares to Class I Shares in the same Sub-Fund. No conversion fees will be applied and the Shareholder will be informed accordingly.

Class R and R2 Shares are reserved for intermediaries or providers of individual portfolio management services that are prohibited, by law or contract, from retaining inducements.

Class S Shares may only be purchased by investors (whether directly or through an appointed nominee) who make an initial investment of EUR 10 Million or more (or the equivalent in another currency) in that Class of a Sub-Fund subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with. Class S Shares may only be purchased by investors which have previously been approved by the Management Company. Any investor holding Class S Shares without the approval of the Management Company will be compulsorily redeemed. Further details on the management fee applicable to the relevant Class within a Sub-Fund are described in Appendix I to the Prospectus. With respect to Class S Shares, the management and/or performance fees specified for Class J Shares shall be applicable 18 months following the launch date of the relevant Sub-Fund. Prior to the expiry of that period, Class S Shares are subject to fees agreed between the Management Company and the relevant investors, which will not be greater than the management and/or performance fees specified for Class J Shares of the relevant Sub-Fund.

Class X Shares may only be purchased by investors who make an initial investment of at least EUR 25 Million or its equivalent in any other freely convertible currency subject to the discretion of the Management Company to waive such minimum, provided always that the principle of equal treatment of Shareholders is complied with.

Furthermore, within each Sub-Fund, Distributing and Non-Distributing Shares may also be issued by the Management Company.

Shares in any Sub-Fund are issued in registered form only.

The inscription of the Shareholder's name in the Share register evidences its right of ownership of such Shares. The Shareholder shall receive a written confirmation of its shareholding; no certificates shall be issued.

Fractions of registered Shares may be issued up to three decimals, whether resulting from subscription or conversion of Shares.

## NET ASSET VALUE

### Net Asset Value Calculation

The Net Asset Value is calculated for a valuation day (the “Valuation Day”) as determined in Appendix I of the Prospectus for each Sub-Fund individually by reference to the value of the underlying assets of the relevant Class within the relevant Sub-Fund. These underlying assets are valued at the last available prices on the relevant Valuation Day. Whenever used herein, the term “Business Day” shall mean a full day on which banks and the stock exchange are open for business in Luxembourg City as well as any other specific place disclosed for each Sub-Fund in Appendix I.

The Net Asset Value as determined for each Class shall be expressed in the Pricing Currency of the relevant Class and shall be calculated by dividing the Net Asset Value of the Sub-Fund attributable to the relevant Class which is equal to (i) the value of the assets attributable to such Class and the income thereon, less (ii) the liabilities attributable to such Class and any provisions deemed prudent or necessary, through the total number of Shares of such Class outstanding on the relevant Valuation Day.

The Net Asset Value per Share may be rounded up or down to the nearest unit of the Pricing Currency of each Class within each Sub-Fund. To the extent feasible, investment income, interest payable, fees and other liabilities will be accrued each Valuation Day.

The value of the assets will be determined as set forth in the manner explained below under the heading “Valuation of the Assets”. The charges incurred by the SICAV are explained below under the heading “Charges and Expenses”.

In the event of an error in the calculation of Net Asset Value and/or in the event of a non-compliance with the investment policy of a Sub-Fund, the Management Company shall apply the CSSF Circular 02/77 and will follow the procedures listed in this circular to correct such error and/or non-compliance.

### Suspension of Calculation

The SICAV may temporarily suspend the determination of the Net Asset Value per Share of any particular Sub-Fund and the issue and redemption of its Shares from its Shareholders as well as the conversion from and to Shares of each Sub-Fund:

- a) during any period when any of the principal stock exchanges, regulated market or other markets on which a substantial portion of the investments of the SICAV attributable to a Sub-Fund from time to time is quoted or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended;
- b) political, economic, military, monetary or other emergency beyond the control, liability and influence of the SICAV makes the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders;

- c) during any breakdown in the means of communication network normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or market in respect of the assets attributable to such Sub-Fund;
- d) during any period when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e) during any period when for any other reason the prices of any investments owned by the SICAV attributable to such Sub-Fund cannot promptly or accurately be ascertained;
- f) during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the SICAV or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the SICAV or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund;
- g) following a decision to merge, liquidate or dissolve the SICAV or any of its Sub-Funds or upon the order of the Regulatory Authority;
- h) in the case of a Sub-Fund for which the Board of Directors has required that a Side Pocket Sub-Fund be established.

When exceptional circumstances might adversely affect Shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Board of Directors reserves the right to set the value of Shares in one or more Sub-Funds only after having sold the necessary securities, as soon as possible, on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single Net Asset Value per Share in order to ensure that all Shareholders having presented requests for subscription, redemption or conversion are treated equally.

Any such suspension of the calculation of the Net Asset Value shall be notified to the subscribers and Shareholders requesting redemption, subscription or conversion of their Shares on receipt of their request for subscription, redemption or conversion.

Suspended subscriptions, redemptions and conversions will be taken into account on the first Valuation Day after the suspension ends.

Such suspension as to any Class shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Class.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value.

## Valuation of the Assets

The calculation of the Net Asset Value of Shares in any Class of any Sub-Fund and of the assets and liabilities of any Class of any Sub-Fund shall be made in the following manner:

I. The assets of the SICAV shall include:

- 1) all cash on hand or on deposit, including any interest accrued thereon;
- 2) all bills and notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- 3) all securities and financial instruments, whether or not quoted or traded on a regulated market, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the SICAV (provided that the SICAV may make adjustments in a manner not inconsistent with paragraph 1. below with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- 4) all stock dividends, cash dividends and cash distributions receivable by the SICAV to the extent information thereon is reasonably available to the SICAV;
- 5) all interest accrued on any interest-bearing assets owned by the SICAV except to the extent that the same is included or reflected in the principal amount of such asset;
- 6) the liquidating value of all forward contracts, swaps and all call or put options the SICAV has an open position in;
- 7) the preliminary expenses of the SICAV, including the cost of issuing and distributing Shares of the SICAV, insofar as the same have to be written off;
- 8) real assets in the meaning of the ELTIF Regulation;
- 9) all current account advances which may be granted by the SICAV to its subsidiaries; and
- 10) all other assets of any kind and nature including expenses paid in advance.

The value of the assets of all Sub-Funds shall be determined as follows:

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.

2. The value of each security or money market instrument which is quoted or dealt in on a stock exchange will be based on its last available price at the time of valuation on the Valuation Day on the stock exchange which is normally the principal market for such security.
3. The value of each security or money market instrument dealt in on any other Regulated Market will be based on its last available price at the time of valuation on the Valuation Day.
4. In the event that any of the securities or money market instruments held in a Sub-Fund's portfolio on the relevant day are not quoted or dealt in on any stock exchange or dealt in on any other Regulated Market or if, with respect of securities quoted or dealt in on any stock exchange or dealt in on any Regulated Market, the price as determined pursuant to sub-paragraphs 2. or 3. is not representative of the relevant securities, the value of such securities will be determined based on a reasonably foreseeable sales price determined prudently and in good faith.
5. The value of all loans and securities traded out of a regulated market will be appraised at a fair value, using external price providers or as determined in good faith by the Management Company.
6. Investments in private equity securities will be valued at a fair value by the Management Company in accordance with appropriate professional standards, such as, without limitation, the International Private Equity and Venture Capital (IPEV) Valuation Guidelines as endorsed by Invest Europe.
7. The liquidating value of futures, forward or options contracts not traded on exchanges or on other organised markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable.
8. Swaps, all other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company.
9. Units or shares of open-ended UCIs will be valued at their last determined and available net asset value, or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Management Company on a fair and equitable basis. Units or shares of a closed-ended UCIs will be valued at their last available stock market value at the time of valuation on the Valuation Day.
9. The valuation of real estate assets and real estate rights registered in the name of the SICAV is carried out under the responsibility of the Management Company who

appoints a real estate appraiser to assist in the valuation of the portfolio. This valuation may be performed at least every six months and used throughout the period between two valuations, unless there is a change in the general economic situation or in the condition of the real estate assets or real estate rights held by the SICAV or by one of the companies in which the SICAV holds an interest, which requires a value adjustment to be made, or in the situations otherwise set out by article 71 of the Commission delegated regulation (EU) No 231/2013 of 19 December 2012, regarding the review of individual values of assets. The Management Company will make a value adjustment in accordance with its internal procedure. The value of the real estate assets will be taken into account "including acquisition rights and costs" in the calculation of the Net Asset Value.

Properties under construction are valued at their current value represented by the market value that they would have if they were fully completed on the day of valuation, less the proportion of the acquisition price still to be paid. If prospective financial models are used, the current value is determined taking into account the risks and uncertainties remaining up to the date of delivery. If the current value cannot be reliably determined, real estate assets that are not negotiated on a regulated market are maintained at their cost price. In the event of a loss in value, the asset is revised downwards.

11. Advances on the current account made by the SICAV shall be valued at their nominal value plus accrued interest on the remuneration for the period, taking into account, where appropriate, provisions for impairment.

12. The value of any other assets not specifically mentioned above will be the likely realizable value estimated with care and good faith by the Management Company according to any valuation method approved by the Management Company.

II. The liabilities of the SICAV shall include:

- 1) all loans, bills and accounts payable;
- 2) all accrued interest on loans of the SICAV (including accrued fees for commitment for such loans);
- 3) all accrued or payable expenses (including, without limitation, administrative expenses, management fees, including incentive fees, if any, and depositary fees);
- 4) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by the SICAV;
- 5) an appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the Management Company, and other reserves (if any) authorized and approved by the Management Company, as well as such amount (if any) as the Management Company may consider to be an appropriate allowance in respect of any contingent liabilities of the SICAV;
- 6) all other liabilities of the SICAV of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities, the Management Company shall take into account all charges and

expenses payable by the SICAV pursuant to section “Charges and Expenses” of this Prospectus. The Management Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The value of all assets and liabilities not expressed in the Base Currency of a Sub-Fund will be converted into the Base Currency of such Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Management Company.

The Management Company, in its discretion, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value of any asset of the SICAV.

In the event that extraordinary circumstances render a valuation in accordance with the foregoing guidelines impracticable or inadequate, the Management Company will, prudently and in good faith, use other criteria in order to achieve what it believes to be a fair valuation in the circumstances.

To the extent that the Management Company considers that it is in the best interests of Shareholders, if on any Valuation Day the aggregate subscriptions and redemptions in Shares of all Classes of any particular Sub-Fund expected to result in a net increase or decrease of Shares which exceeds a threshold set by the Management Company from time to time for that Sub-Fund, taking into account factors including the prevailing market conditions, the Net Asset Value of the Sub-Fund may be adjusted to reflect the estimated dealing spreads, costs and charges to be incurred by the Sub-Fund in liquidating or purchasing investments to satisfy the net transactions for that particular Valuation Day. The adjustment shall not exceed 2% of the Net Asset Value of the relevant Sub-Fund on the relevant Valuation Day. This adjustment will be made before the application of any performance fee if applicable.

### III. Allocation of the assets of the SICAV:

The Board of Directors shall establish a Sub-Fund in respect of each Class and may establish a Sub-Fund in respect of two or more Classes in the following manner:

- a) if two or more Classes relate to one Sub-Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned;
- b) the proceeds to be received from the issue of Shares of a Class shall be applied in the books of the SICAV to the Sub-Fund corresponding to that Class, provided that if several Classes are outstanding in such Sub-Fund, the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class to be issued;
- c) the assets and liabilities and income and expenditure applied to a Sub-Fund shall be attributable to the Class or Classes corresponding to such Sub-Fund;

d) where the SICAV incurs a liability which relates to any asset of a particular Sub-Fund or Class or to any action taken in connection with an asset of a particular Sub-Fund or Class, such liability shall be allocated to the relevant Sub-Fund or Class;

e) in the case where any asset or liability of the SICAV cannot be considered as being attributable to a particular Class or Sub-Fund, such asset or liability shall be allocated to all the Classes in any Sub-Fund or to the Sub-Funds pro rata to the Net Asset Values of the relevant Classes or in such other manner as determined by the Management Company acting in good faith. The SICAV shall be considered as one single entity. However, with regard to third parties, in particular towards the SICAV's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it;

f) upon the payment of distributions to the Shareholders of any Class, the Net Asset Value of such Class shall be reduced by the amount of such distributions.

## **PROCEDURES FOR SUBSCRIPTION, CONVERSION AND REDEMPTION**

### **1. Dealing Price**

The dealing price for the subscription, conversion and redemption of Shares of the same Class within each Sub-Fund will be calculated as follows:

#### **Subscriptions**

In the event of a subscription for Class B, C, G, I, I2, J, J2, R, R2, S and X Shares, the dealing price will be equal to the Net Asset Value per Share. Class B and C Shares are subject to a deferred sales charge.

In the event of a subscription for Class A, A2, D, E, G, H and K Shares, the dealing price will be equal to the Net Asset Value per Share increased by the relevant sales charge.

#### **Conversions**

The dealing price will be equal to the Net Asset Value per Share of Class B, C, G, I, I2, J, J2, R, R2, S and X Shares when converting Shares of a Sub-Fund into Shares of another Sub-Fund.

The dealing price will be equal to the Net Asset Value per Share of Class A, A2, D, E, G, H and K Shares decreased by a conversion fee equal to the difference between the sales charge of the Sub-Fund to be purchased and the Sub-Fund to be sold when converting Shares of a Sub-Fund into Shares of another Sub-Fund charging a higher sales charge.

Furthermore, in respect of conversion of Class A, E, and F Shares, the dealing price may also be decreased by an additional conversion fee representing a percentage of the Net Asset Value of the Shares to be converted.

#### **Redemptions**

In the event of a redemption from Class A, A2, D, E, G, H, I, I2, J, J2, K, R, R2, S and X Shares, the dealing price will be equal to the Net Asset Value per Share.

In the event of a redemption from Class B and C Shares, the dealing price will be equal to the Net Asset Value per Share decreased by the relevant deferred sales charge.

The dealing price will be equal to the Net Asset Value per Share decreased by the redemption fee in case of redemptions for Shares in Sub-Funds applying such a fee (as more fully disclosed in Appendix I for each Sub-Fund).

### **2. Dealing Time**

The Management Company does not permit market-timing or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm the SICAV's performance. To minimise harm to the SICAV and the Shareholders, the Management Company has the right to suspend any subscription, redemption or conversion order, or levy a fee of up to 2% of the value of the order for the benefit of the relevant Sub-Fund of the SICAV from any investor who

is engaging in excessive trading or has history of excessive trading or if an investor's trading, in the opinion of the Management Company, has been or may be disruptive to the SICAV or any of the Sub-Funds. In making this judgment, the Management Company may consider trading done in multiple accounts under common ownership or control. The Management Company also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The Management Company will not be held liable for any loss resulting from rejecting orders or mandatory redemptions.

The application for subscription, conversion or redemption must be received by the Registrar and Transfer Agent (on behalf of the Management Company) at any time before the "cut-off time" as defined for each Sub-Fund in Appendix I, otherwise such application shall be deemed to have been received on the next following Valuation Day.

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value.

Applications for subscription, redemption or conversion shall be irrevocable after they have been lodged with the Management Company or the Depositary unless in case of suspension of the Net Asset Value calculation as described under the heading "Suspension of Calculation".

### **3. Subscription of Shares**

A completed application form is required for the initial application. For subsequent subscriptions, instructions may be given by fax or post or other electronic method as deemed suitable by the Management Company but not by phone for the time being.

The Management Company and the Depositary have discretion to refuse or delay applications for subscription and suspend or limit the issue of Shares if deemed in the best interests of the Shareholders of the Sub-Funds.

The Management Company may agree to issue Shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by the Management Company, in particular the obligation to deliver a valuation report from the auditor of the SICAV ("*réviseur d'entreprises agréé*") which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund described in Appendix I of the Prospectus. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Shareholders.

With respect to the Sub-Fund Amundi REALTI, only Investors of Class S of the Sub-Fund Amundi REALTI have the option to subscribe Shares by contribution in kind with the prior approval of the Management Company.

Payments for the subscription of Shares must be made in the Pricing Currency or in any other currency specified by the investor (in which case the cost of any currency conversion shall be borne by the investor and the rate of such conversion will be that of the relevant Valuation Day) and must be received in favour of the SICAV by the

Depository at the latest three (3) Business Days after the relevant Valuation Day unless otherwise specified for a relevant Sub-Fund in Appendix I.

Transfer of funds should be made by wire, transfer or swift, net of all banking charges, or by such other method of electronic transfer as may be agreed by the Management Company.

#### **4. Conversion of Shares**

Except otherwise specified in Appendix I, conversion of Shares of one Sub-Fund into Shares of another Sub-Fund but only within the same Class can take place on any Valuation Day upon receipt by the Management Company or the Registrar and Transfer Agent of an application for conversion.

Distributing Shares, if any, issued within a Sub-Fund may be converted into Non-Distributing Shares, or vice versa, within the same or another Sub-Fund, under the terms and conditions described hereunder.

Applications for the conversion of Shares may be given by fax or post or other electronic method as deemed suitable by the Management Company but not by phone for the time being.

In converting Shares of a Sub-Fund for Shares of another Sub-Fund, a Shareholder must meet any applicable minimum investment requirement imposed in the relevant Class by the acquired Sub-Fund.

If, as a result of any request for conversion, the aggregate Net Asset Value of the Shares held by the converting Shareholder in a Class within a Sub-Fund would fall below the minimum applicable holding requirement, the SICAV may treat such request as a request to convert the entire shareholding of such Shareholder in such Class.

The conversion from one Sub-Fund to another Sub-Fund is effected on any Valuation Day on the basis of the respective Net Asset Value per Share of the relevant Class in the two Sub-Funds calculated on such Valuation Day and using the applicable market rates prevailing at the time of calculation of such Net Asset Values.

A conversion of Shares of one Sub-Fund for Shares of another Sub-Fund including conversions between Non-Distributing Shares and Distributing Shares, will be treated as a redemption of Shares and simultaneous purchase of Shares. A converting Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

The Management Company shall use its best efforts to maintain an appropriate level of liquidity in the assets of each Sub-Fund so that conversions of the Shares of the Sub-Fund under normal circumstances may be made without undue delay after request by Shareholders. The Management Company shall however, in exceptional circumstances

when sufficient liquidity is not available, be entitled, subject to obtaining the approval of the Depositary, to implement conversion orders only after the sale of corresponding assets of the relevant Sub-Fund of the SICAV shall have been effected without delay. In particular, conversion requests above a certain limit may be deferred for specific Sub-Funds as disclosed in Appendix I, as the case may be.

Compulsory conversions for Class J Shares will be made in accordance with section “Shares” above.

## **5. Redemption of Shares**

In the event that a Sub-Fund qualifies as an ELTIF, that Sub-Fund will comply with (i) the requirements of the ELTIF Regulation regarding the redemption policy and (ii) the redemption policy specified for such Sub-Fund in Appendix I.

Applications for the redemption of Shares must be sent to the Management Company or the Registrar and Transfer Agent by fax or post or other electronic method as deemed suitable by the Management Company but not by phone for the time being.

Depending on the development of the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund, Shares may be redeemed at a higher or lower price than the dealing price paid for subscription of such Shares.

Unless otherwise specified for a relevant Sub-Fund in Appendix I or agreed with the Shareholder, payment for redeemed Shares shall be made by bank transfer to the redeeming Shareholder in the Pricing Currency with a value date not later than three (3) Business Days following the relevant Valuation Day or in any other currency specified by the investor (in which case the cost of any currency conversion shall be borne by the investor and the rate of such conversion will be that of the relevant Valuation Day). Payments will be made only if no legal provision, such as exchange controls or other circumstances outside the control of the Depositary, prohibit the making of a payment.

The Management Company shall use its best efforts to maintain an appropriate level of liquidity in the assets of each Sub-Fund so that redemption of the Shares of the Sub-Fund under normal circumstances may be made without undue delay after request by Shareholders. The Management Company shall however, in exceptional circumstances when sufficient liquidity is not available, be entitled, subject to obtaining the approval of the Depositary, to implement redemption orders only after the sale of corresponding assets of the relevant Sub-Fund of the SICAV shall have been effected without delay. In particular, redemption requests above a certain limit may be deferred for specific Sub-Funds as disclosed in Appendix I, as the case may be.

If, as a result of any request for redemption, the aggregate Net Asset Value of the Shares held by the redeeming Shareholder in a Class within a Sub-Fund would fall below the minimum applicable holding requirement, the SICAV may treat such request as a request to redeem the entire shareholding of such Shareholder in such Class.

The Management Company may, at the request of a Shareholder who wishes to redeem Shares, agree to make, in whole or in part, a distribution in kind of securities or other assets of any Sub-Fund except the Sub-Funds Amundi REALTI and Amundi ELTIF

Private Investment Capital Opportunity, to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Management Company will agree to do so if it determines that such transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-Fund. The assets to be transferred to such Shareholder shall be determined on a prorata basis by the relevant Investment Manager and the Depositary, with regard to the practicality of transferring the assets, to the interests of the relevant Sub-Fund and continuing participants therein and to the Shareholder. The selection, valuation and transfer of assets shall be subject to a valuation report of the SICAV's auditors at the cost of the relevant Shareholder. In case the relevant Shareholder further decides, on the same Valuation Day or at any time thereafter, to realize or to transfer the securities or other assets so received in satisfaction of its redemption, such Shareholder may incur charges, including but not limited to brokerage and/or local tax charges on any such transfer or sale. As a consequence thereof, the net proceeds from this sale or transfer by the redeeming Shareholder of such securities or other assets may be more or less than the corresponding redemption price of Shares in the relevant Class of the relevant Sub-Fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of the relevant Shares within the relevant Class of the relevant Sub-Fund.

## **6. Confirmations**

The Administrator will on behalf of the Management Company and without undue delay, issue a written confirmation stating the number of Shares of the relevant Class within the relevant Sub-Fund subscribed and accepted or resulting from a conversion as well as the balance thereof in case of redemption, and the price paid in the Pricing Currency.

Ownership of the Shares lies with an entry in the Share Register evidenced by a confirmation advice, in each case issued by the Management Company.

## **DISTRIBUTION POLICY**

The SICAV may issue Distributing Shares and Non-Distributing Shares in certain Classes within the Sub-Funds of the SICAV, as summarised in Appendix I of the Prospectus.

Non-Distributing Shares capitalise their entire earnings whereas Distributing Shares pay dividends. The SICAV shall determine how the income of the relevant Classes of the relevant Sub-Funds shall be distributed and may declare from time to time, at such time and in relation to such periods as the Board of Directors may determine, distributions in the form of cash or Shares as set forth hereinafter.

All distributions will be paid out of the net investment income available for distribution. For certain Classes, the Board of Directors may decide from time to time to distribute net realized capital gains. Unless otherwise specifically requested, dividends will be reinvested in further Shares within the same Class of the same Sub-Fund and investors will be advised of the details by dividend statement.

For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency decided by the Board of Directors with the conditions set forth by law.

However, in any event, no distribution may be made if, as a result, the Net Asset Value of the SICAV would fall below EUR 1,250,000.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Class of the relevant Sub-Fund.

No interest shall be paid on a distribution declared by the SICAV and kept by it at the disposal of its beneficiary.

## CHARGES AND EXPENSES

### 1. Dealing charges

#### Sales Charge

A sales charge will be levied as a percentage of the Net Asset Value as detailed in the table below:

<b>Class</b>	<b>Sales Charge</b>
Class A	Maximum of 5%
Class A2	Maximum of 4.5%
Class D	Maximum of 3%
Class E	Maximum of 5 %
Class G	Maximum of 5 %
Class H	Maximum of 2%
Class B and C	Subject to a deferred sales charge
Class I, I2, J, J2, R, R2, S and X	No sales charge
Class K	Maximum of 5 %

Details of sales charges applicable to each Class and Sub-Fund are set out for each Sub-Fund in Appendix I of the Prospectus.

The Distributor may share the sales charge and any applicable conversion fee received by it with any of its Agents (if any) or professional advisers as it may, in its discretion, determine.

#### Deferred Sales Charge

Classes B and C Shares are sold without a sales charge, although a deferred sales charge may be imposed if Shareholders redeem Shares within a specific period of time as detailed in the table below.

<b>Class</b>	<b>Deferred sales charge</b>
Class B	4% maximum declining to 0% over a 4 year period following investment
Class C	1% maximum during the first year of investment

Shareholders should note that for the purpose of determining the number of years Shares have been held:

- (a) the anniversary of the date of subscription shall be used;
- (b) the Shares held the longest period are redeemed first;
- (c) the Shares which a Shareholder receives upon a conversion carry the holding period(s) which corresponds to the holding period(s) of the Shares which were converted;
- (d) when a Shareholder converts Shares which have been subscribed at different times to Shares of another Sub-Fund, the Registrar and Transfer Agent will convert the Shares held for the longest period.

No deferred sales charge will be imposed on Class B and Class C Shares if Shareholders redeem Shares after the four-year period and after the one-year period respectively.

Shares acquired by reinvestment of dividends or distributions will be exempt from the deferred sales charge in the same manner as the deferred sales charge will also be waived on redemption of Classes B and C Shares arising out of death or disability of a Shareholder or all Shareholders (in case of a single Shareholder or in case of joint shareholding).

For Shares subject to a deferred sales charge, the amount of the charge is determined as a percentage of the lesser of the current market value and the purchase price of the Shares being redeemed. For example, when a Share that has appreciated in value is redeemed during the deferred sales charge period, a deferred sales charge is assessed only on its initial purchase price.

In determining whether a deferred sales charge is payable on any redemption, the Sub-Fund will first redeem Shares not subject to any deferred sales charge, and then Shares held longest during the deferred sales charge period. The amount of any deferred sales charge to be paid will be retained by the Management Company which is entitled to such deferred sales charge.

### **Conversion Fee**

When converting Shares of a Sub-Fund into Shares of another Sub-Fund within the same Class charging a higher sales charge, a conversion fee equal to the difference between the sales charge of the Sub-Fund to be purchased and the sales charge of the Sub-Fund to be sold may be charged by the Distributor to the Shareholder. No conversion fee will be levied to the Shareholder when converting Shares from a Sub-Fund charging a higher commission.

When converting either Class A, A2, E, G or K Shares of a Sub-Fund into Class A, A2, E, G or K Shares respectively of another Sub-Fund, an additional conversion fee of up to 1% may be levied as a percentage of the Net Asset Value of the Shares to be converted by the Distributor or its Agents to the Shareholder. The Distributor or its Agents shall inform the investors whether such additional conversion fee applies.

If Shareholders convert either Class B or C Shares (which are subject to a deferred sales charge), of one Sub-Fund for Class B or C Shares respectively of another Sub-Fund, the transaction will not be subject to a deferred sales charge. However, when Shareholders redeem the Shares acquired through the conversion, the redemption may be subject to the deferred sales charge and/or a redemption fee if applicable to that Class, depending upon when Shareholders originally purchased the Shares of that Class.

### **Redemption Fee**

For all Sub-Funds, Shares will be redeemed at a price based on the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund. Unless otherwise specified for a Sub-Fund in Appendix I, no redemption fees are levied on the redemption of Shares.

### **Other costs**

Any currency conversion costs as well as any costs incurred on cash transfers will be charged to the Shareholder.

## **2. Additional charges**

### **Management Fee**

The Management Company is entitled to receive from each Sub-Fund a management fee which may be calculated as a percentage of the Net Asset Value of the relevant Class within a Sub-Fund and which is charged to the Sub-Fund and thereby reflected in the Net Asset Value of the relevant Class, unless otherwise specified for a Sub-Fund in Appendix I.

For Class I and J Shares such fee shall not exceed 3% per annum.

Further details on the management fee applicable to a relevant Class within a Sub-Fund are described in Appendix I to the Prospectus.

With respect to Class S Shares, the management and/or performance fees specified for Class S Shares shall be applicable five (5) years following the launch date of the relevant Sub-Fund. Prior to the expiry of that period, Class S Shares are subject to fees agreed between the Management Company and the relevant investors, which will be in any case lower or equal to the management and/or performance fees specified for the other Class Shares of the relevant Sub-Fund.

Such fee is calculated and accrued on each Valuation Day and is payable monthly in arrears on the basis of the average monthly Net Asset Value of the relevant Class within the relevant Sub-Fund.

For Class X Shares, no management fee will be charged to the Sub-Funds directly and therefore reflected in the Net Asset Value, rather the management fee will be charged and collected by the Management Company directly from the Shareholder. Such fee may be calculated as above or in accordance with whatever methodology and payment terms agreed between the Management Company and the relevant investor.

The Management Company is responsible for the payment of fees to the Investment Managers.

### **Distribution fee**

The Management Company, in its capacity as Distributor, shall receive a distribution fee, payable monthly in arrears on the basis of the average Net Asset Value of the relevant Class within the relevant Sub-Fund as described in Appendix I to the Prospectus. However, no distribution fee will apply to Class X Shares. The Management Company may pass on a portion of or all of such fees to its Agents (if any), as well as to professional advisers as commission for their services.

### **Fees of the Depository, Paying Agent and Administrator and the Registrar and Transfer Agent**

In consideration for their services, the Depositary, Paying Agent and Administrator, as well as the Registrar and Transfer Agent are entitled to receive out of the assets of the relevant Sub-Fund (or the relevant Class, if applicable), a fee which will range, depending on the country where the assets of the relevant Sub-Fund are held, from 0.003% to 0.5% of the asset values underlying the relevant Sub-Fund or Class, payable monthly in arrears.

### **Expenses**

The SICAV pays out of its assets all expenses payable by the SICAV. These include expenses payable to the Auditor, Depositary and Paying Agent, Administrator, Registrar and Transfer Agent, Management Company, Investment Manager, distributors, outside counsels and other professionals.

They also include any expenses involved in registering and maintaining the registration of the SICAV with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country and administrative expenses, such as registration expenses, insurance coverage and the expenses relating to the translation and printing of this Prospectus and reports to Shareholders, and any fees and costs incurred by the agents of delegated Investment Managers in centralising orders and supporting best execution (some of these agents may be affiliates of Amundi).

Expenses specific to a Sub-Fund or Class will be borne by that Sub-Fund or Class. Expenses that are not specifically attributable to a particular Sub-Fund or Class may be allocated among the relevant Sub-Funds or Classes based on their respective net assets or any other reasonable basis given the nature of the expenses.

The costs and expenses incurred in connection with the formation of the SICAV and the initial issue of Shares by the SICAV, including those incurred in the preparation and publication of the sales documents of the SICAV, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses shall be written off over a period not exceeding five years and in such amount in each year in each Sub-Fund of the SICAV as determined by the Board of Directors of the SICAV.

If a new Sub-Fund is created in the future, charges relating to the creation of such new Sub-Fund will be borne by the Sub-Fund exclusively and will be charged to the Sub-Fund immediately or, upon the Board of Directors' decision, amortised over a period of 10 years with effect from the launch date of the said Sub-Fund. The newly created Sub-Fund shall bear a pro rata share of the costs and expenses incurred in connection with the formation of the SICAV and the initial issue of Shares in the initial Sub-Funds, which have not already been written off at the time of the creation of the new Sub-Fund.

### **3. Best Execution**

Each Investment Manager and sub-investment manager has adopted a best execution policy to implement all reasonable measures to ensure the best possible result for the SICAV, when executing orders. In determining what constitutes best execution, the

Investment Manager and/or sub-investment manager will consider a range of different factors, such as price, liquidity, speed and cost, among others, depending on their relative importance based on the various types of orders or financial instrument. Transactions are principally executed via brokers selected and monitored on the basis of the criteria of the best execution policy. Counterparties that are affiliates of Amundi may also be considered. To meet its best execution objective, the Investment Manager and/or sub-investment manager may choose to use agents (which may be affiliates of Amundi) for its order transmission and execution activities.

#### **4. Commission Sharing Arrangements**

The SICAV's Investment Managers may enter into commission sharing or similar arrangements. Consistent with obtaining best execution, commission sharing agreements ("CSA") are agreements between the Investment Managers and nominated brokers that specify a certain proportion of dealing commission sent to a broker be reserved to pay for research with one or more third parties. The provision of research is subject to arrangements between the Investment Managers and the research providers and the commission split for execution and research is negotiated between the Investment Managers and the executing broker. Separately to CSA, executing brokers may also provide research with payment deducted from the execution cost. The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Investment Managers.

#### **5. Inducements**

The Management Company shall not pay or be paid any fee or commission, or provide or be provided with any non-monetary benefit, other than the following:

- (a) a fee, commission or non-monetary benefit paid or provided to or by the SICAV or a person on behalf of the SICAV;
- (b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the Management Company can demonstrate that the following conditions are satisfied:
  - (i) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to Shareholders in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
  - (ii) the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the Management Company's duty to act in the best interests of the SICAV and Shareholders;

- (c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, do not give rise to conflicts with the Management Company's duties to act honestly, fairly and in accordance with the best interests of the SICAV or Shareholders.

Shareholders may receive, upon request to the Management Company and in accordance with item (i) of paragraph (b) above, further details regarding the existence, nature and amount or method of calculation of fees, commissions or benefits paid or provided to or by another party than the Management Company or a person acting on behalf of such third party for services provided in relation to the SICAV.

## **6. Financial Derivative Instruments costs and fees**

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report. All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

## SPECIAL CONSIDERATIONS

### 1. General Legal Considerations

Luxembourg law governs the SICAV and the Management Company.

Investors should note that all the regulatory protections provided by their local regulatory authority may not apply. Investors should consult their personal financial adviser for further information in this regard.

Investment in the SICAV may involve legal requirements, foreign exchange restrictions and tax considerations unique to each investor. The Management Company makes no representations with respect to whether any Shareholder is permitted to hold such Shares. Prospective investors should consult their own legal and tax advisers regarding such considerations prior to making an investment decision.

### 2. Luxembourg Tax Considerations

#### 2.1 General

The following information is of a general nature only and is based on the SICAV's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Prospectus. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This summary is based on the laws in force in Luxembourg on the date of this Prospectus and is subject to any change in law that may take effect after such date. Prospective Shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

#### 2.2 The SICAV

Under current law and practice, the SICAV is not liable to any Luxembourg income tax.

The SICAV is as a rule liable in the Grand Duchy of Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum* of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of each Sub-Fund of the SICAV at the end of the relevant calendar quarter.

This rate is however of 0.01% *per annum* for:

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in deposits with credit institutions;
- individual Sub-Funds of UCIs with multiple Sub-Funds as well as for individual classes of securities issued within a UCI or within a Sub-Fund of a UCI with multiple Sub-Funds, provided that the securities of such Sub-Funds or classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual sub-funds of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;
- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- for UCIs as well as individual sub-funds of umbrella funds whose main objective is the investment in microfinance institutions; and
- for UCIs as well as individual sub-funds of umbrella funds (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

### **2.3 Withholding Tax**

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the SICAV to its Shareholders in relation to the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

### **2.4 VAT**

As per current Luxembourg legislation, regulated investment funds such as SICAVs have the status of taxable persons for value added tax (“VAT”) purposes. Accordingly, the SICAV is considered in Luxembourg as a taxable person for VAT purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg. As a result of such VAT registration, the SICAV will be in a position to fulfil its duty to

self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises, in principle, in Luxembourg in respect of any payments by the SICAV to the Shareholders, to the extent that such payments are linked to their subscription to the SICAV's Shares and therefore do not constitute consideration received for taxable services supplied.

### **3. United Kingdom Tax Considerations**

#### *The SICAV*

The Directors intend that the affairs of the SICAV should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the SICAV does not carry on a trade in the UK through a permanent establishment situated in the UK for corporation tax purposes, or through a branch or agency situated in the UK within the charge to income tax, the SICAV will not be subject to UK corporation tax or income tax on income and capital gains arising to it, save as noted below in relation to possible withholding tax on certain UK source income. The Directors intend that the affairs of the SICAV are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the SICAV which has a UK source may be subject to withholding taxes in the UK.

#### *Shareholders*

It is the current policy of the Directors that no dividends will be paid to Shareholders. However, in the event that dividends are paid, and subject to their personal circumstances, non-corporate Shareholders resident in the UK for taxation purposes will be liable to UK income tax in respect of any dividends or other distributions of income by the SICAV, whether or not such distributions are reinvested. By contrast, legislation has been included in the Finance Act 2009 to change the way in which dividends and other income distributions received by companies within the charge to UK corporation tax are treated for UK tax purposes. The legislation provides for a wide exemption from UK corporation tax on such distributions (including distributions received from non-UK companies) subject to certain exclusions and specific anti-avoidance rules. In addition, Finance Act 2009 extends the availability of the dividend tax credit of 1/9<sup>th</sup> of the gross dividend which is currently available to certain individual investors on dividends received from certain non-UK resident companies. Subject to any exclusions and anti-avoidance rules, the legislation provides that individual investors in an offshore fund, such as the SICAV, may be entitled to the tax credit. However, as a result of anti-avoidance rules such credit will not be available to individual investors in certain offshore corporate funds where the market value of the fund's investments in debt instruments, securities and certain other offshore corporate funds which invest in similar assets exceeds 60 per cent. of the market value of all of the assets of the fund at any relevant time. Investors in these funds will be treated as receiving an interest payment which will not carry the tax credit.

Except in the case of a company owning directly or indirectly not less than ten per cent of the voting share capital of the SICAV, no credit will be available against a Shareholder's UK taxation liability in respect of income distributions of the SICAV for any taxes suffered or paid by the SICAV on its own income.

Section 41 of the Finance Act 2008 and the Offshore Funds (Tax) Regulations 2009 provide that if an investor who is resident or ordinarily resident in the UK for taxation purposes is a participator in an overseas company that constitutes an "offshore fund" and that company is not certified as a "reporting fund" throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (which may include, where applicable, redemption by the SICAV) will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain. The holding of Shares will constitute participation in an "offshore fund" for the purposes of these provisions.

The Directors currently intend that the SICAV will not seek certification as a reporting fund. Accordingly, Shareholders who are resident or ordinarily resident in the UK for taxation purposes may be liable to UK income taxation in respect of gains arising from the sale, redemption or other disposal of their Shares. Such gains may remain taxable notwithstanding any general or specific UK capital gains tax exemption or allowance available to an investor and this may result in certain investors incurring a proportionately greater UK taxation charge. Any losses arising on the disposal of Shares by Shareholders who are resident or ordinarily resident in the UK will be eligible for capital gains loss relief.

A Shareholder who is resident or ordinarily resident in the UK and who, subsequent to subscription, wishes to exchange Shares of one Class into Shares of a different Class in accordance with the procedure outlined in "Conversion of Shares" above should note that such an exchange could give rise to a disposal triggering a potential liability to income tax or corporation tax as appropriate depending upon the value of the shareholding on the date of conversion.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 ("CTA 2009") provides that, if at any time in an accounting period a corporate investor within the charge to UK corporation tax holds an interest in an offshore fund and there is a time in that period when that fund fails to satisfy the "non-qualifying investments test", the material interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the "Corporate Debt Regime"). The Shares will constitute an interest in an offshore fund. In circumstances where the test is not so satisfied (for example where a Class invests in cash, securities or debt instruments and the market value of such investments exceeds 60% of the market value of all its investments at any time) the Shares in the relevant Class will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on the Shares in the relevant Class in respect of each corporate investor's accounting period during which the test is not met (including gains, profits and deficits and, exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate investor in the SICAV may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the

value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The provisions relating to non-reporting funds (outlined above) would not then apply to such corporate Shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined below) would then be substantially mitigated.

The attention of individual Shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the SICAV may be attributed to such a Shareholder and may render them liable to taxation in respect of the undistributed income and profits of the SICAV. This legislation will, however, not apply if such a Shareholder can satisfy HM Revenue and Customs that either:

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

Chapter IV of Part XVII of the Taxes Act subjects UK resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions, broadly, affect UK resident companies which hold, alone or together with certain other associated persons shares which confer a right to at least 25% of the profits of a non-resident company where that non-resident company is controlled by persons who are resident in the UK and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of capital gains. The legislation provides for certain exceptions, though, as a part of an ongoing reform of these provisions, the exception for a company which implements an acceptable distribution policy was repealed by Finance Act 2009. This amendment takes effect for accounting periods beginning on or after 1 July 2009 with further reform of the legislation expected to take place in future based on the outcome of the ongoing consultation.

The attention of persons resident or ordinarily resident in the UK for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 applies to a “participator” for UK taxation purposes (which term includes a shareholder) if at any time when a gain accrues to the SICAV which constitutes a chargeable gain for those purposes, at the same time, the SICAV is itself controlled by a sufficiently small number of persons so as to render the SICAV a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a “participator” in the SICAV being treated for the purposes of UK taxation of chargeable gains as if a part of any chargeable gain accruing to the SICAV had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the SICAV as a “participator”. No liability under section 13 could be incurred by such a person however, where such proportion does not exceed one-tenth of the gain.

In the case of UK resident or ordinarily resident individuals domiciled outside the UK, section 13 applies only to gains relating to UK situate assets of the SICAV and gains relating to non-UK situate assets if such gains are remitted to the UK.

Individuals who are resident or ordinarily resident in the UK but not domiciled in the UK for taxation purposes should note that if they are applying for Shares in certain Classes they may be required to make payment directly into a UK bank account. Where such an individual intends to meet subscription proceeds from funds sourced outside the UK, it is conceivable that such a payment might give rise to a taxable remittance for the purposes of UK taxation, depending upon the particular circumstances of that individual. Accordingly, it is recommended that such individuals seek independent taxation advice in this respect before making a subscription for Shares from such funds.

**The summary given in this section is for information purposes only. It is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares. The tax consequences applicable to investors may vary depending on their particular circumstances. It is the responsibility of all prospective investors to inform themselves as to the tax consequences and any foreign exchange or other fiscal or legal restrictions, which may be relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. The above is a brief summary of certain aspects of UK taxation law and practice relevant to the transactions contemplated in the Prospectus. While it is based on the law and practice and official interpretation currently in effect, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretation given or that changes in such law and practice will not occur.**

## **SPECIFIC RESTRICTIONS ON OFFERING**

### **Identification of subscribers**

Pursuant to the laws and regulations of Luxembourg with respect to the fight against money laundering and terrorism financing and, in particular, pursuant to any relevant Circulars issued by the Regulatory Authority from time to time, obligations have been imposed on financial sector individuals to prevent the use of UCIs for money laundering and terrorism financing purposes. To meet these requirements the application form of a subscriber (and, where necessary, a beneficial owner) must be accompanied, in the case of individuals, by a copy of the passport or identification card and/or in the case of legal entities, a copy of the articles of incorporation and an extract from the commercial register (any such copy must be certified to be a true copy by one of the following authorities: embassy, consulate, notary, local police or other authorities determined on a case by case basis by the SICAV). Such identification procedure may be waived by the SICAV in the following circumstances:

- a) in the case of a subscription through a professional of the financial sector resident in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering and terrorism financing;
- b) in the case of a subscription through a professional of the financial sector whose parent is subject to an identification obligation equivalent to that required by Luxembourg law and where the law applicable to the parent -or a statutory or professional obligation pursuant to a group policy- impose an equivalent obligation on its subsidiaries or branches.

The investor due diligence procedure may be simplified or enhanced depending on the profile of an investor in terms of the risk of money laundering or terrorist financing.

In accordance with article 3 of the CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, an enhanced due diligence will also be applied on the Fund's nominees or any other type of intermediaries.

As per the AML Law, the Fund as well as the Management Company are also required to apply precautionary measures regarding the assets of the Fund.

Subject to the discretion of the SICAV, it is generally accepted that financial professionals resident in a country which has ratified the conclusions of the Financial Action Task Force are deemed to have identification requirements equivalent to that required by Luxembourg law.

### **Excessive Trading/Market Timing**

The SICAV does not permit excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm the SICAV's performance. To minimise harm to the SICAV and the Shareholders and for the benefit of the relevant Sub-Fund, the SICAV has the right to suspend any subscription, redemption or conversion order, or levy a fee of up to 2% of the value of

the order from any investor who is engaging in excessive trading or has history of excessive trading or if an investor's trading, in the opinion of the SICAV, has been or may be disruptive to the SICAV or any of the Sub-Funds.

In exercising these rights, the SICAV may consider trading done in multiple accounts under common ownership or control. Where accounts are held by an intermediary on behalf of client(s), such as nominee accounts, the SICAV may require the intermediary to provide information about the transactions and to take action to prevent excessive trading practices. The SICAV also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The SICAV will not be held liable for any loss resulting from rejecting orders or mandatory redemptions.

### **General Distribution**

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors, may be restricted or prohibited by law. Investors should note that some Sub-Funds and/or Classes may not be available to all investors. Their financial advisor can give them information about which Sub-Funds and/or Classes are offered in their country of residence.

### **Distribution in the European Union - General**

In the European Union, the SICAV and its Sub-Funds may be invested by Professional Investors or Retail Investors, as specified for each Sub-Fund in Appendix I.

### **Distribution in the United Kingdom**

The SICAV is a collective investment scheme as defined in the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. It has not been authorised, or otherwise recognised or approved by the United Kingdom's Financial Conduct Authority ("FCA") and, accordingly, cannot be marketed in the United Kingdom to the general public.

The issue or distribution of this Prospectus in the United Kingdom, (a) if made by a person who is not an authorised person under FSMA, is being made only to, or directed only at, persons who are (i) investment professionals under article 19 of the FSMA (Financial Promotion) Order 2001 (the "FPO"); or (ii) high net worth entities or certified sophisticated investors falling within articles 49 and 50 of the FPO, respectively, (all such persons under (i) and (ii) together being referred to as "FPO Persons"); and (b) if made by a person who is an authorised person under FSMA, is being made only to, or directed only at, persons who are (i) investment professionals under article 14 of the FSMA 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "PCIS Order"); or (ii) high net worth entities or certified sophisticated investors falling within articles 22 and 23 of the PCIS Order, respectively; or (iii) persons to whom it may otherwise be lawfully distributed under chapter 4.12 of the FCA's Conduct of Business sourcebook (all such persons under (i) and (ii) together being referred to as "PCIS Persons" and, together with the FPO persons, "Relevant Persons").

Investment professionals under the FPO and the PCIS Order are persons authorised pursuant to FSMA or exempt from the requirement to be so authorised; governments,

local and public authorities; persons who invest, or can reasonably be expected to invest, in the SICAV on a professional basis; and any director, officer, executive or employee of any such person when acting in that capacity.

High net worth entities under the FPO and the PCIS Order are (a) any body corporate with, or grouped with another person that has, paid up share capital or net assets exceeding £5m (or currency equivalent); (b) any body corporate with, or grouped with another person that has, at least 20 members and paid up share capital or net assets exceeding £500,000 (or currency equivalent); (c) any partnership or unincorporated body with net assets exceeding £5m (or currency equivalent); (d) the trustee of any trust which at any time in the 12 months preceding the date of the promotion constituted by this Prospectus had a gross value of £10m (or currency equivalent) in cash or FSMA regulated investments; or (e) any director, officer, executive or employee of any person in (a) to (d) above when acting in that capacity.

Certified sophisticated investors under the FPO and the PCIS Order are persons who (a) have a certificate signed within the past three years by a firm authorised by the FCA or an equivalent EEA regulator stating that the person is sufficiently knowledgeable to understand the risks associated with participating in unregulated collective investment schemes; and (b) have themselves in the past 12 months signed a statement in prescribed terms.

This Prospectus is exempt from the scheme promotion restriction in section 238 FSMA on the communication of invitations or inducements to participate in unregulated collective investment schemes on the ground that it is made to Relevant Persons, and it must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Prospectus relates, including the sale of Shares, is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Buying Shares may expose an investor to a significant risk of losing all of the property they invest. Any Relevant Person who is in any doubt about the SICAV should consult an authorised person who specialises in advising on investing in unregulated collective investment schemes.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the SICAV and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

### **Distribution in the United States**

The SICAV is not offering Shares either (i) in the United States or (ii) to, or for the account or benefit of, any person that is (A) a “U.S. person” as defined in Regulation S under the United States Securities Act of 1933, as amended, (B) not a “Non-United States Person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended, (C) a “United States person” as defined in Section 7701(a)(30) of the United States Internal Revenue Code, as amended or (D) a “U.S. Person” as defined in the Further Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as promulgated by the United States Commodity Futures

Trading Commission, 78 Fed. Reg. 45292 (26 July 2013), as may be amended, (any person referred to in any of (A), (B), (C) or (D), a “Restricted U.S. Investor”). Neither the Securities and Exchange Commission (“SEC”) nor any other federal or state regulatory authority has passed on or endorsed the merits of this offering or the accuracy of adequacy of this Prospectus. This document may not be delivered to any prospective investor in the United States or to any Restricted U.S. Investor. This Prospectus is being given to the recipient solely for the purpose of evaluating the investment in the Shares described herein. All subscribers for Shares will be required to represent that they are not, and are not subscribing for Shares for the account or benefit of, a Restricted U.S. Investor. If the Management Company determines that any Shares are held by, or for the account or benefit of, a Restricted U.S. Investor, the Management Company will direct the Registrar and Transfer Agent of the SICAV to redeem those Shares on a compulsory basis.

The investor is not, and is not subscribing for Shares for the account or benefit of a Restricted U.S. Investor as defined above. The investor is required to notify the Management Company or its agents immediately if the investor either becomes a Restricted U.S. Investor or holds Shares for the account or benefit of a Restricted U.S. Investor and any Shares held by or for the account of the investor shall be subject to compulsory redemption.

## **APPENDIX I: SUB-FUNDS**

### **EUROPEAN CREDIT CONTINUUM (hereinafter the “Sub-Fund”)**

#### **1. Investment Objective**

The Sub-Fund seeks to achieve capital growth and income over the recommended holding period.

The Sub-Fund seeks performance (before applicable fees) in line with Euribor + 3%.

#### **2. Investment Policy**

The Sub-Fund is mainly exposed to a diversified portfolio of debt and debt-related instruments of any type, including asset-backed or mortgage-related securities and private debt, denominated in Euro or in other currencies, provided that these are principally hedged back to Euro.

The Sub-Fund pursues a flexible investment strategy, seeking exposure to a broad range of issuers and segments of debt markets from anywhere in the world, including Emerging Markets, and in securities of any rating.

The Sub-Fund may be exposed to the following debt instruments both the primary and secondary markets:

- (i) Senior Secured Loans and/or Other Senior Secured Obligations (as such terms are defined below) (together the "Senior Secured Debt Obligations"); and
- (ii) Junior Loans and/or Other Junior Debt Obligations (as such terms are defined below) (together the "Junior Debt Obligations").

The Sub-Fund may pursue its investment policy through a Subsidiary. "Subsidiary" means any legal structure established by the SICAV or by the Management Company on behalf of the SICAV for the purposes of investing in the underlying assets and which is controlled directly or indirectly by the SICAV or by the Management Company on behalf of the SICAV. It is expected that up to 80% of the investments of the Sub-Fund may be made on a look-through basis via a compartment of Amundi Real Assets Company (“ARAC”), qualifying as a Subsidiary of the SICAV, or through any other Subsidiary.

The Sub-Fund may also invest in short-term debt obligations, short-term bond funds and money market instruments. The Sub-Fund invests in debt obligations with a broad range of maturities and does not have a targeted maturity range for its portfolio.

Following an insolvency event, work-out or other similar arrangement with a borrower, the Sub-Fund may hold equity or equity related securities (including shares, warrants, options, convertible securities or such similar instruments) which may be listed or unlisted. The Sub-Fund may sell, deal in or hold such securities as the Investment Manager considers to be in the best interest of the Sub-Fund’s Shareholders.

Debt obligations may be unrated or if rated, would typically (although not exclusively) be rated below Investment Grade.

The Sub-Fund may use certain active currency, credit and interest rate management techniques related to the currency, credit and interest rate risks associated with the investments held by it in an effort to increase total return on a risk adjusted basis or in connection with hedging arrangements (through the use of derivative financial instruments such as interest rate swaps, credit default swaps, options, futures and/or forwards).

The Investment Manager reserves the right to reduce, increase or divest such investments as it deems appropriate throughout the life of the Sub-Fund.

A “Senior Secured Loan” is a debt obligation of a borrower paying a floating, fixed, or combined floating and fixed rate of interest or similar remuneration, where the debt obligation provider benefits from a first ranking security right over all, or substantially all of the borrower assets (including shares in the parent or any subsidiary undertaking(s)) as it is normal for the relevant jurisdiction(s).

An “Other Senior Secured Obligation” is a debt obligation (such as but not limited to a bond, floating rate note, or other equivalent debt obligation) of an issuer paying a floating, fixed, or combined floating and fixed rate of interest or similar remuneration, where the debt obligation holder benefits from a first ranking security right over all, or substantially all of the borrower assets (including shares in the parent or any subsidiary undertaking(s)) as it is normal for the relevant jurisdiction(s).

A “Junior Loan” is a senior unsecured or junior secured debt obligation of a borrower paying a floating, fixed payment-in-kind (“PIK”), zero or any combination of floating, fixed, PIK or zero rate of interest or similar remuneration, where the debt obligation provider benefits from the obligations of the borrower on either (i) a pari passu unsecured basis or (ii) through a security right ranking subordinated to the first ranking security rights over all, or substantially all of the borrower assets (including shares in the parent or any subsidiary undertaking(s)) as is normal for the relevant jurisdiction(s).

An “Other Junior Obligation” is a senior unsecured or junior secured debt obligation (such as but not limited to a bond, floating rate note, or other comparable debt obligation) of an issuer paying a floating, fixed, PIK, zero or any combination of floating, fixed, PIK or zero rate of interest or similar remuneration, where the debt obligation holder benefits from the obligations of the issuer on either (i) a pari passu unsecured basis or (ii) through a security right ranking subordinated to the first ranking security rights over all, or substantially all of the issuer assets (including shares in the parent or any subsidiary undertaking(s)) as is normal for the relevant jurisdiction(s).

Floating rate investments are securities and other instruments with interest rates that adjust or “float” periodically based on a specified interest rate or other reference and include floating rate loans, repurchase agreements, money market securities and shares of money market and short-term bond funds.

The Sub-Fund may use derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure to various assets, markets or income streams.

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in Section “Sustainable Investment” of the Prospectus.

### **3. Investor Profile**

In the European Economic Area, this Sub-Fund is restricted to and recommended for Professional Investors:

- with an average knowledge of investing in funds and some experience of investing in the Sub-Fund or similar funds.
- who understand the risk of losing some or all of the capital invested.
- seeking to increase the value of their investment over the recommended holding period.

Outside the European Economic Area, the Sub-Fund may be offered to investors not falling within the definition of Professional Investors.

Recommended holding period: 4 years.

### **4. Investment Restrictions**

- a) The Sub-Fund may invest up to 100% of its assets in non-listed securities.
- b) In respect of the Sub-Fund’s investments in securities and instruments, the Sub-Fund will not:
  - i. acquire more than 10% of the transferable securities or money market instruments of the same nature issued by the same issuer,
  - ii. invest more than 10% of its net assets in transferable securities or money market instruments issued by the same issuer provided that the total value held in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the net asset value when taken together with the assets underlying any investment in ARAC (as defined above) or any other Subsidiary.

The above restrictions shall not apply to investments in securities issued, or guaranteed by an OECD Member State, or its regional, or local authorities, or by the European Union, regional, or global supranational institutions and bodies.

If applicable, such restrictions shall only be considered at the level of the Subsidiary for each investment made through such Subsidiary and on a look-through basis.

- c) In respect of the Sub-Fund’s borrowings, the Sub-Fund may borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis.

- d) The Sub-Fund will not directly carry out uncovered sales of transferable securities, money market instruments or other financial instruments, nor directly grant loans.
- e) The Sub-Fund may invest up to 10% of its assets in UCITS and other UCIs.
- f) In respect of the Sub-Fund's investment in derivative instruments, the Sub-Fund shall ensure that its global risk exposure relating to derivative instruments does not exceed the total Net Asset Value of its portfolio.

The Sub-Fund may use financial derivative instruments including OTC derivatives for hedging and investment purposes such as currency forwards or swaps (including interest rate swaps, currency swaps, credit default swaps, total return swaps). In particular, total return swaps may be used to obtain exposure to debt obligations. The Sub-Fund's exposure to total return swaps is expected to represent approximately 10% of its assets and will not exceed 50% of its assets. In certain circumstances, these proportions may be higher.

The Sub-Fund may incur transaction costs upon entering into total return swaps and/or any increase or decrease of their notional amount. The fees and transactions costs of debt obligations may include, but are not be limited to, due diligence fees, legal fees, notary fees, intermediary fees, and transfer fees.

The Sub-Fund may retain amounts in cash or cash equivalents if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements such as currency forwards or swaps.

The Sub-Fund may also enter into repurchase transactions and securities lending transactions. Although it is not expected that the Sub-Fund would get exposure to repurchase transactions, any exposure thereto, as the case may be, will not exceed 10% of its assets. Although it is not expected that the Sub-Fund would get exposure to securities lending transactions, any exposure thereto, as the case may be, will not exceed 90% of its assets. In certain circumstances, these proportions may be higher.

## **5. Leverage**

The Sub-Fund may be leveraged for investment purposes as a consequence of the use of financial derivative instruments and other positions, efficient portfolio management and borrowing.

The leverage of the Sub-Fund calculated according to the gross method is not expected to exceed 400%. The leverage of the Sub-Fund calculated according to the commitment method is not expected to exceed 200%.

Under certain circumstances (e.g. very low market volatility) the leverage may exceed the levels referred above.

## **6. Classes**

For the time being, Class A, A2, I, I2, J, J2, R and R2 Shares are available in the Sub-Fund.

## **7. Investment Manager**

The investment management of the Sub-Fund will be undertaken by Amundi Asset Management S.A.S..

## **8. Dealings**

Applications for subscription or redemption of Shares in the Sub-Fund must be received by the Registrar and Transfer Agent (on behalf of the Management Company) at any time before 12.00 midday Luxembourg time (the “cut-off time”) not later than two (2) Business Days before the relevant Valuation Day.

No conversions are available to or from the Sub-Fund, except conversions between Shares of the Sub-Fund.

Applications for redemption of Shares are subject to an overall maximum aggregate net redemption limit of 5% of the total assets of the Sub-Fund for each relevant Valuation Day (the “Redemption Limit”) which may be applied at the discretion of the Management Company. Where redemption requests received from Shareholders do not exceed the Redemption Limit, transactions will be processed on the Valuation Day for which the redemption request is received (or deemed to have been received), provided such redemption request is received (or deemed to have been received) before the cut-off time as described above.

If the aggregate net redemption requests for a relevant Valuation Day made by Shareholders result in the Redemption Limit being exceeded, the Management Company may, but is not obliged to, refuse to effect all of the redemptions concerned to the extent they exceed the Redemption Limit.

The Management Company may, with the approval of the Shareholder, make, in whole or in part, a distribution in kind of securities or other assets of the Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. Such redemption will be made in accordance with the provisions disclosed in the Prospectus under the heading “Redemption of Shares”.

## **9. Valuation Day**

The Valuation Day of the Sub-Fund is the last Business Day of each week. The Net Asset Value for a Valuation Day is normally calculated by reference to the value of the underlying assets of the relevant Class within the Sub-Fund. The underlying assets are valued at the last available prices on the relevant Valuation Day. The Net Asset Value may also be calculated at such more frequent intervals as determined by the Management Company and duly notified to investors.

Shares of the Sub-Fund may normally be purchased, converted or redeemed at prices based on the Net Asset Value per Share calculated on a Valuation Day.

## 10. Minimum Assets Level

If the Net Asset Value of this Sub-Fund falls under EUR 50,000,000, the Board of Directors of the Management Company may decide, within a period of six months, to liquidate the Sub-Fund by the compulsory redemption of all the Shares.

## 11. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is EUR.

## 12. Pricing Currency of the Shares

The Management Company may issue shares in EUR or USD or such other freely convertible currency as they may decide. The Pricing Currency in which the Shares are currently issued in the Sub-Fund is more fully disclosed in the current application form.

## 13. Fees

Class	Management Fee (Max)	Sales Charge (Max)	Performance Fee
A	0.90%	4.5%	20%
A2	1.05%	4.5%	None
I	0.50%	None	20%
I2	0.55%	None	None
J	0.50%	None	20%
J2	0.55%	None	None
R	0.50%	None	20%
R2	0.60%	None	None

Performance fee hurdle: Euribor + 3%

## 14. Performance fee

The performance fee is charged only when a share class of a sub-fund outperforms the performance fee hurdle over the performance fee measurement period (as defined below). The fee is equal to the performance fee percentage multiplied by the amount of the outperformance.

The performance fee accrues daily as part of the net asset value calculation. During the each measurement period, previously accrued fees are cancelled out by any subsequent underperformance. However, when distributions or redemption proceeds are paid out during a performance fee period, any performance fee that has accrued as of that point is considered earned. Thus on redemption of shares or payment of a cash distribution when there is an accrued performance fee, the share of the accrued fee will be deducted from the amount paid to the investor. The accrued performance fee is paid to the management company at the end of the performance period.

Different share classes may have different net asset values, therefore the actual performance fees paid may vary by share class. For distributing shares, any distributions paid out are counted as part of performance for purposes of performance fee calculation.

Performance fee measurement period: means a one (1) year period from 1<sup>st</sup> January – 31<sup>st</sup> December. The first period will end on 31<sup>st</sup> December 2019. The performance fee measurement begins regardless of whether any performance fee was due or not at the end of the preceding period.

## **15. Specific Risks**

The Sub-Fund is subject, in particular, to the following risks:

- Specific risks associated with underlying investments;
- Risk of lack of liquidity; and
- Credit risk: the Sub-Fund may invest in Other Junior Obligations. Investment in such instruments may entail an increased credit risk as they would rank behind other debt instruments of the same issuer should the issuer fall into liquidation or bankruptcy, *i.e.* they will be repayable only after other debts have been paid.

Investors should also be aware that investments of the Sub-Fund may be undertaken by a Subsidiary on a look-through basis, meaning that the investments provided at the level of the Subsidiary will be considered as being undertaken by the SICAV itself for the Sub-Fund.

## **16. Duration**

The Sub-Fund is created for an unlimited period of time.

**AMUNDI ELTIF LEVERAGED LOANS EUROPE**  
(hereinafter the “Sub-Fund”)

**1. General**

**This section should be read as an introduction to the features of the Sub-Fund and is not a substitute for reading the Prospectus in its entirety. Any decision to invest in the Sub-Fund should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member states, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability may be attached to the SICAV, as the entity which has tabled this section including any translation hereof, and applied for its notification, but only if this section is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.**

**Potential investors should take note of the following:**

- **The Sub-Fund has a seven-year life as from its first closing date which may be extended by up to another one year. It is an illiquid investment and its investments are long term in nature. Therefore the Sub-Fund may not be suitable for Retail Investors that are unable to sustain such a long-term and illiquid commitment.**
- **The Sub-Fund is intended to be marketed to Retail Investors that are eligible investors under the ELTIF Regulation.**
- **Investors shall have the right to redeem their Shares in the Sub-Fund before the end of the life of the Sub-Fund only in accordance with the provisions set out under section “Redemptions” below. Investors may freely transfer their Shares to third parties meeting the Sub-Fund’s eligibility criteria.**
- **The Sub-Fund intends to use leverage up to 30% of the value of its capital and borrow money to purchase Eligible Investment Assets as permitted by the ELTIF Regulation. When used, this leverage will proportionately increase gains or losses made by the Sub-Fund.**
- **All investors benefit from equal treatment and no preferential treatment nor specific economic benefits are granted to individual investors or groups of investors.**
- **Investors shall have no obligation to make contributions to the Sub-Fund in excess of their respective subscription amount.**
- **During the life of the Sub-Fund, distributions shall be made in accordance with section “Distribution Policy” below.**

- Investors should ensure that only a small proportion of their overall investment portfolio should be invested in an ELTIF such as the Sub-Fund, as further described under section “Eligible Investors” below.
- Financial derivative instruments shall only be used for hedging risks arising from exposures to eligible assets under the ELTIF Regulation.
- The specific risks linked to investments in the Sub-Fund are set out under section “Specific Risks” below.

## 2. Sub-Fund Costs

It is expected that based on the current business forecast, the following costs (in % of the capital of the ELTIF that is its total capital contributions and uncalled committed capital) would be borne, directly or indirectly, by Investors in the Sub-Fund:

	Class A	Class E	Class H	Class I
<b>One-off costs</b>				
Costs of setting up the Sub-Fund (1)	0.13%			
Costs related to the acquisition of assets (2)	0.28%			
<b>Charges taken from the Sub-Fund over a year</b>				
Distribution costs (3)	0.06%	0.06%	0.06%	None
Management fees (4)	1.50%	1.20%	1.00%	0.75%
Other costs (5)	0.20%			
<b>Charges taken from the sub-Fund under specific conditions</b>				
Performance fees	None			
<b>Aggregate all the costs and charges mentioned above</b>				
Overall ratio (6)	1.82%	1.52%	1.32%	1.01%

The figures set out in the table above are based on ex-ante estimated costs. Ex-posts effective costs will be disclosed in the Sub-Fund’s annual report.

### *(1) Costs of setting up the Sub-Fund*

The costs of setting up the Sub-Fund comprises all the expected administrative, regulatory, depositary, custodial, professional service, legal and audit costs related to the setting up of the Sub-Fund irrespective of whether they are paid to the Management Company of the Sub-Fund or to any third party and also include the Sub-Fund’s portion of the SICAV’s establishment and organizational expenses.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital.

(2) *Costs related to acquisition of assets*

The Sub-Fund (including any Subsidiary (as defined in section “Investment Strategy” below) or other vehicles, through which it makes investments) will be responsible for, and the Investors in the Sub-Fund will bear their allocable share of, all the expected expenses incurred by the Sub-Fund in connection with the Sub-Fund’s business, affairs and operations, including identifying, structuring, managing, evaluating, trading, conducting due diligence on, investing in, acquiring, holding, disposition of (including the transfer or sale of), any investment or prospective investment (whether or not consummated), including “broken-deal expenses”, legal, accounting, advisory fees, fees of finders or sourcing partners, and travel and accommodation expenses.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital.

(3) *Distribution costs*

The distribution costs comprise all the expected administrative, regulatory, professional service and audit costs related to distribution.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions over a one-year period.

(4) *Management fees*

The management fees comprises all payments to the Management Company, including any person to whom this function has been delegated, except the fees that are related to the acquisition of assets.

The Management Company will pay the fees of the Investment Manager from the Management Fee. Additionally, the Management Company may pay all or part of the Management Fee to any party that provides services to the Management Company or the Investment Manager, or in respect of the SICAV, including any distributor or sub-distributor.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital over a one-year period.

Investors shall refer to section “Charges and Expenses” of this Prospectus for details on the calculation of the Management Fees.

(5) *Other costs, including administrative, regulatory, depositary, custodial, professional services and audit costs*

Those costs comprise all the expected payments to the Depositary and Paying Agent, the Administrator, Registrar and Transfer Agent, the Auditors, including any person to whom they have delegated any function.

These costs also comprise all payments to any person providing outsourced services to any of the above, and all the expected payments to legal and professional advisers, audit fees, registration fees, regulatory fees.

These costs do not include the costs related to the setting up of the Sub-Fund, the costs related to acquisition of assets, the distribution costs and the management fees.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital over a one-year period.

(6) *Overall ratio*

The overall ratio is the ratio of the expected total ex-ante estimated costs of the Sub-Fund to the capital of the Sub-Fund, based on the current business forecast.

The total ex-ante estimated costs are equal the sum of:

- i. the management fees as referred to in (4) above,
- ii. the distribution costs as referred to in (3) above
- iii. the other costs as referred to in (5) above, and
- iv. the sum of the costs of setting up the Sub-Fund referred to in (1) above and the costs related to the acquisition of assets referred to in (2) above, divided by the life of the Sub-Fund (*i.e.* seven-year as from its first closing date)

### **3. Complaints and Local Facilities**

Complaints by an investor in connection with its investment in the Sub-Fund should be addressed in accordance with section “Queries and Complaints” of the Prospectus.

The facilities which are required to be made available to Retail Investors in accordance with Article 26 of the ELTIF Regulation will be provided, to the extent applicable, by Retail Investors’ placement agents or financial advisers (as the case may be), in accordance with the ELTIF Delegated Regulation. In addition, local regulations in certain jurisdictions in which the Sub-Fund may be marketed may, from time to time, require the appointment of paying agents and/or other local agents.

### **4. Investment Objective**

The Sub-Fund's objective is to generate attractive risk-adjusted returns by primarily investing, either directly or indirectly through a Subsidiary, in a diversified portfolio of leveraged loans and private debt instruments. It may also invest in bonds and junior investment opportunities. The Sub-Fund aims at creating a diversified portfolio of investments from both the primary and secondary markets with a focus on tradable, performing, non-distressed senior secured debts.

As an ELTIF, the Sub-Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. The Sub-Fund will itself be, and an investment in the Sub-Fund should be viewed by investors as, long-term in nature.

The Sub-Fund's investments will qualify as eligible investments for an ELTIF, in particular with regard to eligible assets and spreading of investment risks in accordance with Chapter II of the ELTIF Regulation.

The Sub-Fund's performance will not be determined by reference to any benchmark.

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in Section "Sustainable Investment" of the Prospectus.

## 5. Investment Strategy

The Sub-Fund aims at creating a diversified portfolio of investments from both the primary and secondary markets by investing, either directly or indirectly through a Subsidiary, by way of sub-participations or otherwise:

- (i) mostly in syndicated loans and private debt instruments (both of which generally pay a floating rate of interest), and also in junior investment opportunities ; and
- (ii) incidentally in high yield bonds, corporate bonds, short-term debt obligations, short-term bond funds and money market instruments;

all of which, taken together, constitutes the "**Debt Obligations**".

The Sub-Fund may pursue its investment policy through a Subsidiary. "**Subsidiary**" means any legal structure established for the purposes of investing in the underlying assets and which is controlled directly or indirectly by the SICAV or by the Management Company on behalf of the SICAV and has the same auditor and the same financial year and subject to the same depositary safe-keeping duties as the SICAV.

The Sub-Fund invests in Debt Obligations with a broad range of maturities and does not have a targeted maturity range for its portfolio, other than what is expected to be coherent with the term of the Sub-Fund.

The Sub-Fund will not grant any loans.

The Sub-Fund will be permitted to invest in portfolio undertakings that are established in Eligible Jurisdictions.

"**Eligible Jurisdictions**" means (i) Member States; or (ii) third countries, provided that the relevant third country (a) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force, and (b) has signed an agreement with Luxembourg (as the Management Company's home EU member state) and with every other Member State in which the Shares are intended to be marketed to ensure that the third country fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements.

The Sub-Fund reserves the right to reduce, increase or divest such investments as it deems appropriate throughout the life of the Sub-Fund and in accordance with ELTIF Regulation.

For the avoidance of doubt, the Sub-Fund has been established in line with the aims of the ELTIF Regulation as set out in recital 1 of the ELTIF Regulation.

## **6. Borrowings and Leverage**

The Sub-Fund may, either directly or indirectly through a Subsidiary, borrow and enter into credit facilities or other financing transactions or otherwise incur leverage for the purpose of investing in Eligible Investment Assets as permitted by the ELTIF Regulation except for loans granted by the Sub-Fund to a qualifying portfolio undertaking within the meaning of the ELTIF Regulation (a “**Qualifying Portfolio Undertaking**”), and provided that such borrowings: (i) do not at any time represent more than 30% of the value of the capital of the Sub-Fund; (ii) are in the same currency as the assets to be acquired; (iii) have a maturity no longer than the life of the Sub-Fund; and (iv) encumber assets that represent no more than 30% of the value of the capital of the Sub-Fund.

Subject to Article 16 of the ELTIF Regulation, the Sub-Fund may, either directly or indirectly through a Subsidiary, enter into guarantees, indemnities, covenants and undertakings in connection with investments made by the Sub-Fund. The Sub-Fund may secure any such borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in the Sub-Fund’s assets in accordance with Article 16 of the ELTIF Regulation.

The leverage of the Sub-Fund calculated according to the gross method is not expected to exceed 250%. The leverage of the Sub-Fund calculated according to the commitment method is not expected to exceed 200%.

## **7. Hedging Policy**

The Sub-Fund may hedge its exposure to currency risk due to investments denominated in currencies other than the euro. However, investors should note that the Sub-Fund is under no obligation whatsoever to engage in such hedging arrangements. The Sub-Fund may purchase and sell foreign currency in conjunction with the purchase or sale of underlying investments as part of its hedging strategy. The Sub-Fund’s foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Sub-Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Sub-Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis.

The Sub-Fund may also use certain active currency, credit and interest rate management techniques related to the currency, credit and interest rate risks associated with the investments held by it for hedging purposes (through the use of derivative financial instruments such as interest rate swaps, credit default swaps, options, futures and/or forwards).

Financial derivative instruments may be used only for the purpose of hedging risks inherent to other investments of the Sub-Fund.

## **8. Investment Restrictions**

If applicable, the following restrictions prescribed by the ELTIF Regulation shall only be considered at the level of the Subsidiary for each investment made through such Subsidiary and on a look-through basis.

The Management Company and/or the Investment Manager shall procure that:

- a) the Sub-Fund shall, in line with the ELTIF Regulation, only invest in (i) Eligible Investment Assets and (ii) UCITS Eligible Assets;
- b) the Sub-Fund shall not undertake any of the following activities:
  - (i) short selling of assets;
  - (ii) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them;
  - (iii) entering into securities lending, securities borrowing, repurchase transactions, or any other agreement which has an equivalent economic effect and poses similar risks, if thereby more than 10% of the assets of the Sub-Fund are affected by such transactions;
  - (iv) using financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Sub-Fund;
- c) at least 70% of its capital shall be invested in Eligible Investment Assets;
- d) no more than 10% of its capital shall be invested in instruments issued by, or loans granted to, any single Qualifying Portfolio Undertaking;
- e) no more than 10% of its capital shall be invested directly or indirectly in any single real asset;
- f) no more than 5% of its capital shall be invested in UCITS Eligible Assets where those assets have been issued by any single issuer (and the concentration limits set out in Article 56(2) of the UCITS Directive shall also apply to investments in such assets by the Sub-Fund); and
- g) the aggregate risk exposure to any single counterparty of the Sub-Fund in relation to over the counter (OTC) derivative transactions, repurchase agreements or reverse repurchase agreements, shall not exceed 5% of the value of the capital of the Sub-Fund.

The investment limits in (c) above shall apply from the date that is the earlier of (i) five years after the date of the Sub-Fund's authorization as an ELTIF and (ii) half the term of the Sub-Fund until the commencement of the winding-up of the Sub-Fund.

The 10% limits in (d) and (e) above may be increased to 20% if the aggregate value of the assets held by the Sub-Fund in Qualifying Portfolio Undertakings and in individual real assets in which it invests more than 10% of its capital does not exceed 40% of the value of the capital of the Sub-Fund.

The 5% limit in (f) above may be increased to 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders (in particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest).

Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognized international accounting rules, shall be regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section.

## **9. Risk management**

The method employed to calculate the global exposure of the Sub-Fund and to represent its risk profile is the commitment method.

Under the commitment method, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of the Sub-Fund is limited to 200% of its Net Asset Value.

## **10. Specific Risks**

Investors should read carefully Appendix II of the Prospectus in particular, but without limitation, sections “Specific risks associated with underlying investments”, “Risk of lack of liquidity of a Sub Fund”, “Leverage/Borrowing risk”, “Credit risk”, “Paying Agents”. An investment in the Sub-Fund, can ancillary involve also counterparty risks and foreign exchange/currency risks.

Investors should also be aware that investments of the Sub-Fund may be undertaken by a Subsidiary on a look-through basis, meaning that the investments provided at the level of the Subsidiary will be considered as being undertaken by the SICAV itself for the Sub-Fund.

The Sub-Fund is subject, in particular, to the following risks:

### **Investment in loans**

The Sub-Fund may invest in loans and such practice involves certain risks. If a loan is foreclosed, the Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. As a result, the Sub-Fund may be exposed to losses resulting from default and foreclosure. Any costs or delays involved in the effectuation of a foreclosure of the loan will further reduce the proceeds and thus increase the loss. There is no assurance that the Sub-Fund will correctly evaluate the value of the assets collateralizing the loan. In the event of a

reorganization or liquidation proceeding relating to the borrower, the Sub-Fund may lose all or part of the amounts advanced to the borrower. There is no assurance that the protection of the Sub-Fund's interests is adequate, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, there is no assurance that claims may not be asserted that might interfere with enforcement of the Sub-Fund's rights.

Certain of the Sub-Fund's debt investments may be unsecured. If the Sub-Fund invests in debt that is not secured by collateral, in the event of a default by the borrower, the Sub-Fund will only have an unsecured claim against the borrower.

There are no restrictions on the credit quality of the Sub-Fund's loans. Loans may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Sub-Fund may invest in may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

#### **Non-controlling investments**

It is anticipated that the Sub-Fund will hold debt obligations in Qualifying Portfolio Undertakings and, therefore, will have a limited ability to protect the Sub-Fund's position in such Qualifying Portfolio Undertakings. It will be the responsibility of the management of the Qualifying Portfolio Undertaking to operate the relevant Qualifying Portfolio Undertaking on a day to day basis. There can be no guarantee that the Management Company and/or the Investment Manager will be able to obtain any creditor rights for individual investments so as to sufficiently protect the Sub-Fund's interest in every situation.

#### **Use of leverage**

The Sub-Fund may use leverage in connection with its investments by borrowing. Such borrowing would constitute a debt incurred by the Sub-Fund for which it would have to pay interests. Such leverage increases both the potential profit and the potential loss of the Sub-Fund's assets. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to its investments could result in a substantial loss to the Sub-Fund that would be greater than the loss if the Sub-Fund were not leveraged. Failure to satisfy the terms of debt incurred by the Sub-Fund can have negative consequences, including forced liquidation of other investments in order to satisfy the borrower's obligations.

### **11. Annual Report**

For more information on the fiscal year of the SICAV and on the availability of the annual report of the SICAV for investors, please refer to section "Meetings of Shareholders and Reports to Shareholders" of the Prospectus.

The Sub-Fund's annual report prepared in accordance with the AIFMD and the ELTIF Regulation will be made available to investors on request. This will be provided in such a manner as is indicated to the investor at the time. For example, it may be dispatched directly, posted on a website, or made available through any other medium.

## **12. Investment Manager**

The investment management of the Sub-Fund will be undertaken by Amundi (UK) Limited.

## **13. Valuation Day**

The Valuation Day of the Sub-Fund is the 10<sup>th</sup> Business Day and the last Business Day of each calendar month. A "Business Day" is defined as a full day on which banks and the stock exchange are open for business in Luxembourg, France, United Kingdom and Ireland. The Net Asset Value for a Valuation Day is normally calculated by reference to the value of the underlying assets of the relevant Class within the relevant Sub-Fund. These underlying assets are valued at the last available prices on the relevant Valuation Day. The Net Asset Value may also be calculated at such more frequent intervals as determined by the Management Company and duly notified to investors.

Shareholders are not permitted to convert Shares of one Class into Shares of another Class of this Sub-Fund or any other Sub Fund.

## **14. Minimum Assets Level**

If the Net Asset Value of this Sub-Fund falls under EUR 100,000,000, the Board of Directors may decide, within a period of six months, to liquidate the Sub-Fund by the compulsory redemption of all the Shares.

## **15. Eligible Investors**

Shares may be acquired only by Eligible Investors. An "Eligible Investor" means an investor meeting the eligibility criteria of the ELTIF Regulation, being (i) a Professional Investor, or (ii) a Retail Investor, provided that if such Retail Investor's financial instrument portfolio (composed of cash deposits and financial instruments, excluding any financial instruments that have been given as collateral) does not exceed EUR 500,000, then such Retail Investor may not invest an aggregate amount exceeding 10% of its financial instrument portfolio in the Sub-Fund and any other ELTIF and the initial amount invested in the Sub-Fund and any other ELTIF may not be less than EUR 10,000.

If the Board of Directors determines that an investor is no longer an Eligible Investor or if the investor is in breach of its obligations, representations or warranties to the Sub-Fund, or fails to make such representations or warranties or fails to deliver information (for example as required under FATCA or similar law) as the Board of Directors may require, the Board of Directors may (i) require/cause such investor to sell all or some of its Shares in accordance with the Articles, or (ii) redeem such investor's Shares in accordance with the Articles.

The Administrator, Paying Agent, distributor or sub-distributor (where appropriate) will verify that each investor is an Eligible Investor.

## 16. Classes

For the time being, Class A, H, and I are available in the Sub-Fund as follows:

<b>Class</b>	<b>Minimum Commitment</b>
A	EUR 10,000
E	EUR 100,000
H	EUR 1,000,000
I*	EUR 5,000,000

\* I Shares are only available to Professional Investors investing for their own account.

A subscription fee of up to 2% of an investor's Commitment (as defined in section "Closings" below) may be charged by any Agent and paid by the investor to such Agent.

## 17. Base Currency

Euro.

## 18. Pricing Currency of the Shares

The Management Company may decide to issue shares in Euro or such other freely convertible currency as they may decide. The Pricing Currency in which the Shares are currently issued in the Sub-Fund is more fully disclosed in the current application form.

## 19. Closings

The first closing of the Sub-Fund will occur within one year after the date of the Sub-Fund's authorization as an ELTIF. Additional closings may occur within one year of the first closing. It is expected that 100% of each investor's commitment to the Sub-Fund ("Commitment") will be drawn on or around the date on which the Commitment is accepted by the Sub-Fund.

## 20. Cooling-off period

During the period commencing on his or her admission to the Sub-Fund and ending on the date two weeks later, a Retail Investor may, by written notice to the Sub-Fund, cancel his or her Commitment. In such case, any amounts previously drawn from such Retail Investor will be returned without penalty. For the avoidance of doubt, the "admission to the Sub-Fund" above means the subscription of Shares by an investor.

## 21. Term

The Sub-Fund will terminate on the seventh anniversary of its first closing date, but may be extended for up to one year at the discretion of the Board of Directors, subject to earlier termination upon full realization of the Sub-Fund's portfolio as described in section "Wind-down Period" below.

## 22. Ramp-up Period

The Sub-Fund's ramp-up period will commence on its first closing and will end on the first anniversary of the final closing (the "**Ramp-up Period**"), provided that the Board may extend the Ramp-up Period by up to one year, subject to the requirement that the Board of Directors may not extend the Ramp-up Period past the halfway point of the Sub-Fund's life.

## 23. End of Life and Wind-down Period

The end of life of the Sub-Fund (the "**End of Life**") will be (i) the fourth anniversary of the first closing date of the Sub-Fund or (ii) when the Management Company, using its reasonable business judgement, considers that market opportunities are inadequate to generate returns consistent with the Sub-Fund's objective, but in no case prior to the fourth anniversary of the first closing date.

The Wind-down Period will start with the End of Life and it is defined as the period during which the Sub-Fund will not reinvest proceeds received from the realization of assets via repayment, prepayment, cancellation, sale or by any other means, except in money markets instruments, short-term bond funds, or equivalent (the "**Wind-down Period**").

During the Wind-down Period, the Sub-Fund's assets will be orderly disposed. An itemized schedule for the orderly disposal of the Sub-Fund's assets will be adopted at the latest one year prior to the End of Life, in accordance with article 21 of the ELTIF Regulation.

Without prejudice to the provisions of section 24 "Redemptions" below, redemptions to investors will commence on the day following the End of Life. During the Wind-down Period, the Sub-Fund will redeem the Shares on a quarterly basis (calculated as of each 31 January, 30 April, 31 July and 31 October (or, if not a Business Day, on the next following Business Day)).

## 24. Redemptions

Starting on 1<sup>st</sup> April 2023, investors will be able to request the redemption of their Shares on a semi-annual basis. Redemptions may be made subject to the following conditions:

- The Sub-Fund may honor redemption requests based on the Net Asset Value as of 31 January and 31 July of each year from and including 31 July 2023 (each, a "**Redemption Date**");
- Redemption requests must be received at least two months before the relevant Redemption Date;
- Investors whose Shares are redeemed at the investor's request prior to the Sub-Fund's liquidation will be subject to an early redemption charge equal to 2% for any Redemption Date, which will be payable to the Sub-Fund;

- Aggregate redemptions will be limited at each Redemption Date to the lower of (i) 10% of the total assets of the Sub-Fund and (ii) the value of the Sub-Fund's UCITS Eligible Assets, including cash and Investment Proceeds (as defined in Section "Re-investment" below) not reinvested or already distributed (the "**Permissible Early Redemption Amount**");
- Should redemption requests in respect of any Redemption Date any redemption period exceed the Permissible Early Redemption Amount, then the requests will be satisfied on a pro rata basis and the outstanding requests will roll forward to the next Redemption Date;
- Redemption proceeds will be paid as soon as reasonably practicable after ascertaining the Net Asset Value as of the relevant Redemption Date.

## **25. Distribution Policy**

Following the Sub-Fund's final closing, the Sub-Fund expects to distribute most of the Net Investment Income on a semi-annual basis (calculated as of 31 January and 31 July of each year (or, if not a Business Day, on the next following Business Day) (each, a "**Distribution Date**"). "**Net Investment Income**" includes all interest or fee income received in cash in respect of the underlying investments and not reinvested as of the considered Distribution Date, other than to the extent such income is applied in respect of any Management Fees or other expenses of the Sub-Fund, and appropriate reserves. Distributions will be paid as soon as reasonably practicable after ascertaining the Net Asset Value as of the relevant Distribution Date.

## **26. Re-investment**

The Investment Manager may, in its discretion, elect to re-invest any Investment Proceeds. "**Investment Proceeds**" means all proceeds received in respect of investments (including Net Investment Income), other than to the extent such income is applied in respect of any Management Fees or other expenses of the Sub-Fund, and appropriate reserves.

**AMUNDI REALTI**  
(hereinafter the “Sub-Fund”)

**1. General**

**This section should be read as an introduction to the features of the Sub-Fund and is not a substitute for reading the Prospectus in its entirety. Any decision to invest in the Sub-Fund should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member states, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability may be attached to the SICAV, as the entity which has tabled this section including any translation hereof, and applied for its notification, but only if this section is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.**

**Potential investors should take note of the following:**

- **The Sub-Fund has a ninety-nine years life as from its authorisation date which may be extended by up to another one year.**
- **The Sub-Fund is illiquid in nature because its investments are long term. For investors, this is an investment that has low liquidity. Therefore the Sub-Fund may not be suitable for Retail Investors that are unable to sustain such a long-term and illiquid commitment. A 10 years holding period is recommended. In cases where redemption requests may not be satisfied, the investor may face a longer holding period than initially planned to be invested in.**
- **The Sub-Fund is intended to be marketed to Retail Investors and Professional Investors (as defined in section "Eligible Investors" below) that are eligible investors under the ELTIF Regulation.**
- **Retail Investors must ensure that their investments in ELTIFs do not exceed a maximum of 10% of their portfolio investments, except if their portfolio exceeds €500,000. Investors should ensure that only a small proportion of their overall investment portfolio is invested in an ELTIF such as the Sub-Fund, as further described under section “Eligible Investors” below.**
- **The Sub-Fund may accept subscriptions during the life of the Sub-Fund.**
- **The Sub-Fund may offer liquidity during the life of the Sub-Fund by matching system during the Ramp-up Period and redemption options after the end of the Ramp-up Period, in accordance the provisions set out under section “Matching and Redemptions” below.**
- **During the Ramp-up Period (as defined in section "Ramp-up Period below"), the Board of Directors may accept to offset the payment for the subscription price of Shares in the Sub-Fund by new investors with the**

reimbursement of Shares of a leaving Shareholder, under the conditions described under section “Matching” below.

- From the end of the Ramp-up Period until the End of Life (as defined in section "End of Life and Wind-down Period"), Shareholders shall have the right to redeem their Shares in accordance with Article 18 (2) of the ELTIF Regulation and with the provisions set out under section "Redemptions" below.
- Investors may freely transfer their Shares to third parties meeting the Sub-Fund’s eligibility criteria. The SICAV may refuse a transfer of Shares in case the transferee does not meet the eligibility criteria *i.e.* including non-compliance with the applicable laws and regulations, the Articles and the Prospectus.
- The Sub-Fund intends to use leverage up to 30% of the value of its capital and borrow money to purchase Eligible Investment Assets as permitted by the ELTIF Regulation. When used, this leverage will proportionately increase gains or losses made by the Sub-Fund.
- All investors benefit from equal treatment and no preferential treatment nor specific economic benefits are granted to individual investors or groups of investors.
- Investors shall have no obligation to make contributions to the Sub-Fund in excess of their respective subscription amount.
- During the life of the Sub-Fund, distributions shall be made in accordance with section “Distribution Policy” below.
- Financial derivative instruments shall only be used for hedging risks arising from exposures to eligible assets under the ELTIF Regulation.
- The specific risks linked to investments in the Sub-Fund are set out under section “Specific Risks” below.

## 2. Sub-Fund Costs

It is expected that based on the current business forecast, the following indicative costs (in % of the capital of the Sub-Fund that is its total capital contributions (the "Capital")) would be borne, directly or indirectly, by Shareholders in the Sub-Fund:

	Class A	Class E	Class G	Class K	Class R	Class S
<b>One-off costs</b>						
Costs of setting up the Sub-Fund (1)	0,1%					
Costs related to the acquisition of assets (2)	1,2%					
<b>Charges taken from the Sub-Fund over a year</b>						
Distribution costs (3)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Management fees (4)	1,0%	1,2%	1,5%	1,3%	0,5%	0,5%
Other costs (5)	0,4%	0,4%	0,4%	0,4%	0,4%	0,4%
<b>Charges taken from the sub-Fund under specific conditions</b>						
Performance fees	None					
<b>Aggregate all the costs and charges mentioned above</b>						
Overall ratio (6)	2,7%	2,9%	3,2%	3,0%	2,2%	2,2%

The figures set out in the table above are based on ex-ante estimated costs. Ex-posts effective costs will be disclosed in the Sub-Fund's annual report.

### (1) Costs of setting up the Sub-Fund

The costs of setting up the Sub-Fund comprises all the expected administrative, regulatory, depositary, custodial, professional service, legal and audit costs related to the setting up of the Sub-Fund irrespective of whether they are paid to the Management Company of the Sub-Fund or to any third party and also include the Sub-Fund's portion of the SICAV's establishment and organizational expenses.

These costs also include initial marketing expenses for the preparation of marketing materials relating to the distribution of the Sub-fund.

These costs are expressed as a percentage of the Capital of the Sub-Fund that is its total capital contributions and annualised over the recommended investment period of 10 years.

### (2) Costs related to acquisition of assets

The Sub-Fund (including any Subsidiary (as defined in section "Investment Strategy" below) or other vehicles, through which it makes investments) will be responsible for, and the Shareholders in the Sub-Fund will bear their allocable share of, all the expected expenses incurred by the Sub-Fund in connection with the Sub-Fund's business, affairs and operations, including identifying, structuring, managing, evaluating, trading,

conducting due diligence on, investing in, acquiring, financing, holding, disposition of (including the transfer or sale of), any investment or prospective investment (whether or not consummated), including “broken-deal expenses”, legal, accounting, advisory fees, fees of finders or sourcing partners, and travel and accommodation expenses.

These costs also include transaction fees linked to non-recurring investments and arbitrages to cover the missions of the SICAV in searching for real estate assets / buyers, which require specific diligence and a specific workload.

These costs are expressed as a percentage of the Capital of the Sub-Fund that is its total capital contributions and annualised over the recommended investment period of 10 years.

(3) *Distribution costs*

The distribution costs comprise all the expected administrative, regulatory, professional service and audit costs related to distribution.

These costs also include marketing costs, including communication costs and any costs paid directly to the distributor at the time of subscription

These costs are expressed as a percentage of the Capital of the Sub-Fund that is its total capital contributions over a one-year period.

(4) *Management fees*

The management fees comprise all payments to the Management Company, including any person to whom this function has been delegated, except the fees that are related to the acquisition of assets.

The Management Company will pay the fees of the Investment Managers from the management fees. Additionally, the Management Company may pay all or part of the management fees to any party that provides services to the Management Company or the Investment Managers, or in respect of the SICAV, including any distributor or sub-distributor.

These costs are expressed as a percentage of the Capital of the Sub-Fund that is its total capital contributions over a one-year period.

Investors shall refer to section “Charges and Expenses” of this Prospectus for details on the calculation of the management fees.

(5) *Other costs, including administrative, regulatory, depositary, custodial, professional services and audit costs*

Those costs comprise all the expected payments to the Depositary and Paying Agent, the Administrator, Registrar and Transfer Agent, the Auditors, including any person to whom they have delegated any function.

These costs also comprise all payments to any person providing outsourced services to any of the above, and all the expected payments to legal and professional advisers, audit fees, registration fees, real estate valuation fees and regulatory fees.

These costs comprise also the costs and expenses related to the management of the Real Estate Assets, in particular those related to the maintenance works, subject to the strategy of the Sub-Fund and the market conditions. The Sub-Fund primarily bears the following expenses, to the extent that they are not re-billed to tenants and are not capitalized in the accounts of the Sub-Fund:

- all the expenses of the Real Estate Assets, in particular (a) the rents of construction leases, emphytheotic leases or others, (b) the taxes and royalties relating to the real estate assets not re-invoiced to the tenants, in particular including the property tax, taxes or fees on offices and commercial premises, (c) lighting, water, heating, air conditioning, ventilation and generally any energy and fluid consumption whatsoever, d) insurance premiums and related brokerage commissions, (e) security personnel costs, (f) property administration and property management fees, and (g) all expenses and fees related to the holding of units and shares in real estate companies;
- all rental marketing expenses, including rental and tenant search fees and commissions and related management fees and expenses;
- all the costs of development, maintenance, cleaning, repairing, replacement and compliance of buildings and their equipment, including the associated technical and legal fees (architects, design offices, delegated project manager, notaries, lawyers and appraisers, etc.) and related taxes, fees and charges; and
- the fees of various advising services, particularly related to the management of litigation or other related to the activity of the Sub-Fund, since these fees do not relate to litigation arising from a breach of contract or lack of knowledge of legal or regulatory obligations of the SICAV.

Each year, these costs are the subject of a specific mention in the KID.

These costs do not include the costs related to the setting up of the Sub-Fund, the costs related to acquisition of assets, the distribution costs and the management fees.

These costs are expressed as a percentage of the Capital of the Sub-Fund that is its total capital contributions over a one-year period.

#### (6) *Overall ratio*

The overall ratio is the ratio of the expected total ex-ante estimated costs of the Sub-Fund to the Capital of the Sub-Fund, based on the current business forecast.

The total ex-ante estimated costs are equal the sum of:

- (i) the management fees as referred to in (4) above,
- (ii) the distribution costs as referred to in (3) above

- (iii) the other costs as referred to in (5) above, and
- (iv) the sum of the costs of setting up the Sub-Fund referred to in (1) above and the costs related to the acquisition of assets referred to in (2) above, divided by the life of the Sub-Fund (*i.e.* ninety-nine years as from its authorisation date).

### 3. Complaints and Local Facilities

Complaints by an investor in connection with its investment in the Sub-Fund should be addressed in accordance with section “Queries and Complaints” of the Prospectus.

The facilities which are required to be made available to Retail Investors in accordance with Article 26 of the ELTIF Regulation will be provided, to the extent applicable, by Retail Investors’ placement agents or financial advisers (as the case may be), in accordance with the ELTIF Delegated Regulation. In addition, local regulations in certain jurisdictions in which the Sub-Fund may be marketed may, from time to time, require the appointment of paying agents and/or other local agents.

### 4. Investment Objective

The Sub-Fund’s investment objective is to generate attractive risk-adjusted returns by primarily investing, either directly or indirectly through a Subsidiary, in a diversified portfolio of real estate assets qualifying as real assets within the meaning of the ELTIF Regulation (the "**Real Estate Assets**"). Investments in commercial property or housing should be permitted to the extent that they serve the purpose of contributing to smart, sustainable and inclusive growth or to the Union's energy, regional and cohesion policies. Investments in such immovable property should be clearly documented so as to demonstrate the long-term commitment in the property. Such investments are not intended to be speculative investments. The Sub-Fund is a financial product that promotes ESG characteristics pursuant to Article 8 of the Disclosure Regulation.

It also invests in unlisted debt instruments (leveraged loans and private debt instruments) issued by qualifying portfolio undertakings within the meaning of the ELTIF Regulation (a "**Qualifying Portfolio Undertaking**") as permitted by the ELTIF Regulation and the 2010 Law. The Sub-Fund may invest in all the UCITS Eligible Assets. The financial segment will notably consist of direct or indirect investments in listed property companies.

As an ELTIF, the Sub-Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature. The Sub-Fund will itself be, and an investment in the Sub-Fund should be, viewed by investors as long-term in nature.

The Sub-Fund will mainly invest in the Member States of the European Economic Area (EEA).

The Sub-Fund’s investments will qualify as eligible investments for an ELTIF, in particular with regard to eligible assets and spreading of investment risks in accordance with Chapter II of the ELTIF Regulation.

The Sub-Fund's performance will not be determined by reference to any benchmark.

## **5. Investment Strategy**

### **a) General investment strategy of the Sub-Fund**

The investment strategy of the Sub-Fund is to build up a portfolio with a predominance of Real Estate Assets via (i) direct or indirect investments in unlisted Real Estate Assets (ii) listed real estate companies, and complemented by financial assets and unlisted debt securities.

The allocation objective of the Sub-Fund is as follows:

- the real estate segment, including amounts committed to Real Estate Assets to be built or under development, will represent at least 51% of the Capital at the end of the Ramp-up Period (as defined in section "Ramp-Up Period" below), and will be composed of eligible real estate assets within the meaning of the ELTIF Regulation;
- the unlisted debt segment will represent a maximum of 49% of the Capital of the Sub-Fund at the end of the Ramp-up Period; and
- the financial segment, representing a maximum of 30% of the Capital of the Sub-Fund at the end of the Ramp-up Period, may in particular consist of direct or indirect investments in listed property companies. It may be invested in all the UCITS Eligible Assets.

During the Ramp-up Period, there will be no need to comply with the allocation described above.

The Sub-Fund may use borrowings. The maximum ratio of direct and indirect, bank and non-bank borrowing will amount to maximum 30% of the Capital of the Sub-Fund.

### **b) Investment strategy of the real estate segment of the Sub-Fund**

The Sub-Fund will invest at least 51% of the Capital in eligible Real Estate Assets, including amounts committed to Real Estate Assets to be built or under development, at the end of the Ramp-up Period.

The real estate investment strategy is based on a diversified geographic and sector allocation resulting from a market analysis conducted within the SICAV. Geographic and sector diversification in markets with different economic cycles aims to limit the overall volatility of the real estate portfolio.

The implementation of this strategy is materialized by acquisitions of assets, held directly or through participations in unlisted controlled or uncontrolled vehicles, located in any state of the European Union, party to the Agreement on European Economic Area or in any Member State of the Organization for Economic Cooperation and Development (OECD).

The preferred investment sector of the Sub-Fund is mainly business real estate assets located in any country of the European Economic Area (EEA).

In the event of a real estate investment made in a currency other than the reference currency of the Sub-Fund, the currency risk may be hedged by foreign exchange derivatives.

#### Typology of investments in Real Estate Assets

The investments will notably relate to Real Estate Assets to be built or under development, whose rental stage may vary, notably through off-plan sales contracts or forward sales contracts, as well as to Real Estate Assets already built.

The payment of the Real Estate Assets to build or in development will be made gradually with the construction, the funds being reserved to payment in instalments during the period preceding the delivery of the Real Estate Asset. Prior to the seller's call for funds, all or part of the cash could be invested in unlisted debt securities in accordance with section 4 above.

An analysis of local markets by sector of activity is carried out and updated regularly in order to identify geographic areas with the best potential for value appreciation, without excessive risk taking. The Sub-Fund invests in all types of business Real Estate Assets, including office premises, but also commercial properties, logistics, activities, hotels, managed properties, healthcare facilities and residential properties, in order to ensure optimal sector diversification.

The investment strategy is based on an investment process for Real Estate Assets, with the following steps:

- definition of a strategy in line with the management objective: sectoral choices;
- definition of investment targets: unit amounts, technical quality, performance profile;
- analysis and modelling of the future flows of the selected assets, validation of the compliance of the expected performances with the management objective of the Sub-Fund.

Assets are selected taking into account the following criteria:

- size (spreading and allocation rules);
- qualitative assessments (product positioning in the market, technical quality, energy performance, etc.); and
- profitability (immediate return, valuation prospects, recurrence of cash flows, rental risk, tenant quality, nature of leases);
- ELTIF eligibility.

For each Real Estate Asset under management, a pluriennial plan transcribes the strategy chosen among several scenarios, and makes it possible to assess a date of maximum maturity of the asset.

### Sectoral choices

The investment strategy is based on a selection of markets showing good prospects for return and valuation: market depth, supply/demand balance, potential for assessing or correcting values.

### ELTIF eligibility

In order to hold only eligible Real Estate Assets, in accordance with the ELTIF Regulation, the SICAV will select Real Estate Assets:

- complying with European energy policies and potentially benefiting from sustainable development labels;
- having positive evaluation, consisting in a minimum score according to the internal system of notation of SRI (Sustainable and Responsible Investment) based on the ESG criteria (Environmental, Social, and Governance) of the Management Company, which may take into consideration the criteria linked to a smart, sustainable and inclusive growth, in accordance with Article 2(6) of the ELTIF Regulation. The ESG rating is described below.

The Sub-Fund systematically integrates Sustainability Factors in its investment process.

The Sub-Fund applies an environmental and social approach to the acquisition and management of its Real Estate Assets. As such, it incorporates extra-financial criteria (energy analysis, health and well-being, pollution, proximity to transportation, waste treatment, water consumption, equipment durability in particular) in the analysis and selection of assets of the real estate segment, based in part on an international standard. Such analysis highlights the energy performance of the asset and defines guidelines for reducing energy consumption.

Assets are analyzed at acquisition and are then revalued regularly. This is reflected in terms of acquisitions and management, by a minimum score for each asset in the real estate segment, allowing to establish a minimum average rating of the entire real estate segment.

Amundi Immobilier as Investment Manager of the Sub-Fund has developed its own ESG rating approach. The Amundi Immobilier ESG rating aims to measure the ESG performance of assets, i.e. its ability to anticipate and manage Sustainability Risks and opportunities inherent to its industry and individual circumstances. By using the Amundi Immobilier ESG ratings, the Sub-Fund is taking into account Sustainability Risks in his investment decisions.

Amundi Immobilier applies targeted exclusion policies to all Amundi Immobilier's active investing strategies by excluding companies and assets in contradiction with the Responsible Investment Policy.

Amundi Immobilier has developed its own ESG rating process based on the "Best-in-class" and "Best in Progress" approach.

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

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

To determine the ESG rating, Amundi Immobilier assesses the performance of each Real Estate Asset on the following dimensions:

1. Environmental dimension: this examines Real Estate Assets' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.
2. Social dimension: this considers indicators such as well-being of tenants or how the main stakeholders of the building (builder, facility manager and property manager) interact positively with the building and its occupiers and are in line with the fund's strategy.
3. Governance dimension: This assesses the ability of the Propco's management to set a collaborative process involving all a building's stakeholders, to ensure it will meet its objectives, to provide the basis for an effective corporate governance framework and generate value over the long-term.

The Amundi Immobilier ESG rating considers the potential negative impacts of the Real Estate Assets and Propcos' activities on Sustainability (principal adverse impact of investment decisions on sustainability factors, as determined by Amundi Immobilier, including indicators such as greenhouse gas emission and Energy Performance, Biodiversity, Water, Waste ...).

### **c) Investment strategy for the unlisted debt of the Sub-Fund**

The unlisted debt segment will consist mainly of unlisted debt securities (leveraged loans and private debt instruments) issued by Qualifying Portfolio Undertakings, representing a maximum of 49% of the Capital at the end of the Ramp-up Period.

The Sub-Fund aims to create a diversified portfolio of investments in the primary and secondary markets by investing, directly or indirectly through a subsidiary, through sub-participations or otherwise:

- (i) mainly in the form of syndicated loans and private debt securities (which generally carry a variable interest rate), as well as second-class investment opportunities; and
- (ii) incidentally in high-yield bonds, corporate bonds, short-term debt securities, short-term bond funds and money market instruments;

(i) and (ii) constitute "Debt Obligations".

The Sub-Fund may pursue its investment policy through a subsidiary. "**Subsidiary**" means any legal structure established for the purpose of investing in the underlying

assets and which is controlled directly or indirectly by the Sub-Fund and which has the same auditor and the same fiscal year and is subject to the same retention obligations as the Sub-Fund.

The Sub-Fund will invest in Debt Obligations with a wide range of maturities and has no target maturity range for its portfolio other than that which should be consistent with the life of the Sub-Fund.

The Sub-Fund will be allowed to invest in portfolio undertakings established in eligible jurisdictions.

**"Eligible Jurisdictions"** means (i) Member States; or (ii) third countries, provided that the third country concerned (a) is not a high-risk, non-cooperative jurisdiction identified by the Financial Action Task Force, and (b) has signed an agreement with Luxembourg (Member State of origin of the SICAV in the EU) and any other Member State in which the Shares are intended to be marketed in order to ensure that the third country fully complies with the standards set out in Article 26 the OECD model tax convention on income and on capital and ensures efficient exchange of tax information, including in connection with multilateral tax arrangements.

The Sub-Fund reserves the right to reduce, increase or dispose of any investments it deems appropriate during the life of the Sub-Fund and in accordance with the ELTIF Regulation.

For the avoidance of doubt, the Sub-Fund has been established in accordance with the objectives of the ELTIF Regulation as set out in recital 1 of the ELTIF Regulation.

#### **d) Investment strategy of the financial segment of the Sub-Fund**

The financial segment, representing a maximum of 30% of the Capital, may be invested in all the assets referred to in Article 50(1) of Directive 2009/65/EC and will be composed of:

- Equity allocation;
- Interest rate products and cash; and
- Other Assets.

The financial segment may represent more than 30% of the Capital during the first years of development of the Sub-Fund, considering the delays inherent in the deployment of Real Estate Assets.

#### Equity allocation

The equity allocation of the financial segment is made up of shares of companies listed on a market with no specific restriction as to the sector of activity. Such allocation will be based on the expectations of the management team and may be developed according to specific themes (sectoral approach, small or mid-caps) depending on the expectations and the expected return on these themes.

The financial segment will notably consist of direct or indirect investments in listed property companies.

The investment universe is made up of OECD member countries, plus the following markets up to a maximum of 20% of equity investments: developed non-OECD countries and emerging market countries that are included in the MSCI Emerging Markets Equity Index.

Exposure to the shares of listed companies is carried out directly, or via UCIs invested in these geographical areas.

#### Interest rate products and cash

The Sub-Fund may invest in all types of debt securities whose issuers may be established in one of the OECD member countries. Exposure to non-OECD debt instruments is limited to a maximum of 10% of investments in debt securities.

In order to select the securities, the Sub-Fund relies, not exclusively or mechanically, on the ratings issued by the rating agencies, but bases its conviction of buying and selling a security on its own credit and market analysis.

The Sub-Fund may use securities of any rating.

In this context, investments are made in tangible securities and via UCIs. Any money market instrument is permitted.

The Sub-Fund may also use liquid financial instruments such as, but not limited to:

- treasury bonds;
- demand deposits;
- money market instruments;
- government bonds traded on a recognized European or foreign regulated market and issued or guaranteed in particular by a member state of the OECD or by the local authorities of a State party to the Agreement on the European Economic Area; and
- European UCIs more than 90% exposed to deposits, cash, negotiable debt instruments or bonds referred to above.

#### Other Assets

The financial segment may invest in units or shares of alternative investment funds, UCITS and general investment funds governed by European law implementing all types of management strategies known as performance management strategies, including volatility arbitrage, foreign exchange arbitrage and long/short equity positions.

## **6. Borrowings and Leverage**

The Sub-Fund may, either directly or indirectly through a Subsidiary, borrow and enter into credit facilities or other financing transactions or otherwise incur leverage for the purpose of investing in Eligible Investment Assets as permitted by the ELTIF Regulation except for loans granted by the Sub-Fund to a qualifying portfolio undertaking within the meaning of the ELTIF Regulation (a “Qualifying Portfolio Undertaking”), and

provided that such borrowings: (i) do not represent more than 30% of the value of the Capital of the Sub-Fund; (ii) are in the same currency as the assets to be acquired; (iii) have a maturity no longer than the life of the Sub-Fund; and (iv) encumber assets as collateral for its debts or the debts of its Subsidiaries that represent no more than 30% of the value of the Capital of the Sub-Fund.

Subject to Article 16 of the ELTIF Regulation, the Sub-Fund may, either directly or indirectly through a Subsidiary, enter into guarantees, indemnities, covenants and undertakings in connection with investments made by the Sub-Fund. The Sub-Fund may secure any such borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in the Sub-Fund's assets in accordance with Article 16 of the ELTIF Regulation. The amount of security granted may not exceed 30% of the Capital.

The leverage of the Sub-Fund calculated according to the gross method is not expected to exceed 400%. The leverage of the Sub-Fund calculated according to the commitment method is not expected to exceed 250%.

## **7. Hedging Policy**

The Sub-Fund may hedge its exposure to currency risk due to investments denominated in currencies other than the euro. However, investors should note that the Sub-Fund is under no obligation whatsoever to engage in such hedging arrangements. The Sub-Fund may purchase and sell foreign currency in conjunction with the purchase or sale of underlying investments as part of its hedging strategy. The Sub-Fund's foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Sub-Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Sub-Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis.

The Sub-Fund may also use certain active currency, credit and interest rate management techniques related to the currency, credit and interest rate risks associated with the investments held by it for hedging purposes (through the use of financial derivative instruments such as interest rate swaps, credit default swaps, options, futures and/or forwards).

Financial derivative instruments may be used only for the purpose of hedging risks inherent to other investments of the Sub-Fund.

## **8. Investment Restrictions**

If applicable, the following restrictions prescribed by the ELTIF Regulation shall only be considered at the level of the Subsidiary for each investment made through such Subsidiary and on a look-through basis.

The Management Company and/or the Investment Managers shall procure that:

- a) the Sub-Fund shall, in line with the ELTIF Regulation, only invest in (i) Eligible Investment Assets and (ii) UCITS Eligible Assets;
- b) the Sub-Fund shall not undertake any of the following activities:

- (i) short selling of assets;
  - (ii) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them;
  - (iii) entering into securities lending, securities borrowing, repurchase transactions, or any other agreement which has an equivalent economic effect and poses similar risks, if thereby more than 10% of the assets of the Sub-Fund are affected by such transactions;
  - (iv) using financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Sub-Fund;
- c) at least 70% of its Capital shall be invested in Eligible Investment Assets;
  - d) no more than 10% of its Capital shall be invested in instruments issued by, or loans granted to, any single Qualifying Portfolio Undertaking;
  - e) no more than 10% of its Capital shall be invested directly or indirectly in any single real asset;
  - f) no more than 5% of its Capital shall be invested in UCITS Eligible Assets where those assets have been issued by any single issuer (and the concentration limits set out in Article 56(2) of the UCITS Directive shall also apply to investments in such assets by the Sub-Fund);
  - g) no more than 10% of its Capital shall be invested in investment strategies for which the Management Company does not have the authorization; and
  - h) the aggregate risk exposure to any single counterparty of the Sub-Fund in relation to over the counter (OTC) derivative transactions, repurchase agreements or reverse repurchase agreements, shall not exceed 5% of the value of the Capital of the Sub-Fund.

The investment limits in (c) above shall be applicable as from 31 December 2022 given the delays associated with the deployment of real estate investments.

The investment limits in (d) and (e) above shall apply as from the end of the Ramp-Up Period.

The 10% limits in (d) and (e) above may be increased to 20% if the aggregate value of the assets held by the Sub-Fund in Qualifying Portfolio Undertakings and in individual real assets in which it invests more than 10% of its Capital does not exceed 40% of the value of the Capital of the Sub-Fund.

The 5% limit in (f) above may be increased to 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders (in particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest).

Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognized international accounting rules, shall be

regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section.

The Sub-Fund will not invest in any asset eligible for investment in which the Management Company has or takes a direct or indirect personal interest. This does not prevent the Sub-Fund from investing in an asset eligible for the investment in which other funds managed by the Management Company are directly or indirectly invested.

In the event of a breach of any of the foregoing investment restrictions for reasons beyond the control of the Management Company, the latter will take the necessary measures to correct the situation within an appropriate period of time and with due regard to the interests of the Shareholders of the Sub-Fund.

When a Qualifying Portfolio Undertaking in which the Sub-Fund has invested in no longer fulfils the conditions to be either unlisted or listed but whose market capitalization is below EUR 500,000,000.-, such investment shall continue to be recognized as an eligible financial asset for a maximum period of three (3) years from the moment the condition is no longer met.

## **9. Risk management**

The method employed to calculate the global exposure of the Sub-Fund and to represent its risk profile is the commitment method.

Under the commitment method, all financial derivative instruments positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of the Sub-Fund is limited to 250% of its Net Asset Value.

## **10. Specific Risks**

Investors should read carefully Appendix II of the Prospectus in particular, but without limitation, sections “Specific risks associated with underlying investments”, “Risk of lack of liquidity of a Sub-Fund”, “Leverage/Borrowing risk”, “Credit risk”, “Paying Agents”. An investment in the Sub-Fund, can ancillary involve also counterparty risks and foreign exchange/currency risks.

Investors should also be aware that investments of the Sub-Fund may be undertaken by a Subsidiary on a look-through basis, meaning that the investments provided at the level of the Subsidiary will be considered as being undertaken by the SICAV itself for the Sub-Fund.

The Sub-Fund is subject, in particular, to the following risks:

### **Risks related to the real estate market**

The investments made by the Sub-Fund are subject to the risks inherent to the holding and management of Real Estate Assets. Many factors (generally related to the economy or more specifically to the real estate market) may have a negative impact on the value of the Real Estate Assets held by the Sub-Fund. In this context, in the event of a market downturn, the Net Asset Value may decrease. Therefore, there can be no assurance as to the performance of the Real Estate Assets held by the Sub-Fund.

In particular, the following factors are likely to have a negative impact on the performance and value of the assets and, consequently, on the financial situation and performance of the Sub-Fund:

- the risks associated with the economic, political, financial, international, national and local conditions that could affect the demand or the valuation of the Real Estate Assets;
- the risks related to the evolution of the targeted real estate markets: these markets may be cyclical and experience phases of rise and decline;
- the risks related to changes in fixed and variable rents;
- the risks of vacancy of Real Estate Assets related to the evolution of real estate markets;
- the risks associated with dependence on certain tenants;
- the risks related to the concentration of the portfolio in the same rental sector, property type, or the same geographic region; as well as single asset concentration;
- the risks associated with the technical condition of the Real Estate assets as well as environmental risks (radioactivity, soil pollution, asbestos, etc.);
- the risks related to the acquisition of buildings in the future state of completion, the construction, rehabilitation, renovation, restructuring and completion of all types of works related to Real Estate Assets; as well as the risks related to the control of construction/renovation projects for Real Estate Assets. These are technical risks that may have a negative impact on the value of the Real Estate Assets;
- the risks related to the quality of services rendered by service providers and subcontractors involved in the management of the Real Estate Assets;
- counterparty risks, including for Real Estate Assets, the risk of default by tenants or any business counterparty bound by commitments to the SICAV (e.g. developers in connection with sales in the future state of completion, contractors, etc.), which could lead to a reduction in yield and/or a fall in the Net Asset Value;
- regulatory and tax risks: changes in the regulations and taxation applicable to real estate can have an impact on the evolution of real estate markets;

- regulatory risks regarding urban planning and zoning law, development and land use law;
- in general, all other operating risks associated with the holding and managing of real assets;
- risks related to liquidity: the real estate market offers limited liquidity, sustained requests for redemption of Shares over a short period of time may have an adverse effect on the sale price of properties that must be sold within a limited period of time, which may adversely affect the Net Asset Value; further, the disposal of real estate assets may require extended periods of time and be constrained by market conditions;
- risks related to indebtedness: the Sub-Fund may use indebtedness to finance some of its investments, under the conditions indicated in section 6 above “Borrowings and Leverage”. Under these conditions, real estate market fluctuations can significantly reduce debt repayment capacity and credit market fluctuations can reduce funding sources and significantly increase the cost of financing. Leverage has an effect to increase the Sub-Fund's investment capacity but also the risk of loss, which may result in a decrease of the Net Asset Value;
- exchange rate risk, being the risk of a decline in investment currencies against the base currency of the Sub-Fund, the euro. The fluctuation of currencies against the euro may have a positive or negative influence on the value of these assets; and
- interest rate risks: the Sub-Fund may be exposed to changes in interest rates, both upward and downward, when financing is based on adjustable rates. Thus, a rise in interest rates, when that risk is not covered, would lead to higher cost of debt servicing and reduce the Sub-Fund's profit.

The Sub-Fund has an investment universe that focuses on investments in Real Estate Assets that meet specific criteria including ESG scores and relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. Exclusion or disposal of assets that do not meet certain ESG criteria from the Sub-Fund's investment universe may cause the Sub-Fund to perform differently compared to similar funds that do not have such an ESG policy and that do not apply ESG screening criteria when selecting investments.

The selection of real estate assets may rely on Amundi Immobilier's ESG scoring process, which relies partially on third party data. Data provided by third parties may be incomplete, inaccurate or unavailable and as a result, there is a risk that the Sub-Fund may incorrectly assess an asset.

### **Investment in loans**

The Sub-Fund may invest in loans and such practice involves certain risks. If a loan is foreclosed, the Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. As a result, the Sub-Fund may be exposed to losses resulting from default and foreclosure. Any costs or delays involved in the effectuation of a foreclosure of the loan will further reduce the proceeds and thus increase the loss. There is no assurance that the Sub-Fund will

correctly evaluate the value of the assets collateralizing the loan. In the event of a reorganization or liquidation proceeding relating to the borrower, the Sub-Fund may lose all or part of the amounts advanced to the borrower. There is no assurance that the protection of the Sub-Fund's interests is adequate, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, there is no assurance that claims may not be asserted that might interfere with enforcement of the Sub-Fund's rights.

Certain of the Sub-Fund's debt investments may be unsecured. If the Sub-Fund invests in debt that is not secured by collateral, in the event of a default by the borrower, the Sub-Fund will only have an unsecured claim against the borrower.

There are no restrictions on the credit quality of the Sub-Fund's loans. Loans may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Sub-Fund may invest in may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

#### **Non-controlling investments**

It is anticipated that the Sub-Fund will hold debt obligations in Qualifying Portfolio Undertakings and, therefore, will have a limited ability to protect the Sub-Fund's position in such Qualifying Portfolio Undertakings. It will be the responsibility of the management of the Qualifying Portfolio Undertaking to operate the relevant Qualifying Portfolio Undertaking on a day to day basis.

There can be no guarantee that the Management Company and/or the Investment Manager will be able to obtain any creditor rights for individual investments so as to sufficiently protect the Sub-Fund's interest in every situation.

#### **Use of leverage**

The Sub-Fund may use leverage in connection with its investments by borrowing. Such borrowing would constitute a debt incurred by the Sub-Fund for which it would have to pay interests. Such leverage increases both the potential profit and the potential loss of the Sub-Fund's assets. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to its investments could result in a substantial loss to the Sub-Fund that would be greater than the loss if the Sub-Fund were not leveraged. Failure to satisfy the terms of debt incurred by the Sub-Fund can have negative consequences, including forced liquidation of other investments in order to satisfy the borrower's obligations.

### **11. Annual Report**

For more information on the fiscal year of the SICAV and on the availability of the annual report of the SICAV for investors, please refer to section "Meetings of Shareholders and Reports to Shareholders" of the Prospectus.

The SICAV's annual report, which includes the Sub-Fund's report prepared in accordance with the AIFM Law and the ELTIF Regulation, will be made available to investors on request free of charge. This will be provided in such a manner as is indicated to the investor at the time. For example, it may be dispatched directly, posted on a website, or made available through any other medium and drawn up in the official language or one of the official languages of the Member State where the Sub-Fund is marketed. Preference shall be given to electronic sending.

## **12. Investment Managers**

The portfolio management of the real estate segment of the Sub-Fund will be undertaken by Amundi Immobilier.

The portfolio management of the unlisted debt segment of the Sub-Fund will be undertaken by Amundi (UK) Limited.

The portfolio management of the financial assets of the Sub-Fund will be undertaken by CPR Asset Management.

## **13. Valuation Day**

The valuation of assets and liabilities of the Sub-Fund will take place on a monthly basis the last day of the month, or, if it is not a Business Day, the preceding Business Day (the "**Valuation Day**"). A "**Business Day**" is defined as a full day on which banks and the stock exchange are open for business in Luxembourg. The Net Asset Value for a Valuation Day is normally calculated by reference to the value of the underlying assets of the relevant Class within the relevant Sub-Fund. These underlying assets are valued at the last available prices on the relevant Valuation Day. The Net Asset Value may also be calculated at such more frequent intervals as determined by the Management Company and duly notified to investors.

## **14. Minimum Assets Level**

The Board of Directors may decide to compulsorily redeem all the Shares of the Sub-Fund or Class and thereby terminate and liquidate the Sub-Fund or Class in the event that, for any reason, the Board of Directors determines that the Net Asset Value of the Sub-Fund or Class has decreased to, or has not reached an amount that the Board of Directors considers to be the minimum level for the Sub-Fund or Class to be operated in an efficient manner.

## **15. Eligible Investors**

Shares may be acquired only by potential investor who satisfies all eligibility requirements for the Sub-Fund or a specific Class of the Sub-Fund.

An "**Eligible Investor**" means an investor meeting the eligibility criteria of the ELTIF Regulation, being (i) a Professional Investor, or (ii) a Retail Investor, provided that if such Retail Investor's financial instrument portfolio (composed of cash deposits and

financial instruments, excluding any financial instruments that have been given as collateral) does not exceed EUR 500,000, then such Retail Investor may not invest an aggregate amount exceeding 10% of its financial instrument portfolio in the Sub-Fund in ELTIFs and the initial amount invested in the Sub-Fund and any other ELTIF may not be less than EUR 10,000.

If the Shareholder is in breach of its obligations, representations or warranties to the Sub-Fund, or fails to make such representations or warranties or fails to deliver information (for example as required under FATCA or similar law) required, the Board of Directors may (i) require/cause such investor to sell all or some of its Shares in accordance with the Articles, or (ii) redeem such investor's Shares in accordance with the Articles.

The Administrator, Paying Agent, distributor or sub-distributor (where appropriate) will verify that each investor is an Eligible Investor.

The Management Company shall not directly market the Sub-Fund to Retail Investors within the meaning of the ELTIF Regulation. Distributors or sub-distributors (where appropriate) will be in charge of the marketing of the Sub-Fund to Retail Investors within the meaning of the ELTIF Regulation. Such distributors will where appropriate hold the relevant MiFID II and MiFIR licenses in order to perform the distribution.

## **16. Classes**

The SICAV will only issue Shares in accordance with the Prospectus and the Articles. Shares will be issued fully paid up and in registered form.

The initial value of a Share is one hundred euro (EUR 100.-), or equivalent in another currency agreed.

Fractional Shares shall be issued up to five (5) decimal places. Shares may therefore be decimalised to 0,00001.

For the time being, Classes A, E, G, K, R and S are available in the Sub-Fund as follows:

- Class A, E, G and K Shares are subscribed by Retail and Professional Investors.
- Class R Shares are strictly reserved for investors who subscribe directly or via intermediaries providing portfolio management services under a mandate and/or financial investment advice not authorizing them to keep retrocessions either contractually or in accordance with MiFID II or national regulations.
- Class S Shares are strictly reserved for founding investors which are companies or fund affiliated to or managed by Amundi SA.

The minimum initial subscription amount for the Shares subscribed by Retail Investors is described below and in no cases this may be lower than EUR 10,000.-, with the possibility of subsequent subscriptions. There is no minimum subscription amount for subsequent subscriptions provided that Retail Investors, with a financial instruments

portfolio that does not exceed EUR 500,000.-, will have to ensure that their investments in ELTIFs do not exceed a maximum of 10% of their portfolio investments.

<b>Class</b>	<b>Initial Subscription (€) or equivalent in another currency agreed</b>	<b>Target investor</b>
Class A	10,000.-	Retail Investors and Professional Investors
Class E	50,000.-	Retail Investors and Professional Investors
Class G	11,000.-	Retail Investors and Professional Investors
Class K	10,000.-	Retail Investors and Professional Investors
Class R	10,000.-	Retail Investors and Professional Investors
Class S	1,000,000.-	Seed Money and Founding Investors

The subscription price of the Shares is equal to the Net Asset Value per Share established in accordance with the accounting principles set out in the Prospectus, plus the subscription fee not paid to the Sub-Fund, ranging from 0% to a maximum of 5% of the subscription price.

For Retail Investors, the subscription price is expressed in euros and in another currency agreed, paid in cash and fully paid up on the subscription day (each Valuation Day is a subscription day).

For Class S Investors, subscription of Shares of the Sub-Fund is made in euros or in another currency agreed and may be made by contribution in kind, subject to prior approval of the Board of Directors and in compliance with the formalities provided for in the Articles.

#### **17. Base Currency of the Sub-Fund**

Euro.

#### **18. Pricing Currency of the Shares**

The Board of Directors may decide to issue shares in Euro or such other freely convertible currency as it may decide. The Pricing Currency in which the Shares are currently issued in the Sub-Fund is more fully disclosed in the current application form.

#### **19. Cooling-off period**

During the period commencing on his or her admission to the Sub-Fund and ending on the date two weeks later, a Retail Investor may, by written notice to the Sub-Fund, cancel his or her subscription. In such case, any amounts previously drawn from such Retail Investor will be returned without penalty. For the avoidance of doubt, the “admission to the Sub-Fund” above means the subscription request of Shares by a Shareholder.

## **20. Term**

The Sub-Fund will terminate on the ninety-ninth anniversary of its authorisation date by the CSSF, but may be extended for up to one year at the discretion of the Board of Directors, subject to earlier termination upon full realization of the Sub-Fund’s portfolio as described in section “Wind-down Period” below.

## **21. Ramp-up Period**

The Sub-Fund’s Ramp-up Period corresponds to the period during which the Sub-Fund will make its first investments, starting as of the approval date of the Sub-Fund by the CSSF up to five (5) years (the "**Ramp-up Period**").

The Ramp-Up Period may be terminated in advance upon decision of the Board of Directors.

## **22. End of Life and Wind-down Period**

The end of life of the Sub-Fund (the “**End of Life**”) will be 31/12/2119.

The Wind-down Period will start with the End of Life and it is defined as the period during which the Sub-Fund will not reinvest proceeds received from the realization of assets via repayment, prepayment, cancellation, sale or by any other means, except in money markets instruments, short-term bond funds, or equivalent (the “**Wind-down Period**”).

During the Wind-down Period, the Sub-Fund’s assets will be orderly disposed. An itemized schedule for the orderly disposal of the Sub-Fund’s assets will be adopted at the latest one year prior to the End of Life, in accordance with Article 21 of the ELTIF Regulation.

Without prejudice to the provisions of section “Redemptions” below, redemptions to Shareholders will commence on the day following the End of Life.

## **23. Exit: Matching and Redemptions**

### **23.1. Matching during the Ramp-Up Period**

During the Ramp-up Period, the Board of Directors may accept to offset the payment for the subscription price of Shares in the Sub-Fund by new investors with the reimbursement of Shares of a leaving Shareholder (the "**Matching**"), under the conditions described below:

- (i) there are sufficient subscription requests matching the reimbursement request(s);

- (ii) the Sub-Fund will have a minimum allocation of Eligible Assets of at least 70% as of 31 December 2022;
- (iii) the full payment of the subscription price by a new investor must occur prior to the reimbursement of the Shares of the leaving Shareholder.

Matching is not applicable to offset the subscriptions of Shares by contribution in kind.

#### 23.2. Redemptions after the end of the Ramp-Up Period

In general, the Shares of the Sub-Fund may not be redeemed at the request of the Shareholders during the life of the Sub-Fund. Redemptions at the request of the Shareholders are only permitted from the day after the End of Life of the Sub-Fund in accordance with Article 18 (1) of the ELTIF Regulation.

However, under the conditions set out in Article 18 (2) of the ELTIF Regulation and as described below as from the end of the Ramp-Up Period, the Shareholders may request the redemption of their Shares.

#### 23.3. Exit

Shareholders wishing to exit in whole or in part from the Sub-Fund (the “**Exit**”) must submit a duly completed exit form (the “**Exit Request**”) at the latest on the relevant Valuation Day (the “**Exit Date**”) prior to 12.00 p.m. (Luxembourg time) at an exit price equal to the Net Asset Value per Share for such Exit Date (the “**Exit Price**”). The Exit is subject to a minimum of twelve (12) months prior notice (the “**Notice Period**”) and at the end of the Notice Period, the Board of Directors will have a period of twelve (12) months to proceed with the settlement of the Exit (the “**Exit Settlement Period**”). Shareholders cannot withdraw the Exit Request after its submission to the Board of Directors.

The Board of Directors reserves the right to execute Exit Requests prior to the expiry of the Notice Period, if the subscription amount makes it possible to offset Exit Requests, or when the SICAV holds sufficient liquid assets to meet the Exit Requests.

In the event that Exit Requests have not been executed during the Exit Settlement Period, the Board of Directors will convene an extraordinary Shareholders meeting, in the manner described in this Prospectus and the Articles, in order to propose any appropriate action, including the total or partial liquidation of the Sub-Fund or, for example, the setting up of a multilateral trading system.

#### 23.4. Exit process

Exit Requests will be processed as follows:

- (i) When the total value of Shares of the Sub-Fund for which Exit is requested is smaller than the total value of Shares of the Sub-Fund for which subscription is requested, Exit Requests will be effected immediately.
- (ii) However, when the total value of Shares of the Sub-Fund for which Exit is requested is higher than the total value of Shares of the Sub-Fund for which subscription is requested, the Board of Directors will proceed as follows:
  - Exit Requests will be executed in sequence, i.e. with the former taking precedence over the latter for the matching principle, up to the cumulated value of all subscriptions received since the receiving date of the oldest deferred exit request; and
  - non-executed Exit Requests will be automatically deferred to the next Exit Date.

The total value of Shares will be calculated based on the last Net Asset Value per Share available, and:

- for subscriptions, the subscription fee not paid to the Sub-Fund (ranging from 0% to a maximum of 5% of the subscription price) **is not integrated; and**
- for Exit Requests, the Exit Fee (as defined below) payable to the Sub-Fund **will be deducted from the Exit Price.**

After the Ramp-up Period, the Board of Directors may decide, in relation to requests for redemption in accordance with Article 18 (2) of the ELTIF Regulation, to execute Exit Requests in excess of the relevant subscription amount. In that case, the Board of Directors determines a percentage of execution of up to 100% of the value of the UCITS Eligible Assets.

The Board of Directors may not execute the fraction of Exit Requests that exceeds this percentage. Exit Requests will then be processed on a *pro rata* basis.

#### 23.5. Exit Fee

The SICAV may charge an exit fee on Exit, which will be deducted from the Exit Price or such other amount as specified for the Sub-Fund or each relevant Class, where applicable (the “**Exit Fee**”). The Exit Fee is equal to a maximum percentage of the Exit Price or such other amount as specified for the Sub-Fund or each relevant Class, where applicable.

An Exit Fee of up to 5% of the Exit Price for the Shares for which Exit is requested or such other amount as specified for the Sub-Fund or each relevant Class, may be payable to the Sub-Fund upon the redemption or Matching of any Retail Investor of one or more Shares it holds in the Sub-Fund.

<b>Notice Period for Retail Investors with respect to the Exit Date</b>	<b>Base</b>	<b>Maximum rate</b>
12 months	Net Asset Value per Share x number of Shares for which Matching or redemption is requested	5%

For the Class S, the Exit Fee will be applied only in case of an Exit in the form of Redemptions.

#### **24. Transfer of Shares**

Shareholders may transfer their Shares to third parties who meet the investment eligibility criteria of the Sub-Fund in accordance with Article 19 of the ELTIF Regulation. The transferor who wishes to transfer the Shares has to provide an evidence of the eligibility of the transferee.

The Board of Directors may refuse a transfer of Shares in case the transferee does not meet the eligibility criteria *i.e.* including non-compliance with the applicable laws and regulations, the Articles and the Prospectus.

#### **25. Conversion of Shares**

Conversions of Shares of the Sub-Fund into Shares of another Sub-Fund, or Shares of another Sub-Fund into Shares of the Sub-Fund are not authorised.

Conversions of Shares of the Sub-Fund into other Classes of Shares of the Sub-Fund may occur on any Valuation Day. A conversion of one Class of Shares of the Sub-Fund into another Class of Shares of the Sub-Fund may be necessary when the Shareholder's characteristics change and therefore require a switch to another Class of Shares of the Sub-Fund or if the Shareholder requests for a switch of the Class of Shares of the Sub-Fund (capitalisation Shares rather than distribution Shares for example).

#### **26. Distribution Policy**

The Sub-Fund may offer Distribution Shares (as defined below) and Capitalisation Shares (as defined below).

Distribution Shares and Capitalisation Shares will be represented by different Classes.

Capitalisation shares capitalise their entire income (the "**Capitalisation Shares**") whereas Distribution shares pay dividends (the "**Distribution Shares**"). Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Board of Directors shall determine how the income of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation

to such periods as the Board of Directors shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares. The dividend distribution policy may vary between Distribution Shares. Where the dividend rate is in excess of the investment income of the Class, dividends will be paid out of the Class capital as well as from investment income and realised and unrealised capital gains. Dividend distributions are not guaranteed with respect to any Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the SICAV would fall below the minimum share capital required by the 2010 Law which is currently one million two hundred and fifty thousand euro (EUR 1,250,000.-).

In the case when the SICAV could not distribute dividends to a Shareholder, for reasons imputable to the concerned Shareholder, no interest for late payment will be paid on these distributions. When these distributions are not requested by the Shareholder, within five (5) years of their declaration date, they will be cancelled and maintained by the Sub-Fund.

## **27. Re-investment**

Cash collateral received for the benefit of the Sub-Fund can only be:

- a) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union law;
- b) invested in high-quality bonds and treasury bills issued or guaranteed by OECD Member States;
- c) used for the purpose of (reverse) repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

**AMUNDI ELTIF PRIVATE INVESTMENT CAPITAL OPPORTUNITY**  
**(hereinafter the “Sub-Fund”)**

**1. General**

**This section should be read as an introduction to the features of the Sub-Fund and is not a substitute for reading the Prospectus in its entirety. Any decision to invest in the Sub-Fund should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member states, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability may be attached to the SICAV, as the entity which has tabled this section including any translation hereof, and applied for its notification, but only if this section is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.**

**Potential investors should take note of the following:**

- **The Sub-Fund has a seven-year life as from its first closing date which may be extended for up to three times one year provided, however, that the Sub-Fund will terminate, after the end of life of the Sub-Fund, on the date on which the last asset of the Sub-Fund is extinguished, abandoned, written off or sold. An investment in the Sub-Fund is an illiquid investment and the Sub-Fund’s investments are long term in nature. Therefore the Sub-Fund may not be suitable for Retail Investors that are unable to sustain such a long-term and illiquid commitment.**
- **The Sub-Fund is intended to be marketed to Retail Investors that are eligible investors under the ELTIF Regulation.**
- **Investors shall have the right to redeem their Shares in the Sub-Fund before the end of life of the Sub-Fund only in accordance with the provisions set out under section “Redemptions” below. Investors may freely transfer their Shares to third parties meeting the Sub-Fund’s eligibility criteria.**
- **The Sub-Fund intends to use leverage up to 30% of the value of its capital and borrow money to purchase Eligible Investment Assets as permitted by the ELTIF Regulation. When used, this leverage will proportionately increase gains or losses made by the Sub-Fund.**
- **All investors benefit from equal treatment and no preferential treatment nor specific economic benefits are granted to individual investors or groups of investors.**
- **Investors shall have no obligation to make contributions to the Sub-Fund in excess of their respective subscription amount.**
- **During the life of the Sub-Fund, distributions shall be made in accordance with section “Distribution Policy” below.**

- Investors should ensure that only a small proportion of their overall investment portfolio should be invested in an ELTIF such as the Sub-Fund, as further described under section “Eligible Investors” below.
- Financial derivative instruments shall only be used for hedging risks arising from exposures to eligible assets under the ELTIF Regulation.
- The specific risks linked to investments in the Sub-Fund are set out under section “Specific Risks” below.

## 2. Sub-Fund Costs

It is expected that based on the current business forecast, the following costs (in % of the capital of the ELTIF that is its total capital contributions and uncalled committed capital) would be borne, directly or indirectly, by Investors in the Sub-Fund:

	Class A	Class E	Class H	Class I
<b>One-off costs</b>				
Costs of setting up the Sub-Fund (1)	0.26%			
<b>Charges taken from the Sub-Fund over a year</b>				
Costs related to the acquisition of assets (2)	0.15%			
Distribution costs (3)	0.06%	0.06%	0.06%	None
Management fees (4)	2.55%	2.25%	2.00%	1.70%
Other ongoing costs (5)	0.26%			
<b>Incidental costs</b>				
Performance fees	None			
<b>Aggregate all the costs and charges mentioned above</b>				
Overall ratio (6)	3.06%	2.76%	2.51%	2.15%

The figures set out in the table above are based on ex-ante estimated costs. Ex-posts effective costs will be disclosed in the Sub-Fund’s annual report

### (1) Costs of setting up the Sub-Fund

The costs of setting up the Sub-Fund comprises all the expected administrative, regulatory, depositary, custodial, professional service, legal and audit costs related to the setting up of the Sub-Fund irrespective of whether they are paid to the Management Company of the Sub-Fund or to any third party and also include the Sub-Fund’s portion of the SICAV’s establishment and organizational expenses and the costs of engaging any delegated portfolio managers with respect to the Sub-Fund, including the Sub-Investment Manager.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital.

(2) *Costs related to acquisition of assets*

The Sub-Fund (including any Subsidiary (as defined in section “Investment Strategy” below) or other vehicles, through which it makes investments) will be responsible for, and the Investors in the Sub-Fund will bear their allocable share of, all the expected expenses incurred by the Sub-Fund in connection with the Sub-Fund’s business, affairs and operations, including identifying, structuring, managing, evaluating, trading, conducting due diligence on, investing in, acquiring, holding, disposition of (including the transfer or sale of), any investment or prospective investment (whether or not consummated), including “broken-deal expenses”, legal, accounting, advisory fees, fees of finders or sourcing partners, and travel and accommodation expenses.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital over a one-year period.

(3) *Distribution costs*

The distribution costs comprise all the expected administrative, regulatory, professional service and audit costs related to distribution.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions over a one-year period.

The distribution costs do not include eventual subscription fees that may be charged by any Agent and paid by the investor to such Agent.

(4) *Management fees*

The management fees comprises all payments to the Management Company, including any person to whom this function has been delegated, except the fees that are related to the acquisition of assets.

The Management Company will pay the fees of the Investment Manager from the Management Fee. Additionally, the Management Company may pay all or part of the Management Fee to any party that provides services to the Management Company or the Investment Manager, or in respect of the SICAV, including any distributor or sub-distributor.

These costs are expressed as a percentage of:

- the capital of the Sub-Fund that is its total capital contributions over a one-year period until the end of the Ramp Up Period;
- the Net asset Value from the expiration of the Ramp up Period until the Term of the Sub-Fund.

Investors shall refer to section “Charges and Expenses” of this Prospectus for details on the calculation of the Management Fees.

(5) *Other costs, including administrative, regulatory, depositary, custodial, professional services and audit costs*

Those costs comprise all the expected payments to the Depositary and Paying Agent, the Administrator, Registrar and Transfer Agent, the Auditors, including any person to whom they have delegated any function.

These costs also comprise all payments to any person providing outsourced services to any of the above, and all the expected payments to legal and professional advisers, audit fees, registration fees, regulatory fees.

These costs do not include the costs related to the setting up of the Sub-Fund, the costs related to acquisition of assets, the distribution costs and the management fees.

These costs are expressed as a percentage of the capital of the Sub-Fund that is its total capital contributions and uncalled committed capital over a one-year period.

(6) *Overall ratio*

The overall ratio is the ratio of the expected total ex-ante estimated costs of the Sub-Fund to the capital of the Sub-Fund, based on the current business forecast.

The total ex-ante estimated costs are equal the sum of:

- the costs related to the acquisition of assets referred to in (2) above
- the distribution costs as referred to in (3) above
- the management fees as referred to in (4) above,
- the other costs as referred to in (5) above, and
- the costs of setting up the Sub-Fund referred to in (1) above divided by the life of the Sub-Fund (*i.e.* seven-year as from its first closing date)

### **3. Complaints and Local Facilities**

Complaints by an investor in connection with its investment in the Sub-Fund should be addressed in accordance with section “Queries and Complaints” of the Prospectus.

The facilities which are required to be made available to Retail Investors in accordance with Article 26 of the ELTIF Regulation will be provided, to the extent applicable, by Retail Investors’ placement agents or financial advisers (as the case may be), in accordance with the ELTIF Delegated Regulation. In addition, local regulations in certain jurisdictions in which the Sub-Fund may be marketed may, from time to time, require the appointment of paying agents and/or other local agents.

### **4. Investment Objective**

The Sub-Fund's objective is to generate risk-adjusted returns and achieve long-term capital growth by primarily investing, either directly or indirectly through a Subsidiary, in a diversified portfolio of equity and quasi-equity co-investments opportunities (the “**Private Equity Segment**”).

Within the limits of the ELTIF Regulation, the Sub-Fund may also invest, either directly or indirectly through a Subsidiary, in listed or unlisted debt securities, money market instruments and/or in UCITS Eligible Assets (the “**Debt and Liquid Segment**”).

Following the Ramp-Up Period, the Sub-Fund is expected to invest at least 85% of its capital in the Private Equity Segment, which is expected to comprise approximately twenty (20) different investments.

As an ELTIF, the Sub-Fund may invest in long-term assets, meaning assets that are typically of an illiquid nature, require patient capital based on commitments made for a considerable period of time, often provide late return on investment and generally have an economic profile of a long-term nature.

The Sub-Fund will itself be, and an investment in the Sub-Fund should be viewed by investors as long-term in nature.

The Private Equity Segment’s investments will qualify as Eligible Investments Assets within the meaning of article 10(a) of the ELTIF Regulation (the “**Eligible Private Equity Assets**”).

The Sub-Fund’s performance will not be determined by reference to any benchmark.

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in Section “Sustainable Investment” of the Prospectus.

## **5. Investment Strategy**

The investment strategy of the Sub-Fund is to build up a portfolio with a predominance of Eligible Private Equity Assets via direct investments and co-investments alongside private equity firms and other financial sponsors (including potentially alongside other collective investment vehicles and funds managed or advised by the Sub-Investment Manager) (collectively the “**Sponsors**”) across a range of private equity strategies, primarily investing in buyout and opportunistically investing in special situations, growth capital and private credit-like investments.

The capital of the Sub-Fund allocated by the Investment Manager to the Private Equity Segment will be invested in a variety of situations both in new deals as well as in existing portfolio companies of Sponsors, targeting co-underwrite, traditional syndicated co-investment deals and mid-life co-investment opportunities and will not be limited with respect to the range or types of industries, sectors, companies or transactions in which it may invest, subject to the requirements of the ELTIF Regulation.

The target allocation of the Sub-Fund is the following:

- the Private Equity Segment is expected to represent 85% of the Sub-Fund’s capital at the end of the Ramp-up Period (as defined in section "Ramp-Up Period" below);

- the Sub-Fund's capital which will not be invested in the Private Equity Segment will be invested in listed or unlisted debt instruments and money market instruments and/or UCITS Eligible Assets.

The Sub-Fund reserves the right to reduce, increase or divest its investments as it deems appropriate throughout the life of the Sub-Fund and in accordance with ELTIF Regulation.

The Sub-Fund may pursue its investment policy through a Subsidiary. "**Subsidiary**" means any legal structure established for the purposes of investing in the underlying assets and which is controlled directly or indirectly by the SICAV or by the Management Company on behalf of the SICAV.

The Sub-Fund will not grant any loans.

After the end of the Ramp-up Period and for the remainder of the life of the Sub-Fund, any proceeds received from the realization of the assets of the Private Equity Segment (via repayment, prepayment or, sale or any other means) could be reinvested in private equity assets which would qualify as Eligible Investment Assets to the extent that (i) adequate private equity opportunities consistent with the Sub-Fund's objective could be identified by the Sub-Investment Manager and, (ii) the reinvestment in any new private equity assets which would qualify as Eligible Investment Assets (*i.e.* not including follow-on investments in existing assets and or investment committed during the Ramp-Up Period) can occur before the end of the fourth anniversary of the first closing date.

After the fourth anniversary of the first closing date, the Investment Manager may discretionally decide to distribute or reinvest the proceeds and income in follow-on investments of existing private equity assets and/or in listed or unlisted debt instruments.

The Sub-Fund will invest in qualifying portfolio undertakings within the meaning of the ELTIF Regulation (the "**Qualifying Portfolio Undertakings**") that are established in the (i) Member States or (ii) the following third countries: Switzerland, United Kingdom, the Channel Islands (Guernsey and Jersey), Norway, Iceland, the United States of America and Canada to the extent compatible with the ELTIF Regulation.

Following the Ramp-Up Period, at least 60% of the capital of the Sub-Fund will be invested in Qualifying Portfolio Undertakings established in Member States.

The investment and divestment decisions remain with the Management Company, the Investment Manager in respect of the Debt and Liquid Segment or the Sub-Investment Manager in respect of the Private Equity Segment respectively, to the extent that these functions have been delegated, in part or in full and on the terms set out in the relevant investment management agreement or sub-investment management agreement respectively.

## **6. Borrowings and Leverage**

Although it is not expected that the Sub-Fund will borrow and enter into credit facilities or other financing transactions or otherwise incur leverage for the purpose of investing in Eligible Investment Assets in accordance with Article 16 of the ELTIF Regulation,

the Sub-Fund may enter into short term financing transactions for cash flow purposes provided that these are fully covered by contractual commitments of the Investors of the Sub-Fund. Such short term financial transactions for cash flow purposes shall not exceed 10% of the total commitments.

The leverage of the Sub-Fund calculated according to the gross method is not expected to exceed 200%. The leverage of the Sub-Fund calculated according to the commitment method will not exceed 100%.

## **7. Hedging Policy**

Investors should note that it is not expected that the Sub-Fund will hedge its exposure to currency risk due to investments denominated in currencies other than the euro. However, the Sub-Fund may engage in eventual hedging arrangements upon decision of the Management Company or the Investment Manager in accordance with the ELTIF Regulation.

The Sub-Fund may purchase and sell foreign currency in conjunction with the purchase or sale of underlying investments as part of its hedging strategy. The Sub-Fund's foreign currency transactions may be conducted on a spot basis to satisfy settlement of investments. The Sub-Fund may also enter into contracts for forward settlement of foreign currencies through forward contracts, options agreements or other foreign currency hedging instruments. The Sub-Fund will enter into foreign currency transactions as a hedging tool and will not purchase or sell foreign currencies on a standalone basis.

The Sub-Fund may also use certain active currency, credit and interest rate management techniques related to the currency, credit and interest rate risks associated with the investments held by it for hedging purposes (through the use of derivative financial instruments such as interest rate swaps, credit default swaps, options, futures and/or forwards).

Financial derivative instruments may be used only for the purpose of hedging risks inherent to other investments of the Sub-Fund.

## **8. Investment Restrictions**

The following restrictions prescribed by the ELTIF Regulation and applicable to the Sub-Fund shall be considered at the level of the Sub-Fund and at the level of the Subsidiary for each investment made through such Subsidiary and on a look-through basis.

The Management Company, the Investment Manager and/or the Sub-Investment Management shall procure that:

- h) the Sub-Fund shall, in line with the ELTIF Regulation, only invest in (i) Eligible Investment Assets and (ii) UCITS Eligible Assets;
- i) the Sub-Fund shall not undertake any of the following activities:
  - (v) short selling of assets;

- (vi) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them;
  - (vii) entering into securities lending, securities borrowing, repurchase transactions, or any other agreement which has an equivalent economic effect and poses similar risks, if thereby more than 10% of the assets of the Sub-Fund are affected by such transactions;
  - (viii) using financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Sub-Fund;
- j) at least 70% of its capital shall be invested in Eligible Investment Assets;
  - k) no more than 10% of its capital shall be invested in instruments issued by, or loans granted to, any single Qualifying Portfolio Undertaking;
  - l) no more than 10% of its capital shall be invested directly or indirectly in any single real asset;
  - m) no more than 5% of its capital shall be invested in UCITS Eligible Assets where those assets have been issued by any single issuer (and the concentration limits set out in Article 56(2) of the UCITS Directive shall also apply to investments in such assets by the Sub-Fund); and
  - n) the aggregate risk exposure to any single counterparty of the Sub-Fund in relation to over the counter (OTC) derivative transactions, repurchase agreements or reverse repurchase agreements, shall not exceed 5% of the value of the capital of the Sub-Fund.

The investment limits in (c), (d), (e) and (g) above shall apply as from the end of the Ramp-up Period, whereas the investment limit in (f) shall apply also during the Ramp-up Period.

The 10% limits in (d) and (e) above may be increased to 20% if the aggregate value of the assets held by the Sub-Fund in Qualifying Portfolio Undertakings and in individual real assets in which it invests more than 10% of its capital does not exceed 40% of the value of the capital of the Sub-Fund.

The 5% limit in (f) above may be increased to 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders (in particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest).

Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognized international accounting rules, shall be regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section.

The Sub-Investment Manager shall invest an aggregate amount equal to 1% of the total commitments in the Private Equity Segment.

## **9. Risk management**

The method employed to calculate the global exposure of the Sub-Fund and to represent its risk profile is the commitment method.

Under the commitment method, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of the Sub-Fund is limited to 200% of its Net Asset Value due to the use of derivatives for currency exposure hedging.

## **10. Specific Risks**

Investors should read carefully Appendix II of the Prospectus in particular, but without limitation, sections “Specific risks associated with underlying investments”, “Risk of lack of liquidity of a Sub Fund”, “Leverage/Borrowing risk”. An investment in the Sub-Fund, can ancillary involve also counterparty risks and foreign exchange/currency risks.

Investors should also be aware that investments of the Sub-Fund may be undertaken by a Subsidiary on a look-through basis, meaning that the investments provided at the level of the Subsidiary will be considered as being undertaken by the SICAV itself for the Sub-Fund.

The Sub-Fund is subject, in particular, to the following risks:

### **Co-Investment**

Co-investing alongside private equity investors and financial sponsors involves risks that may not be present in investments made by lead or sponsoring private equity investors. As a co-investor, the Sub-Fund may have interests or objectives that are inconsistent with those of the lead private equity investors that generally will have a greater degree of control over such investments.

In addition, in order to take advantage of co-investment opportunities, the Sub-Fund generally will be required to hold a minority interest, for example, by becoming a limited partner in a co-investment partnership that is managed by the general partner or manager of the entity offering the co-investment to the Sub-Fund. In this event, the Sub-Fund would have less control over its portfolio investment and may be adversely affected by actions taken by such general partner or manager with respect to the portfolio company and the Sub-Fund’s indirect investment in it.

Co-investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-investor may at any time have economic or business interests or goals which are inconsistent with those of the Sub-Fund, may take

a different view than that of the Sub-Investment Manager as to the appropriate strategy for such investment, may be in a position to take action contrary to the Sub-Fund's investment objective or may become bankrupt or otherwise default on their obligations. This could potentially result in increased costs, delays or even termination of the proposed investment.

The Sub-Fund (alone or together with other investors) may be required to exercise day-to-day control of a Qualifying Portfolio Undertaking with respect to some co-investments, which could expose the Sub-Fund to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

The Sub-Fund may also hold debt obligations in Qualifying Portfolio Undertakings and, in this instance, will have a limited ability to protect the Sub-Fund's position in such Qualifying Portfolio Undertakings. It will be the responsibility of the management of the Qualifying Portfolio Undertaking to operate the relevant Qualifying Portfolio Undertaking on a day-to-day basis. There can be no guarantee that the Management Company and/or the Sub-Investment Manager will be able to obtain any creditor rights for individual investments so as to sufficiently protect the Sub-Fund's interest in every situation.

Specific risks related to co-investments are duly addressed by the conflict of interest policy established by the Management Company in accordance with the ELTIF Regulation and the AIFMD framework, *inter alia* to ensure that:

- (i) the Management Company, the Investment Manager and the Sub-Investment Manager act in good faith and in the best interests of the Sub-Fund's investors;
- (ii) neither the Management Company nor the Investment Manager or the Sub-Investment Manager (nor any intermediary acting on their behalf) has an interest or exercises a controlling influence on an investment target itself such that it benefits from terms that are not in the best interest of the Sub-Fund's investors;
- (iii) conflicts of interests are properly identified, prevented, managed and monitored where the Management Company, the Investment Manager or the Sub-Investment Manager might be linked to investment targets.

### **Diluting from Subsequent Closings**

Shareholders subscribing for interests at subsequent closings will participate in existing portfolio investments of the Sub-Fund, diluting the interest of existing Shareholders therein. Although such Shareholders will contribute their pro rata share of previously made Sub-Fund draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Sub-Fund's existing portfolio investments at the time such additional Shareholders subscribe for interests in the Sub-Fund.

### **Investment Holding Vehicles**

Investments of the Sub-Fund may be undertaken through one or several investment holding vehicles on a look-through basis, meaning that the investments provided at the level of the investment holding vehicle will be considered as being undertaken by the SICAV itself for the Sub-Fund.

The Sub-Fund's performance will be affected by the structure of the acquisition and the terms of investments, including legal, tax, regulatory and/or other considerations, over which the Sub-Fund is generally expected to have limited control.

The Sub-Fund generally makes investments alongside other investors, funds and/or accounts whose investors may have different tax and/or regulatory attributes than the Shareholders. Therefore, the Sub-Fund may make an investment through a structure that may benefit some or all of the investors in such fund but be relatively disadvantageous to some or all of the Shareholders.

### **Junior Capital Investments**

The Sub-Fund may make junior debt investments, which involve a high degree of risk with no certainty of any return of capital. Although junior debt obligations are senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are often unsecured. The ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the junior debt or other exercises by the subordinated creditors of their rights. Accordingly, the Sub-Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all.

### **Possible Lack of Diversification**

There can be no assurance as to the degree of diversification that will be achieved by the Sub-Fund. The Sub-Fund intends to make investments in increasingly competitive markets, and therefore successfully sourcing investments may be problematic. The Sub-Fund may participate in only a limited number of investments and may seek to make several investments in a limited number of investment asset classes or geographical regions. Concentrated investment exposure by the Sub-Fund could magnify the other risks described herein. Furthermore, to the extent that the commitments raised are less than the targeted amount, the Sub-Fund may invest in fewer portfolio companies and thus be less diversified. In addition, the investment portfolio of the Sub-Fund could become highly concentrated in the initial stages of the Sub-Fund fundraising process, as the Sub-Fund may not have sufficient funds to diversify its investments. Similarly, because of disposal of assets during the winding up of the Sub-Fund, the Sub-Investment Manager may not be able to dispose of assets across various asset classes proportionally, which could result in the Sub-Fund becoming highly concentrated.

## **Risks Regarding the ELTIF Regulation Requirements**

The investment opportunities for the Sub-Fund will be subject to the Sub-Investment Manager platform's allocation policy as well as needing to meet the ELTIF Regulation's requirements for eligible assets; therefore, there can be no guarantee as to the number of investment opportunities that are eligible for investment by the Sub-Fund. Further, the compliance with such ELTIF Regulation requirements will also be monitored during the life of the investments and in circumstances where a potential or actual breach of such requirements occurs, the Investment Manager and Sub-Investment Manager and the Management Company will need to take mitigating or remedial actions to ensure compliance with the ELTIF Regulation. Such actions may include the divestment of an asset at a non-optimal point which may have an impact on returns.

## **Risks Regarding Dispositions of Co-Investments**

In connection with the disposition of co-investments, the Sub-Fund may be required to make representations and warranties about the business and financial affairs of the relevant Qualifying Portfolio Undertaking typical of those made in connection with the sale of any business. The Sub-Fund may also be required to indemnify the purchasers of such Qualifying Portfolio Undertaking to the extent that any such representations or warranties turn out to be inaccurate or misleading. These arrangements may result in liabilities for the Sub-Fund.

## **Risks Associated with Staged Investments**

The Sub-Fund may make investments that require multiple funding over time or are structured as "revolvers" or "delayed-draws". These types of investments generally have funding obligations that extend over a period of time and which may extend beyond the Ramp-up Period. In such circumstances, the Sub-Fund may be required to reserve capital for future funding obligations and may be required to fund such obligations after the termination of the Ramp-up Period. However, there can be no assurance that the reserved funds will ultimately be utilized for investment, which may result in the Sub-Fund not fully deploying its capital.

## **Investments Longer than Term**

The Sub-Fund may invest in investments which may not be advantageously disposed of prior to the End of Life of the Sub-Fund, either by expiration of their term or otherwise. Although the Management Company, the Investment Manager and the Sub-Investment Manager expect that investments will be disposed of prior to End of Life or be suitable for in-kind distribution at End of Life, the Sub-Fund could potentially have to sell, distribute or otherwise dispose of investments at a disadvantageous time because of its End of Life. In addition, the End of Life of the Sub-Fund may be delayed to permit the Sub-Fund to dispose of investments at an advantageous time.

## **Concentration**

The Sub-Fund generally will commit, directly or indirectly, to make new investments during the Ramp-up Period. To the extent that prevailing market conditions or other factors result in poor overall economic conditions or results during such period, then the

aggregate returns realized by the Shareholders may be substantially adversely affected by the relative concentration of such investments.

### **Profit Share and Alignment of Interest Considerations**

The Carry Vehicle, being an affiliate of the Sub-Investment Manager, is entitled to receive a performance based profit share from the Private Equity Subsidiary (as defined below) with respect to investments. While such compensation arrangement may create an incentive for the Sub-Investment Manager to make investments that are riskier or more speculative than would otherwise be the case in the absence of such an arrangement, the existence of such an arrangement often serves to align the interests of the Sub-Investment Manager and the Shareholders, and to incentivize the Sub-Investment Manager to seek to maximize the profitability of the Sub-Fund's investments. In addition, the Sub-Investment Manager may be incentivized to allocate all or a portion of certain investment opportunities to other investment vehicles that provide for the payment of a higher rate of carried interest or other performance based compensation and not to the Sub-Fund provided that the Sub-Investment Manager will act in good faith and in the best interests of the Sub-Fund's investors. To the extent that the Sub-Investment Manager has made a larger capital commitment to other investment vehicles managed by the Sub-Investment Manager than that made to a Subsidiary, there may be an incentive for the Sub-Investment Manager to devote fewer resources to the investment activities of the Sub-Fund than to the investment activities of such other investment vehicles, or to allocate fewer investments.

### **Investment in Loans**

The Sub-Fund may invest, directly or indirectly, in loans and such practice involves certain risks. If a loan is foreclosed, the Sub-Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. As a result, the Sub-Fund may be exposed to losses resulting from default and foreclosure. Any costs or delays involved in the effectuation of a foreclosure of the loan will further reduce the proceeds and thus increase the loss. There is no assurance that the Sub-Fund will correctly evaluate the value of the assets collateralizing the loan. In the event of a reorganization or liquidation proceeding relating to the borrower, the Sub-Fund may lose all or part of the amounts advanced to the borrower. There is no assurance that the protection of the Sub-Fund's interests is adequate, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, there is no assurance that claims may not be asserted that might interfere with enforcement of the Sub-Fund's rights.

Certain of the Sub-Fund's debt investments may be unsecured. If the Sub-Fund invests in debt that is not secured by collateral, in the event of a default by the borrower, the Sub-Fund will only have an unsecured claim against the borrower.

It will be the responsibility of the management of the Qualifying Portfolio Undertaking to operate the relevant Qualifying Portfolio Undertaking on a day-to-day basis. There can be no guarantee that the Management Company and/or the Investment Manager will be able to obtain any creditor rights for individual investments to sufficiently protect the Sub-Fund's interest in every situation.

There are no restrictions on the credit quality of the Sub-Fund's loans. Loans may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Sub-Fund may invest in may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

### **Assessment of the Valuation of the Portfolio Interests**

The Sub-Fund will carry out investment transactions in unlisted securities for which the value of the security is provided by third parties. In such cases, the correct market value is calculated on the basis of the available information.

The portfolio interests are evaluated by the Management Company in accordance with valuations communicated by the Investment Manager and Sub-Investment Manager.

Regarding the Private Equity Segment assets that are co-investments alongside private equity investors and financial sponsors, the value of such investments is derived from, or provided by, the valuation of the lead sponsor of such investments. The Investment Manager will perform coherency check on this valuation and adjust the portfolio companies' valuation when needed.

In addition to the risks pertaining to the valuation of the Private Equity Segment, please refer to the relevant risk "Valuation risk" under Annex II of the Prospectus regarding the valuation risks on private debt exposure.

Valuations are necessarily estimates and therefore, the value of the Sub-Fund's Shares may be different from the value at which the relevant investments may be actually sold.

### **Investments in Non-Euro currency or in Non-EU Countries**

The Sub-Fund is expected to invest a portion of its assets which are not denominated in Euro. Such investments involve risk factors not associated with investing in EURO denominated assets, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the Euro and the non-Euro currencies in which such investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the EU and non-EU securities markets, including potential price volatility in and relative liquidity of some non-EU securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations and restrictions on non-EU investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-EU taxes on income and gains recognized with respect to such securities. Such factors may adversely affect the value of the Sub-Fund's non-Euro

denominated assets and hence the overall value of a Shareholder's interest in the Sub-Fund.

## 11. Annual Report

For more information on the fiscal year of the SICAV and on the availability of the annual report of the SICAV for investors, please refer to section "Meetings of Shareholders and Reports to Shareholders" of the Prospectus.

The Sub-Fund's annual report prepared in accordance with the AIFMD and the ELTIF Regulation will be made available to investors on request. This will be provided in such a manner as is indicated to the investor at the time. For example, it may be dispatched directly, posted on a website, or made available through any other medium.

## 12. Investment Manager and Sub-Investment Manager

The investment management of the Sub-Fund will be undertaken by Amundi Private Equity Funds (the "**Investment Manager**").

The Investment Manager belong to Amundi group is approved in France and regulated by the AMF for multi-management activities in the area of real assets and private markets.

The Management Company and the Investment Manager have appointed Neuberger Berman AIFM S.à r.l. as sub-investment manager of the Sub-Fund (the "**Sub-Investment Manager**") in order to provide specific day-to-day portfolio investment services to the Sub-Fund with respect to the Private Equity Segment pursuant to a sub-investment management agreement establishing the rights and obligations of the Sub-Investment Manager. The Sub-Investment Manager is a Luxembourg private limited liability company (*Société à responsabilité limitée – S.à r.l.*), with its registered office at 9, rue du Laboratoire, L - 1911 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés – R.C.S.*) under number B 222747, authorised and supervised by the CSSF as an alternative investment fund manager under number A00002466. The Sub-Investment Manager is part of the Neuberger Berman group.

The Sub-Investment Manager shall, on a day-to-day basis and subject to the overall control of the Investment Manager and ultimate responsibility of the Management Company, inter alia, source investment opportunities of the Private Equity Segment consistent with the investment objectives of the Sub-Fund, provide analysis and investigation of potential investments in portfolio companies, including evaluation of markets, management, financial condition, competitive position, market ranking and prospects for future performance, negotiate and structure acquisitions and dispositions of its investments and supervise the preparation and review of documents required in connection therewith, monitor the performance of portfolio companies, including the authority to evaluate, monitor, exercise voting rights, and take other appropriate action, with respect to its investments, monitor the compliance of the portfolio with any investment or other risk limits applicable, and any services related to the assets of the Sub-Fund or relevant Subsidiary (including administrative activities and other services

connected to the management of any portfolio company) required by the Investment Manager and or the Management Company.

The Sub-Investment Manager shall be entitled to delegate the management of the Private Equity Segment to Neuberger Berman Europe Limited, NB Alternatives Advisers LLC and/or any other associate of the Sub-Investment Manager, with the prior written consent of the Management Company.

### **13. Valuation Day**

The Net Asset Value of the Sub-Fund shall be calculated on a quarterly basis. The Valuation Day of the Sub-Fund shall be the last calendar day of each quarter. The first Valuation Day shall take place on the first quarter end date after the final closing date.

The Net Asset Value for a Valuation Day is normally calculated by reference to the last value of the underlying assets of the relevant Share Class within the Sub-Fund. These underlying assets are valued at the last available prices on the relevant Valuation Day. The quarterly Net Asset Value shall be made available or reported to Shareholders in their usual format within 90 calendar days after a relevant quarter end except with respect to the year-end quarterly Net Asset Value which shall be reported in the Sub-Fund's annual report. The Net Asset Value may also be calculated at such more frequent intervals as determined by the Management Company and duly notified to investors.

The first Valuation Day shall take place on the first quarter end date after the final closing date.

### **14. Minimum Assets Level**

If the Net Asset Value of the Sub-Fund falls under EUR 100,000,000, the Board of Directors may decide, within a period of six months, to liquidate the Sub-Fund by the compulsory redemption of all the Shares.

### **15. Eligible Investors**

Shares may be acquired only by Eligible Investors. An "Eligible Investor" means an investor meeting the eligibility criteria of the ELTIF Regulation, being (i) a Professional Investor, or (ii) a Retail Investor, provided that if such Retail Investor's financial instrument portfolio (composed of cash deposits and financial instruments, excluding any financial instruments that have been given as collateral) does not exceed EUR 500,000, then such Retail Investor may not invest an aggregate amount exceeding 10% of its financial instrument portfolio in the Sub-Fund and any other ELTIF and the initial amount invested in the Sub-Fund and any other ELTIF may not be less than EUR 10,000.

If the Board of Directors determines that an investor is no longer an Eligible Investor or if the investor is in breach of its obligations, representations or warranties to the Sub-Fund, or fails to make such representations or warranties or fails to deliver information (for example as required under FATCA or similar law) as the Board of Directors may require, the Board of Directors may (i) require/cause such investor to sell all or some of its Shares in accordance with the Articles, or (ii) redeem such investor's Shares in accordance with the Articles.

The Administrator, Paying Agent, distributor or sub-distributor (where appropriate) will verify that each investor is an Eligible Investor.

The Management Company shall not directly market the Sub-Fund to Retail Investors within the meaning of the ELTIF Regulation. Distributors or sub-distributors (where appropriate) will be in charge of the marketing of the Sub-Fund to Retail Investors within the meaning of the ELTIF Regulation. Such distributors will where appropriate hold the relevant MiFID II and MiFIR licenses in order to perform the distribution.

## **16. Classes**

The SICAV will only issue Shares in accordance with the Prospectus and the Articles. Shares will be issued fully paid up and in registered form.

The initial value of a Share is one hundred euro (EUR 100.-)

Fractional Shares shall be issued up to three (3) decimal places.

For the time being, Class A, H, and I are available in the Sub-Fund as follows:

<b>Class</b>	<b>Minimum commitment</b>
A	EUR 10,000
E	EUR 100,000
H	EUR 250,000
I*	EUR 1,000,000

I Shares are only available to Professional Investors investing for their own account.

The subscription price is expressed in euros, paid in cash and fully paid up on the subscription day.

Shareholders are not permitted to convert Shares of one Class into Shares of another Class of this Sub-Fund or any other Sub-Fund.

## **17. Base Currency**

Euro.

## **18. Pricing Currency of the Shares**

The Management Company may decide to issue shares in Euro or such other freely convertible currency as they may decide. The Pricing Currency in which the Shares are currently issued in the Sub-Fund is more fully disclosed in the current application form.

## **19. Closings**

The first closing of the Sub-Fund is expected to occur within six (6) months after the date of the Sub-Fund's authorization as an ELTIF. Additional closings may occur within six (6) months of the first closing. It is expected that 100% of each investor's

commitment to the Sub-Fund (the “**Commitment**”) will be drawn on or around the date on which the Commitment is accepted by the Sub-Fund.

## **20. Cooling-off period**

During the period commencing on his or her admission to the Sub-Fund and ending on the date two weeks later, a Retail Investor may, by written notice to the Sub-Fund, cancel his or her Commitment. In such case, any amounts previously drawn from such Retail Investor will be returned without penalty. For the avoidance of doubt, the “admission to the Sub-Fund” above means the subscription of Shares by an investor.

## **21. Term**

The Sub-Fund will terminate on the seventh anniversary of its first closing date (the “**Term**”) provided, however, that the Sub-Fund will terminate, after the End of Life, on the date on which the last asset of the Sub-Fund is extinguished, abandoned, written off or sold. The Term may be extended for up to three times one year at the discretion of the Board of Directors, and subject to earlier termination upon full realization of the Sub-Fund’s portfolio as described in section “Wind-down Period” below.

## **22. Ramp-up Period**

The Sub-Fund’s ramp-up period will commence on its first closing and will end on the second anniversary of the final closing (the “**Ramp-up Period**”), provided that the Board of Directors may extend the Ramp-up Period by up to one year, subject to the requirement that the Board of Directors may not extend the Ramp-up Period past the halfway point of the Sub-Fund’s life.

## **23. End of Life and Wind-down Period**

The end of life of the Sub-Fund (the “**End of Life**”) will be the earlier of (i) the sixth anniversary of the first closing date of the Sub-Fund or (ii) when the Management Company, using its reasonable business judgement, considers that market opportunities are inadequate to generate returns consistent with the Sub-Fund’s objective, but in no case prior to the fourth anniversary of the first closing date.

Following the End of Life, the Sub-Fund shall not make any new investments, except however that, as part of the Private Equity Segment, the Sub-Fund may invest additional amounts in existing investments (*i.e.* follow-on investments) following the End of Life but prior to the Term.

The Wind-down Period will start with the End of Life and it is defined as the period during which the Sub-Fund will not reinvest proceeds received from the realization of assets via repayment, prepayment, cancellation, sale or by any other means, except in money markets instruments, short-term bond funds, or equivalent or in follow-on investments in existing investments made by the Sub-Fund as part of the Private Equity Segment (the “**Wind-down Period**”).

During the Wind-down Period, the Sub-Fund's assets will be orderly disposed and will pay down the Shares each semester (calculated as of each last calendar day of March and September) (or, if not a Business Day, on the next following Business Day).

An itemized schedule for the orderly disposal of the Sub-Fund's assets will be adopted at the latest one year prior to the End of Life, in accordance with article 21 of the ELTIF Regulation.

## **24. Redemptions**

For the avoidance of doubt, redemptions in accordance with this Section 24 shall not be possible during the Ramp-up Period.

### **24.1 Redemptions at the initiative of the Shareholders**

Shareholders wishing to exit in whole or in part from the Sub-Fund during the life of the Sub-Fund shall only be able to do so at the Exit Window Date (as this term is defined below) at an exit price equal to the Net Asset Value per Share for such Exit Window Date less an early redemption charge equal to 3% which will be payable to the Sub-Fund (the "**Exit Price**"). In order to do so, Shareholders must submit a duly completed exit form (the "**Exit Request**") that must be received at least 3 months prior to the last Business Day of March 2026 (the "**Exit Window Date**") prior to 12.00 p.m. (Luxembourg time).

In any case within the limits of Article 18(2)(d) of the ELTIF Regulation, aggregate redemptions will be limited to the lower of (i) 10% of the total assets of the Sub-Fund and (ii) 75% of the value of the Sub-Fund's UCITS Eligible Assets, including cash and Investment Proceeds not reinvested or already distributed (the "**Permissible Early Redemption Amount**").

Should redemption requests received on the Exit Window Date exceed the Permissible Early Redemption Amount, then the requests will be satisfied on a pro rata basis and the outstanding requests will be cancelled.

Redemption proceeds will be paid as soon as reasonably practicable after ascertaining the Net Asset Value as of the relevant Exit Window Date.

### **24.2 Redemptions at the initiative of the Board of Directors**

The Board of Directors may, at its discretion, decide to compulsorily redeem Shares in consideration of the payment of the redemption price, however the Board acknowledges that the Sub-Investment Manager shall not be able to realize investments in the Private Equity Segment to facilitate any such redemptions.

## **25. Distribution Policy**

Following the end of the Ramp-up Period, the Sub-Fund may discretionally decide to distribute proceeds generated by the assets in the Sub-Fund's portfolio including:

- net income received in cash in respect assets in the Sub-Fund's portfolio; and/or

- capital and capital appreciation realized after the disposal of assets in the Sub-Fund's portfolio.

Notwithstanding the foregoing, the Sub-Fund may retain proceeds available for distribution, as the Management Company and/or the Investment Manager considers necessary for reserves, taxes, cost and expenses of the Sub-Fund.

The Sub-Fund may also retain proceeds for the purpose of investing additional amounts in existing investments as part of the Private Equity Segment (*i.e.* follow-on investments).

The proceeds not used for re-investment or reserved for follow-on investments and net provisions that the Sub-Fund considers necessary or prudent to operate to cover specific obligation risk and cost of the Sub-Fund constitute the distributable liquidity.

After the receipt of the distributable liquidity, the Sub-Fund may determine, at its sole discretion, the amount of each distribution that will be distributed and as soon as practicable after calculating the Net Asset Value as of the relevant distribution date on a quarterly basis.

Investment proceeds and any other amounts available for distribution shall be apportioned amongst the Shareholders of the Sub-Fund based on their respective shareholdings and the number of Shares held in the Sub-Fund.

A profit share shall be distributed to the Carry Vehicle (the "**PE Profit Share**") at the level of a Subsidiary through which the investments of the Private Equity Segment will be made (the "**Private Equity Subsidiary**"). The PE Profit Share shall be determined at the level of the Private Equity Subsidiary by all proceeds received by the Private Equity Subsidiary that are attributable to the Sub-Fund (subject as expressly provided for below) being distributed in accordance with the following priorities:

- (a) First, 100% to the Sub-Fund until it has received an amount of cumulative distributions equal to the aggregate amount that the Private Equity Subsidiary has (x) invested in investments and (y) used for investment related expenses (collectively the amounts referred to in (x) and (y), "**Investment Contributions**"), in each case which have not previously been repaid;
- (b) Second, 100% to the Sub Fund until it has received an amount of cumulative distributions equal to a rate of return of 8% per annum (compounded annually on the basis of a 365-day year) on the Investment Contributions from the date on which the Investment Contributions were invested in investments or used to pay such investment related expenses (as applicable) until the date that each such Investment Contributions are repaid (the "**Preferred Return**"); provided that, for the avoidance of doubt, amounts retained, in a cash reserve account or otherwise, pending their release by the Private Equity Subsidiary in an amount to be determined by the Sub-Investment Manager in its sole discretion shall not accrue the Preferred Return;
- (c) Third, 100% to the Carry Vehicle until the Carry Vehicle has received cumulative distributions pursuant to this clause (c) in an amount equal to 12.5%

of the sum of (i) the aggregate amount distributed to the Sub-Fund pursuant to clause (b) and (ii) the aggregate amount distributed to the Carry Vehicle in respect of the Sub Fund pursuant to this clause (c); and

(d) Fourth, 12.5% to the Carry Vehicle and 87.5%% to the Sub-Fund.

“**Carry Vehicle**” means an affiliate of the Sub-Investment Manager designated by it for the purposes of receiving the PE Profit Share.

The Carry Vehicle may receive payments, distributions or other amounts, directly or indirectly, from the Private Equity Subsidiary (and/or, without duplication, the Sub-Fund) in respect of each taxable year in order to enable the Carry Vehicle to pay any taxes in respect of taxable income or gains allocated to it by the Private Equity Subsidiary. The amount of such tax distributions will be based on certain assumptions and a hypothetical tax rate and will be treated as an advance of the PE Profit Share. Such tax distributions to the Carry Vehicle may be funded by way of borrowings or cash reserves of the Private Equity Subsidiary (and/or, without duplication, the Sub-Fund) that may otherwise ultimately be distributable to Shareholders in each case compliant with the requirements of Article 16 of the ELTIF Regulation.

## **26. Re-investment**

The Investment Manager may, in its discretion, elect to reinvest any investment proceed in listed or unlisted debt instruments or UCITS Eligible Assets for the purpose of making subsequent additional investments in Eligible Private Equity Assets, provided that (i) the aggregate amount invested in the Private Equity Segment (excluding any transaction underwritten or realized during the Ramp Up Period) will not exceed 100% of the capital of the Sub-Fund and (ii) the re-investment does not occur after the fourth anniversary of the first closing date.

For the avoidance of doubt, the Sub-Fund may invest additional amounts in existing investments (*i.e.* follow-on investments) also after the fourth anniversary of the first closing date.

## APPENDIX II: SPECIAL RISK CONSIDERATIONS

Special risk considerations exist for investors in some Sub-Funds of the SICAV. Investment in certain assets involves a greater degree of risk than is usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks before investing in any of the Sub-Funds.

This section is intended to inform potential investors about the risks associated with investments in financial instruments and other assets. In general, they should be aware that the price and value of the Shares may fall as well as rise and that they may not recover the full amount invested. Past performance cannot be considered as a guide to future performance; returns are not guaranteed and a loss of the capital invested may occur.

### A. Risks related to the Sub-Funds' investments

#### 1. Structure of investments

Investments made by the Sub-Funds may be made through intervening subsidiaries, holding companies or other special purpose vehicles. No assurance is given that any particular structure will be suitable for all investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the investors. In addition, certain tax laws may change or be subject to differing interpretations, possibly with retroactive effect, that may have a negative impact on the Sub-Funds. The tax treatment of a particular special purpose vehicle may change after an investment has been made or a special purpose vehicle has been established, with the result that the issuer of investments held by or borrower in respect of loans originated by a special purpose vehicle becomes subject to tax. Also, the special purpose vehicles themselves may become increasingly liable to tax or be required to withhold tax on payments or distributions to the Sub-Funds, or may need to be unwound or restructured, in each case resulting in the Sub-Funds' returns being reduced. The Sub-Funds and the special purpose vehicles may be subject to such risks both in the jurisdiction of their respective establishment or incorporation and in each jurisdiction of their respective operations.

#### 2. Long-term nature of certain investments

Syndicated loans, which, along with private debt instruments, are expected to comprise the majority of some Sub-Funds' portfolio' of investments, are not generally traded on recognized exchange markets. Instead, they typically are traded by banks and other institutional investors participating in the loan markets. The liquidity of the concerned Sub-Funds' investments will therefore depend on the liquidity of this market. Trading in loans is based on the European Loan Market convention of T+10 but is also subject to settlement delays as transfers may require extensive documentation, the payment of significant fees and the consent of the agent bank or underlying obligor. Club loans, private debt, and junior investment opportunities are also subject to limitations on liquidity. In addition, certain investments may be subject to legal or contractual restrictions or requirements that limit the Sub-Funds' ability to transfer them or sell them for cash. Bonds issued by middle-market companies may be thinly traded or there may be no public market at all for such bonds.

Some Sub-Funds may invest in real estate assets, including portfolio companies or portfolios of real estate assets. Real estate assets are illiquid in nature; the disposal of real estate assets may require extended periods of time and be constrained by market conditions. Revenues from the rental of real estate assets may be conditioned by the time necessary to complete construction or other works, or the time necessary to lease the assets. Further, portfolios of real estate assets are subject to various risks which may require a long term view. Such risks include, amongst others, adverse changes in national or international economic conditions, local market conditions, availability or terms of debt financing, interest rates, environmental laws and regulations, zoning laws, and other governmental rules and fiscal policies, energy prices, the financial conditions of tenants, buyers, and sellers of properties, real estate tax rates and other operating expenses, the relative popularity of certain property types, and the availability of certain construction materials, as well as risks due to dependence on cash flow, acts of God, uninsurable losses and other factors which are beyond the control of the Management Company and/or the Sub-Fund investing in real estate assets.

As a result, the concerned Sub-Funds' investments may be long-term in nature and there can be no assurance that the Sub-Funds will be able to realize investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. It may also not be possible to establish their current value at any particular time. The long-term nature of certain assets within the Sub-Funds' portfolios may impede the Sub-Funds' ability to respond to adverse changes in the performance of their assets and may adversely affect the value of an investment in these Sub-Funds.

### **3. Emerging Markets risks**

In certain countries, there is the possibility of seizure of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary. Legal entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets. Securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.

Emerging country debt will be subject to high risk, will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result, a government obligor may default on its obligations. If such an event occurs, the SICAV may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain

recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

Settlement systems in Emerging Markets may be less well organised than in developed markets. There may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the “Counterparty”) through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in emerging market securities.

The SICAV will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the SICAV will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in Emerging Markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Compensation schemes may be non-existent or limited or inadequate to meet the SICAV’s claims in any of these events.

In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in securities issued by companies owning such property may be subject to increased risk.

Investments in Russia are subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depository). No certificates representing ownership of Russian companies will be held by the Depository or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the SICAV could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Some Sub-Funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-Fund in its investment policy.

Frontier Market countries generally have smaller economies and even less developed capital markets than traditional Emerging Markets, and, as a result, the risks of investing in Emerging Markets are magnified in Frontier Market countries. This is the result of

many factors, including the potential for extreme price volatility and illiquidity; government ownership or control of parts of the private sector and certain companies; relatively new or undeveloped securities regulations; corruption; transparency, adequacy and reliability of financial information; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which the Frontier Markets trade. There are a limited number of attractive investment opportunities in Frontier Markets and this may lead to delay in investment and may increase the price at which such investments may be made and reduce potential investment returns for a Sub-Fund.

A Sub-Fund may also gain exposure to Frontier Markets by investing indirectly through Participatory Notes (“P-Notes”) which presents additional risk to the Sub-Fund as the use of P-Notes is uncollateralised resulting in the Sub-Fund being subject to full counterparty risk via the P-Note issuer. P-Notes also present liquidity issues as the Sub-Fund, being a captive client of a P-Note issuer, may only be able to realise its investment through the P-Note issuer and this may have a negative impact on the liquidity of the P-Notes which does not correlate to the liquidity of the underlying security. The SICAV and the Management Company consider asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored for each Sub-Fund and reported on by the Investment Manager. The SICAV and the Management Company monitor the implementation and results of the investment process with the Investment Manager.

Finally, certain Sub-Funds may invest in bonds from countries which are now negotiating, or may in the future, negotiate accession to the EU, whose creditworthiness is usually lower than of government bonds issued by countries already belonging to the EU, but that can be expected to pay a higher coupon.

#### **4. Investment in high yield or sub-Investment Grade securities**

Some Sub-Funds may invest in high yield or sub-Investment Grade securities. Investment in such higher yielding securities is speculative as it generally entails increased credit and market risk. Such securities are subject to the risk of an issuer’s inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

#### **5. Specific risks associated with underlying investments**

Securities, loans, private placements and other comparable debt obligations may provide for restrictive covenants designed to limit the activities of the issuer or borrower in an effort to protect the right of lenders to receive timely payments of interest on and repayment of principal of the loans. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests.

Due to the provision of confidential information, the unique and customised nature of a facility agreement and the private syndication of loans, such loans are not as easily purchased or sold as a publicly traded security. The unique nature of the loan

documentation also creates a degree of complexity in negotiating a secondary market purchase or sale which does not exist, for example, in the high yield bond market.

While typically a Sub-Fund intends to acquire interests in securities, loans, private placements and other comparable debt obligations directly (by way of purchase, or novation, or assignment), such Sub-Fund may acquire those interests indirectly (by way of participation(s)). Since the Sub-Fund will hold the security, loan, private placement or other comparable debt obligation through another entity (and so be exposed to that entity's credit risk) when the Sub-Fund holds such investment(s) through a participation, additional risks are therefore associated with the purchase of the participations as opposed to assignments.

## **6. Credit risk**

Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, such as for loans, there exists a risk that the obligation will not be satisfied. This risk is greater the weaker the financial strength of the party is. The Net Asset Value of a Sub-Fund could be affected by any actual or feared breach of the party's obligations, while the income of the Sub-Fund would be affected only by an actual failure to pay, which is known as a default.

## **7. Default risk**

The issuers of the securities, loans, private placements and other comparable debt obligations could become unable to make payments on their debt.

## **8. Borrower fraud**

Fraud by potential borrowers could cause a Sub-Fund to suffer losses. A borrower could defraud a Sub-Fund by, among other things: directing the proceeds of collections of its accounts receivable to bank accounts other than the Sub-Fund's established lockboxes; failing to accurately record accounts receivable aging; overstating or falsifying records showing accounts receivable; or providing inaccurate reporting of other financial information. The failure of a potential borrower to report its financial position accurately, comply with loan covenants or be eligible for additional borrowings could result in the loss of some or the entire principal of a particular loan or loans.

## **9. Borrower bankruptcy**

The borrowers in respect of instruments, securities, debentures, warrants, loans and other assets or participations constituting Sub-Funds' assets may seek the protection afforded by bankruptcy, insolvency and other debtor relief laws. One of the protections offered in certain jurisdictions in such proceedings is a stay on required payments on such assets of a Sub-Fund. A stay on payments to be made on the assets of a Sub-Fund could adversely affect the value of those assets and the Sub-Fund itself. Other protections in such proceedings include forgiveness of debt, the ability to create super-priority liens in favor of certain creditors of the debtor and certain well-defined claims procedures. Additionally, the numerous risks inherent in the bankruptcy process create a potential risk of loss by the Sub-Fund of its entire investment in any particular investment.

## **10. Related liability risk**

A Sub-Fund may become subject to unexpected contingent liabilities after the advance or purchase of a loan or the purchase of a security or other obligation. Examples include environmental liabilities or, in some European countries, social liabilities relating to the mitigation of the effect of corporate restructurings on employees.

## **11. Security may not be enforceable**

Investments may be secured by real property interests, mortgages, charges, pledges, liens or other security interests including liens on high risk collateral, or notes or pledges made by high-risk borrowers, including sub-prime and non-performing loans.

Depending on the jurisdiction in which such security interests are created, enforcement of such security interests may be a complicated and difficult process. Enforcement of security interests in certain jurisdictions may require a court order and a sale of the secured property through public bidding or auction. In addition, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

A Sub-Fund's investments and the collateral underlying those investments may be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the borrowers concerned and, if different, the jurisdictions in which they conduct business and/or hold assets. Such differences in law may also adversely affect the rights of a Sub-Fund as a subordinated lender with respect to other creditors.

## **12. Insurance**

Insurance on the assets securing Sub-Funds' investments may not cover all losses. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, environmental considerations and other factors, including terrorism or acts of war, also might make insurance proceeds insufficient to repair or replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the Sub-Funds' economic positions with respect to the affected assets. Any uninsured loss could result in both loss of cash flow from and the value of the affected asset.

## **13. Subordination risk**

Certain debt investments originated or acquired by a Sub-Fund will be subject to additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

## **14. Lender liability considerations**

In certain jurisdictions, borrowers may assert claims against lending institutions on the basis of various evolving legal theories, including equitable subordination (collectively

termed “lender liability”). Generally, lender liability is founded upon the premise that the institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower. A Sub-Fund, as a creditor, may be subject to allegations of lender liability. Furthermore, a Sub-Fund may be unable to control the conduct of the lenders under a loan syndication agreement requiring less than a unanimous vote, but may be subject to lender liability for such conduct.

#### **15. Liability following the disposal of investments**

Despite a Sub-Fund may intend to hold the majority of its investments to maturity (loans in particular), it may dispose of investments in some circumstances prior to termination and, in connection therewith, may be required to pay damages to the extent that any representations or warranties given in connection with such investments turn out to be inaccurate. The Sub-Fund may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. Any such payments could adversely impact the Sub-Fund’s performance and/or ability to make distributions.

#### **16. Prepayments**

The value of a Sub-Fund’s assets may be affected by prepayment rates on loans. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Sub-Fund’s control. Therefore, the frequency at which prepayments (including voluntary prepayments by borrowers and liquidations due to defaults and insolvency) occur on the Sub-Fund’s investments may adversely impact the Sub-Fund and prepayment rates cannot be predicted with certainty, making it impossible to completely insulate the Sub-Fund from prepayment or other such risks. Prepayments give rise to increased re-investment risk, as the Sub-Fund might realize excess cash earlier than expected. If prepayment rates increase, the Sub-Fund may be unable to re-invest cash in a new investment with an expected rate of return at least equal to that of the investment repaid.

#### **17. Valuation risk**

Unlisted securities, loans, private placements and other comparable debt obligations are generally less liquid than public equity or listed high yield bond markets. Many of these securities, loans, private placements and other comparable debt securities are not registered for sale under the applicable or Luxembourg securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities, loans, private placements or other comparable debt securities promptly at an acceptable price, which may limit a Sub-Fund’s ability to sell certain securities, loans, private placements or other comparable debt obligations in response to specific economic events or to meet redemption requests. As a result, securities, loans, private placements and other comparable debt obligations generally pose greater illiquidity and valuation risks. Attention should be drawn to the fact that the Net Asset Value can go down as well as up. A Shareholder may not get back the amount he has invested. Changes in foreign exchange rates may also cause the Net Asset Value in the investor’s base currency to go

up or down. No guarantee as to future performance or future return from any Sub-Fund can be given.

The Sub-Funds and portfolio companies investing in real estate assets may use real estate appraisers and valuations. An appraisal by a real estate appraiser or a valuation is only an estimate of value and is not a precise measure of realisable value. The ultimate realisation of the market value of a real estate asset will depend on economic and other conditions beyond the control of the Management Company. Further, appraised or internally determined values do not represent necessarily the price at which a real estate investment would be sold, as the relevant market price of a specific real estate investment can be determined only by negotiation between a potential buyer and the seller. Real estate appraisers generally will focus on the financial aspects of the real estate property, including its costs, the replacement costs to develop similar properties, its stage of development, market transactions, if any, of similar properties, and, where appropriate, the relative yield for an asset measured against alternative investments or a discounted cash flow analysis. The valuation will follow similar methods in order to evaluate the financial aspects of the relevant real estate asset. Therefore, there will be no guarantee as to future performance or future return from any Sub-Fund investing in real estate assets.

#### **18. Foreign exchange/currency risk**

Although different Classes may be denominated in a specific Pricing Currency, the assets relating to that Class may be invested in securities denominated in other currencies. The Net Asset Value of the Sub-Fund as expressed in its Base Currency will fluctuate in accordance with the changes in the foreign exchange rate between the Base Currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated. The Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Investment Managers may enter into currency transactions at their sole discretion, for the purposes of efficient portfolio management and for the purposes of hedging. There can be no assurance that such hedging transactions will be effective or beneficial or that there will be a hedge in place at any given time.

#### **19. Investment in currencies**

Sub-Funds investing in currencies as a primary objective will seek to exploit the fluctuations in international currencies, through the use of foreign currency and interest rate derivatives. This means that a greater than normal currency risk may arise. In the short-term this may take the form of large, unpredictable fluctuations in the price of Shares and in the long-term in a negative performance due to unforeseen currency or market trends.

#### **20. Market risk**

The SICAV must employ a risk-management process which enables it to monitor and measure the risk of the positions in its portfolios, the use of efficient portfolio

management techniques, the management of collateral and their contribution to the overall risk profile of each Sub-Fund.

The SICAV may use Value at Risk (“VaR”) or the Commitment method in order to calculate the market risk exposure of each relevant Sub-Fund.

The VaR approach is a risk measurement methodology that captures the relevant or material aspects of market risk for the instruments eligible to the Sub-Fund. It incorporates actual market conditions in determining the market risk exposure of the Sub-Fund.

Under the commitment method, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets.

## **21. Leverage/Borrowing risk**

Leverage may be achieved through borrowings from banks and other lenders, margin lending, total return swaps and taking short positions. The leverage employed by each Sub-Fund, if any, as well as any limits, are specified in the description of each Sub-Fund.

Such leverage may involve the granting of security by the Sub-Fund on the underlying portfolio or specific assets in the portfolio or the outright transfer of specific assets in the portfolio to the relevant financing party by way of security. Leverage does create opportunities for greater total returns on the assets but simultaneously creates special risk considerations: it may exaggerate changes in the total value of the net assets of the Sub-Fund and in the yield on the assets and, subsequently, yield on the Shares.

As a Sub-Fund may borrow a significant part of its net assets, the investors must be aware that they may suffer a greater risk resulting from the decline of the value of the assets invested with this borrowing facility and therefore, the Sub-Fund's capital risk exposure will be higher.

## **22. Financing arrangements**

Certain Sub-Funds may enter into one or more credit facilities or other financing agreements to finance investments or for liquidity and working capital purposes. Such agreements generally include a recourse or credit support component. Further, such borrowings may also provide the lender with the ability to make margin calls and may limit the length of time during which any given asset may be used as eligible collateral.

## **23. Concentration risk (limited number of investments)**

The Sub-Funds will seek to be well diversified. However, in the event of a material demand for redemptions, the Sub-Funds could be forced to sell the more liquid positions resulting in over-weighting in a small number of less liquid investments. In such circumstances, the aggregate return of the Sub-Funds may be substantially and adversely affected by the unfavorable performance of a single investment. The Sub-Funds' restriction of redemptions of Shares in excess of ten per cent of the total Net Asset Value

of the Sub-Funds on any one Valuation Day or other mechanisms described in the Sub-Fund's supplements may mitigate this risk should these circumstances arise.

#### **24. Liquidity risk**

Some of the stock exchanges and regulated or non-regulated markets on which a Sub-Fund may invest, and/or some of the non-listed securities in which the Sub-Fund may invest, may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the timing and price at which a Sub-Fund may liquidate positions to meet redemption requests or other funding requirements.

#### **25. Settlement Risks**

Each Sub-Fund will be exposed to a credit risk on counterparties with whom it trades and may also bear the risk of settlement default. This may include exposure to the risk of the credit default of these counterparties, brokers or selling agents. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

#### **26. Political and/or regulatory risks**

The value of any Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

Ratings of underlying investments and investments below investment grade: credit ratings issued by external credit rating agencies ("ECRA"), are designed to evaluate the ability of the issuer or borrower to make principal and interest payments on the rated securities and debt obligations. They do not, however, evaluate the market value risk of noninvestment grade investments and, therefore, may not fully reflect the true risks of an investment. In addition, ECRA may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the asset. Consequently, credit ratings are used only as a preliminary indicator of investment quality.

The Management Company /Investment Manager expects that securities, loans, private placements and other comparable debt obligations in the portfolio of the Sub-Funds may be unrated, or if rated by one or more of the ECRA, would be rated below investment grade. These securities, loans, private placements and other comparable debt obligations may be subject to greater risk of loss of income and principal than similar higher rated securities, loans, private placements and other comparable debt obligations, and may be in default at the time the Sub-Fund acquires them. The decision to invest in non-investment grade and comparable unrated debt instruments will be more dependent on the Management Company /Investment Manager's credit analysis than would be the case with investments in investment-grade debt obligations. The Management Company

/the Investment Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, and ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings. The Management Company /the Investment Manager regularly monitor the investments in the Sub-Funds and evaluates whether to dispose of or to retain non-investment grade and comparable unrated assets whose credit ratings or credit quality may have changed.

## **27. Investment in mortgage-related securities and in asset-backed securities**

Certain Sub-Funds may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by the Sub-Funds (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the Sub-Funds reinvest such principal. In addition, as with callable fixed-income securities generally, if the Sub-Funds purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the U.S. Government, or by agencies or instrumentalities of the U.S. Government (which guarantees are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations). Certain mortgage pass-through securities created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral.

Some Sub-Funds may invest in collateralised mortgage obligations ("CMOs"), which are structured products backed by underlying pools of mortgage pass-through securities. Similar to a bond, interest and prepaid principal on a CMO are paid, in most cases, monthly. CMOs may be collateralised by whole residential or commercial mortgage loans but are more typically collateralised by portfolios of residential mortgage pass-through securities guaranteed by the U.S. Government or its agencies or instrumentalities. CMOs are structured into multiple classes, with each class having a different expected average life and/or stated maturity. Monthly payments of principal, including prepayments, are allocated to different classes in accordance with the terms of the instruments, and changes in prepayment rates or assumptions may significantly affect the expected average life and value of a particular class.

Some Sub-Funds may invest in principal-only or interest-only stripped mortgage-backed securities. Stripped mortgage-backed securities have greater volatility than other types of mortgage-related securities. Stripped mortgage-backed securities which are purchased at a substantial premium or discount generally are extremely sensitive not

only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a sustained higher or lower than expected rate of principal payments may have a material adverse effect on such securities' yield to duration. In addition, stripped mortgage securities may be less liquid than other securities which do not include such a structure and are more volatile if interest rates move unfavourably.

As new types of mortgage-related securities are developed and offered to investors, the Investment Manager will consider making investments in such securities.

Asset-backed securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Finally some Sub-Funds may invest in collateralised loans obligations ("CLOs") with an underlying portfolio composed of loans.

## **28. Structured products**

Sub-Funds may invest in structured products. These include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities, which then issue securities (the structured products) backed by, or representing interests in, the underlying investments. The cash flow on the underlying investments may be apportioned among the newly issued structured products to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions. The extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments.

Some Sub-Funds may also acquire, when it is in the best interests of the Shareholders, credit-linked notes.

The use of credit-linked notes can overcome problems and mitigate certain risks associated with direct investment in the underlying assets.

Credit-linked notes referenced to underlying securities, other instruments, baskets or indices, which a Sub-Fund may hold, are subject to both issuer risk and the risk inherent in the underlying investment.

Sub-Funds may also invest in indexed securities which are linked to the performance of certain securities, indices, interest rates or currency exchange rates. The terms of such securities may provide that their principal amounts or just their coupon interest rates are adjusted upwards or downwards at maturity or on established coupon payment dates to reflect movements in various measures of underlying market or security while the obligation is outstanding.

Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the

underlying market or security. Structured products may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.

### **29. Pooled investment vehicle risk**

Each Sub-Fund may invest in pooled investment vehicles, including, private equity, hedge funds and notes of securitization vehicles (e.g. collateralized loan obligations (“CLO’s”)) over which the Management Company /the Investment Manager will only have limited or no control over the composition of the pooled investment vehicle. It may also be more expensive for the Sub-Fund to invest in a pooled investment vehicle than to own the portfolio securities of these investment vehicles directly.

### **30. Investment in distressed securities**

Some Sub-Funds may invest in distressed securities. These securities may be the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/or payment of interest at the time of acquisition by the Sub-Fund or are rated in the lower rating categories (Ca or lower by Moody’s or CC or lower by Standard & Poor’s) or are unrated investments considered by the Investment Manager of the relevant Sub-Fund to be of comparable quality. Investment in distressed securities is speculative and involves significant risk. Distressed securities frequently do not produce income while they are outstanding and may require the Sub-Fund to bear certain extraordinary expenses in order to protect and recover its investment. Therefore, to the extent the Sub-Fund seeks capital appreciation through investment in distressed securities, the Sub-Fund’s ability to achieve current income for its Shareholders may be diminished. The Sub-Fund also will be subject to significant uncertainty as to when and in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor’s assets, an exchange offer or plan of reorganisation involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganisation is adopted with respect to distressed securities held by the Sub-Fund, there can be no assurance that the securities or other assets received by the Sub-Fund in connection with such exchange offer or plan of reorganisation will not have a lower value or income potential than may have been anticipated when the investment was made. Further, any securities received by the Sub-Fund upon completion of an exchange offer or plan of reorganisation may be restricted from resale. As a result of the Sub-Fund’s participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of distressed securities, the Sub-Fund may be restricted from disposing quickly of such securities.

### **31. Special risks of hedging and income enhancement strategies**

Sub-Funds may engage in various portfolio strategies to attempt to reduce certain risks of its investments and enhance return. These strategies may include the use of options, forward foreign exchange contracts, swaps, credit default swaps, interest rate swaps, equity swaps, swaptions, total return swaps, currency swaps and inflation-linked swaps, futures contracts and options thereon, including international equity and bond indices, as well as efficient portfolio management techniques, including securities lending and borrowing and repurchase and reverse repurchase transactions.

The use of derivatives and efficient portfolio management techniques involves far higher risk than standard investment Instruments and may have an adverse impact on the performance of the Sub-Funds. There can therefore be no assurance that the relevant Sub-Fund's investment objectives will be achieved.

In addition, the use of derivatives and efficient portfolio management techniques involves particular risk, mainly associated with leverage, whereby large liabilities can be incurred using relatively small financial means. This is the risk associated with the use of relatively small financial resources to obtain a large number of commitments.

### **32. Investment in equities and equity-linked instruments**

The buying and selling of equities and equity linked-instruments carries a number of risks, the most important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of equities, including index and basket certificates. Index and basket certificates rarely carry any entitlement to repayment of invested capital or to interest or dividend payments. The calculation of the reference index or basket usually takes account of cost and/or fees; and the repayment of invested capital is usually entirely dependent on the performance of the reference index or basket.

Although index and basket certificates are debt instruments, the risk they carry is inter alia an equity risk since the certificate performance depends on that of an index or basket which itself is dependent on the performance of its own components (*e.g.* securities). The value of certificates that inversely reflect the performance of their components may fall when markets rise. The risk that the relevant Sub-Fund may lose all or part of its value cannot be excluded.

Potential investors should be aware of the additional risks as well as of the general price risks when investing in shares. By picking equities on the basis of earning potential rather than country or origin or industry, performance will not depend on general trends.

Equity-linked instruments may comprise warrants, which confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period. The cost of this right will be substantially less than the cost of the share itself. Consequently, the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage is, the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage involved, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment.

Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that it may not always be possible to dispose of them. The leverage associated with warrants may lead to loss of the entire price or premium of the warrants involved.

### **33. Depository Receipts**

Investment in a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depository receipt traded on an eligible market is deemed an eligible transferable security regardless of the eligibility of the market in which the security it relates to locally trades.

#### **34. Investment in equities and equity-linked instruments of small and medium capitalisation companies**

In general the equity and equity-linked instruments of small and, as the case may be, medium capitalisation companies are less liquid than the securities of larger companies as daily volumes of shares traded may qualify their shares as less liquid. In addition, markets where such securities are traded tend towards increased volatility.

#### **35. Investments in specific countries, sectors, regions or markets**

Where an investment objective restricts investment to specific countries, sectors, regions or markets diversification may be limited. Performance may differ significantly from the general trend of the global equity markets.

#### **36. Investments in the property sector**

Investments in the securities of companies operating mainly in the property sector are subject to particular risks, such as the cyclical nature of property securities, general and local business conditions, excessive construction and growing competition, increasing property tax and management costs, population change and its impact on investment income, changes in building laws and regulations, losses arising from damage or court decisions, environmental risk, public law restrictions on rental, neighbourhood-related changes in valuation, interest rate risk, changes associated with the attractiveness of land to tenants, increases in use and other property-market influences.

#### **37. Investment in units or shares of UCIs**

When investing in Shares of some Sub-Funds of the SICAV which in turn may invest in other UCIs, the investors are subject to the risk of duplication of fees and commissions except that if a Sub-Fund invests in other UCIs managed by the Management Company or another entity of the Amundi group of companies, the Sub-Fund will not be charged any subscription and redemption fees with respect to such investment.

Investors should note that, given the fact that some Sub-Funds may principally invest in sub-funds of the Amundi Funds II, the fees incurred by the Amundi Funds II will have an impact on the calculation of the net asset value per unit of the underlying investments and therefore on the Net Asset Value per Share of the relevant Sub-Funds. However, the Management Company has undertaken that, with respect to investments in the Amundi Funds II, the relevant Sub-Funds will receive a partial rebate of management fees normally charged on the investment in units of the Amundi Funds II. The management fee applicable to the relevant Class of Shares therefore shall be stated herein inclusive of both the fees charged in respect of the management of the relevant Sub-Funds and any management fees charged on underlying investments.

Investors should also take into consideration when investing into these Sub-Funds, that the fees incurred by the underlying sub-funds in which the relevant Sub-Funds invest (other than management fees), including custody and administration, transfer agency and other fees charged to those sub-funds, shall also affect the calculation of the net asset value per Share of the relevant Sub-Funds.

The value of an investment by a Sub-Fund in a UCI may be affected by fluctuations in the currency of the country where such UCI invests, or by the application of foreign exchange rules, or of various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

However, the risks inherent to investments in other UCIs are limited to the loss of the initial investment contributed by the relevant Sub-Fund.

Furthermore, it is noteworthy that the Net Asset Value per Share will mainly depend on the net asset value of the targeted sub-funds of the Amundi Funds II for Sub-Funds investing in such UCITS.

#### **38. Reinvestment of collateral received in connection with securities lending and repurchase transactions**

The SICAV may reinvest the collateral received in connection with securities lending and repurchase transactions. Reinvestment of collateral involves risks associated with the type of investments made and may create a leverage effect.

#### **39. Sub-underwriting**

The Investment Manager may engage in sub-underwriting transactions on behalf of a Sub-Fund. In an underwriting transaction a bank, stock-broker, major shareholder of the company or other related or unrelated party may underwrite an entire issue of securities. A Sub-Fund may in turn sub-underwrite a portion of that issue of securities pursuant to a sub-underwriting transaction. The Investment Manager may only engage in sub-underwriting in relation to securities which the relevant Sub-Fund could otherwise invest in directly in accordance with the investment objective and policies of the sub-fund and the relevant investment restrictions. A Sub-Fund must maintain at all times sufficient liquid assets or readily marketable securities to cover its obligations under any sub-underwriting arrangements.

#### **40. Investment in financial derivative instruments**

Some Sub-Funds may invest a portion of their assets in financial derivative instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leverage, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset); (3) legal risks (the characterisation of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation

risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by an inability prematurely to terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivative techniques involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because a percentage of the portfolio's assets is segregated to cover its obligations.

In hedging a particular position, any potential gain from an increase in value of such position may be limited.

#### **41. Short Positions**

A Sub-Fund may use financial derivative instruments to implement synthetic short positions. The relevant Sub-Fund may not necessarily off-set such short positions with corresponding long positions. Taking short positions involves leverage of the Sub-Fund's assets and presents various risks. If the price of the instrument or market which the Sub-Fund has taken a short position on increases, then the Sub-Fund will incur a loss equal to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

#### **42. Counterparty Risks**

Some Sub-Funds may enter into OTC derivative agreements, including swap agreements, as well as efficient portfolio management techniques as more fully described in their investment policy. Such agreements may expose the relevant Sub-Fund to risks with regard to the credit status of its counterparties and their capacity to meet the conditions of such agreements.

Consistent with best execution and at all times when it is in the best interests of the Sub-Fund and its Shareholders, a Sub-Fund may also enter into such OTC derivative agreements and/or efficient portfolio management techniques with other companies in the same group of companies as the Management Company or Investment Manager.

#### **43. Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the relevant Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the

Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

#### **44. Custody Risk**

Sub-Fund assets are deposited with the Depositary and identified in the Depositary's books as belonging to the respective Sub-Funds. Assets, except cash, are segregated from other assets of the Depositary which mitigates but does not prevent the risk of non-restitution in the event of bankruptcy of the Depositary. Cash deposits are not segregated in this way and therefore exposed to increased risk in the event of bankruptcy.

Sub-Fund assets may also be held by sub-custodians appointed by the Depositary in countries where the Sub-Funds invest and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. A Sub-Fund may invest in markets where custodial or settlement systems are not fully developed, where assets are held by a sub-custodian and where there may be a risk that the Depositary may have no liability for the return of those assets.

#### **45. Securities Lending**

Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Sub-Fund may lose money and there may be a delay in recovering the lent securities. The Sub-Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. A Sub-Fund's portfolio exposure to market risk will not change by engaging in securities lending. However, securities lending carries the specific market risk of the counterparty defaulting. In such a case, the collateral provided will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss in value of the individual Sub-Funds. Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. Such operational risks are managed by means of procedures, controls and systems implemented by the securities lending agent and the Management Company.

#### **46. Withholding Tax Risk**

Certain income of the SICAV and/or various Sub-Funds may be subject to withholding taxes, and any such taxes will reduce the return on the investments held by the Sub-Fund. However, the SICAV and/or various Sub-Funds (through the Management Company or its agents) may need to receive certain information from an investor for the SICAV and the Sub-Fund to avoid certain withholding taxes. In particular, FATCA recently adopted in the United States will require the SICAV (or the Management Company) to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Subject to certain transition rules, investors that fail to provide the Management Company or its agents with the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition. Any such withholding taxes imposed will be treated as a distribution to the investors that failed to provide the necessary information. In addition, Shares held by such investors shall be subject to compulsory redemption.

#### **47. Investment in subordinated debt and debt-related instruments**

Some Sub-Funds may invest in subordinated debt and debt-related instruments which may be Investment Grade and sub-Investment Grade securities and may be secured or unsecured. Investment in such instruments may entail increased credit risk as they would rank behind other debt instruments of the same issuer should the issuer fall into liquidation or bankruptcy, *i.e.* they will be repayable only after other debts have been paid.

#### **48. Contingent Convertible Bonds (“CoCo”)**

Certain Sub-Funds may also invest in CoCos which are debt securities paying a higher coupon and which may be converted into equity securities or suffer capital losses if pre-specified events occur (“trigger events”), depending in particular of the capital ratio levels of the issuer of such CoCos (“trigger levels”). CoCos are complex financial instruments which trigger levels and thus exposure to conversion risk differ widely. These are innovative financial instruments and their behaviour under a stressed financial environment is thus unknown. This increases uncertainty in the valuation of CoCos and the risks of potential price contagion and volatility of the entire CoCos asset class, in particular as it still remains unclear whether holders of CoCos have fully considered the underlying risks of these instruments. Investment in CoCos may result in material losses to the relevant Sub-Fund. Following certain trigger events, including an issuer's capital ratio falling below a particular level, the debt security may be converted into the issuer's equity or suffer capital losses. In certain scenarios, holders of CoCos will suffer losses ahead of holders of equity securities issued by the same issuer, contrary to the classic order of capital structure hierarchy where equity holders are expected to suffer the loss before debt holders. Some CoCos are also subject to the risk of discretionary cancellation of coupon payments by the issuer at any point, for any reason, and for any length of time. CoCos may be issued as perpetual instruments and it should not be assumed that these will be called on call date.

#### **49. Investment in China by Direct Access to the China Interbank Bond Market (CIBM)**

Some of the Sub-Funds may seek exposure to RMB fixed income securities without particular license or quota directly on the CIBM via an onshore bond settlement agent.

The CIBM Direct Access rules and regulations are relatively new. The application and interpretation of such investment regulations are relatively untested and there is no certainty as to how they will be applied and there is no precedent or certainty as to how the wide discretion of the PRC authorities and regulators may be exercised now or in the future. Certain restrictions may be imposed by the authorities on investors participating in the CIBM Direct Access and/or bond settlement agent which may have an adverse effect on the Sub-Fund's liquidity and performance.

#### **50. Investment in China via R-QFII System**

The Management Company has obtained a R-QFII licence and may allocate R-QFII investment quotas to certain Sub-Funds. Following the obtaining of such R-QFII quota, the Management Company may, subject to any applicable regulations, apply for increase of its R-QFII quota to the extent it has utilised its entire initial R-QFII quota on behalf of the relevant Sub-Funds. There can however be no assurance that additional R-QFII quota can be obtained. The size of the quota may be reduced or cancelled by the relevant Chinese authorities if the Management Company is unable to use its R-QFII quota effectively. Should the Management Company lose its R-QFII status or its investment quota is revoked or reduced, the Sub-Funds may no longer be able to invest directly in China or may be required to dispose of its investments held through the quota which could have an adverse effect on its performance or result in a significant loss.

**PRC Custodian Risks:** The Management Company (in its capacity as a R-QFII) and the Depositary have appointed the PRC Custodian as custodian (the "R-QFII Local Custodian") to maintain the assets of the relevant Sub-Funds in custody in the PRC, pursuant to relevant laws and regulations. The Depositary will make arrangements to ensure that the R-QFII Local Custodian has appropriate procedures to properly safe-keep the assets of the relevant Sub-Funds, in accordance with applicable requirements, including maintaining records that clearly show that the respective assets of such Sub-Funds are recorded in the name of such Sub-Funds and segregated from the other assets of the R-QFII Local Custodian. There is a risk that the Sub-Fund may suffer losses, whether direct or consequential, from the default or bankruptcy of the RQFII Local Custodian or disqualification of the same party from acting as a custodian. This may adversely affect the Sub-Fund in the execution or settlement of any transaction or in the transfer of any funds or securities.

#### **51. Sustainable Investment Risk**

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

Certain Sub-Funds may have an investment universe that focuses on investments in companies that meet specific criteria including ESG scores and relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. Accordingly, the universe of investments of such

Sub-Funds may be smaller than that of other funds. Such Sub-Funds may (i) underperform the market as a whole if such investments underperform the market and/or (ii) underperform relative to other funds that do not utilize ESG criteria when selecting investments and/or could cause the Sub-Fund to sell for ESG related concerns investments that both are performing and subsequently perform well.

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

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

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

## **B. Risks related to the Sub-Funds**

### **52. No assurance of returns or achieving investment objectives**

There is no assurance that the Sub-Funds will be able to generate returns for investors or that the returns will be commensurate with the risk of investing in the types of assets and transactions described in this Prospectus. There can be no assurance that the Sub-Fund's investment objectives will be met or that investors will receive a return of all their drawn Commitment. Therefore, a prospective investor should invest in a Sub-Fund only if it can withstand a total loss of its investment. The past investment performance of entities with which the Investment Manager has been associated cannot be taken to guarantee future results of any investment in the Sub-Fund. In general, there can be no guarantee that the Sub-Fund will be able to avoid losses.

### **53. Risk of lack of liquidity of a Sub-Fund**

A Sub-Fund is not a certificate of deposit or money market fund, and differs substantially from these products with respect to risks and liquidity, among other factors. A Sub-Fund's shares have no trading market and no market is expected to develop. There will be no public market for a Sub-Fund, the ability to withdraw one's investment is limited by the terms of the relevant Sub-Fund's governing documents, and withdrawal proceeds may not be paid immediately. A Sub-Fund may also invest in assets which may be illiquid and involve the risk that this Sub-Fund may not be able to dispose of these assets quickly or in adverse market conditions.

#### **54. Lack of operating history**

When being established a Sub-Fund has no operating history and has been established in order to make investments of the type described in this Prospectus. Although the Investment Manager has experience relating to the origination, acquisition, holding and disposal of investments of the type described in this Prospectus, the Sub-Funds have no investment history and no basis upon which an evaluation of its prospects can be made.

#### **55. A single investor may control a Sub-Fund**

A single investor and its affiliates may hold a majority (or greater proportion) of the Shares of a Sub-Fund and, as such, would be capable, acting alone, of passing any resolution in relation to the Sub-Fund requiring a majority (or greater proportion) of the Shares. Investors should be aware that any such investor will not owe any duty of care to the interests of other investors and will be entitled to exercise any votes attributable to its investment in the Sub-Fund solely in its own interests.

#### **56. Diverse investors**

Investors may have conflicting investment, tax and other interests with respect to their investments in a Sub-Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Sub-Fund, the structuring of the origination or acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Managers, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another, especially with respect to investors' individual tax situations. In selecting and structuring appropriate investments, the Investment Managers will consider the investment and tax objectives of the Sub-Fund and its investors as a whole, rather than the investment, tax or other objectives of any investor individually.

#### **57. Paying Agents**

Local laws and/or regulations in EU member states may require the appointment of Paying Agents and maintenance of accounts by such Paying Agents through which subscription and redemption monies or distributions may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to the Depositary (e.g., a Paying Agent in a local jurisdiction) bear credit risk against that intermediate entity with respect to (i) subscription monies prior to the transmission of such monies to the Depositary for the account of the Sub-Fund, and (ii) redemption monies payable by such intermediate entity to the relevant Shareholder.

#### **58. Operational risks**

An investment in a Sub-Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorized persons and errors caused by service providers such as the Investment Manager or the Administrator. While the Sub-Funds seeks to minimize such events

through controls and oversight, there may still be failures that could cause losses to the Sub-Funds.

The Management Company, Investment Manager, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Management Company's, Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Sub-Funds and their delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Sub-Funds.

#### **59. Changes in applicable law and regulation**

The SICAV must comply with various regulatory and legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws, or their interpretation, change over the life of a Sub-Fund, the Sub-Fund and its Shareholders could differ materially from current requirements, in a way that could have a material adverse effect on the Sub-Fund's operations.

#### **60. Early termination of a Sub-Fund**

In the event of the early termination of a Sub-Fund, the Sub-Fund would have to distribute to the Shareholders their pro-rata interest in the assets of the Sub-Fund. The securities, loans, private placements, other comparable debt obligations, derivatives and other interests in other undertakings for collective investment would have to be sold by the Sub-Fund or distributed to the Shareholders of such Sub-Fund. It is possible that at the time of such sale or redemption certain investments held by the Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Shareholders. Moreover, in the event the relevant Sub-Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Shareholders of such Sub-Fund.

#### **61. Share Currency Risk**

A Sub-Fund may from time to time issue Classes which are designated in a currency other than the Reference Currency of such Sub-Fund. In order that investors in any such Classes receive a return in the applicable Pricing Currency substantially in line with the investment objectives of such Sub-Fund, the Management Company /the Investment Manager intends to seek to hedge the foreign currency exposure of such interests through foreign exchange hedging. There can be no assurance that foreign exchange hedging will be effective.

## **62. FATCA**

The SICAV may be subject to regulations imposed by foreign regulators, in particular, the US laws and regulations known as FATCA. FATCA Law provisions generally impose a reporting obligation to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and US Persons' direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. The SICAV will be treated as a "Foreign Financial Institution" within the meaning of FATCA. As such, the SICAV may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Notwithstanding any other provision of this Prospectus, to the extent permitted by Luxembourg law, the SICAV shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the SICAV, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the SICAV in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the SICAV holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

## **63. CRS Law**

The SICAV may be subject to the CRS Law. Under the terms of the CRS Law, the SICAV is likely to be treated as a Luxembourg "Reporting Financial Institution". As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the SICAV documentation, the SICAV will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the "CRS Information").

The SICAV's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the SICAV with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the SICAV will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the SICAV.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities

annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the SICAV within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the SICAV of and provide the SICAV with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the SICAV's CRS Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the CRS Information or subject to disclosure of the CRS Information by the SICAV to the Luxembourg tax authorities.

### **C. Risks related to the Investment Manager**

#### **64. Reliance on management**

The Sub-Funds may depend significantly on the efforts and abilities of the Investment Manager and the Management Company. The loss of these persons' services could have a materially adverse effect on the performance of a Sub-Fund.

In addition, although members of the Amundi team will commit a significant amount of their business efforts to the Sub-Funds, they are not required to devote all of their business time to the Sub-Fund's affairs. They will continue to be involved with the Investment Managers' other activities, which may include advising on or managing investments for other funds and managed accounts sponsored, managed and/or advised by members of the Investment Managers team.

#### **65. Ability to source investments**

In addition to the possibility that investment opportunities may be allocated among various Amundi products, a number of other entities will compete with the Sub-Funds to make investments of the type that the Sub-Funds intend to make. The Sub-Funds will compete with public and private funds, commercial and investment banks and commercial financing companies, among others.

As a result competition for investment opportunities is intense. Accordingly, the Investment Manager may be unable to find a sufficient number of attractive opportunities to meet the Sub-Funds' investment objectives.

### **D. Potential conflicts of interest**

#### **66. Investment Management and opposing positions**

The Investment Manager or another member of the group of companies to which it belongs, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may impact the interests of other clients and that may pose a conflict of interest for the Investment Manager, particularly if the company and / or its staff earn higher compensation from one mandate, product or client than for another. Such conflicts, for instance, are present when the Investment Manager

or another member of the group of companies to which it belongs, buys and sells the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. The Investment Manager and individual portfolio managers may manage long only, long-short or short only mandates where such conflicts of interest may be especially prevalent. Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the Investment Manager's mandates, products or client's and in line with the relevant mandates and investment guidelines for such clients.

In certain situations though, management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Manager to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

#### **67. Other Accounts of the Management Company and/or the Investment Manager**

The Management Company and/or the Investment Manager also manage(s) other accounts besides the Sub-Funds (including other accounts in which the Management Company and/or the Investment Manager may have an interest) and may have financial and other incentives to favor such accounts over the Sub-Funds. When investing on behalf of other accounts, as well as the Sub-Funds, the Management Company /the Investment Manager must allocate its resources, as well as limited market opportunities. Doing so may not only increase the level of competition for trades the Sub-Funds might otherwise make, including the priorities of order entry, but also may make it difficult or impossible to take or liquidate a particular position at a price indicated by the Management Company /the Investment Manager's strategy.

The Management Company and/or the Investment Manager and their principals, in managing accounts other than those of the Sub-Funds, may employ trading methods, policies and strategies which differ from those of the Sub-Funds. Therefore, the results of the Sub-Funds' trading may differ from those of the other accounts traded by the Management Company and/or the Investment Manager.

The Management Company and/or the Investment Manager may purchase and sell positions for the account of a Sub-Fund in proportion to all of the investment portfolios managed by it and allocate positions bought or sold for the account of the Sub-Funds in such quantities they deem fair and equitable in the aggregate and/or pursuant to systematic allocation. Accordingly there may be instances when the Management Company and/or the Investment Manager does not purchase positions for the account of the Sub-Funds even though it may be extremely optimistic about the prospects of an issuer or instances where positions of the Sub-Funds are sold even though the Management Company and/or the Investment Manager's assessment of the position has not changed.

#### **68. Conflicts of Interest**

The Management Company or its affiliates may effect transactions in which the Management Company or its affiliates have, directly or indirectly, an interest which may involve a potential conflict with the Management Company's duty to a Sub-Fund. Neither the Management Company nor any of its affiliates shall be liable to account to the Sub-Fund for any profit, commission remuneration made or received from or by reason of such transactions or any connected transactions nor will the Management Company's fees, unless otherwise provided, be adjusted. The Management Company will ensure that such transactions are effected on terms which are no less favourable to the Sub-Fund than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Management Company or its affiliates may have invested directly or indirectly in the SICAV. More specifically, the Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, when they cannot be avoided, ensure that its clients (including the Sub-Fund) are fairly treated.

#### *Investment Management and opposing positions*

The relevant Investment Manager, or another member of the group of companies to which it belongs, may make investment decisions, undertake transactions and maintain investment positions for one or more clients that may impact the interests of other clients and that may pose a conflict of interest for the Investment Manager, particularly if the company and / or its staff earn higher compensation from one mandate, product or client than for another. Such conflicts, for instance, are present when the Investment Manager, or another member of the group of companies to which it belongs, buys and sells the same security at the same time for different clients or maintains market positions in the same instruments with market exposure in opposite directions at the same time for different clients. The Investment Manager and individual portfolio managers may manage long only, long-short or short only mandates where such conflicts of interest may be especially prevalent. Such investment decisions, transactions or positions are taken, made and maintained in accordance with established policies and procedures designed to ensure an appropriate aggregation and allocation of trades and investment decisions executed or taken without creating undue advantage or disadvantage to any of the Investment Manager's mandates, products or client's and in line with the relevant mandates and investment guidelines for such clients.

In certain situations though, management of these conflicts may result in a loss of investment opportunity for clients or may cause the Investment Manager to trade or maintain market exposures in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.