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# **PROSPECTUS**

## **RELATING TO THE PUBLIC OFFERING OF SHARES IN**

### **LFS SICAV**

**Registered office: 60, Avenue J.F. Kennedy,  
1855 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg: B 137.309**

**A Société d'Investissement à Capital Variable (SICAV) under Luxembourg Law**

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### **Prospectus dated October 2023**

LFS SICAV has the structure of an umbrella fund and offers various Subfunds.

Subscriptions are not valid unless they are based on the Prospectus in conjunction with the most recent annual report or the most recent semi-annual report where this is published after the annual report.

No information other than that those contained in the Prospectus or in the KID may be given.

Management Company:

Amundi Luxembourg S.A.

5, Allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg  
Luxembourg Company register number of the Management Company is: B 57255

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# A. General Part

## 1 Introduction

LFS SICAV ("**Company**") is a "*société d'investissement à capital variable*" (SICAV) established in accordance with the Luxembourg law of 10 August 1915, as amended from time to time ("**1915 Law**") and is authorised as an undertaking for collective investments (UCITS) under Part I of the law of 17 December 2010 ("**2010 Law**"), as amended from time to time.

The Company has an "umbrella structure" with various portfolios of assets with different investment strategies ("**Subfunds**"). The Company may issue shares ("**Shares**") for each Subfund having such features as described in the Special Part relating to each Subfund. For each Subfund, the Company may further issue classes of Shares ("**Classes**" or "**Share Classes**") with different characteristics such as currency, minimum subscription amounts, dividend policies and fee structures, as shall be described in the Special Part. The distribution of Shares in a Subfund or Share Class may be limited to certain distribution countries.

Subfunds of the Company may qualify as variable net asset value money market subfunds ("**MMF**") in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (as may be amended from time to time) (the "**MMFR**").

Shares are issued at such time and place as stated in the Special Part of the relevant Subfund and may be subject to any applicable sales charge as described in the Special Part. The initial subscription period and the terms and conditions for the initial issue are set forth in the Special Part relating to each Subfund.

Shares may be redeemed at a redemption price based on the net asset value, as described in the General Part ("**Net Asset Value**"). A redemption fee may be applied, which shall be set forth in the Special Part.

New Subfunds and/or Share Classes may be created at any time. To the extent permitted under Luxembourg laws and regulations, and in compliance therewith, the Company is authorised at any time it deems appropriate and within the full scope permitted under Luxembourg laws and regulations, yet maintaining compliance with the provisions contained in this prospectus, to (i) create new Subfunds satisfying the requirements of either a feeder UCITS ("**Feeder**"), or a master UCITS ("**Master**"), (ii) convert any existing Subfund into a feeder UCITS or (iii) change all of the feeder UCITS under the master UCITS. This prospectus and, if applicable, the Special Part will be amended accordingly.

**Subscriptions shall only be made on the basis of the current prospectus, read in conjunction with (i) the most recent annual report of the Company or (ii) the most recent semi-annual report if published after the annual report. Any subscription and / or purchase made based on statements or representations not contained in or inconsistent with the information contained herein shall be at the sole risk of the subscriber / purchaser.**

The Prospectus contains a general part ("**General Part**") containing provisions that are applicable to the Company and all Subfunds, and a special part (each a "**Special Part**") which describes the specific requirements of each Subfund and the special provisions applicable to each of them. The General Part and the Special Part form the prospectus of the Company ("**Prospectus**"). The Prospectus is available for inspection at the registered office of the Company. The Prospectus may be amended or supplemented at any time, in which case the investors will be informed.

In accordance with the 2010 Law, the Company may issue one or more special prospectuses containing the General Part and the Special Part for the distribution of Shares in specific distribution country(ies).

The Shares are offered on the basis of the information and descriptions contained in the Prospectus and the documents referred to in it. Other information or descriptions by any persons must be regarded as being unreliable.

The Prospectus, the KID and any special prospectuses do not constitute an offer or marketing in any jurisdictions where such an offer or marketing is prohibited, or in which persons making such offer or marketing are not authorised to do so, or in which any local laws or regulations are infringed if any such offer or marketing is received by such country's residents.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("**Act of 1933**"), or any other securities laws of any federal state or political subdivision of

the United States of America or its territories, possessions or other regions subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "**United States**"). The Shares may not be offered, sold or otherwise transferred in the United States. The Shares are offered and sold on the basis of an exemption from the registration requirements pursuant to the Act of 1933 in accordance with Regulation S issued thereunder. The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, or any other U.S. federal laws. Accordingly, the Shares are neither offered nor sold within the United States or to or for the account of persons subject to U.S. taxation or to or for the account of U.S. Persons (as defined for the purposes of U.S. federal laws regarding securities, commodities and taxes, including Regulation S issued under the Act of 1933) (collectively, "**U.S. Persons**"). Subsequent transfers of Shares in the United States and/or to U.S. Persons are impermissible.

The Foreign Account Tax Compliance Act ("**FATCA**"), a component of the 2010 Hiring Incentives to Restore Employment Act, entered into force in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg signed the Intergovernmental Agreement ("**IGA**") with the United States of America. After its implementation into Luxembourg law the Company will have to comply with the requirements of the Luxembourg IGA.

Under the IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes. In such cases the Company will transmit such information on reportable accounts to the Luxembourg tax authorities which will exchange that information on an automated basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion.

The Company will continually assess the extent of the requirements that FATCA and in particular the Luxembourg IGA places upon it. The Company aims to comply with the provisions of Luxembourg IGA for classification as FATCA compliant, without being subject to registration and reporting requirements. The Company has decided to qualify the Subfunds as Collective Investment Vehicles. This implies that the Shares according to the Company's shareholder register are exclusively held by or through (i) Exempt Beneficial Owners, (ii) Active Non-Financial Foreign Institutions in accordance with Annex I of the Luxembourg IGA, (iii) U.S. persons who are not Specified U.S. persons, or (iv) Financial Institutions that are not Non-participating Financial Institutions. These terms have the meaning ascribed to them in the Luxembourg IGA.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Company may request information and documentation, including W-8BEN tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status.

The OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**Euro-CRS Directive**") was adopted in order to implement the CRS among the EU Member States and was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). According to the CRS Law Luxembourg financial institutions need to identify financial assets holders if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. They will then report the financial account information to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders, in order to ascertain their CRS status and report information regarding a shareholder and its account to the Luxembourg tax authorities (Administration des Contributions Directes). Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the EU Member States for the data relating to the calendar year 2016. In addition, Luxembourg signed the

OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS which aims to implement the CRS among non-EU Member States; it requires agreements on a country-by-country basis. The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law. Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

Potential investors should consult their professional adviser with respect to any foreign exchange regulations and/or tax legislation applicable to them.

The reference currency of the Company is British Pound Sterling (GBP).

Subfund(s) may be listed on stock exchanges. If it is intended to list a Subfund on stock exchanges this is detailed in the relevant Special Part.

The Prospectus has been established in accordance with the current laws and regulations of the Grand Duchy of Luxembourg and is subject to alterations.

## 2 Data Protection

In accordance with the provisions of the Luxembourg law of 1st August 2018 organizing the National Commission for data protection and of the general system on data protection, as it may be amended from time to time and the Regulation n°2016/679 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 ("**Data Protection Law**"), the Company acting as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations.

The data processed includes in particular the name, contact details (including postal or e-mail address), banking details, invested amount and holdings in the Fund of investors (and, if the investor is a legal person, of any natural person related to it such as its contact person(s) and/or beneficial owner(s)) ("**Personal Data**").

The investor may at his/her/its discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares.

Personal Data supplied by investors is processed to enter into and perform the subscription in the Company (i.e. for the performance of a contract), for the legitimate interests of the Company and to comply with the legal obligations imposed on the Company. In particular, the Personal Data is processed for the purposes of (i) processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, (ii) client relationship management, (iii) performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and (iv) compliance with applicable anti-money laundering rules. Data supplied by shareholders is also processed for the purpose of (v) maintaining the register of shareholders of the Company. In addition, Personal Data may be processed for the purposes of (vi) marketing.

The "legitimate interests" referred to above are:

- the processing purposes described in points (ii) and (vi) of the above paragraph of this data protection section;
- meeting and complying with the Company's accountability requirements and regulatory obligations globally; and
- exercising the business of the Company in accordance with reasonable market standards.

To this end, and in accordance with the provisions of the Data Protection Law, Personal Data may be transferred by the Company to its data recipients ("**Recipients**") which, in the context of the above-mentioned purposes, refer to its affiliated and third-party entities supporting the activities of the Company which include, in particular, the Management Company, Administrator, Distributors, Depositary, Paying Agent, Investment Managers, Domiciliation Agent, Global Distributor, Auditor and Legal adviser of the Company.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates ("**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Company and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients may be located within or outside the European Economic Area (the "**EEA**"), in countries whose data protection laws may not offer an adequate level of protection.

In case of a transfer of Personal Data to Recipients and/or Sub-Recipients located outside the EEA in a country that does not provide an adequate level of protection, the Company will contractually ensure that the Personal Data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Data Protection Law, which may take the form of EU Commission approved "Model Clauses". In this respect, the investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Company's address as specified above in the "Directory".

In subscribing for Shares, each investor is expressly informed of the transfer and processing of his/her/its Personal Data to the Recipients and Sub-Recipients referred to above, including entities located outside the EEA and in particular in countries which may not offer an adequate level of protection.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Company), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Company may also transfer Personal Data to third- parties such as governmental or regulatory agencies, including tax authorities, in or outside the EEA, in accordance with applicable laws and regulations. In particular such 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.

In accordance with the conditions set out by the Data Protection Law, each investor will upon written request to be addressed to the Company's address as specified above in the "Directory" have the right to:

- access his/her/its Personal Data (i.e. the right to obtain from the Company confirmation as to whether or not his/her/its Personal Data is being processed, to be provided with certain information about the Company's processing of his/her/its Personal Data, to access such data, and to obtain a copy of the Personal data undergoing processing (subject to legal exceptions);
- ask for Personal Data to be rectified where it is inaccurate or incomplete (i.e. the right to require from the Company that inaccurate or incomplete Personal Data or any material error be updated or corrected accordingly);
- restrict the use of his/her/its Personal Data (i.e. the right to obtain that, under certain circumstances, the processing of his/her/its Personal Data should be restricted to storage of such data unless his/her/its consent has been obtained);
- object to the processing of his/her/its Personal Data, including to object to the processing of his/her/its Personal Data for marketing purposes (i.e. the right to object, on grounds relating to the investor's particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Company. The Company shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override investor's interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);
- ask for erasure of his/her/its Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Company to process this data in relation to the purposes for which it collected or processed);
- ask for Personal Data portability (i.e. the right to have the data transferred to the investors or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

Investors also have a right to lodge a complaint with the National Commission for Data Protection ("**CNPD**") at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or when investors reside in another European Union Member State, with any other locally competent data protection supervisory authority.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable statutory periods of retention.

### **3 Administration and Management**

#### **The Company**

LFS SICAV  
60, avenue J.F. Kennedy,  
1855 Luxembourg,  
Grand Duchy of Luxembourg

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

Pierre Bosio (Chairman)  
Amundi Luxembourg S.A.,  
5, Allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg

Mathias Turra, Director  
Amundi Luxembourg,  
5, Allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg

Charles Giraldez, Director  
Amundi Luxembourg S.A.,  
5, Allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg

#### **Management Company**

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

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

David Harte (Chairman)  
Chief Executive Officer, Head of Ireland,  
Amundi Ireland Limited,  
Residing in Ireland

Bernard de Wit  
Director,  
Amundi Luxembourg S.A  
Residing in France,

François Marion  
Independent Director  
Residing in France

Pascal Biville  
Independent Director  
Residing in France

Claude Kremer  
Partner and Independent Director  
Arendt & Medernach S.A,  
Residing in Luxembourg

Enrico Turchi  
Deputy Chief Executive Officer and Managing Director  
Amundi Luxembourg S.A.  
Residing in Luxembourg



**Investment Managers**

Amundi Deutschland GmbH  
Taunusanlage 18  
60325 Frankfurt am Main  
Germany

Amundi Asset Management S.A.S.  
91-93, boulevard Pasteur  
75015 Paris  
France

**Depositary and Principal Paying Agent**

BNP Paribas Luxembourg Branch  
60 avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Administration Agent, Registrar and Transfer Agent**

BNP Paribas Luxembourg Branch  
60 avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Distributors**

Amundi Asset Management S.A.S.  
91-93, boulevard Pasteur  
75015 Paris La Défense  
France

and its branches

Amundi Deutschland GmbH  
Taunusanlage 18  
60325 Frankfurt am Main  
Germany

**Independent External Auditor**

Ernst & Young, Société anonyme  
35E, Avenue John F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

## **4 Responsibility for the Prospectus**

The Company's board of directors ("**Board of Directors**") has applied due care in ensuring that, as at the date of publication of the Prospectus, the information contained herein is accurate and complete in all material respects. The Board of Directors assumes responsibility in that regard.

**Liability for third Party Internet Pages**

The Company does not assume any liability for the content of third-party internet pages referred to in the Prospectus. At the time the references were included in the Prospectus, no illegal content could be identified on these internet pages. The Company has no influence on the current or future content of those pages and herewith expressly dissociates itself from any content that was changed on such pages after the preparation of the Prospectus. The reference to an internet page does not mean that the Company adopts the opinions or statements given on such internet pages as its own unless expressly declared otherwise in relation to the respective reference.

Prospectus updates are available on the website <https://www.amundi.lu/particuliers/Nos-fonds/Fonds> or from the Management Company.

## 5 Currency References

All references in the Prospectus to "USD" relate to the currency of the United States of America; references to "Euro" or "EUR" relate to the common currency of various EU Member States; references to "JPY" or "Yen" relate to the currency of Japan; references to "GBP" relate to the currency of the United Kingdom; references to "CHF" relate to the currency of Switzerland; references to "NOK" relate to the currency of Norway; references to "SEK" relate to the currency of Sweden; any other currency references are defined in the Special Part.

## 6 Relevant Time

If not stated otherwise in the Special Part, all references to times of day shall be to Luxembourg local time.

## 7 Investment Objectives

The Company was established with the aim of providing investors with the opportunity of purchasing Shares in Subfunds with various investment objectives and -policies.

The investment objective for each Subfund is described in the Special Part.

**There is no guarantee that the investment objective of the respective Subfund can be realised.**

## 8 Investment Policies and Restrictions for Subfunds not qualifying as MMF

The Board of Directors, in accordance with the Articles of Incorporation of the Company, has adopted the general investment policies and restrictions for Subfunds not qualifying as MMF as outlined hereafter. Specific investment policies and restrictions for each Subfund shall be specified in the Special Part.

Eligible assets and investment restrictions applicable for Subfunds which qualify as MMFs are outlined in the relevant special part of the Subfund.

### 8.1 Eligible Assets

The Company may invest on behalf of the Subfunds in:

- (a) Securities and money market instruments:
  - which are admitted to or dealt in on a regulated market (as defined in Article 4 paragraph 1(14) of Directive 2004/39/EC);
  - which are dealt in another regulated market in a member state of the European Union ("EU") which is recognized, open to the public and operates regularly;
  - which are admitted to official listing on a stock exchange in a non-EU state (as such term is used in the Directive 2009/65/EC as amended by the Directive 2014/91/EU, a non-EU state is a country which is not a member of the EU) or is traded on another regulated market of a non-EU state which is recognized, open to the public and operates regularly;
  - securities and money market instruments resulting from new issues, provided the terms of issue contain an undertaking to apply for official listing on a stock exchange or another regulated market which is recognized, open to the public and operates regularly, and that the admission will be obtained within one year of the issue.
- (b) Sight deposits or deposits repayable on demand maturing in no more than 12 months with qualified credit institutions whose registered office is located in a member state of the EU or in a member state of the OECD or in a country that has ratified the resolutions of the Financial Actions Task Force ("FATF" or Groupe d'Action Financiere Internationale "GAFI") ("**qualified credit institutions**").
- (c) Derivatives, including equivalent cash-settled instruments, which are dealt in on a regulated market as specified in (a), first, second or third indent, and/or OTC (over the counter) derivatives provided that:
  - the underlying securities are instruments as defined by this paragraph 1 or are financial

indices, interest rates, exchange rates or currencies in which the Subfund may invest according to its investment objectives;

- the counterparties in transactions with OTC derivatives are institutions subject to supervision belonging to the categories approved by the Commission de Surveillance du Secteur Financier (CSSF); and
- the OTC derivatives are subject to reliable and verifiable valuations on a daily basis and can be sold, liquidated or settled through an offsetting transaction at any time at the initiative of the Company at their fair value.

(d) Shares in UCITS authorised in accordance with Directive 2009/65/EC as amended by the Directive 2014/91/EU ("**UCITS-Directive**") and/or other UCIs within the meaning of Article 1 (2), sub-paragraph a) and b) of the UCITS-Directive having their registered office in a member state of the European Union or a non-EU state, provided that:

- such other UCIs are authorised in accordance with legal requirements which submit them to prudential supervision considered by the CSSF to be equivalent to that under the EU community law and that there is sufficient guarantee of cooperation between the authorities;
- the level of protection of shareholders of such other UCIs is equivalent to the level of protection of the shareholders of a UCITS and in particular that the requirements for segregation of the fund's assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS-Directive;
- the business activities of the other UCIs are subject to semi-annual and annual reports which enable an assessment of the assets and liabilities, income and transactions over the reporting period;
- the UCITS or this other UCI, whose units are to be acquired may, according to its constitutional documents, invest in total no more than 10% of its Net Asset Value in units of other UCITS or other UCIs;

If the Company purchases units in other UCITS and/or other UCIs which are managed directly or indirectly by the same Management Company or by another company to which the Management Company is linked by common administration or control or by a significant direct or indirect shareholding, the Management Company or the other company may not charge the Company any fees for subscription or redemption of shares in other UCITS and/or UCI.

(e) Money market instruments which are not traded on a regulated market and fall under the definition of Article 1 of the 2010 Law, provided the issue or issuer of these instruments are themselves subject to regulations concerning the protection of savings and investors, and provided:

- they are issued or guaranteed by a central governmental, regional or local authority or the central bank of a EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU state or, in the case of a federal state, one of the members making up the federation, or by a public international institution to which at least one EU member state belongs; or
- they are issued by an undertaking whose securities are traded on the regulated markets designated in (a); or
- they are issued or guaranteed by an establishment subject to supervision in accordance with the criteria defined by EU Community law, or by an institution which is subject to and complies with prudential rules which in the opinion of the CSSF are at least as stringent as those under EU Community law; or
- they are issued by other issuers belonging to a category approved by the CSSF provided such instruments are subject to investor protection regulations which are equivalent to those of the first, second or third indent and provided the issuer is either a company with own funds of at least ten (10) million Euros which presents and publishes its annual accounts in accordance with the provisions of the 4th Directive 78/660/EEC, or an entity within a group comprising one or more companies listed on an official stock exchange which is dedicated to the financing of that group, or is an entity which is dedicated to the financing of the securitization of liabilities by use of a credit line granted by a bank.

- (f) However:
  - the Company may invest no more than 10% of the Net Asset Value of its Subfunds in transferable securities and money market instruments other than those referred to in (a) to (e);
  - the Company may not acquire precious metals or certificates representing them.
- (g) The Company may accessorially hold liquid assets.

## 8.2 Investment Restrictions

- (a) The Company may invest not more than 10% of the Net Asset Value of each Subfund in securities or money market instruments of one and the same issuer. The Company may invest not more than 20% of the Net Asset Value of each Subfund in deposits made with one and the same institution.

The risk exposure to a counterparty in OTC-derivatives transactions by the Company must not exceed the following percentages:

- 10% of the Net Asset Value of each Subfund when the counterparty is a qualified credit institution;
- and otherwise 5% of the Net Asset Value of each Subfund.

The aggregate risk of a Subfund associated with derivatives must not exceed the Net Asset Value of the Subfund concerned. When calculating the risk, the market value of the underlying instruments, the counterparty risk, foreseeable market fluctuations and the time available to liquidate the positions must be taken into account.

The aggregate risk of the underlying instruments must not exceed the investment limits set out in (a) to (f). The underlying instruments of index-based derivatives do not have to observe these investment limits. However, if a derivative is embedded in a transferable security or money market instrument, it must be taken into account for the purpose of the provisions of this section.

The Company will implement a suitable risk management procedure, by way of which it can at all times monitor and measure the risk exposure of the Company's positions in the respective portfolios of the Subfunds and their contribution to the overall risk profile of the relevant portfolio. The Management Company will implement a procedure aimed at the exact and independent valuation of OTC Derivatives. The Management Company will ensure that the total exposure of the Subfunds in relation to derivatives does not exceed the total net value of the Subfund concerned. Even under extraordinary market conditions, the use of said derivatives may neither change the investment objective in or the investment profile of either the Company or the Subfunds, nor result in a leverage effect in relation to a Subfund, nor lead to short selling.

- (b) The total value of the issuers' securities and money market instruments in which a Subfund invests more than 5% of its Net Asset Value must not exceed 40% of its Net Asset Value. This limitation does not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.
- (c) Irrespective of the individual maximum limits under (a), a Subfund may invest not more than 20% of its Net Asset Value with a single institution in a combination of:
  - securities or money market instruments issued by this institution and/or deposits made with this institution and/or
  - OTC derivatives transactions undertaken with this institution.
- (d) The limit stated in (a), first sentence, is raised to 35% if the securities or money market instruments are issued or guaranteed by an EU member state or by its local authorities, by a non-EU state or by public international institutions of which at least one EU member state is a member.
- (e) The limit stated in (a), first sentence, is raised to 25% for bonds that fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and for certain debt securities when they are issued before 8 July 2022 by a credit institution with its registered office in an EU member state which is subject, by law, to special prudential supervision designed to protect investors in debt securities. In particular sums deriving from the issue of these debt securities must be invested in conformity with the law in assets which,

during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in case of failure of the issuer, would be used on a priority basis for the repayment of principal and of the accrued interest.

If a Subfund invests more than 5% of its Net Asset Value in the debt securities referred to in the above paragraph and which are issued by one issuer, the total value of such investments may not exceed 80% of the Net Asset Value of the Subfund concerned.

- (f) Securities and money market instruments mentioned in (d) and (e) are not taken into account in the calculation of the limit of 40% referred to in (b).

The limits stated in (a) to (e) may not be combined, and thus investments in accordance with (a) to (e) in securities or money market instruments of one and the same issuer or in deposits with the said issuer or in derivatives made with that issuer may not exceed a total of 35% of the Net Asset Value of a Subfund.

Companies which are included in the same group for the purpose of consolidated accounts as defined in the Directive 83/349/EEC or in accordance with recognized international accounting rules are regarded as a single issuer for the purpose of calculating the aforementioned limits.

The investments by a Subfund in securities and money market instruments within the same group may cumulatively not exceed 20% of its Net Asset Value.

- (g) **Notwithstanding points (a) to (f), the Company is authorized in accordance with the principle of risk diversification to invest up to 100% of a Subfund's Net Asset Value in securities and money market instruments from different issues, which are issued or guaranteed by an EU member state or by its local authorities, by a member state of the OECD or by any other country, provided such other country has been approved by the regulatory authority in Luxembourg and that such country is disclosed in the Prospectus, or by public international organizations of which at least one EU member state is a member, provided, however, that the Subfund must hold securities and money market instruments of at least six different issues, whereby the securities and money market instruments of each single issue may not account for more than 30% of the Net Asset Value of the Subfund concerned.**

- (h) Without prejudice to the limits laid down in (j), the limits laid down in (a) for investors in shares and/or debt securities issued by the same issuer may be raised to a maximum of 20% when the investment strategy of the Subfund is to replicate the composition of a certain stock or bond index which is recognized by CSSF. This depends on the following conditions:

- that the composition of the index is sufficiently diversified;
- that the index represents an adequate benchmark for the market to which it refers;
- that the index is published in an appropriate manner.

The limit laid down in the previous paragraph is of 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer. Exceptional market conditions may, for example, be market concentration on a specific company or industry, increased market volatility or market turbulence. Under exceptional market conditions, the Company will make use of this possibility.

- (i) A Subfund may acquire units of target funds as defined within 6.1(d) above, for a maximum of 10% of its Net Asset Value, unless otherwise stated in the Special Part for a particular Subfund.

(j)

(A) The Company or the Management Company acting in connection with all of the investment funds which it manages; and which qualify as a UCITS, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of the issuer.

(B) Moreover; the Company may acquire no more than:

- 10% of the non-voting shares from the same issuer;
- 10% of debt securities from the same issuer;

- 25% of the units of the same target fund;
- 10% of the money market instruments of any single issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments or the net amount of the shares in issue cannot be calculated.

Paragraphs (A) and (B) shall not apply:

- to securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- to securities and money market instruments issued or guaranteed by a non-EU state;
- to securities and money market instruments issued by public international institutions of which one or more EU member states are members;
- to shares held by the Company in the capital of a company incorporated in a non-EU state which invests its assets mainly in the securities of issuers having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuers of that state. This derogation, however, shall only apply if in its investment policy the company from the non-EU state complies with the limits laid down in (a) to (f) and (i) and (j) (A) and (B). Where the limits set in (a) to (f) and (i) are exceeded, (k) shall mutatis mutandis apply;
- to shares held by the Company alone or together with other UCIs in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

(k)

- (A) The Company need not comply with the limits laid down herein when exercising subscription rights attaching to transferable securities and money market instruments which form part of its assets. While ensuring observance of the principle of risk diversification, the Company may derogate from the rules set out in (a) to (h) for a period of six months following the date of its admission.
- (B) If the Company exceeds the limits referred to in (A) for reasons beyond its control or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

(l)

- (A) The Company may not borrow. However, the Company may acquire foreign currency by means of a "back-to-back" loan.
- (B) By way of derogation from paragraph (A), the Company may (i) borrow up to 10% of its Net Asset Value for a Subfund provided that the borrowing is on a temporary basis, and (ii) borrow up to 10% of its Net Asset Value provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in no case may such borrowings and those referred to in (i) together exceed 15% of the Net Asset Value concerned.

- (m) The Company or the Depositary may not grant loans or act as guarantor for third parties for the account of the Subfund, without prejudice to points (a) above and (a) to (e) of section 8.1. This restriction shall not prevent the Company from acquiring transferable securities or money market instruments or shares in target funds or financial instruments referred to in (c) to (e) of section 8.1 which are not fully paid.
- (n) The Company or the Depositary may not carry out uncovered sales of transferable securities, money market instruments, shares in target funds or financial instruments referred to in (c) to (e) of section 8.1.
- (o) Except for situations of exceptionally unfavourable market conditions where a temporary breach of the 20% limit is required by the circumstances and justified having regard to the interest of the investors, each Subfund may hold up to 20% of its net assets in bank deposits at sight that

are accessible at any time, in order to cover current or exceptional payments or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

- (p) A Subfund of the Company may subscribe, acquire and/or hold securities to be issued or issued by one or more other Subfunds of the Company without the Company being subject to the requirements as 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, under the conditions that:
- the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and
  - no more than 10% of the assets that the target Subfunds whose acquisition is contemplated may be invested pursuant to their investment policy in shares of other target subfunds of the same company; and
  - voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
  - there is no duplication of subscription or redemption fees between those at the level of the Subfund of the Company having invested in the target Subfund, and this target Subfund.
- (q) The amount of the holdings of a capital company by a Subfund may not exceed 10% of the capital of the capital company.
- (r) Further investment guidelines
- The Company will not acquire securities which entail unlimited liability.
  - The Company's assets must not be invested in real estate, precious metals, precious metal contracts, commodities or commodity contracts.
  - The Company can implement further investment restrictions in order to comply with the requirements in countries in which Shares shall be offered for sale.

## **9 Internal credit quality assessment procedure for MMF**

For Subfunds qualifying as MMF the issuer of the money market instrument and the quality of the money market instrument need to have received a favourable assessment pursuant to Articles 19 to 22 of the REGULATION (EU) 2017/1131 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017 on money market funds (MMFR). The Company shall establish, implement and consistently apply a prudent internal credit quality assessment procedure (ICAP) for determining the credit quality of money market instruments, securitisations and ABCPs, taking into account the issuer of the instrument and the characteristics of the instrument itself. The ICAP refers to and complies with the MMFR and the delegated regulation (EU) 2018/990 of the commission dated 10 April 2018 and takes into account the specificities of the Subfund.

It has been drafted and elaborated by the person in charge of exercising the Risk Management function of the Management Company who is responsible for the administrative processes, the validation, and ongoing monitoring of the ICAP and the assessment methodologies. It will be reviewed and validated by the conducting officers and approved by the Board of Directors of the Management Company before entering into force.

The ICAP was customized as per the investment policies and the nature of the eligible assets of each money market fund established by the Company.

The Company shall ensure that the information used in applying the internal credit quality assessment procedure is of sufficient quality, up-to-date and from reliable sources.

The internal assessment procedure shall be based on prudent, systematic and continuous assessment methodologies in accordance with the Money Market Regulation and the delegated regulation (EU)

2018/990 of the commission dated 10 April 2018. The methodologies used shall be subject to validation by the Company based on historical experience and empirical evidence, including back testing.

The Company shall ensure that the ICAP complies with the following general principles:

- an effective process is to be established to obtain and update relevant information on the issuer and the instrument's characteristics;
- adequate measures are to be adopted and implemented to ensure that the internal credit quality assessment is based on a thorough analysis of the information that is available and pertinent, and includes all relevant driving factors that influence the creditworthiness of the issuer and the credit quality of the instrument;
- the internal credit quality assessment procedure is to be monitored on an ongoing basis and all credit quality assessments shall be reviewed at least annually;
- while there is to be no mechanistic over-reliance on external ratings in accordance with Article 5a of Regulation (EC) No 1060/2009, the Company shall undertake a new credit quality assessment for a money market instrument, securitisations and ABCPs when there is a material change that could have an impact on the existing assessment of the instrument;
- the credit quality assessment methodologies are to be reviewed at least annually by the Company to determine whether they remain appropriate for the current portfolio and external conditions and the review shall be transmitted to the CSSF. Where the Company becomes aware of errors in the credit quality assessment methodology or in its application, it shall immediately correct those errors;
- when methodologies, models or key assumptions used in the internal credit quality assessment procedure are changed, the Company is to review all affected internal credit quality assessments as soon as possible.

To reflect this the ICAP shall be regularly reviewed, at least once a year, and adapted whenever necessary and upon approval of the conducting officers and Board of Directors of the Management Company to ensure that the ICAP is appropriately established and reflects adequately the creditworthiness of each instrument. All valuations of the creditworthiness are at least reviewed yearly. The Senior management of the Management Company shall ensure, on an ongoing basis, that the internal credit quality assessment procedure is operating properly. Senior management shall be regularly informed about the performance of the internal credit quality assessment procedures, the areas where deficiencies were identified, and the status of efforts and actions taken to improve previously identified deficiencies.

Upon occurrence of any material change which might have an impact on the creditworthiness, the Management Company re-conducts a new credit assessment of any impacted instrument/issuer held by a MMF.

There is no mechanistic over-reliance on external ratings and the Company shall undertake a new credit quality assessment for a money market instrument, securitisations and ABCPs when there is a material change that could have an impact on the existing assessment of the instrument. The Company shall not rely blindly on credit ratings but should take utmost care to perform own analysis and conduct appropriate due diligence at all times regarding their reliance on such credit ratings.

The credit quality assessment as described in detail in the internal assessment procedure shall take into account at least i) the quantification of the credit risk of the issuer and of the relative risk of default of the issuer and of the instrument, ii) qualitative indicators on the issuer of the instrument, including in the light of the macroeconomic and financial market situation, iii) the short-term nature of money market instruments, iv) the asset class of the instrument, v) the type of issuer distinguishing at least the following types of issuers: national, regional or local administrations, financial corporations, and non-financial corporations, vi) for structured financial instruments, the operational and counterparty risk inherent within the structured financial transaction and, in case of exposure to securitisations, the credit risk of the issuer, the structure of the securitisation and the credit risk of the underlying assets and vii) the liquidity profile of the instrument. These criteria may influence the validation of the creditworthiness of the issuance and/or the issuer negatively if the risk of defaults of the issuer or instrument has increased, the financial market situation has deteriorated or negative developments in relation to the type of issuer have taken place.



## 10 Special Techniques and Instruments

Pursuant to Luxembourg law, in particular CSSF Circular 08/356, the Company will not apply particular techniques and instruments involving transferable securities and money market instruments with regard to any Subfund. The Company will not enter in any Total Return Swaps.

In order to secure the relevant obligations, the Company may accept any of the collateral mentioned in CSSF Circulars 08/356, 11/512 and 14/592 with the exception of equities.

The Company may also accept deposits or securities pledged or transferred as collateral.

In particular, debt securities issued or guaranteed by a member state of the OECD or its public-sector authorities or other debt securities from issuers with high credit ratings may be accepted by the Company as collateral. There exists no restriction in regard to the maturity date of debt securities posted as collateral; however, debt securities with a longer remaining term than five years are subject to haircut requirements. Without limitation, the Company may also accept its own Shares as collateral.

Where the Company enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- (1) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive. The Collateral is subject to a liquidity analysis on a periodic basis.
- (2) Valuation – collateral received should be valued Mark to Market on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. The defined haircuts are taken into account when evaluating the collateral. The management of the collateral on every valuation day ensures that the market value and the quality of the collateral comply with the regulatory requirements.
- (3) Issuer credit quality – collateral received should be of high quality.
- (4) Correlation – the collateral received by the UCITS should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (5) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the UCITS receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the UCITS' net asset value. When a UCITS is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralised in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.
- (6) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (7) Where there is a title transfer, the collateral received should be held by the depositary of the UCITS. The safekeeping of collateral complies with applicable laws and regulation.
- (8) Collateral received should be capable of being fully enforced by the UCITS at any time without reference to or approval from the counterparty.
- (9) Non-cash collateral received should not be sold, re-invested or pledged. A reuse of collateral is not intended.

(10) Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Collateral is subject to a daily Mark to Market valuation.

In the case of collateral subject to price volatility, the Management Company shall apply suitable, conservative safety margins (“**valuation haircuts**” or “**haircuts**”). The amounts of said safety margins depend on the specific characteristics of the collateral, such as issuer creditworthiness, price volatility and the results of stress tests performed by the Company with respect to the liquidity of the assets. The current haircuts for bonds with a remaining term of 5-10 years are 2% and 4% for bonds with a remaining term of more than 10 years. Equities will not be accepted as collateral.

Based on the elaborations above, the Company generally accepts funds, ETFs and bonds as collateral. This collateral is “very liquid”. Moreover, for some collateral a category above “very liquid” is defined on the basis of the type of securities. This definition is based on the issued stocks, the type of securities or the trading volumes in the market. The Management Company shall perform regular stress testing on the basis of the requirements set out in No.45 of the ESMA Guidelines to ensure that the collateral is convertible to liquidity at all times and minimise liquidity risks. A stress scenario means a huge liquidation of collateral. The category above “very liquid” will be used in this scenario in order to prevent damage from the Company and/or the shareholders.

At least fifty percent of the income from special techniques and instruments before deduction of the related costs are credited to the Subfund.

In order to secure the relevant obligations, the Company may only accept assets as the collateral that may be acquired in accordance with the investment policy of the Subfunds which are in accordance with the rules and regulations of Circulars 08/356, 11/512 and 14/592. The Company may also in particular and without limitation, may accept own units as collateral. If the Company receives cash collateral in relation to the above, the Company will not re-invest it but deposit it with credit institutions as deposits which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

Only financial Institutions of member states of the European Union rated at least with an investment grade can be a counterparty of special techniques and instruments and OTC derivative transactions.

**In no event may the Company engage in transactions involving derivatives or other financial techniques and instruments that deviate from the investment objectives listed in the Prospectus, including its Appendices.**

Further specifications and restrictions, if applicable, are described in the Special Part.

### **Global Exposure**

The global exposure relating to financial derivative instruments may be calculated through the commitment approach or VaR methodology.

### **Commitment Approach**

The Subfunds may calculate their global exposure resulting from the use of financial derivative instruments and from the use of financial techniques and instruments on a commitment basis. Such Subfunds will make use of financial derivative instruments in a manner not to materially alter a Subfund's risk profile over what would be the case if financial derivative instruments were not used. The global exposure is the absolute value of the notional exposure of each individual derivative after applying any hedging and netting benefits of longs and shorts. The Subfund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings so that the Subfund's overall risk exposure may not exceed 210% of any Subfund's total net assets under any circumstances.

### **VaR Methodology**

Certain Subfunds apply a Value-at-Risk (VaR) approach to calculate their global exposure. A global exposure calculation using the VaR approach should consider all the positions of the relevant Subfund.

VaR is a means of measuring the potential loss to a Subfund due to market risk and is expressed as the maximum potential loss measured at a 99% confidence level over a one-month time horizon. The holding period for the purpose of calculating global exposure, is one month.

Subfunds using the VaR approach are required to disclose their expected level of leverage. The expected level of leverage disclosed for each Subfund is an indicative level and is not a regulatory limit. The Subfund's actual level of leverage might significantly exceed the expected level from time to time however the use of financial derivatives instruments will remain consistent with the Subfund's investment objective and risk profile and comply with its VaR limit. In this context leverage is a measure of the aggregate derivative usage and is calculated as the sum of the notional exposure of the financial derivative instruments used, without the use of netting arrangements. VaR is calculated using an absolute or relative approach. The relative VaR approach is used for Subfunds where a derivative free benchmark or reference portfolio is defined reflecting the investment strategy which the Subfund is pursuing. The relative VaR of a Subfund (including derivatives) is expressed as a multiple of the VaR of a benchmark or reference portfolio and is limited to no more than twice the VaR on the comparable benchmark or reference portfolio. The absolute VaR approach calculates a Subfund's VaR as a percentage of the net asset value of the Subfund and is measured against an absolute limit of 20% as defined by the ESMA Guidelines 10-788.

Which approach or methodology is used for a Subfund will be specified in the respective special part.

## **11 Risk Factors**

### **11.1 Introduction**

The below is of a general nature and is intended to describe various risk factors associated with an investment in the Company and its Subfunds. Which factors will be of relevance to the Shares will depend on various factors including, inter alia, the nature of the Shares, the techniques and instruments used and the investment policy of the particular Subfund. The particular risks associated with a specific Subfund are (if applicable) set out in the Special Part.

Investors should understand the risks associated with an investment in the Shares and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers of (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in the Prospectus and (iii) the risks associated with the use of derivative techniques.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

The value of the Shares can go down as well as up and an investor may not be able to redeem or sell the Shares for the same amount invested in them. Accordingly, investors should view an investment in the Shares as a long-term investment. Prospective investors' attention is drawn to the taxation consequences of investing in the Company as set out below.

**Investors should note that the Subfunds are neither governed by any capital protection measures nor by any guarantees (if not stipulated otherwise in the Special Part) and that the invested capital and/or the amount corresponding thereto is neither protected nor guaranteed.**

**Performance of the Subfunds and Share Classes is linked to the performance of the assets held by the Fund, which can be positive or negative. Accordingly, the value of the fund Shares can rise or fall. In particular, the NAV of the Fund may at any time fall below its initial value, which, in the event of a sale, may result in a loss of capital and, under particularly unfavourable circumstances, such as a decline in the market value of all portfolio constituents, in a total loss of the invested capital. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital.**

**Any collateral provided to the Company by counterparties in connection with OTC transactions in order to minimise credit risk and/or counterparty risk is subject to the statutory and regulatory provisions. It cannot be ruled out that individual items of collateral may be worthless at, and/or rendered completely worthless prior to, the time of their utilisation. Therefore, there is a risk that the sum that can be realised through the utilisation of the collateral may not be sufficient as to meet all investors claims and/or that investors suffer a total loss in respect of their investment.**

No investment should be made in the Shares without careful consideration of the following general risk factors.

## **11.2 The following risk factors may apply to all the Subfunds**

### Allocation of Deficits under the classes of a Subfund:

The right of creditors to participate in the assets of the Company is restricted to the assets (if any) of the relevant Subfund. All assets of a Subfund are available for the fulfilment of the Subfund's obligations, notwithstanding the different amounts that are designated for payment in relation to the different Share Classes (as listed in the Special Part relating to each Subfund). If, for instance, the amounts received by the Company from the realisation of the assets of a specific Subfund in connection with (i) a winding-up of the Company or (ii) the dissolution of this Subfund are (following the payment of all fees, expenses and other obligations to be borne by this Subfund) insufficient to cover the full payment of the redemption amounts payable in relation to all Share Classes of the relevant Subfund, all Share Classes of this Subfund shall rank *pari passu* with each other and the proceeds of the relevant Subfund shall be distributed to the investors of this Subfund on a *pro rata* basis based on the amounts paid in by each investors. The relevant investors shall have no further rights to payments in relation to their Shares or any claims towards other Subfunds or assets of the Company. In practice, the reciprocal liability between classes is likely to apply only if the total amounts payable in relation to a class exceed the Subfund assets fictitiously allocated to the relevant class, i.e. the amounts that may be received by the Company from the realisation of the assets of the relevant Subfund (following the payment of all fees, expenses and other obligations to be borne by the relevant Subfund) and that are designated for the financing of payments in relation to the relevant class or are allocable to that class for other reasons. For instance, such a situation might occur in the event of the payment default of a swap counterparty in relation to the assets of a Subfund. Under those circumstances, the remaining assets that are fictitiously allocated to another class of the same Subfund might be used for the fulfilment of those payment obligations and thus will not be available for the payment of other amounts otherwise payable by that class.

### Collateral Management:

The counterparty of OTC transactions may provide collateral in the form of cash or liquid securities in accordance with the applicable rules. However, there is a general operational risk that, due to a failure of internal processes, individuals or systems, or as a result of external events, the collateral may experience damages. Moreover, there is a risk that, as a result of negligent, wilful or fraudulent actions on the part of the depositary or a sub-custodian the Subfund may be deprived of access to its collateral.

Although the collateral is subject to a liquidity analysis on a periodic basis it cannot be ruled out due to market disruptions for example that part of the collateral might become less liquid or deteriorates.

The legal treatment of the safekeeping or management of the collateral may change and lead to legal constraints which may weaken the legal position of the Company.

### Companies with Low Capitalisation:

Certain Subfunds will predominantly invest in or be exposed to small and medium-sized companies. Investments in securities of smaller, lesser known companies involve a greater risk and the possibility of greater price volatility than investments in larger and better known companies. The value of shares in smaller companies may fluctuate regardless of the share prices of major companies and the known stock exchange indices. This may be because of more uncertain growth prospects of such smaller companies, the lower market liquidity for the shares in such companies and the greater risk that such shares might suffer if market conditions change. For instance, small and limited product ranges, markets, distribution channels and financial and management resources are associated with a greater business risk.

### Conflicts of interests:

Crédit Agricole S.A. and/or affiliated companies may act as the Company's swap counterparty, distributor, index sponsor, index calculation agent, investment manager and/or sub-depositary. Crédit Agricole S.A. or the affiliated company in one of the aforementioned capacities, the Board of Directors, the Depositary, the Administrator, the Investment Managers, the shareholders, other investment managers, the index sponsor, the index calculation agent, the swap counterparty or the distributors may in each case engage in activities that might result in conflicts of interests, e.g. financial and banking transactions with the Company, or the investment and trading in Shares, other securities or assets held within the Subfund or as index components (including the sale to, and purchase from, the Company).

Index swaps entered into on behalf of the Subfunds are not traded on an exchange. Accordingly, potential conflicts of interest cannot be ruled out. The counterparty may have an obligation to assess the value of such derivative transactions or contracts. Such valuations may serve as the basis for calculation of the value of certain Company assets. The counterparty may also act as an index calculation agent.

The Board of Directors is aware that, as a result of the functions performed by Amundi's employees in connection with the Company, conflicts of interest may arise. For such instances, all Amundi's employees are required to reasonably endeavour to arrive at an equitable solution to such conflicts of interest (with respect to the obligations and duties involved), as well as to ensure that the interests of the Company and shareholders are in no way impinged upon.

Amundi shall, with respect to its various obligations and duties, undertake reasonable efforts to find equitable solutions to such conflicts of interest and to ensure the interests of the Subfund and shareholders are in no way impinged upon.

The Board of Directors believes that it has taken reasonable measures to deal with deviations or conflicts of interest. It assumes that each relevant counterparty is qualified and competent to provide these services and that all costs for the Company are typical of what would be incurred if these services were provided by a third party.

Conflicts of interest cannot arise in connection with repurchase agreements (including reverse repurchase agreements) or securities lending transactions, as no repurchase agreements or securities lending transactions are carried out for the Subfunds.

#### Concentration Risk:

Each Subfund is designed to mitigate its risks by spreading its investments into assets from different issuers whilst avoiding a concentration on any one issuer. However, it cannot be excluded that in certain circumstances, the exposure to one single entity may be relatively high. If a Subfund focuses its investments on certain markets, countries, regions or types of investment, by definition this concentration does not allow the same scope of diversification of risks across different markets as would be possible if investments were not as concentrated. Consequently, a Subfund is particularly dependent on the development of these investments or of individual or related markets, countries, regions or of companies included in those markets. The limits prescribed by the 2010 Law will however at all times be maintained and, should any external events result in a passive breach of the applicable investment restrictions, remedial action will be taken, in accordance with the requirements of the 2010 Law.

#### Consequences of Winding-Up Proceedings:

If the Company (for whatever reason) is unable to meet its obligations or liabilities or to pay its debts, its creditors may apply for the winding-up of the Company. The institution of such proceedings may entitle its creditors (including swap counterparties) to terminate contracts with the Company (including in relation to the assets of the Subfunds) and to claim compensation for the losses suffered by them in connection with such early termination. The institution of such proceedings may result in (i) a winding-up of the Company and the sale of its assets (including the assets of all Subfunds), (ii) the payment of the fees and expenses of the appointed liquidator or other insolvency administrator, (iii) the satisfaction of claims that must be given priority by law and (iv) the payment of the Company's liabilities (in that order), before any excess amounts can be distributed to the shareholders of the Company.

#### Counterparty Risk

is the risk of default of the derivatives counterparty, which for exchange-traded derivatives is generally less than for privately negotiated derivatives (over the counter derivatives, "**OTC derivatives**"). The Management Company must consider the creditworthiness of each counterparty to a privately negotiated derivative in evaluating potential counterparty risk. Should the Company intend to engage in derivative transactions, the counterparty for such transactions is often Société Générale S.A. In such cases, there is a risk that Société Générale S.A. or another counterparty will default and become unable to fulfil its payment obligations to the Company. The counterparty risk may be reduced by the counterparty providing collateral in the form of cash or liquid securities in accordance with the applicable rules from time to time. The amount of collateral to be delivered will be at least equal to the value by which the relevant counterparty exposure limit has been exceeded. Notwithstanding, a loss cannot be ruled out in the event of default by the counterparty despite subsequent realisation of the pledged collateral. The pledged collateral might not compensate the loss due to unforeseen market conditions as it is subject to the risks connected to the specific collateral.

#### Country and Transfer Risks:

Economic or political instability in countries in which a Subfund is invested may lead to a situation in which a Subfund does not receive part or all of the monies owed to it in spite of the solvency of the issuer of the respective security or other assets. Currency or transfer restrictions or other legal changes, for example, may be of significance in this regard.

#### Credit Risk:

The Subfund may invest in bonds and other debt securities. Debt securities are subject to a risk that an issuer might default with respect to principal and interest payments. Further, debt securities are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity and movements.

#### Currency Risk and Interest Rate:

Securities which are denominated or which have an underlying denominated in a foreign currency or where the pay-out occurs in a foreign currency are exposed to the risk of changes in currency exchange rates which may adversely affect the total return of such securities. Similarly, contractual services where the remuneration is in a currency other than that of a Subfund are exposed to exchange rates and may become more or less expensive as a result.

The market for debt securities is influenced by economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other industrialised countries, and there can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the value of securities.

#### Custodial Risk:

Custodial risk is the risk arising from the possibility that, to the detriment of the Subfund, the Subfund could be denied access, in whole or in part, to investments or collateral held in custody in case of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the depositary or a sub-depositary. The keeping of assets in safe custody, in particular if it takes place abroad, is associated with a loss risk resulting from the applicable insolvency risk and possible breaches of the duty of care or misconduct by the custodian or a sub-custodian. The depositary and the administrator are entities of the same group. Conflicts of interests may arise in connection with the appointment of BNP Paribas, Luxembourg Branch as depositary as described in section "12 Depositary".

#### Derivatives:

Derivatives are highly specialised instruments the use of which requires an understanding not only of the underlying instrument but also of the derivative itself. The use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Fund and the ability to forecast price, interest rate or currency rate movements correctly. The use of derivatives includes the risk of mispricing or inaccurate valuation of derivatives because of their complexity. Derivatives do not always fully or even closely track the value of the assets on which they are based. Consequently, the Fund's use of derivatives may not always be an effective means of, and could even be counterproductive to, furthering the Investment Objective and Policy.

#### Use of repurchase agreements and securities lending transactions:

Since the Subfunds are not engaged in securities repurchase and securities lending transactions, there is no risk to the Subfunds in connection with securities repurchase transactions (including reverse repurchase transactions) or securities lending transactions.

#### Dissolution or Merger:

In accordance with the Articles of Incorporation, it is possible to dissolve a Subfund in full or to merge it with another Subfund or another UCIs in accordance with Part I of the 2010 Law or another Subfund within such UCIs. Thus, the investor is exposed to the risk that the planned holding period cannot be realised.

#### Focus on Specific Countries:

If a Subfund invests in or is exposed to companies of one country or region, this may result in greater dependency on unfavourable societal, political or economic events in the relevant country or region. The same applies if the Subfund invests in or is exposed to specific products, goods, commodities or other assets that are produced, mined or otherwise created in a specific country or region.

#### Hedged Share Classes:

While the Company may attempt to hedge currency risks for certain Subfunds, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Subfund and the hedged share class. The hedging strategies may be entered into whether the base currency is declining or increasing in value relative to the relevant currency of the hedged share class and so, where such hedging is undertaken it may substantially protect investors in the relevant share class against a decrease in the value of the base currency relative to the hedged share class currency, but it may also preclude investors from benefiting from an increase in the value of the base currency.

#### Risks in Relation to Interest Rate Changes:

In the case of an investment in fixed-rate securities, it is possible that the market interest rate level existing at the time of the securities' issuance may change. If market rates increase as compared to the rates at the time of issue, the prices of fixed-rate securities will normally go down. If, however, market rates go down, the prices of fixed-rate securities will normally increase. This price development means that the current yield on the fixed-rate security roughly corresponds to the current market rate. These price fluctuations, however, may differ depending on the maturity of the fixed-rate security. Fixed-rate securities with shorter maturities are associated with lower price risks than fixed-rate securities with longer maturities. On the other hand, fixed-rate securities with shorter maturities are normally associated with lower yields than fixed-rate securities with longer maturities.

Money-market instruments, because of their short maturity of up to 12 months, are normally associated with lower price risks.

#### Key personnel risk:

Actively managed funds that exhibit very positive performance at a certain point in time owe their success in part to the qualifications of the responsible persons, and thus the decisions by their management. Fund management personnel, however, is subject to change. In such cases, new decision makers may prove to be less successful.

#### Legal and Fiscal Risk:

The legal and fiscal treatment of the Subfunds may change in an unforeseeable and uncontrollable manner. An amendment in respect of errors in the taxation basis of the Subfund for previous financial years (e.g. as a result of an external tax audit) may, in the event of an amendment that is disadvantageous for the investor, result in the investor having to bear the tax burden resulting from the correction regarding the previous financial years, although the investor may not have held an investment in the relevant Subfund at that time. Conversely, in the event of a favourable correction in respect of the current financial year and previous financial years, it is possible that an investor may not be able to profit from such changes for those financial years in which the investor participated in the Company's assets because of a redemption or sale of the assets prior to the implementation of the relevant correction.

In addition, a correction of tax data may result in the fact that taxable proceeds and/or tax advantages may be applied in a tax period other than the period to which they actually relate, so that this may have a negative effect on the investor concerned.

#### Listing on a Stock Exchange:

It cannot be guaranteed that a listing applied for by the Company will be attained and/or maintained and/or that the listing conditions will remain unchanged. In addition, trading of the Shares on a stock exchange may be suspended in accordance with the rules of that stock exchange in the event of specific market conditions, and investors might not be able to sell their Shares before trading is resumed.

#### Liquidity risks:

Liquidity risks arise when a certain asset is difficult to acquire or dispose of. In large-scale transactions or when markets are partially illiquid, it may not be possible to liquidate assets held by the Company or, in the case of derivatives, to execute a transaction or close out a position at an advantageous price.

#### Market risks:

These risks are of general nature and are present in all types of investments; the value of a particular market may change in a way that can be detrimental to the interests of a Subfund.

#### Negative interest rate risk:

The Company invests cash of the fund with the custodian or other banks for the account of the fund. Depending on the interest rate policy of the European Central Bank, interest relating to bank deposits or bank balances may be negative and result in losses for the Fund.

#### Political Factors and Investments in Emerging Markets and Non-OECD Member States:

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. The performance of the Shares and/or the possibility to purchase, sell or repurchase them may be adversely affected by economic changes and uncertainty factors such as political developments, changes in government policy, the imposition of restrictions on capital transactions as well as regulatory changes. These risks may be reinforced in the case of investments in or in relation to Emerging Markets or non-OECD member states. In addition, local depositary services continue to be underdeveloped in many non-OECD countries and the Emerging Markets, and trading in these markets is associated with transaction and custody risks. Under certain circumstances, a Subfund may not receive all of its assets back and/or the retrieval of parts of its assets may be delayed. In addition, the legal infrastructure as well as the financial reporting, auditing and publicity standards in the Emerging Markets or non-OECD member states may not afford the same level of investor information and protection as those that generally apply in the larger markets. In addition, the securities markets of Emerging Markets or non-OECD member states are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of the Share's acquisition or disposal of securities.

#### Possible Loss of Investment:

Unless capital protection is specifically prescribed in the Special Part, prospective investors should be aware that investment in the Company can involve varying degrees of risk including a possibility of capital loss. Prospective investors should inform themselves of the risks associated with each Subfund and the general risks associated with investment in various instruments, currencies and geographic areas.

#### Voting Rights and Other Rights:

The Company will inform the shareholders who are registered in the shareholders' register of any voting and other rights. If an investor invests in Shares through the Distributor or holds rights in Shares through a clearing agent or an intermediary buyer, such shareholder will normally not be listed in the shareholders' register. In that case, information, on which the Company has no direct influence, will normally be provided by the shareholder's depositary. Failure by the depositary to forward such information may thus result in the shareholder being unable to exercise relevant voting or other rights.

#### Regulatory Risk:

The Prospectus has been drafted in line with the currently applicable laws and regulations. It cannot be excluded that the Subfunds and their investment policy and objectives may be affected by any future changes in the legal and regulatory environment.

#### Regulation (EU) 2016/1011 of the European Parliament and of the Council (Benchmark Regulation):

When Subfunds refer to indices used as benchmark according to the Regulation (EU) 2016/1011 of the European Parliament and of the Council the index and the administrator shall be registered by the European Securities and Markets Authority (ESMA) and has to fulfil certain conditions. If the index is provided by an administrator based in the European Union, it is entered into a register maintained by the European Securities and Markets Authority (ESMA) after approval. Reference values and administrators from third countries are kept in a separate register. For cases where a Subfund refers to a benchmark according to the Regulation (EU) 2016/1011 of the European Parliament and of the Council, the Management Company produced and maintained a "robust written plans" setting out the actions it would take in the event that a benchmark materially changes or ceases to be provided. The robust written plans are available by the Company upon request.



#### Restrictions on Foreign Investment:

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Company. As illustrations, certain countries require governmental approval prior to investments by foreign persons or limit the amount of investment by foreign persons in a particular company or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Subfund. For example, a Subfund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Subfund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Subfund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Subfund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Subfund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Subfund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Subfund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Subfund of any restriction on investments. A number of countries have authorised the formation of closed end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Subfund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the Company (including management fees) and, indirectly, the expenses of such closed end investment companies.

#### Separate Liability of the Subfunds:

Although the statutory provisions provide for a separate liability of the Subfunds, this is subject to a possible legal risk, in particular in relation to the satisfaction of claims of local creditors in a foreign court. Accordingly, it cannot be determined without doubt whether the assets of a Subfund might be liable for the obligations of other Subfunds of the Company. At the time of the publication of this Prospectus, the Board of Directors is not aware of any such existing or potential obligations of the Subfunds of the Company.

#### Settlement Risk:

In particular in the case of an investment in unlisted securities, there is a risk that the settlement via a transfer system may not take place as expected because a payment or delivery may be delayed or not take place as agreed.

#### Subscription and Redemption of Shares:

Rules regarding the subscription and redemption of Shares give the Company scope regarding the number of Shares that will be available for subscription and redemption on a Business Day. In addition, in accordance with such restrictions, the Company may delay or partially perform the relevant subscription or redemption process. If subscription or redemption applications are received late, there will also be a delay in relation to the receipt of the application and the actual subscription or redemption date. Such postponements or delays may result in orders being completed only partially or a reduction of the redemption amount.

#### Volatility:

Volatility of a security (or basket of securities) is the measurement for a security's (basket's) relative margin of fluctuation and, thus, its price risk within a given period of time. It is measured with the help of statistical spread measurements such as variance or standard deviation on the basis of historical values. Historical volatility, however, offers no guarantee regarding future volatility. Any information in that regard is based solely on estimates that may subsequently turn out to be inaccurate. Investors bear the risk that actual volatility may exceed stated volatility.

30% volatility within one year means that the price of the Share fluctuated, on average, between 70% and 130% of the current price. Higher volatility means higher fluctuations in relation to the Shares in the past – thus increasing the riskiness of an investment. **Therefore, investors should note that the relevant Subfund may show increased volatility depending on the risk assessment based on its**

**composition, meaning that Share prices may go significantly up or down within short periods of time.**

#### Volatility Derivatives:

Volatility derivatives are based on an underlying basket of shares and Subfunds may use volatility derivatives (volatility mechanism) to increase or reduce volatility risk, in order to express an investment view on the change in volatility, based on an assessment of expected developments in underlying securities markets. For example, if a significant change in the market background is expected, it is likely that the volatility of securities prices will increase as prices adapt to the new circumstances. The price of volatility derivatives may be highly volatile and may move in a different way to the other assets of the Subfund, which could have a significant effect on the Net Asset Value of a Subfund's Shares.

#### Other risks:

The use of derivative and other special investment techniques and financial instruments also entails the risk that the valuations of financial products will differ as a result of different approved valuation methods (model risks) and the fact that there is no absolute correlation between derivative products and the underlying securities, interest rates, exchange rates and indexes. Numerous derivatives, particularly the OTC derivatives, are complex and are frequently open to subjective valuation. Inaccurate valuations can result in higher cash payment obligations to the counterparty or a loss in value for a Subfund. Derivatives do not always fully reproduce the performance of the securities, interest rates, exchange rates or indexes which they are designed to reflect. The use of derivative and other special investment techniques and financial instruments by a Subfund may therefore in certain circumstances not always be an effective means of achieving the Subfund's investment objective and may even prove counterproductive.

The purchase and sale of options as well as the conclusion of swaps are associated with the following risks:

- Price changes in relation to the underlying may reduce the value of an option right or even render it worthless. Changes in the value of an asset underlying a swap may also result in losses for a Subfund;
- The conclusion of a counter-transaction (offsetting), which might be required, will incur costs;
- Because of the leverage effect of options, the value of the Subfund's assets may be affected to a greater extent than would be the case in the event of a direct purchase of the underlyings; and
- The purchase of options is associated with the risk that options may not be exercised because the prices of their underlyings do not perform as expected, so that the option premium paid by the Subfund will lapse. The sale of options is associated with the risk that the Subfund will have to pay more than the market price for assets for receiving assets or pay less than the market price for delivering assets. In that case, the Subfund will suffer a loss corresponding to the amount by which the price difference exceeds the option premium received.

**THERE IS NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF A SUBFUND CAN BE REALISED.**

## **12 Sustainable Investing**

### **Disclosure regulation**

On 18 December 2019, the European Council and European Parliament announced that they had reached a political agreement on EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (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. E.U. authorised investment managers and advisers). It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consider 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 by financial market participants to, amongst other things, enable investors to make informed investment decisions.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst the Company and each Subfund qualifies as a "financial product".

### **Taxonomy Regulation**

The Taxonomy Regulation aims to identify economic activities which qualify as environmentally sustainable (the "Sustainable Activities").

Art. 9 of the Taxonomy Regulation identifies such activities according to their contribution to six environmental objectives: (i) Climate change mitigation; (ii) Climate change adaptation; (iii) Sustainable use and protection of water and marine resources; (iv) Transition to a circular economy; (v) Pollution prevention and control; (vi) Protection and restoration of biodiversity and ecosystems.

An economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives, does not significantly harm any of the other five environmental objectives ("do no significant harm" or "DNSH" principle) and is carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation and complies with technical screening criteria that have been established by the European Commission in accordance with the Taxonomy Regulation.

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

The Subfunds identified as Article 8 or Article 9 SFDR in their respective supplements may commit or may not commit to invest, at the date of this Prospectus, in economic activities that contribute to the environmental objectives set out in Article 9 of the Taxonomy Regulation.

For more information on Amundi's approach to the Taxonomy Regulation please refer to Annex 1 – ESG Related Disclosures to this Prospectus and to Amundi ESG Regulatory Statement on [www.amundi.lu](http://www.amundi.lu).

### **Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022**

Commission Delegated Regulation (EU) 2022/1288, setting out the RTS was published on 25 July 2022 in the Official Journal of the EU (OJ). The RTS will apply from 1 January 2023.

Further to art. 14 (2) of the RTS, information about the environmental or social characteristics of art. 8 Subfunds is available in Annex 1- ESG Related Disclosures to this Prospectus.

Further to art. 18 (2) of the RTS, information about sustainable investments of art. 9 Subfunds, if applicable, is available in Annex 1- ESG Related Disclosures to this Prospectus.

For further details on how a Subfund complies with the requirements of the Disclosure Regulation, the Taxonomy Regulation and the RTS, please refer to the relevant sub-fund description, the annual financial statements of the Fund, and also to Annex 1 - ESG Related Disclosures to this Prospectus.

### **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's approach to sustainability risks relies on three pillars: a targeted exclusion policy, integration of ESG scores in the investment process and stewardship.

Amundi applies targeted exclusion policies to all Amundi's active investment 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 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, the Investment 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 in-house ESG rating process is 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 globally and at relevant criteria level by comparison with the average performance of its industry, through the combination of 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 38 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

To meet any requirement and expectation of Investment Managers in consideration of the relevant Subfunds' investment policies and the monitoring of constraints associated with a specific sustainable investment objective, the Amundi ESG ratings are likely to be expressed both globally on the three E, S and G dimensions and individually on any of the 38 criteria considered. For more information on the 38 criteria considered by Amundi please refer to the Responsible Investment Policy and Amundi ESG Regulatory Statement available on [www.amundi.lu](http://www.amundi.lu).

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:

- Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)
- Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)

- Water (Water Criteria)
- Waste (Waste, recycling, biodiversity and pollution Criteria)
- Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria, Board Structure Criteria, Labour Relations Criteria and Health and Safety Criteria)
- Human rights (Community involvement & Human Rights Criteria)
- 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 Subfund by the Investment Managers.

Stewardship activity is an integral part of Amundi's ESG strategy. Amundi has developed an active stewardship activity through engagement and voting. The Amundi Engagement Policy applies to all Amundi funds and is included in the Responsible Investment Policy.

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

#### *Integration of Amundi's Sustainability Risks approach at the 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 Risks in their investment process as a minimum via a stewardship approach and potentially, depending on their investment strategy and asset classes, also via a targeted exclusion policy.

#### **Principal Adverse Impact**

Principal Adverse Impacts ("**PAIs**") are negative, material or likely to be material effects on Sustainability Factors that are caused, compounded by or directly linked to investment decisions by the issuer.

Amundi considers PAIs via a combination of approaches: exclusions, ESG rating integrating, engagement, vote, controversies monitoring.

For art. 8 and art. 9 Subfunds Amundi considers all mandatory PAIs in Annex 1, Table 1 of the RTS applying to the Subfund's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches.

For all other Subfunds not classified pursuant to art. 8 or art. 9 of the Disclosure Regulation, Amundi considers a selection of PAIs through its normative exclusion policy and for these Subfunds only indicator n.14 (Exposure to controversial weapons anti-personnel mines, cluster munitions, chemical weapons and biological weapons) of Annex 1, Table 1 of the RTS will be taken into account.

More detailed information on PAIs are included in the Amundi's ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu).

## **13 Corporate Information**

The Company has the form of a "*société d'investissement à capital variable*" (SICAV) under the laws of the Grand Duchy of Luxembourg. The Company's corporate object is the investment of its assets on behalf of investors, in accordance with Part I of the 2010 Law. The Company has been incorporated on 18 March 2008 for an indefinite period with an initial capital of GBP 30,000 in the form of 30,000 Shares without par value in the first Subfund which was launched by the Company.

The Company is registered with the Luxembourg *Registre de Commerce et des Sociétés* (R.C.S.) under number B-137.309. The articles of incorporation of the Company ("**Articles of Incorporation**") have been published in Luxembourg in the *Mémorial* no. C-935 at page 44834 on 16 April 2008.

The amended Articles of Incorporation of the Company have been deposited with the Luxembourg Trade and Companies' Register and were published in the *Recueil électronique des sociétés et associations* ("**RESA**") on 11 September 2020.

The Company's registered office is 60, avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.

The minimum capital of the Company, which is the equivalent in GBP of EUR 1,250,000, has been reached within 6 months from its incorporation.

In the event that the capital of the Company falls below two thirds of the minimum capital laid down by law, the Board of Directors must forthwith convene a general meeting of the shareholders to decide upon the liquidation of the Company. The general meeting may resolve with a simple majority of the Shares present/represented, no quorum being required.

In the event that the capital of the Company falls below one-fourth of the minimum capital laid down by law, the Board of Directors must forthwith convene a general meeting of the shareholders to decide on the liquidation of the Company. A liquidation may be resolved by one-fourth of the votes of the Shares present/represented at the general meeting, no quorum being required.

The Company shall be liable towards third parties for obligations of a given Subfund only out of the assets of such Subfund. In the relationship between the investors, each Subfund is treated as an independent entity and the assets and liabilities of each Subfund are attributed exclusively to that Subfund, this in compliance with Article 181 of the 2010 Law.

The composition of the Company's Board of Directors is indicated in the section headed "Management and Administration" above. The Company is managed under the supervision of the Board of Directors.

## 14 Depositary

BNP Paribas, Luxembourg Branch has been appointed depositary ("**Depositary**"), central administration agent, registrar and transfer agent of the Company under the terms of relevant agreements entered into by and between BNP Paribas, Luxembourg Branch and the Management Company). It is authorised to carry out all types of banking transactions within the meaning of the Law of 5 April 1993 on the financial sector, as amended.

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas S.A. BNP Paribas is a French Société Par Actions registered under number 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (the "AMF"), with its registered office at 16 boulevard des Italiens, 75009 Paris, represented by its Luxembourg branch, with its registered office at 60, avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg (the "Bank"), which is supervised by the Commission de Surveillance du Secteur Financier (the "CSSF"). The Depositary, which acts independently of the Management Company exclusively in the interest of the shareholders, shall be responsible for the functions assigned to it by law and the management regulations, in particular the safekeeping of the Fund's assets in separate accounts or custody accounts.

### **Notice to the investors on the International Operating Model of BNP Paribas, Luxembourg Branch**

Herewith the Bank informs and confirms that BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg (the "**International Operating Model**"). More pertinently entities located in France, Belgium, Spain, Portugal, Poland, USA, Canada, Singapore, Jersey, United Kingdom, Germany, Luxembourg, Ireland and India are involved in the support of internal organisation, banking services, central administration and transfer agency service.

Further information on the Bank's International Operating Model may be provided upon request to the Fund, its investors and/or Management Company.

In accordance with the depositary agreement entered into by the Management Company and the Depositary, the Depositary, for the Shareholders and either directly or upon their instruction via correspondence banks, agents, representatives or delegates of the Depositary, holds all securities and liquid assets pertaining to the Company's assets.

The depositary function will be governed by the Law of 17 December 2010, the depositary agreement and the prospectus. The Depositary shall act independently of the Management Company and exclusively in the interests of the investors. The Depositary shall carry out the instructions of the Management Company unless they conflict with the Law, the Articles of the Company or the prospectus.

The Depositary shall perform the following duties:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares of the Subfunds are carried out in accordance with the Luxembourg law, the Prospectus and the Articles;
- b) ensure that the value of the Shares of the Company is calculated in accordance with the Luxembourg law, the Prospectus and the Articles;
- c) carry out the instructions of the Management Company unless they conflict with the Law, the Articles of the Company or the Prospectus;
- d) ensure that in transactions involving the assets of the Subfunds any consideration is remitted to the respective Subfund within the usual time limits;
- e) ensure that the income of each Subfund is applied in accordance with the Luxembourg law, the Prospectus and the Articles;
- (f) ensure that the cash flows of the each Subfund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of Shares of the respective Subfund have been received, and that all cash of the respective Subfund has been booked in cash accounts of this Subfund.

The Depositary, for the benefit of each Subfund shall hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books for financial instruments and all financial instruments that can be physically delivered to the Depositary.

It ensures that financial instruments which can be registered in a financial instruments account are registered in the Depositary's books within segregated account in accordance with the applicable law which accounts are opened in the name of the Subfund or the Management Company acting on behalf of the Subfund in accordance with the principles established by law, so that they can be clearly identified as belonging to the respective Subfund at all times;

For other assets, the Depositary shall verify the ownership by the Subfunds, or by the management company acting on behalf of the respective Subfund, of such assets. The depositary maintains a record of those assets for which it is satisfied that the Subfunds or the Management Company acting on behalf of the respective Subfund holds the ownership and keep that record up to date.

In accordance with the Depositary Agreement entered into between the Company and the Depositary, the Depositary holds all securities and liquid assets pertaining to the Company's assets on behalf of the shareholders and either directly or upon the instruction of the Board of Directors via correspondence banks, agents, representatives or delegates of the Depositary.

In the case of a loss of a financial instrument held in custody the Depositary shall return a financial instrument of an identical type or the corresponding amount to the respective Subfund or the management company acting on behalf of the Subfund without undue delay. The depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The overriding objective of the Depositary is to protect the interests of the shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas, Luxembourg Branch or its affiliates act as agent of the Company or the Management Company, or

- Selection of BNP Paribas, Luxembourg Branch or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of the shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - Implementing a deontological policy;
  - recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the regulatory quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website:

[http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits\\_delegates\\_EN.pdf](http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf).

Such list may be updated from time to time. Updated information on the Depositary's custody duties, delegations and sub-delegations, including a complete list of all (sub-) delegates and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

The Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to



the Company. In that case, a new Depositary must be designated to carry out the duties and assume the responsibilities of the Depositary.

In consideration of the services rendered, the Depositary receives a fee based on the Net Asset Value of the respective Subfund, payable monthly in arrears. In addition, the Depositary is entitled to the reimbursement of its expenses and the fees paid by it to its correspondent banks in other countries.

## 15 Management Company

The Company has appointed Amundi Luxembourg S.A. as its management company in accordance with chapter 15 of the 2010 Law ("**Management Company**").

The Management Company is a société anonyme under Luxembourg law, has its registered office at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg. The Management Company was incorporated on 24 December 1996 in accordance with Chapter 15 of the 2010 Law as a "société de gestion". The object of the Company is the creation and management of i) Undertakings for Collective Investments in Transferable Securities ("**UCITS**") and ii) Alternative Investment Funds ("**AIF**") and other undertakings for collective investments which are not covered by the beforementioned directives. The Management Company complies with the requirements of the Law of 17 December 2010 in relation to the management of UCITS and of the Law of 12 July 2013 in relation to the management of AIF.

The amended articles of association of the management company have been deposited with the R.C.S. and were published in the RESA of 8 January 2018. The Management Company is registered with the R.C.S. under number B-57255.

The issued capital of the Management Company is EUR 17,785,525.00.

The Management Company may assign its tasks in part or in full to one or several third parties.

The object of the Management Company is the creation, the administration and management of Luxembourg investment funds. It may carry out administration and management on behalf of an investment fund and of its share-/shareholders, including the purchase, sale, subscription and exchange of securities, and it may exercise all rights directly or indirectly related to an investment fund's assets.

For its services rendered to the Company, the Management Company will receive a remuneration which is based on the Net Asset Value of the respective Subfund, payable monthly in arrears.

Besides the management company services rendered to LFS SICAV, the Management Company currently also renders management company services for other investment schemes. The complete list of investment schemes managed by the Management Company from time to time can be found on the websites of the Management Company (<https://www.amundi.lu/particuliers/Nos-fonds/Fonds> and [www.amundielf.com](http://www.amundielf.com))

The Management Company has established a remuneration policy in accordance with the Law of 2010, in particular taking into account the principles set out in Article 111ter of the Law of 2010, consistent with and conducive to sound and effective risk management. This remuneration system is based on the sustainable business policy of the Management Company's group and is therefore intended to avoid any incentives to assume risks that are incompatible with the risk profiles and the management regulations and articles of association of the investment funds managed by the Management Company. The remuneration system is designed to be consonant with the business strategy, objectives, values and interests of the Management Company and the funds managed by it and the investors in these funds and also comprises measures for the avoidance of conflicts of interest.

In particular, the variable compensation elements are not linked to the performance of the investment funds managed by the Management Company. The fixed and variable components of the total remuneration are reasonably proportionate, with the fixed component of the total compensation being high enough to provide complete flexibility in relation to the variable remuneration components, including the possibility of having to pay a variable component without. The compensation system is reviewed at least once a year and adjusted if necessary. The details of the current remuneration policy, including a description of how the remuneration and other benefits will be calculated, and the identity of the persons responsible for allocating the remuneration and other benefits, including the composition of the remuneration committee, if such a committee exists, will be discontinued the website of the Management Company (<https://www.amundi.lu/particuliers/Local-Content/Footer/Quick-Links/Informations-reglementaires>).

Furthermore, upon request of an Investor, a paper version of the remuneration policy of the Management Company will be provided free of charge by the Management Company.

## 16 Investment Manager

Subject to the Company's consent, the Management Company, under its supervision and control and upon its own responsibility and cost, may instruct one or several investment manager(s) with the full or partial daily implementation of the investment policy of one or more Subfund(s). Such investment manager(s) must be authorised by the competent regulatory authority. The Investment Manager(s) appointed for each Subfund is listed in the Special Part.

Subject to the supervision, control and responsibility of the Management Company, the Investment Manager of a Subfund is tasked with the daily implementation of the investment policy of the respective Subfund and all other associated services. Said tasks must be fulfilled in accordance with statutory restrictions as well as the principles of the investment policy, guidelines and objectives set out in the Prospectus and specified in greater detail by the Company and the Management Company, as well as in compliance with investment restrictions. Subject to the Management Company's control and instruction, the Investment Manager of a Subfund is entitled to invest all assets of the relevant Subfund and/or to sell or liquidate existing investments.

Pursuant to their respective Investment Management Agreement, the Investment Managers, in accordance with the investment objective and policies adopted by the Company, manage the investment and reinvestment of the assets of the respective Subfunds and are responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by them at their discretion.

Under their respective Investment Management Agreements, the Investment Managers are entitled to receive from the Company an investment management fee, as described, if applicable, in the Special Part. A Performance Fee may also become payable on the terms set out in the Special Part.

The Investment Management Agreements may be terminated by the Management Company – either for one, several or all Subfund(s) – at any time. The Investment Managers may terminate their respective Investment Management Agreement by registered letter with confirmed receipt subject to three (3) months prior notice or with immediate effect when such termination is required in the best interest of the shareholders of the Company.

The Investment Management Agreements may also be terminated by either party in the event that the other party is in material breach of the agreement and (if such breach shall be capable of remedy) fails to remedy such breach upon 20 days' notice.

The Investment Managers may, at their discretion and under their full responsibility, seek assistance from third party advisers in the execution of their duties under the investment management agreements.

## 17 Distributor

The Management Company has appointed one or more distributor(s) ("**Distributors**") which are responsible for the offering of Shares in the Subfunds in the distribution countries in which the Subfunds are registered for public offering. The Distributors are entitled to appoint one or more other distributors for the distribution of Shares in certain jurisdictions ("**Subdistributors**").

If not stated otherwise in the Special Part, the current main Distributor is Amundi Asset Management S.A.S., and its branches; in Germany "Amundi Deutschland GmbH".

Other Distributors may be appointed from time to time. Details of such other Distributors may be obtained at the offices of either the Company or the Management Company during normal business hours.

The Distributors or Subdistributors are entitled to receive a sales charge for the distributed Shares, which they may waive either in full or in part at their sole discretion.

As remuneration for its services, the Distributor may receive a fee out of the Management Fee or All in Fee. The actual amount of the distribution fee(s) paid by each Subfund is disclosed in the financial reports.

The Distributors or Subdistributors must at all times comply with the provisions of the Luxembourg law

on the prevention of money laundering. Pursuant to the applicable Luxembourg laws and regulations, EU Directives and the circulars of the Luxembourg supervisory commission of the finance sector (CSSF), professional obligations have been outlined to prevent the use of investment funds for money laundering purposes. As a result, the Distributors or Subdistributors shall identify investors in compliance with the Financial Action Task Force (FATF) money laundering regulations and guidelines. Investors in the Company and transferees of Shares will be asked for proof of identity. Until satisfactory proof of identity is provided by investors or transferees, the Distributors or Subdistributors respectively the Management Company reserve the right to withhold issue or approval of transfers of Shares. Similarly, Shares will not be redeemed unless compliance with these requirements has been made in full. In any such event, neither the Management Company nor the Company will be liable for any interests, costs or compensation.

Compliance with the measures for the prevention of money laundering, as provided for by the laws and regulations of the Grand Duchy of Luxembourg and circulars issued by the CSSF, fall within the duties of the Distributors, acting under the supervision and ultimate responsibility of the Management Company or the Subdistributors. An individual, qualifying as a qualified investor, may be required to produce a copy of his or her passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer or any other competent authority). In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name) or memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all shareholders or directors.

The identification procedures may be waived in the following circumstances:

- in the case of a subscription through an intermediary qualifying as a professional of the financial sector resident in Luxembourg or in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering; and/or
- in the case of a subscription through qualifying branches or subsidiaries of a professional of the financial sector subject to an identification obligation equivalent to that required by Luxembourg law, where the law or a group policy applicable to the parent imposes equivalent identification obligations on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector residing in a country that is a member state of the European Union and/or the European Economic Area or that is listed in Article 1 of the Grand-Ducal Regulation of 29 July 2008 establishing the list of “third countries which impose equivalent requirements” within the meaning of the Law of 2004 are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

Failure to provide proper documentation may result in either the refusal by the Board of Directors to counter-sign the subscription agreement and/or the withholding of the payment of the redemption or liquidation proceeds.

Any information provided to the Company in this context is collected for anti-money laundering compliance purposes only.

Neither the Company nor the Management Company accept Late Trading or Market Timing or any similar trading patterns. In order to avoid such practices, Shares are issued and redeemed at an unknown price and the Management Company will not accept orders received after the cut-off time. The Management Company reserves the right to refuse purchase or redemption orders and exchange orders into the Company by any person who is suspected of market timing activities.

Details of the distributor for the Subfunds can be found in the respective Special Part.

## **18 Administration Agent, Registrar and Transfer Agent, Paying Agents and Local Representatives**

BNP Paribas, Luxembourg Branch has been appointed to provide services as the central administration agent, registrar and transfer agent, as well as principal paying agent of the Company. In consideration of the services rendered, BNP Paribas, Luxembourg Branch receives a remuneration as indicated in the Special Part, which is based on the Net Asset Value of the respective Subfund each month, payable monthly in arrears.

The Company has concluded agreements with several paying agents and/or representatives concerning the provision of certain administrative services, the distribution of Shares or the

representation of the Company in the distribution countries. The fees charged by paying agents and representatives may be borne by the Company, as individually agreed for each Subfund. Furthermore, the paying agents and representatives are entitled to the reimbursement of all reasonable costs that have been duly incurred in connection with the performance of their respective duties.

## 19 Independent External Auditor

Ernst & Young, Société anonyme, 35E, Avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, has been appointed as the independent external auditor of the Company.

## 20 Co-Management

For the purposes of effective management and in order to reduce the operational and administrative costs, the assets of one or more Subfunds of the Company may be co-managed with the assets belonging to other Subfunds of the Company or to another Luxembourg undertaking for collective investment (for the purpose hereof, each a **"Participating Subfund"**). In the following paragraphs, the term "Co-Managed Assets" will refer to all the assets belonging to the Participating Subfunds which are subject to this co-management scheme.

Under the co-management agreement, investment and realization decisions can be made on a consolidated basis for the Participating Subfunds, and investment decisions taken at the level of the Co-Managed Assets will have an effect on the composition of each of the Participating Subfunds' portfolio. Each Participating Subfund will hold such proportion of the Co-Managed Assets which corresponds to the proportion of its Net Asset Value of the total value of the Co-Managed Assets. These ratios will not be affected by any investment decision taken, and all investments will be allocated, in accordance with said ratios, to each of the Participating Subfunds.

In the event of new subscriptions in respect of one of the Participating Subfunds, the proceeds of the subscription will be allocated to the Co-Managed Assets and the proportion held by the relevant Participating Subfund in the Co-Managed Assets will be modified pursuant to the increase of such Participating Subfund's net assets. In such event, all levels of the portfolio held in co-management will be modified in order to be adjusted to the modified proportions. In like manner, in the event of redemptions in respect of one of the Participating Subfunds, it will be necessary to withdraw such liquid assets held by the Participating Subfunds as will be determined on the basis of the modified proportions, which means that the levels of the portfolios will have to be adjusted accordingly. Shareholders must be aware that even without an intervention of the competent bodies of the Company or, as the case may be, of the Investment Managers, the co-management technique may affect the composition of the Subfund's assets as a result of particular events occurring in respect of other Participating Subfunds such as subscriptions and/or redemptions. Thus, on the one hand, subscriptions effected with respect to one of the Participating Subfunds will lead to an increase of the liquid assets of such Participating Subfund, while on the other hand, redemptions will lead to a decrease of the liquid assets of the relevant Participating Subfund. However, subscriptions and redemptions may be held in specific accounts opened for each Participating Subfund apart from the Co-Managed Assets, through which subscriptions and redemptions must pass. The possibility of large payments and redemptions being allocated to such specific accounts, and in case of a Subfund ceasing to participate in the co-management scheme, such accounts prevent changes in a Subfund's portfolio caused by other Participating Subfunds in case such changes would be likely to adversely affect another Subfund and its shareholders.

Where a change with respect to the composition of a specific Participating Subfund's portfolio occurs because of the redemption of Shares of such Participating Subfund or the payments of any fees or expenses which have been incurred by another Participating Subfund and would lead to the violation of the investment restrictions of such Participating Subfund, the relevant assets will be excluded from the co-management scheme before enacting the relevant modification.

Co-Managed Assets will only be co-managed between Participating Subfunds whose investment policy is compatible. If the Participating Subfunds' investment policies are not identical, it cannot be excluded that the common policy applied will be more restrictive than that of the particular Participating Subfunds. Assets may only be managed jointly only with assets of other Luxembourg undertakings for collective investment for which the Depositary also acts as depositary, to ensure that the Depositary can fully comply with its functions and responsibilities under the 2010 Law. The Depositary must always keep the assets of each Participating Subfund separate from those of other

Participating Subfunds, and must be able to at all times identify each Subfund's assets.

The Board of Directors or, as the case may be, the Investment Managers, may at any time and without any notice whatsoever decide that the co-management will be discontinued.

The shareholders may, at any moment, obtain information at the registered office of the Company on the percentage of the Co-Managed Assets and on the Participating Subfunds that are subject to the co-management scheme. Periodic reports made available to the shareholders from time to time will provide information on the percentage of the Co-Managed Assets and on the Participating Subfunds that are subject to the co-management scheme.

## **21 Shares in the Company**

Shares may be issued in such Share Classes and with such features as specified in the Special Part for each Subfund, e.g. minimum subscription amount, distribution policy, fees and currencies.

Shares in the Company have no par value.

The Company may issue registered or bearer Shares for each Subfund, as specified in the Special Part.

Ownership shall be evidenced by possession of the bearer Share certificate, including the associated coupon, or, in the case of registered Shares, by the entry in the book of registered shareholders. In principle, no physical Share certificates will be issued. On request, Share certificates may be delivered to the investor, normally sent by mail at his own expense and risk within ten (10) Luxembourg banking days from the receipt of the subscription amount by the Depositary. Where the investor does not require a Share certificate, a confirmation of shareholding will be delivered to the investor as described above.

Bearer Shares may be represented by global share certificates (Globalurkunden). The transfer of bearer Shares represented by global share certificates shall be effective by book entry to the securities accounts of the shareholders' financial intermediaries opened with the clearing institutions, in accordance with applicable laws and any rules and procedures issued by the relevant clearing agent.

Shares shall be free from any restriction on the right of transfer and from any lien in favour of the Company.

Bearer Shares and registered Shares may be issued in fractions of Shares, rounded to three (3) decimal places.

Each Subfund may issue distribution and/or capitalisation Shares, as specified in the relevant Special Part. Distribution Shares give the investor the right to a dividend payment, if and as determined at the general meeting of shareholders. Any distributed amounts are deducted from the Net Asset Value of the distribution Shares.

Holders of capitalisation Shares are not entitled to a dividend payment; any dividends will be reinvested.

Each Share grants its holder a right to participate in the profits and result of the relevant Subfund.

Each Share entitles its owner to one (1) vote, which he or she may exercise at the general meeting of shareholders or the separate meetings of the Subfund, either in person or through a proxy. The Shares do not grant any pre-emption or subscription rights. Nor are they or will they be carrier of any outstanding options or special rights. The Shares may be transferred without restriction unless the Company, in accordance with its Articles of Incorporation, has restricted ownership of Shares to specific groups of persons or entities.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, 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 Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his 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 Company. Investors are advised to take advice on their rights.

## 22 Issue, Redemption and Conversion of Shares

Provided that no deviating Information regarding issue, redemption and conversion of Shares for the Subfunds can be found in the Special Part the following principles are applicable:

Pursuant to this Prospectus, the Company is at any time entitled to issue Shares pertaining to any Subfund and any Share Class. The Company may in its discretion reject subscriptions either in full or in part. In such case, any payments made will be returned to the subscriber without the Company being liable for any prejudice resulting therefrom.

Either the Company or the Management Company may, inter alia, reject new applications for a certain period of time if this is in the interests of the Company and/or its shareholders, including in such circumstances where the Company or a Subfund have reached a size which in the view of the Board of Directors does no longer permit to make suitable investments in accordance with the investment policy and objectives of the relevant Subfund.

### 22.1 Issue and Subscription of Shares

Subscription applications will be forwarded to the Registrar and Transfer Agent by the distributors, the relevant investor's depository institutions, the paying and information agents and other financial intermediaries on behalf of the respective investor.

Shares are subscribed at the respective NAV on the relevant Valuation Date, plus a subscription fee where applicable (the "**Selling Price**"), as described in the relevant Special Part (the "**Issuing Procedure**"). The Board of Directors may use its reasonable discretion as to whether to waive a possible minimum and/or pro-rata subscription fee in full or in part. The applicable deadline for the receipt of subscription applications at the Selling Price on the relevant Valuation Date is set out in the Special Part pertaining to the relevant Subfunds (the "**Cut-Off-Time**"). With regard to applications that are received by the Registrar and Transfer Agent after the end of the relevant deadline, settlement and the calculation of the relevant Selling Price will be delayed until the next Valuation Date. To ensure punctual transmission to the Registrar and Transfer Agent, subscriptions made with distributors, investor's depository institutions, the paying and information agents and other financial intermediaries may be subject to earlier cut-off times for the delivery of subscription applications. These times, if applicable, can be obtained from the distributors, the investor's depository institutions, the paying and information agents and other financial intermediaries.

The Company has permitted the Distributors to proceed with applications for subscriptions after the Cut-Off-Time at the same conditions as if they would have been received prior to the Cut-Off-Time, provided that such applications are received by the Registrar and Transfer Agent at least two hours after the applicable Cut-Off-Time as set out in the Special Part pertaining to the relevant Subfund and they are executed on behalf of the Distributors only with respect to order matching purposes.

### 22.2 Redemption of Shares

Investors may request the redemption of Shares via the distributors, the relevant investor's depository institutions, the Registrar and Transfer Agent, the paying and information agents or other financial intermediaries. The Company is obliged to redeem the Shares at the applicable redemption price on each Valuation Date.

Redemption applications will be forwarded to the Registrar and Transfer Agent by the distributors, the relevant investor's depository institutions, the paying and information agents and other financial intermediaries on behalf of the respective investor.

The redemption price is calculated on the basis of the NAV on the relevant Valuation Date less the redemption fee stated in the relevant Special Part. This redemption fee is charged for the benefit of the Management Company. The Management Company may waive the redemption fee in full or in part and/or pay such redemption fee to the Company in full or in part for the account of the relevant Subfund.

The applicable deadline for the receipt of redemption applications at the NAV on the relevant Valuation Date is set out in the Special Part pertaining to the relevant Subfunds. With regard to applications that are received by the Registrar and Transfer Agent after the end of the relevant deadline, settlement and the calculation of the relevant selling proceeds will be delayed until the next Valuation Date. To ensure punctual forwarding to the Registrar and Transfer Agent, applications placed with distributors, the investor's depository institutions, the paying and information agents and other financial intermediaries may be subject to earlier cut-off times. Such times, if applicable, can be obtained from the relevant distributors, the investor's depository institutions, the paying and information agents and other financial

intermediaries.

### **22.3 Procedure for Redemptions**

Applications for the redemption of Shares should contain the following information:

- the investor's redemption request, the number of Shares to be redeemed, as well as the relevant share class and the relevant Subfund,
- arrangements for the delivery of the Shares to be redeemed (transfer to the Company's account with the Custodian), and
- the bank details of the shareholder relating to the account to which the redemption proceeds are to be transferred.

The details of the account to which the Shares to be redeemed are to be credited may be requested in writing from the Registrar and Transfer Agent.

Redemptions will not be processed before the Shares are credited to the Company's deposit account for settlement without delivery costs. Payment for the redeemed Shares will be effected within no more than 3 banking days after the relevant Valuation Date.

### **22.4 Procedure Regarding Redemptions Corresponding to 10% of a Subfund**

If a redemption application is received with regard to a Subfund that, individually or collectively with other redemption applications received, corresponds to more than 10% of the NAV of the relevant Subfund, the Company, in its sole unrestricted discretion, reserves the right to spread the settlement of each application over several Valuation Dates. If the aforesaid procedure is applied, the applications received at the earliest time will take precedence over those received at a later time.

**Further details regarding subscription and redemption of Shares are set out in the Special Part pertaining to the relevant Subfunds.**

Information to the possibility of conversion of Shares can be found in the Special Part.

## **23 Compulsory Redemptions**

The Management Company and the Company do not allow market timing or any other excessive trading practices. The Company may refuse subscription and conversion requests from investors whom they believe to apply, or to have applied, such practices or whose practices would adversely affect the other investors.

The Company may also compulsorily redeem the Shares of a shareholder engaging in or having engaged in such practices. It shall not be liable for any gain or loss resulting from such rejected applications or compulsory redemptions.

If, at any time, the Company learns that a person who or which, either on its own or together with another person, is a Qualified Holder, the Company, in its reasonable discretion, may enforce the compulsory redemption of the relevant Shares at the applicable NAV per Share in accordance with the provisions of this Prospectus, less the expenses incurred by the Administration Agent and the Depositary in connection with the processing of that redemption. The relevant Shares will be redeemed within no less than 10 days after the Company's compulsory redemption notice, and the relevant investor will then cease to be the owner of the relevant Shares.

If the Company becomes aware, that according to the entry into the Company's shareholder register Shares are held by investors or through intermediaries, which cannot be assigned to one of the FATCA groups as described in Section A 1 (Exempt Beneficial Owners, Active Non-Financial Foreign Institutions, in accordance with Annex I of the Luxembourg IGA, U.S. persons who are not Specified U.S. persons, or Financial Institutions that are not Non-participating Financial Institutions), the Company may at its sole discretion compulsorily redeem those Shares. The compulsory redemption can be executed within 90 days after having taken note of the beforementioned circumstances.

## **24 Liquidation and Merger**

The Company may at any time be dissolved by a resolution passed at an extraordinary general meeting of shareholders. In that event, the liquidation shall be carried out by one or several liquidators who may

be physical persons or legal entities as appointed by the relevant extraordinary general meeting of shareholders deciding such liquidation, which shall determine their powers and compensation.

A resolution to dissolve and liquidate the Company must be passed at an extraordinary general meeting of shareholders with the same quorum and majority requirements as applicable for the amendment of the Articles of Incorporation.

The Board of Directors must forthwith convene an extraordinary general meeting of shareholders for the purpose of deliberating on the dissolution and liquidation of the Company in case the net assets of the Company fall below two thirds of the minimum capital required by law; the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a simple majority of the Shares present or represented at the meeting. If the net assets of the Company fall below a quarter of the minimum capital required by law, the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a vote representing one quarter of the Shares present or represented at the meeting.

The liquidator(s) shall realise the assets of the Company in the best interest of the shareholders and shall distribute the net proceeds of liquidation, after deduction of liquidation fees and expenses, to the holders of Shares in proportion to their holding of Shares on the basis of the respective Net Asset Value of the relevant Subfunds and Classes of Shares.

Any amount remaining unclaimed at the close of liquidation shall be deposited by the liquidator(s) for the account of those entitled thereto at the “Caisse de Consignation” in Luxembourg, where it shall be forfeited if unclaimed after a period of thirty (30) years.

Except if otherwise specified in the Special Part for any particular Subfund, in the event that the net value of the total assets of any Subfund or Classes of Shares on a given Dealing Date is for thirty (30) consecutive days less than the minimum net value of the total assets as determined by the Board of Directors for the relevant Subfund, or in the opinion of the Board of Directors, a change in the economic or political situation may be detrimental to a Subfund or Classes and the interest of the relevant shareholders, the Board of Directors may decide to compulsorily redeem without a redemption charge all the Shares relating to the relevant Subfund or Classes at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Dealing Date specified as the effective date for such redemption, or may merge the relevant Subfund with another Subfund or another Luxembourg UCITS being set-up under Part I of the 2010 Law. The Company shall, in case of registered shares, serve a notice to the registered shareholders of the relevant Subfund in writing and, in case of bearer shares, by way of publication in the Mémorial, a Luxembourg daily newspaper and, if required by applicable law, in those publication media which are intended for such publication in those countries where the shares are distributed as determined by the Board of Directors. Such notice or publication shall take place, in the case of a merger at least four (4) weeks prior to the effective date of such merger. Such notice to shareholders will indicate the reasons for the redemption or merger operations. In the case of a merger, the shareholders concerned may redeem or, as the case may be, convert their Shares without charge during the four week notice period.

In addition, any merger of a Subfund with another Subfund of the Company or with subfunds of another UCITS shall be decided by the Board of Directors unless the Board of Directors resolves to subject the decision with respect to such mergers to a vote by a meeting of shareholders. Such a meeting shall not be subject to quorum requirements and shall adopt resolutions with a simple majority of votes cast. In the event of a merger of the Company with another UCITS or if the Company is wound up as a result of the merger of a Subfund into another UCITS, the meeting of shareholders must approve such an action, subject to quorum and majority requirements identical to those applicable for amendment of the Articles of Incorporation of the Company.

All redeemed Shares shall be cancelled and will become null and void. Upon compulsory redemptions, the relevant Subfund will be closed.

Liquidation or redemption proceeds not claimed by the shareholders at the time of the closure of the liquidation will be deposited with the Caisse de Consignation on behalf of the persons entitled thereto. If not claimed, they shall be forfeited after thirty (30) years.

## **25 Dividends**

The dividend policy of each Subfund or Share Class is described in the Special Part.

The Board of Directors may propose to the general meeting of shareholders the annual dividend



payment for distribution Shares, provided that the total Net Asset Value of the Company may not fall below its minimum capital pursuant to such distributions. The Board of Directors may alternatively propose to the general meeting of shareholders not to distribute but to reinvest dividends and other income for the benefit of the investors. Within the same limits, the Board of Directors may fix interim dividends. In the case of capitalisation Shares, no dividend payments are made. Instead, the amounts allocated to the capitalisation Shares are reinvested for the benefit of the investors.

Distributions normally take place within two (2) month from the determination of the dividend amount, in the currency of the Subfund or Share Class concerned. At the request of the investors, dividends may also be paid in another freely convertible currency, at the current exchange rate and at the expense of the investor concerned. Dividends for bearer Shares are only paid upon submission of the called-up coupons (where applicable). Registered shareholders are only entitled to dividends if they are entered in the Company's shareholder register.

Dividends that have not been claimed within five (5) years from distribution shall be forfeited and shall revert to the relevant Subfund.

For distributing Subfunds and Share Classes, the Company employs a so-called income equalisation procedure. This means that the pro rata share of income and realised capital gains/losses which the purchaser of fund Shares must pay as part of the issue price during the financial year is continuously offset against that which the seller of Shares is refunded as part of the redemption price. Incurred expenses are taken into account in calculating the income equalisation.

The income equalisation procedure is used to smooth out fluctuations in the ratio of income and realised capital gains/losses to other assets, which is caused by net inflows or net outflows of capital resulting from the issue and redemption of Shares. If this were not done, every net influx of liquidity would reduce the share of income and realised capital gains/losses in the Net Asset Value of the Company and every net outflow would increase it.

The income equalisation procedure has as a result that, in the case of capitalising Share Classes, income per Share is not influenced by the number of Shares in circulation and that, in the case of distributing Subfunds and Share Classes, the amount distributed per Share is not influenced by the unpredictable performance of the Company's assets or the number of Shares in circulation. In this context it is accepted that shareholders who, for example, buy Shares shortly before the distribution date get back that portion of the issue price accounted for by income in the form of a distribution, even though the capital they invested played no part in generating that income.

## **26 Calculation of the Net Asset Value**

The Net Asset Value of a Subfund and the Net Asset Value of the Share Classes issued within that Subfund are determined in the relevant currency on every Valuation Date, subject to any event of suspension of calculation of the Net Asset Value.

The Valuation Date for each Subfund will be as stated in the Special Part of the respective Subfund, except for any days that are public holidays for the stock exchanges or other markets which represent the basis for valuation of the principal part of the net assets of the relevant Subfund, as determined by the Company. The Net Asset Value of each Subfund shall be the value of its assets less its liabilities. The Net Asset Value per Share in a given Share Class is determined by dividing the total Net Asset Value of all Shares in that Class by all outstanding Shares in the same Class in the relevant Subfund. The Net Asset Values of the Subfunds are calculated in accordance with the provisions set forth in the Company's Articles of Incorporation and any further valuation guidelines as may be issued by the Board of Directors.

The Net Asset Value per share of a Subfund which qualifies as MMF shall be calculated and published at least daily on the public section of the website of the Subfund. The Net Asset Value per Share shall be rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

The valuation of securities held by a Subfund and listed on a stock exchange or on another Regulated Market is based on the last known listing price on the principal market on which the securities are traded, using a procedure for determining prices accepted by the Board of Directors.

The valuation of securities whose listing price is not representative and all other eligible assets (including securities not listed on a stock exchange or traded on a Regulated Market) is based on their probable realization price determined with care and in good faith by or, if applicable, under the

supervision of the Board of Directors.

Valuation of the derivatives and structured products used in any of the Subfunds is performed on a regular basis by use of the *mark-to-market* principle, in other words at the last available price.

All assets and liabilities in a currency other than that of the Subfund in question are converted using the exchange rate determined at the time of valuation.

The Net Asset Value determined per Share in a Subfund is considered final and binding once it is confirmed by the Board of Directors or an authorized member of the Board of Directors/authorized representative of the Board of Directors, except in the case of a manifest error.

The consolidated accounts of the Company will be established in GBP.

If, in the opinion of the Board of Directors, and as a result of particular circumstances, the calculation of the Net Asset Value of a Subfund in the applicable currency is either not reasonably possible or is disadvantageous for the investors in the Company, the calculation of the Net Asset Value, the issue price and the redemption price may temporarily be carried out in another currency.

The assets of an MMF shall be valued on at least a daily basis by using mark-to-market whenever possible. When using mark-to-market, (a) the asset of a MMF shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market and (b) only good quality market data shall be used; such data shall be assessed on the basis of all of the following factors: (i) the number and quality of the counterparties; (ii) the volume and turnover in the market of the asset of the MMF; (iii) the issue size and the portion of the issue that the MMF plans to buy or sell.

Where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of a MMF shall be valued conservatively by using mark-to-model.

The model shall accurately estimate the intrinsic value of the asset of a MMF, based on all of the following up-to-date key factors: (a) the volume and turnover in the market of that asset; (b) the issue size and the portion of the issue that the MMF plans to buy or sell; (c) market risk, interest rate risk, credit risk attached to the asset. When using mark-to-model, the amortised cost method shall not be used.

## **27 Suspension of the Calculation of Net Asset Value, and of the Issue, Redemption and Conversion of Shares**

The Company may temporarily suspend the calculation of the Net Asset Value of each Subfund and the issue, redemption and conversion of Shares of a Subfund in the following circumstances:

- (a) where one or more stock exchanges or other markets which are the basis for valuing a significant part of the Net Asset Value are closed (apart from on normal public holidays), or where trading is suspended;
- (b) where in the opinion of the Company it is impossible to sell or to value assets as a result of particular circumstances;
- (c) where the communication technology normally used in determining the price of a security of the Subfund are interrupted or where normal functioning is not ensured;
- (d) where the transfer of moneys for the purchase or sale of investments of the Company is impossible; or
- (e) in the case of a resolution to liquidate the Company: on or after the date of publication of the first calling of a general meeting of shareholders for the purpose of such resolution.

The Company's Articles of Incorporation provide that the Company must immediately suspend the issue and conversion of Shares when an event resulting in liquidation occurs or such is required by the supervisory authorities in Luxembourg.

The start and the end of a suspension period will be communicated to the CSSF and, where required, to the stock exchanges on which the Shares are listed. Furthermore, where required, all foreign supervisory authorities where the relevant Subfund(s) are registered will be informed about the start and the end of a suspension period. Every such suspension will be published accordingly, if deemed necessary by the Board of Directors. Each applicant and/or shareholder who applies for the subscription or redemption or, if applicable, conversion of Shares in the relevant Subfund(s) directly at the Company

will be notified about the suspension. During NAV calculation is suspended shareholders may withdraw their applications for subscription, redemption or conversion. Applications for subscription, redemption or conversions which are not withdrawn will be calculated with the issue and redemption prices at the resumption of the NAV calculation.

## **28 Fees and Costs**

Any remuneration paid to the Directors of the Company (including pensions and other benefits) shall be approved by the investors at the annual general meeting.

Where such expenses and costs apply to all Subfunds equally, each Subfund is charged pro rata the costs corresponding to its volume Share of the total assets of the Company. Where expenses and costs only apply to one or some of the Subfunds, the costs are charged to the relevant Subfund(s).

All fees, costs and expenses payable by the Company are first charged against income, and only subsequently against the capital. The Fund does not incur any costs in connection with securities lending or securities repurchase transactions (including reverse repurchase agreements), as these are not carried out for the Fund.

Information regarding fees and costs for the Subfunds can be found in the Special Part.

### **28.1 Repayments, Soft Commissions**

The Company does not receive any repayments in relation to the All-In Fees of the Subfunds that are allocated by the Management Company and paid to the Custodian and/or the relevant service providers. Neither does the Company receive any commissions in kind (soft commissions). Costs of analytical services (research) are not charged to the Company.

### **28.2 Total Expense Ratio**

The annual report discloses the costs incurred by the Company at the Subfund level (All-In Fee and Other Costs) and reports them as the ratio of the average subfund volume (so-called total expense ratio - TER). The TER is determined in each case for the respective preceding financial year. The TER does not take into account any transaction costs.

If the investor will be advised by third parties (for example credit institutions or other distributors) when investing in the Shares or an intermediary conveys the investment in the Shares he might inform him about costs and cost quotes which are not identical with the cost-information in this Prospectus or the KID and which might exceed the TER. Regulatory requirements of the directive 2014/65/EU (Mifid-Directive) for the calculation, determination and disclosure of the costs can be the reason for this discrepancy. Discrepancies may arise because the third party includes the costs of their own services (for example subscription fees, trailer fees, advisory or custody fees) into the calculation.

In addition there can be different requirements for the calculation of the costs on fund level for financial intermediaries, so that the transaction costs of the subfunds are covered by their cost reporting although this is no requirement for the Company when calculating the TER. Deviations can be observed not only in the information before investing but also in case of regular cost reportings within a permanent business relationship.

## **29 Tax Considerations**

The following summary is based on the current law and regulations in the Grand Duchy of Luxembourg and is subject to subsequent changes.

Investors are recommended to contact their tax advisor prior to their investment in the Shares to clarify the tax consequences pursuant to their home state taxation rules.

### **29.1 The Company**

The Company is subject to Luxembourg taxation. Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income tax nor are dividends paid by the Company liable to any Luxembourg withholding tax.

No stamp or other tax is payable in Luxembourg on the issue of Shares, except a once-and-for-all tax of €1,200 paid by the Company upon its constitution.

The Company is subject to an annual tax ("*taxe d'abonnement*") of 0.05% of the Net Asset Value, calculated and payable at the end of each quarter.

A reduced *taxe d'abonnement* of 0.01% per annum applies to (i) Subfunds whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, (ii) Subfunds whose sole object is the collective investment in deposits with credit institutions and (iii) Subfunds or Classes of Shares that are reserved to institutional investors. The qualification as "institutional investors" shall be made in accordance with the meaning given to such term by the relevant Luxembourg authorities from time to time. Such interpretation may change, which may result in a duty of 0.05% being applied to such Subfunds or Classes, even with retroactive effect. Such reduced tax rate may, if and as admitted by the relevant authorities, be applied to other categories of investors and Share Classes, as shall be indicated in the Special Part.

As from 1 January 2011, Subfunds (i) whose Shares 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, are exempt from the *taxe d'abonnement*. If several Classes of Shares exist within a Subfund, the exemption only applies to the Class fulfilling the condition (i) above. Without prejudice to additional or alternative criteria that may be determined by regulations, the index referred to under condition (ii) above must represent an adequate benchmark for the market to which it refers and must be published in an appropriate manner.

In the event that assets of the Company should be invested in other Luxembourg UCIs which are themselves subject to the *taxe d'abonnement*, the relevant assets shall be exempt from this tax.

Under present law and practice, no Luxembourg capital gains tax is payable on the realised or unrealised capital appreciation of the assets of the Company. Capital gains and income from dividends, interest and interest payments originating in other countries may be subject to a non-recoverable withholding tax or capital gains tax in such countries.

#### **Withholding tax**

Under current Luxembourg tax law, the Company is not liable to withholding taxes on dividends or distribution of liquidation proceeds to the shareholders under the Shares.

#### **Value added tax**

The Company is considered in Luxembourg as a taxable person for value added tax (VAT) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company 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 Company to its investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

## **29.2 The Investors**

### **Luxembourg tax residency**

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

### **Income tax - Luxembourg residents**

Luxembourg resident shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Company.

### **Luxembourg Resident Individuals**

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rates.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial

shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the Share capital of the Company or (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period).

Capital gains realized on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding. Capital gains realized upon the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

### **Luxembourg resident corporations**

Luxembourg resident corporate shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### **Luxembourg residents benefiting from a special tax regime**

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCI subject to the 2010 Law, (ii) specialised investment funds governed by amended the law of 13 February 2007, (iii) reserved alternative investment fund vehicle (opting for the treatment as a specialised investment fund) governed by the law of 23 July 2016 and (iv) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

### **Income tax - Luxembourg non-residents**

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any income capital gains in Luxembourg. Corporate shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed. Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

### **Net Wealth Tax**

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the Law of 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a reserved alternative investment fund vehicle governed by the law of 23 July 2016, (v) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (vi) a specialised investment fund governed by the amended law of 13 February 2007, or (vii) a family wealth management company governed by the amended law of 11 May 2007. 88 However, (i) a Luxembourg resident securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a professional pension institution governed by the amended law of 13 July 2005, (iii) a reserved alternative investment fund vehicle

(opting for the treatment as a venture capital vehicle) governed by the law of 23 July 2016 (iv) and a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles shall be subject to the minimum net wealth tax charge according to the amended law of 16 October 1934 on net wealth tax.

### **Other Taxes**

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his death, the Shares are included in his taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death. Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

Investors should inform themselves of, and where appropriate consult their professional advisers on, the possible tax consequences of subscribing to, buying, holding, converting or selling Shares of the Company under the laws of their country of citizenship, residence or domicile. Prospective investors also should bear in mind that levels and bases of taxation may change.

## **30 Investor Profile**

Unless otherwise indicated in the Special Part of the respective Subfund, the Subfunds are available as an investment for both institutional and retail investors. Investors should generally be prepared to take risks in relation to the invested capital and returns. The risk associated with an investment in the various Subfunds may, as described in the following, be low, medium or high:

- The "low risk" category applies to Subfunds that are exposed to a low risk of capital losses. The low expectation of capital losses ensues from the low volatility of the investment class(es) contained in the Subfunds and/or the use of capital protection strategies (possibly including a bank guarantee that, as set out in the Special Part, applies with regard to one or more dates);
- The "medium risk" category applies to Subfunds where the risk of capital losses ensues from the medium volatility of the relevant investment classes and/or the partial capital protection of the Subfund; and
- The "high risk" category applies to Subfunds that invest in investment classes that are characterised by high volatility and/or restricted liquidity and that do not pursue capital protection strategies.

The above categorisation shows the risk level associated with each Subfund and does not represent a guarantee with respect to potential returns. It merely serves as a comparison with other Subfunds publicly offered by either the Company or third parties. If in doubt with respect to the appropriate risk level, investors should consult their personal investment adviser. The investor profile outlines the risk level in connection with the Subfunds and does not mean a guarantee for a certain level of income. The description serves as a comparison with other funds which are publicly offered by the Management Company or by other management companies. In doubts in regard to the appropriate risk level investors should seek for advice by their personal financial advisor. Potential investors should inform themselves about assets and instruments which can be used within the framework of the intended investment policy. In addition, investors should be aware of the risks in connection with an investment in the Shares before making an investment decision. Legal- tax- and financial advisor, external auditors or other advisors should advise in detail about i) the suitability and appropriateness of the investment in consideration of his personal financial and tax situation and further circumstances, ii) the information given in this Prospectus and iii) the investment policy of the respective subfund.

## **31 General Meeting of Shareholders and Reporting**

The annual general meeting of shareholders of the Company will be held at the registered office of the Company in Luxembourg each year at 11:00 a.m. on 1<sup>st</sup> April. If such day is not a Banking Day in Luxembourg, the general meeting shall be held on the next following Banking Day in Luxembourg.

Other extraordinary general meetings of shareholders of the Company or separate meetings of one or more Subfunds or Share Classes may be held.

General meetings shall be convened in accordance with Luxembourg law. Convening notices shall be sent by registered mail to the registered shareholders. In case of bearer Shares, convening notices shall

be published in the Luxembourg official gazette ("**Mémorial**"), in a Luxembourg daily newspaper and, if required by applicable law, in those publication media which are intended for such publication in those countries where the Shares are distributed as determined by the Board of Directors. The convening notices contain such information as required by law, notably including the place and time of the general meeting, the requirements for attending the meeting, the agenda and, if necessary, the quorum and majority requirements in order to validly pass the resolutions.

The Company's fiscal year begins on 1 January and ends on 31 December of each year. The annual report containing the Company's and the Subfund's audited accounts, is available at the Company's registered office no later than fifteen (15) days before the annual general meeting. Non-audited semi-annual reports are available at the same place no later than two (2) months after the end of the first six (6) months of each financial year. Copies of all reports may be obtained from the Company or any of its local representatives in the distribution countries.

In addition to the aforesaid, the Company may decide to produce special annual financial reports and semi-annual reports limited to one or several Subfunds.

## **32 Applicable Law, Jurisdiction**

Any legal disputes between the Company, the investors, the Depositary, the Management Company, the principal paying agent, the Investment Managers, the local representatives and any Distributor will be subject to the jurisdiction of the Grand Duchy of Luxembourg. The applicable law is Luxembourg law. However, the above entities may, if deemed appropriate, accept to submit themselves to another jurisdiction.

## **33 Documents for Inspection**

Copies of the following documents may be inspected at the registered office of the Company during normal business hours and at the offices of the respective local representatives (if any) during their normal business hours:

- (i) the management company agreement, the investment management agreements, agreements with the Depositary, the principal paying agent and any other substantial agreements. These agreements may be amended with the approval of both parties; and
- (ii) the Articles of Incorporation of the Company.

The following documents may be obtained at the registered office free of charge upon request:

- (i) the KID and the Prospectus; and
- (ii) the most recent annual and semi-annual reports.

## **34 Definitions**

The following definitions apply to the entire Prospectus.

### **2010 Law**

The Luxembourg Law of 17 December 2010 concerning undertakings for collective investment (UCI), as amended.

### **Actively managed fund / Actively managed UCITS- ETF**

An actively managed fund or UCITS-ETF is one whose manager takes discretionary decisions with respect to portfolio composition within the bounds of specified investment objectives and policies.

<b>Autocalls</b>	Autocalls are options which allow a Structured Product to automatically mature if the underlying reference asset(s) of the structured product (e.g. a UK or European Equity Market Index) is (are) at a predetermined level relative to its (their) initial level(s) (for example, being at or above the initial level or being within a predetermined range around the initial level) on a predetermined observation date. If this occurs and the structured Product is “autocalled”, the Subfund will receive its initial principal investment plus a predetermined annual payment. The autocall test is carried out on a set schedule of predetermined observation dates, typically Quarterly, Semi-Annually, or Annually. The product can only mature on one of these “auto-call” dates or on the final maturity date.
<b>Banking Day</b>	Each day on which banks, the Relevant Stock Exchanges, foreign exchange markets and clearing systems are open for regular business.
<b>Barrier Option</b>	A barrier option can be defined into main types (i) a knock-out and (ii) a knock in. A “knock out” barrier option is an option that expires worthless if the underlying reference asset exceeds or falls below a certain price or level on a predefined date. A “knock in” barrier option is an option that expires worthless unless the underlying reference asset exceeds or falls below a certain price on a predefined date. They are a common way of limiting the profit and loss and therefore the risk of a structured Product. However, they can also be used to enhance the profit/loss and therefore increase the risk of a structured product.
<b>Base Currency</b>	The base currency for each Subfund in which its NAV is calculated, as set out in the Special Part.
<b>Business Day</b>	Each day which is a Banking Day in the Relevant Jurisdiction and a Valuation Date.
<b>Call Option</b>	A call option allows the buyer of the call option the right, but not the obligation, to buy an agreed quantity of a particular financial instrument (the underlying reference asset) from the seller of the option at a predetermined time for a predetermined price. The buyer will usually pay an upfront premium to the seller for this option. The buyer will usually have a positive outlook for the underlying reference asset.
<b>Call Spreads</b>	A call spread is a combination of two Call Options on the same underlying reference asset, usually with the same maturity. The buyer of the Call Spread will implicitly buy a Call Option with a lower strike (the predetermined price at which the underlying reference asset can be bought) and sell a Call Option with a higher strike. The buyer will typically have no exposure to the underlying reference asset below the lower strike (minus any upfront premium paid), and typically 100% exposure between the lower strike and upper strike and no exposure above the upper strike.
<b>CSSF</b>	The <i>Commission de Surveillance du Secteur Financier</i> , the financial supervisory authority in Luxembourg.
<b>Dealing Date</b>	Each Valuation Date, if not stated otherwise in the Special Part of a Subfund.



<b>Digitals</b>	A digital option is an option with a predetermined pay out that is fixed if the underlying reference asset (usually) is equal to or exceeds a predetermined threshold or price. It is often referred to as a binary option.
<b>Emerging Market Nations</b>	Means inter alia the following countries: Argentina, Brazil, Bulgaria, Chile, China, Colombia, Ecuador, Egypt, El Salvador, Hungary, Indonesia, Iraq, Kazakhstan, Lebanon, Malaysia, Mexico, Panama, Peru, the Philippines, Poland, Russia, Serbia, South Africa, Turkey, Ukraine, Uruguay, and Venezuela.
<b>EMU</b>	Means the European Economic and Monetary Union.
<b>ESG"</b>	Means environmental, social and governance matters.
<b>FATCA</b>	The Foreign Account Tax Compliance Act (" <b>FATCA</b> "), which is part of the Hiring Incentives to Restore Employment Act 2010 and entered into force in the United States of America.
<b>ESMA Guidelines</b>	European Securities and Markets Authority (" <b>ESMA</b> ") Guidelines ESMA/2012/832 for competent authorities and UCITS management companies dated 17 December 2012.
<b>Feeder</b>	Means a UCITS or a subfund of a UCITS, which has been approved to invest at least 85% of its assets in shares of another UCITS or subfund thereof (a single Master).
<b>Investor Protection Premium</b>	<p>If new Shares in the Company are issued as a result of Fund Share purchases, then, in order to invest the relevant sums, the Investment Manager must purchase assets in the market in line with the investment policies ("<b>Transaction</b>"). For all securities, purchase and sale prices are provided by the market participants. Accordingly, the price at which the Investment Manager is able to purchase securities will be higher than the price realisable for simultaneous sale of the securities. This price difference is known as the "bid/offer spread". Without the Investor Protection Premium, the costs incurred by the Company for the purchase of these assets would have to be carried by the existing shareholders. The Investor Protection Premium ensures that these costs are carried by the investor for whom the Transaction is concluded, thus protecting the existing shareholders. The premium is credited to the Fund assets via the Company upon issue of new Shares. The amount is governed by the prevailing bid/offer spread and may total up to 0.10% of the Net Asset Value of the relevant Shares on the most recent valuation date. The current amount is published on the website <a href="https://www.amundi.lu/particuliers/Nos-fonds/Fonds">https://www.amundi.lu/particuliers/Nos-fonds/Fonds</a>.</p> <p>Investors purchase Shares at the prevailing Net Asset Value on the most recent valuation date, plus the relevant Investor Protection Premium for issue of said Shares.</p>
<b>KID</b>	Key Information Document and/or Key Investor Information Document
<b>Master</b>	Means a UCITS or a subfund of a UCITS where (a) at least one of its shareholders is a Feeder, (b) it is not itself a Feeder, and (c) it does not hold shares of a Feeder.
<b>Net Asset Value</b>	The NAV of the Company, a Subfund and/or a Share Class, which is calculated as set out in the Prospectus.

<b>OECD</b>	The Organization for Economic Cooperation and Development, whose member states, as at the date hereof, include Australia, Austria, Belgium, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, the Grand Duchy of Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, South Korea, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.
<b>OECD Member State</b>	A member state of the OECD.
<b>Put Option</b>	A Put Option allows the buyer of the put option the right, but not the obligation, to sell an agreed quantity of a particular financial instrument (the underlying reference asset) to the seller of the option at a predetermined time for a predetermined price. The buyer will usually pay an upfront premium to the seller for this option. The buyer will usually have a negative outlook for the underlying reference asset or want to have protection if the underlying reference asset performs negatively.
<b>Put Spreads</b>	A Put Spread is a combination of two Put Options on the same underlying reference asset, usually with the same maturity. The buyer of the Put Spread will implicitly buy a Put Option with a higher strike (the predetermined price at which the underlying reference asset can be sold) and sell a Put Option with a lower strike. The buyer will have no exposure to the underlying reference asset above the upper strike, typically 100% exposure between the lower strike and upper strike and no exposure below the lower strike.
<b>Quasi-Sovereign</b>	Quasi-Sovereign issuers are companies whose securities are either 100% owned by their respective governments or subject to a 100% guarantee that does not rise to the level of constituting the full faith and credit by such governments.
<b>Range Accruals</b>	A Range Accrual is an option which pays out a percentage of a predetermined amount depending on the percentage of days the underlying reference asset(s) remain(s) between a predefined range. A Range Accrual can also pay a predetermined amount when the underlying reference assets remain outside a predefined range.
<b>Range Accrual Autocalls</b>	A Range Accrual Autocall is a structured product exhibiting both Range Accrual and Autocall features.
<b>Redemption Fee</b>	The fee to be paid by the shareholder upon the redemption of Shares in a Subfund; the amount of the maximum redemption fee is stated for each Subfund in the Special Part. This redemption fee may be levied for the benefit of the Management Company or the Distributors or the Subdistributors. The Management Company or the Distributors or the Subdistributors may waive the redemption fee in full or in part.
<b>Regulated Market</b>	Any market within the meaning of the definition contained in Article 4 paragraph 1(14) of Directive 2004/39/EC on markets in financial instruments.
<b>Relevant Jurisdiction</b>	Relevant Jurisdiction means the country in which the investor filed his subscription or redemption request.

<b>Relevant Stock Exchanges</b>	Stock exchanges on which the Shares in the Subfunds are admitted to trading and listed, such as the Frankfurt Stock Exchange or other exchanges.
<b>Reverse Convertibles</b>	<p>There are two types of reverse convertible options – non contingent and contingent. Non contingent reverse convertibles will pay a defined return regardless of the performance of the reference asset. The initial principal will also be returned if the underlying reference asset does not fall below a predetermined level, on a predefined observation date. If the underlying reference asset does fall below the relevant level, the reverse convertible will pay the predefined amount, but, the return of the initial principal will be replaced with an amount typically related to the level of the underlying reference asset.</p> <p>A contingent reverse convertibles is a variation of the non-contingent where the defined return and the return of the initial principal are paid if the underlying reference asset does not fall below a predetermined level, on a predefined observation date. The levels that provide the defined return and the return of the initial principal could differ – so it is possible to receive all the defined return plus the return of initial principal, the defined return and less than the initial principal or, in extreme circumstances, no defined return and no principal. For example, a contingent return reverse convertible could pay a return if the reference asset fell by 25% or less, and principal could be at risk if the reference asset fell by 50% or less. The return of the initial principal will be replaced with an amount typically related to the level of the underlying reference asset.</p>
<b>RTS</b>	A consolidated set of technical standards defined by European Parliament and the Council and published on 6 April 2022, which provide additional detail on the content, methodology and presentation of certain existing disclosure requirements under the Disclosure Regulation and the Taxonomy Regulation. The RTS were accompanied by five annexes, which provide mandatory disclosure templates.
<b>Qualified Participant</b>	<p>Each first-rate financial institution or each financial services provider that is admitted and regulated by a recognised authority in a member state of the Financial Action Task Force on Money Laundering (“<b>FATF</b>”) to render financial services and</p> <ul style="list-style-type: none"> <li>• that has entered into a Participation Agreement with the Management Company regarding the subscription and redemption of Shares, and</li> <li>• that may act as market maker on a relevant stock exchange.</li> </ul> <p>Qualified Participants must comply with the FATCA requirements and with the requirements for (i) Exempt Beneficial Owners, (ii) Active Non-Financial Foreign Institutions in accordance with Annex I of the Luxembourg Intergovernmental Agreement, (iii) U.S. persons who are not classified as Specified U.S. persons, or (iv) Financial Institutions that are not Non-participating Financial Institutions. These terms have the meaning ascribed to them in the Luxembourg IGA.</p>
<b>Qualified Holder</b>	<p>Any natural or legal person that meets the following criteria:</p> <p>(i) U.S. Persons (including persons deemed U.S. Persons pursuant to the Act of 1940 and the US Commodity Exchange Act as amended (CEA);</p> <p>(ii) pension funds within the meaning of Title I of the US Employee Retirement Income Security Act of 1974 (as amended), or private</p>

pension accounts or schemes within the meaning of Section 4975 of the United States Internal Revenue Code of 1986 (as amended);

(iii) other natural persons or legal entities that may not purchase or hold shares without breaching applicable laws or rules, regardless of whether these apply to themselves or the Fund or otherwise, or whose holding of shares (either individually or together with other investors in the shares to which the same circumstances apply) might result in a tax liability or financial disadvantage of the Fund that the Fund would not otherwise incur, or that might result in the Fund's obligation to register itself in accordance with the laws of any jurisdiction (including but not limited to the US Securities Act of 1933, the Act of 1940 or the CEA); or

(iv) a depositary, agent or trustee for a natural person or legal entity named in paragraphs (i) to (iii) above.

**Share Class**

Refers to the class(es) of Shares in a Subfund, which may differ from one another with regard to their fee structure, the rules on the minimum investment amount upon initial subscription and upon subsequent subscriptions, the required minimum holding, the rules on the minimum redemption amount, the dividend policy or other characteristics. The Share Classes are stated in the Special Part.

**Structured Product**

A Structured Product is a tailor made investment made up of a combination of derivatives to provide a bespoke and precise risk reward profile. The structured products that the Subfund will gain exposure to will vary via the following key parameters:

- The derivatives and/or combination of derivatives that build the profile of the structured product. For example autocalls, call options, call spreads, put options, put spreads, range accruals and digitals.
- The underlying reference assets. These are the assets whose performance will determine the payout of the structured product. These will be financial indices, equities, baskets of equities or other financial instruments permitted under the UCITS Directive. The underlying reference asset could also be a combination of the above with defined scenarios called "Worst of" or "Best of" which have returns linked to the worst of best performing underlying reference asset defined in a structured product.
- The tenor or maturity can vary between structured products and can be used to diversify the risk of otherwise similar structured products.
- The structured products can be issued as notes, certificates or derivatives.

**Subscription Fee**

The maximum subscription fee that may be charged to investors for the subscription or purchase of Shares in the Subfunds, as set out in the Special Part.

This subscription fee may be levied for the benefit of the Management Company or the Distributors or the Subdistributors. The Management Company or the Distributors or the Subdistributors may waive the subscription fee either in full or in part.

**Sustainability Factors**

Means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<b>Sustainable Investment</b>	Means, for the purpose of art. 2(17) of SFDR, (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) 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. Information on Amundi's methodology to assess if an investment qualify as a Sustainable Investment can be found in the Amundi ESG Regulatory Statement available on <a href="http://www.amundi.lu">www.amundi.lu</a> .
<b>“Sustainability Risks”</b>	Means, for the purpose of art. 2(22) of the SFDR, 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.
<b>Target Participation</b>	Means the participation level calculated on the relevant Valuation Date on the basis of the realised volatility in the preceding 20 Valuation Dates and the Volatility Target.
<b>Taxonomy Regulation or TR</b>	Regulation 2020/852 of the European Parliament and of the Council of 27th November 2019 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 'disclosure regulation' or "SFDR".
<b>Tracking Error ("TE")</b>	<p>Standard deviation of the differential return between a Subfund and the Underlying (Benchmark). Thus, the Tracking Error is a measure for the deviation of the performance of a Subfund from its Benchmark.</p> <p>A low Tracking Error represents a very similar performance. The Tracking Error will increase with the average deviation of the Subfund's performance from the performance of the Benchmark.</p>
<b>UCI</b>	An undertaking for collective investments.
<b>UCITS</b>	An undertaking for collective investments in transferable securities established in accordance with the UCITS Directive.
<b>UCITS Directive</b>	Council 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 investments in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014.
<b>UCITS ETF</b>	A UCITS ETF is a UCITS at least one unit or share class of which is traded throughout a Dealing Date on at least one regulated market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of its units or shares does not significantly vary from its net asset value and where applicable its indicative Net Asset Value

**Valuation Date**

Except if otherwise provided for in the Special Part, each Banking Day on which the exchanges in all Financial Centres listed in the relevant Special Part are open and on which the relevant prices (on the basis of which the NAV is calculated) are determined; the 24 and 31 December will not be considered as Valuation Dates.

**Volatility**

Volatility is the measurement for a security's relative margin of fluctuation and, thus, its price risk within a given period of time.

## B. Special Part

### Globale Aktien – Dividende & Nachhaltigkeit

The “Globale Aktien – Dividende & Nachhaltigkeit” is a global equity fund investing in international equities from issuers in developed industrialised countries. Information provided in this Special Part should be read in conjunction with the General Part of the Prospectus.

This Subfund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR as further described in Annex 1 – ESG Related Disclosures to this Prospectus.

#### 1 Issue Date

Shares in the “Globale Aktien - Dividende & Nachhaltigkeit” (“**Subfund**”) were issued on 1 September 2015. The Subfund has an unlimited term.

#### 2 Investment Objective

The aim of the Subfund is to provide long term capital appreciation by offering investors access to a global equity portfolio in line with ESG criteria. Environmental, governance and/or social characteristics promoted by the Subfund are met through the ESG criteria further described in Annex 1 – ESG Related Disclosures to this Prospectus.

**There is no guarantee that the Subfund's investment objective will be achieved.**

The Subfund's performance is described in the annual reports as well as in the “Past Performance” section of <https://www.amundi.lu>. **It must be noted in this regard that historical performance data cannot predict future performance. Therefore, the future performance of the Subfund may be less or more favourable than its past performance.**

#### 3 Investment Policy

**3.1** The Subfund is an actively managed fund and not managed in reference to a benchmark. The Subfund will predominantly invest in global equities. The selection of international equities is restricted to issuers in the global developed industrialised countries by using the quantitative selection process of the Investment Manager. This selection process of the Investment Manager is applied on three regions to which the equities will be allocated to depending on the regional place of business: USA, Europe and Japan/Other regions. The individual stock selection process is based on an investment concept which deselects equities of each region with a significant negative historical total return and on the other side selects equities with a low volatility and a high dividend yield. The Investment Manager determines the weighting of the selected stocks per region within the Subfund.

The Subfund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as further detailed in section “Sustainable Investing” and Annex 1 – ESG Related Disclosures to this Prospectus. The investment manager uses fundamental analysis of individual issuers to identify equities with superior long- term prospects.

Further information may be obtained at the premises of the Management Company.

**3.2** In addition, within the limits set forth in this Prospectus, taking into account the investment objective, investment policy and the investment restrictions the Subfund may also hold cash on an ancillary basis and additionally invest in money market funds which comply with the European Directive n° 2009/65/EC, dated 13 July 2009 as amended by the European Directive 2014/91/EU (UCITS-Directive). The usage of derivatives may comprise forward exchange transactions, FX Forwards and any exchange traded derivatives such as listed futures or options (call, put, long, short).

## 4 Investment Restrictions

The investment restrictions described in the General Part are applicable for the Subfund.

The Subfund may invest not more than 10% of its total assets in units of other UCITS or UCI.

At least 90 % of the total assets of the Subfund will be invested in equities that are admitted to trading on a stock exchange or admitted or included in another organised market which are not units or shares of an investment funds nor Real Estate Investment Trusts (REITS).

## 5 Investor Profile

An investment in the Subfund is suitable for those investors who are able and prepared to invest in a medium risk Subfund, as described in greater detail under "Investor Profile" in the General Part.

The fund is suitable for investors with a medium investment horizon and a risk tolerance adjusted for an investment in the global equity market. In addition, the fund is suitable for investors or private customers who would like to invest in securities that consider ESG criteria.

## 6 Risk Considerations

Risk factors are described in more detail in the General Part of the prospectus.

Particular risks in relation to equities: The Subfund may invest in equities and these investments are associated with special risks, such as the risk that the relevant company may become insolvent, the risk that the share price will fluctuate or risks in connection with dividend payments by the issuing company. The performance of the shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic climate and specific economic and political conditions. Shares in companies with low to medium market capitalisation may be subject to even higher risks (e.g. relating to their volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with low market capitalisation may be extremely illiquid as a result of low trading volumes. Shares in companies which have their registered office or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation. This may result in a total or partial loss in respect of the value of the share and, thus, in losses for the Subfund. Since the equity exposure of the fund can be close to 100%, an appropriate risk capacity, risk tolerance and moderate investment horizon of the investor is required.

Currency risk: The currency risk which can affect the investors to their advantage or disadvantage generally depends on circumstances which cannot be influenced by the Company, e.g. supply and demand of the relevant currencies on the worldwide markets as well as economic, financial, military and political events. Hedging against the resultant currency and exchange rate risk may be impossible or not feasible, even if currency hedging transactions are concluded for the respective share class to hedge against the currency risk. Therefore, it cannot be guaranteed that hedging transactions are successful. The use of currency hedging transactions may result in a negative performance of the respective share class if the development of the value of the currency derogates from the Subfund manager's assessment.

Sustainability Risks: The Subfund is exposed to Sustainability Risks. By implementing its investment methodology, the Investment Manager takes into account the ESG criteria described in Annex 1- ESG Related Disclosures to this Prospectus. By taking into account ESG criteria within its investment process, it is intended that the overall Sustainability Risk of the Subfund should be mitigated, and therefore, the potential impact of such Sustainability Risks on the value of the Subfund's investments should also be mitigated. However, no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Subfund. Further information can be found in the "Sustainable Investing" section of this prospectus. For further information on the ESG screening process/methodology, please refer to: [www.msci.com/esg-indexes](http://www.msci.com/esg-indexes).



## 7 Determination of the Global Exposure and the Leverage Level

The global exposure and the leverage level for the Subfund is determined by using the commitment approach. The maximum overall risk permitted by law is limited to 210% of the net assets of the Company. The expected total exposure of the Subfund "Globale Aktien-Dividende & Nachhaltigkeit" is 110%, and comprises investment risk of 100% and short-term borrowing risk of 10%. The leverage level is limited to 110% and is determined on the basis of the total nominal amounts of the used derivatives. However, the realised leverage level might be higher as the expected leverage level. The leverage level is calculated in accordance with the CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS 10-788.

## 8 Conversion of Shares

Shareholders of the Subfund may not convert their Shares into Shares of another Subfund or from one Class into another Class.

## 9 Fees and Costs

### 9.1 All-In Fee

The Subfund will pay an All-In Fee as described in the overview, which may differ for the different share classes of the Subfund. This charge includes in particular the Management Company, Custodian, Central Administration and Investment Management Fee. It is distributed by the Management Company and paid directly to the Custodian and/or the relevant service providers. The All-In Fee is calculated on the basis of the average daily NAV of the share class of the Subfund and is payable in arrears on a monthly or quarterly basis.

In addition, the All-In Fee covers miscellaneous other costs, fees and expenses (but not the costs listed in "Other costs and expenses not included in the All-In Fee" and excluded from the All-In Fee as well as any performance fees) that are incurred in the course of the ordinary business activity of the relevant Subfund ("**regular costs of a Subfund**"). For instance, the regular costs of the Subfund included in the All-In Fee will include the following: Expenses for regular legal and audit services in relation to day-to-day matters; the preparation and printing of the reports to the shareholders, the KID and the Prospectus (including all adjustments and supplements), the annual reports and information brochures including all translation fees; all fees and reasonable costs of the members of the Board of Directors; the ongoing registration fees and other costs charged by supervisory authorities in various jurisdictions; insurance and the costs of the publication of the indicative NAV per Share within an exchange day and the daily NAV per Share; as well as the costs and cash expenses incurred by the individual service providers.

The following additional costs and expenses are also included in the All-In Fee: Formation costs not yet amortised, ongoing sublicensing commissions payable by the Company to the Management Company, all taxes and other tax-related expenses that may be imposed on the Company, e.g., if applicable, the annual Luxembourg tax ("**taxe d'abonnement**") and/or the costs and commissions required for maintaining the listing of the Shares in the Subfund on the relevant stock exchange or any other listing.

### 9.2 Other costs and expenses not included in the All-In Fee

The Company will incur other costs that are not included in the All-In Fee and that may have to be paid by the Company out of the assets of the relevant share class or the Subfund ("**Other Costs**"). For instance, the following costs and expenses are not included in the All-In Fee:

- any value added tax or similar sales or service duties payable by the Company ("**VAT**") ("**Other Taxes and Duties**"),
- all costs and expenses incurred in connection with the purchase and sale of securities or other assets of the Subfund, e.g. brokerage commissions and commissions by correspondents in relation to the transfer of securities or other investments ("**Transaction Costs**"),
- all costs and commissions incurred outside the regular business activity of the Subfund (e.g. costs for legal advice in the event that a Subfund enforces or defends a claim) ("**Extraordinary Costs**").

The costs and expenses will be distributed by the Company to the various share classes and/or Subfunds in accordance with its Articles of Incorporation. If VAT is payable in relation to the All-In Fee or other fees payable by the Company, such VAT shall be borne by the Company in addition to the limited other costs.

### 9.3 Payments out of the All-In Fee

The Distributor may enter into a contractual obligation to reimburse a Subdistributor or, where applicable, a sales agent for payments out of their share in the All-In Fee or to pay part of those payments to them. The selection of the persons with whom such contracts may be concluded as well as the underlying terms and conditions is at the parties' discretion, except that all such contracts are subject to the proviso that the Company may not incur any obligation or liability of any type in that regard.

## 10 Share Classes

The Subfund, whose Base Currency is EUR, will issue the following classes of bearer shares:

Share Class	Subscription fee	All-in-fee p.a.	Initial issue price per share in EUR	Minimum holding in EUR	Minimum holding-number of Shares	ISIN	WKN
A	None	Up to 0.80%	100	-	-	LU2158475785	CDF4RK
I	None	Up to 0.71%	1,000	100,000	100	LU1256228799	CDF1RK
R	Up to 5.00%	Up to 1.50%	100	-	-	LU1256228872	CDF2RK

No redemption fee will be charged to the share classes A, I, R and W.

The currency of each share class is EUR.

Share Class I and W is intended for institutional investors only.

## 11 Dividend Policy

The share classes A, I and R are distributing ones, i.e. any dividends and other income can be distributed. The intention is to determine annual distributions.

The share class W is an accumulating one, i.e. any dividends and other income will be reinvested.

## 12 Fund Overview

<b>Fund Classification</b>	The Subfund is an actively managed global equity fund.
<b>Share Type</b>	Bearer Share
<b>Base Currency</b>	EUR
<b>Investment Manager</b>	Amundi Deutschland GmbH, 124-126 Arnulfstraße, 80636 München, Germany
<b>Calculation and Publication Day</b>	The Banking Day in Frankfurt am Main and Luxembourg that follows the Valuation Date.

<b>Subscription/Redemption Deadline</b>	Any subscription, repurchase and redemption applications that are received on a day that is also a Banking Day in the Relevant Jurisdiction as well as a Valuation Date will be considered on the next following Valuation Date provided that they are received by 2:30 p.m.  Any applications received by the relevant office after the aforesaid deadline will be processed on the basis of the NAV per Share on the second following Valuation Date.
<b>Cut-off time</b>	2:30 p.m.
<b>Financial Centre</b>	Frankfurt am Main, Luxembourg, New York, London, NASDAQ GS, Tokyo
<b>Subscription Fee</b> <b>Share Class A</b> <b>Share Class I</b> <b>Share Class R</b> <b>Share Class W</b>	None None Up to 5.00% None
<b>Redemption Fee</b>	None
<b>Financial Year End</b>	31 December
<b>All-In Fee</b> <b>Share Class A</b> <b>Share Class I</b> <b>Share Class R</b> <b>Share Class W</b>	Up to 0.80% p.a. Up to 0.71% p.a. Up to 1.50% p.a. Up to 0.47% p.a.
The Subfund incurs other costs that are not included in the all-in fee and are charged to the Subfund in addition to the all-in fee.	
<b>Performance Fee</b>	None
Information on portfolio composition and the Subfund's documents are available on the website <a href="https://www.amundi.lu/particuliers/Nos-fonds/Fonds">https://www.amundi.lu/particuliers/Nos-fonds/Fonds</a> .	

## Strategiefonds Unternehmensanleihen

The Strategiefonds Unternehmensanleihen ("**Subfund**") is an actively managed fund investing mainly in corporate bonds. Information provided in this Special Part should be read in conjunction with the General Part of the Prospectus. The Subfund is not managed in reference to a benchmark.

### Taxonomy Regulation

In accordance with Article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Subfund do not take into account the European Union criteria for environmentally sustainable economic activities.

## 1 Issue Date

Shares in the Strategiefonds Unternehmensanleihen were issued on 6 March 2017. The Subfund has an unlimited term.

## 2 Investment Objective

The Subfund aims to achieve medium to long-term capital growth through the investments in corporate bonds.

**There can be no guarantee that the Subfund's investment objective will be achieved.**

The Subfund's performance is described in the annual reports as well as in the "Past Performance" section of <https://www.amundi.lu>. **It must be noted in this regard that historical performance data cannot predict future performance. Therefore, the future performance of the Fund may be less or more favourable than its past performance.**

## 3 Investment Policy

### 3.1 Fund Portfolio

The Subfund will predominantly invest globally in financial and non-financial corporate bonds accredited with a rating within the investment grade range. This means the corporate bonds are rated by at least one recognised rating agency or by the Investment Manager with minimum BBB- (Standard & Poor's) or Baa3 (Moody's) or with an equivalent rating.

The Subfund may invest in foreign currency bonds or units of UCITS or UCI.

Investments in forward exchange transactions (including FX forwards), interest rate derivatives and credit derivatives for hedging and performance optimisation purposes are allowed.

### 3.2 Additional Investments

In addition, within the limits set forth in this Prospectus, taking into account the investment objective, investment policy and the investment restrictions the Subfund may also hold cash on an ancillary basis.

## 4 Investment Restrictions

In deviation from 3.1 up to 10% of the net asset value of the Subfund may be invested in corporate bonds with a rating below the investment grade range but with a minimum rating of B (Standard & Poor's) or B2 (Moody's) or an equivalent rating by another recognised rating agency or an equivalent internal rating by the Investment Manager.

The unhedged exposure in foreign currencies may not exceed 5% of the net asset value of the Subfund.

The Subfund may not invest more than 10% of its total assets in units of other UCITS or UCI.

In addition, the investment restrictions described in the General Part are applicable for the Subfund.

## 5 Investor Profile

An investment in the Subfund is suitable for those investors who are able and prepared to invest in a

medium risk Subfund, as described in greater detail under “Investor Profile” in the General Part. The investor should be aware of the typical risks of corporate bonds. The Subfund is suitable for investors with a medium term investment horizon. The investment horizon should not be less than one year.

## 6 Risk Considerations

Risk factors are described in more detail in the General and the General Part of the prospectus. Inter alia the following special risks have to be taken into account when investing in the Subfund:

Particular risks in relation to bonds: Investments in fixed income securities entails the possibility that the market interest rates prevailing at the time of issue can change. If these rates increase, the price of fixed income securities tend to fall. If, on the other hand, market interest rates fall, the price of fixed income securities rises. These price developments result in a yield on the fixed income security that is roughly equivalent to the prevailing market interest rate. The price fluctuations, however, vary across the different maturity classes. Fixed income securities with shorter maturities entail lower price risks than those with longer maturities. Fixed income securities with shorter maturities, however, generally exhibit lower yields than those with longer maturities.

The liquidity of individual debt securities may vary considerably. Illiquid securities may be traded at a discount from comparable, more liquid investments, and may be subject to wider fluctuations in market value. Also, the Subfund may not be able to dispose of illiquid securities when it would be beneficial at a favourable time or price.

Counterparty risk: The default of an issuer may cause losses for the Subfund. The issuer risk describes the effect of specific events and developments in relation to an issuer that, in addition to general developments in the capital markets, affect the price of a security issued by that issuer. Even if the securities are selected carefully, losses in connection with dwindling of assets of the issuer of the relevant securities cannot be ruled out. The risk may be evidenced by the issuer's or the security's credit rating. Securities with a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities and any amounts paid on such securities which may in turn affect the prices of the Subfund.

Non-investment grade securities (such as “high yield” securities) are considered higher risk investments that may cause income and principal losses for the Subfund. They are instruments which credit agencies have given a rating which indicates a higher risk of default. The market values for high yield bonds and other instruments tend to be volatile and they are less liquid than investment grade securities. Investments in high yield bonds and other non-investment grade instruments are susceptible to increased price sensitivity from changes in interest rates and a deteriorating economic environment; greater risk of loss due to default or declining credit quality; greater likelihood that adverse company specific events will render the issuer unable to make interest and/or principal payments when due; and if a negative perception of the high yield market develops, greater risks that the price and liquidity of high yield securities may be depressed.

Risks associated with Credit Ratings: The ratings of fixed income securities by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. It is important to note that whilst credit ratings may be assessments of creditworthiness, they are not assessments of the level of liquidity, market or volatility risk of an issuer, nor should ratings be exclusively relied upon for valuation purposes. There is a risk that the ratings of fixed income securities held in the funds may be downgraded at any time. This may affect the value of the relevant securities which may in turn affect the prices of the funds.

Currency risk: Debt securities denominated in a foreign currency may be subject to exchange rate risk. Any fall in the foreign currency will reduce the amount that may be received when the payment of interest or principal is converted back into the base currency of the fund. The currency risk which can affect the investors to their advantage or disadvantage generally depends on circumstances which cannot be influenced by the Company, e.g. supply and demand of the relevant currencies on the worldwide markets as well as economic, financial, military and political events. Hedging against the resultant currency and exchange rate risk may be impossible or not feasible, even if currency hedging transactions are

concluded for the Subfund to hedge against the currency risk. Therefore, it cannot be guaranteed that hedging transactions are successful. The use of currency hedging transactions may result in a negative performance of the respective share class if the development of the value of the currency derogates from the Subfund manager's assessment.

Key personnel risk: Actively managed funds that exhibit very positive performance at a certain point in time owe their success in part to the qualifications of the responsible persons, and thus the decisions by their management. Fund management personnel, however, is subject to change. In such cases, new decision makers may prove to be less successful.

Sustainability Risks: This Subfund does not promote ESG characteristics and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Subfund. Further information can be found in the "Sustainable Investing" Section of the Prospectus.

## **7 Determination of the Global Exposure and the Leverage Level**

The global exposure and the leverage level for the Subfunds is determined by using the commitment approach. The maximum overall risk permitted by law is limited to 210% of the net assets of the Company. The expected total exposure of the Subfund "Strategiefonds Unternehmensanleihen" is 110% and comprises investment risk of 100% and short-term borrowing risk of 10%. The leverage level is limited to 110% and is determined on the basis of the total nominal amounts of the used derivatives. However, the realised leverage level might be higher as the expected leverage level. The leverage level is calculated in accordance with the CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS 10-788.

## **8 Conversion of Shares**

Shareholders of the Subfund may not convert their Shares into Shares of another Subfund or from one Class into another Class.

## **9 Fees and Costs**

### **9.1 All-In Fee**

The Subfund will pay an All-In Fee as described in the overview, which may differ for the different share classes of the Subfund. This charge includes in particular the Management Company, Custodian, Central Administration and Investment Management Fee. It is distributed by the Management Company and paid directly to the Custodian and/or the relevant service providers. The All-In Fee is calculated on the basis of the average daily NAV of the share class of the Subfund and is payable in arrears on a monthly or quarterly basis.

In addition, the All-In Fee covers miscellaneous other costs, fees and expenses (but not the costs listed in "Other costs and expenses not included in the All-In Fee" and excluded from the All-In Fee) that are incurred in the course of the ordinary business activity of the Subfund ("**regular costs of a Subfund**"). For instance, the regular costs of the Subfund included in the All-In Fee will include the following: Expenses for regular legal and audit services in relation to day-to-day matters; the preparation and printing of the reports to the shareholders, the KID and the Prospectus (including all adjustments and supplements), the annual reports and information brochures including all translation fees; all fees and reasonable costs of the members of the Board of Directors; the ongoing registration fees and other costs charged by supervisory authorities in various jurisdictions; insurance and the costs of the publication of the indicative NAV per Share within an exchange day and the daily NAV per Share; as well as the costs and cash expenses incurred by the individual service providers.

The following additional costs and expenses are also included in the All-In Fee: Formation costs not yet amortised, ongoing sublicensing commissions payable by the Company to the Management Company.

### **9.2 Other costs and expenses not included in the All-In Fee**

The Company will incur other costs that are not included in the All-In Fee and that may have to be paid by the Company out of the assets of the relevant share class or Subfund ("**Other Costs**"). For instance, the following costs and expenses are not included in the All-In Fee:

- taxes and other tax-related expenses that may be imposed on the Company, e.g., if applicable, the annual Luxembourg tax (the "*taxe d'abonnement*"), any value added tax or similar sales or service duties payable by the Company ("**VAT**") ("**Other Taxes and Duties**"),
- all costs and expenses incurred in connection with the purchase and sale of securities or other assets of the Subfund, e.g. brokerage commissions and commissions by correspondents in relation to the transfer of securities or other investments ("**Transaction Costs**"),
- all costs and commissions incurred outside the regular business activity of the Subfund (e.g. costs for legal advice in the event that the Subfund enforces or defends a claim) ("**Extraordinary Costs**").

The costs and expenses will be distributed by the Company to the various share classes and/or Subfunds in accordance with its Articles of Incorporation. If VAT is payable in relation to the All-In Fee or other fees payable by the Company, such VAT shall be borne by the Company in addition to the limited other costs.

### 9.3 Payments out of the All-In Fee

The Distributor may enter into a contractual obligation to reimburse a Subdistributor or, where applicable, a sales agent for payments out of their share in the All-In Fee or to pay part of those payments to them. The selection of the persons with whom such contracts may be concluded as well as the underlying terms and conditions is at the parties' discretion, except that all such contracts are subject to the proviso that the Company may not incur any obligation or liability of any type in that regard.

### 9.4 Costs in connection with target fund acquisition

Investment in target funds can result in double cost burdens, in particular double management fees, given that at both Subfund level and target fund level, fees are incurred.

In addition to remuneration paid for management of the Subfund, the investor is charged indirectly for management fees relating to the target fund investments of the Fund. The management fee for eligible target funds may not exceed 2.00% p.a.

The following types of fees, costs, taxes, commissions and other expenses may, for instance, be indirectly payable in relation to investments in target funds or indirectly payable by investors: performance fees, custodian bank fees, transaction costs – including taxes in connection with purchase and sale of assets and similar expenses – safe custody fees – including any costs for custody of foreign securities abroad – as well as costs for preparation, auditing and delivery of reports, report and document storage, mandatory publications under applicable law or regulations, costs for marketing and sales, costs payable for official licensing and registration and admission to stock exchange trading, costs for creation of share certificates and coupons, taxes and related expenses, offsetting costs and costs for litigation in connection with legal claims for the Fund, other costs incurred in connection with management and safe custody by the Fund.

For fund shares acquired from affiliated companies, the Management Company or the other company are prohibited from charging any subscription or redemption fees. Moreover, the management fee for investment shares shall be disclosed in the reports which the Fund is charged by the Management Company itself, another investment company, investment stock corporations with variable capital or other company affiliated with the Management Company through a material indirect or direct holding of more than 10% of share capital or voting capital, or by a foreign investment company, including its management company.

## 10 Share Classes

The Subfund, whose Base Currency is EUR, will issue the following classes of bearer shares:

Share Class	Subscription fee	Redemption fee	All-in-fee p.a.	Minimum Investment Amount in EUR	ISIN	WKN
I	0%	0%	Up to 0.44%		LU1554461969	CDF1UA

R	2%	0%	Up to 0.64%	1,000	LU1886606141	CDF2UA
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The currency of the share classes I is EUR. One share is the minimum holding and minimum subscription for Share Class I. The minimum investment amount for the Share Class R is EUR 1,000.

Share Class I is intended for institutional investors only.

## 11 Dividend Policy

The Subfund is a distributing fund, i.e. any dividends and other income can be distributed. The intention is to determine annual distributions.

## 12 Fund Overview

<b>Fund Classification</b>	The Subfund is an actively managed fund
<b>Share Type</b>	Bearer Share
<b>Base Currency</b>	EUR
<b>Investment Manager</b>	Amundi Deutschland GmbH, 124-126 Arnulfstraße, 80636 München, Germany
<b>Calculation and Publication Day</b>	The Banking Day in Frankfurt am Main and Luxembourg that follows the Valuation Date.
<b>Subscription/Redemption Deadline</b>	Any subscription, repurchase and redemption applications that are received on a day that is also a Banking Day in the Relevant Jurisdiction as well as a Valuation Date will be considered on the next following Valuation Date provided that they are received by 2:30 p.m.  Any applications received by the relevant office after the aforesaid deadline will be processed on the basis of the NAV per Share on the second following Valuation Date.
<b>Cut-off time</b>	2:30 p.m.
<b>Financial Centre</b>	Frankfurt am Main, Luxembourg
<b>Subscription Fee</b>	
Share Class I	None
Share Class R	Up to 2%
<b>Redemption Fee</b>	
Share Class I	None
Share Class R	None
<b>Financial Year End</b>	31 December
<b>All-In Fee</b>	
Share Class I	Up to 0.44% p.a.
Share Class R	Up to 0.64% p.a.
The Subfund incurs other costs that are not included in the all-in fee and are charged to the Subfund in addition to the all-in fee.	
<b>Performance Fee</b>	None
Information on portfolio composition and the Subfund's documents are available on the website <a href="https://www.amundi.lu/particuliers/Nos-fonds/Fonds">https://www.amundi.lu/particuliers/Nos-fonds/Fonds</a> .	



## **Annex 1 – ESG Related Disclosures to this Prospectus**

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

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

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

**Product name:**  
LFS SICAV Globale Aktien – Dividende & Nachhaltigkeit

**Legal entity identifier:**  
5299009R8RQNWD9G2Y55

## Environmental and/or social characteristics

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

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%

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

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

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

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10 % of sustainable investments

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

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

☐ with a social objective

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



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

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG score than that of the investment universe. In determining the ESG score of the Sub-Fund and the Investment Universe, ESG performance is assessed by comparing the average performance of a security against the security issuer's industry, in respect of each of the three ESG characteristics of environmental, social and governance. For the purpose of this measurement, the investment universe is defined as MSCI World High Dividend Yield Index. No ESG Reference Index has been designated.

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

The sustainability indicator used is the ESG score of the Sub-Fund that is measured against the ESG score of the Investment Universe of the Sub-fund.

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.

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

The Amundi ESG rating used to determine the ESG score is an 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 globally and at relevant criteria level by comparison with the average performance of its industry, through the combination of the three ESG dimensions:

- 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.
- 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 the human rights in general;
- 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 38 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. Amundi ESG ratings are likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor.

For more information on ESG scores and criteria, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu)

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

The objectives of the sustainable investments are to invest in investee companies that seek to meet two criteria:

- 1) follow best environmental and social practices; and
- 2) avoid making products or providing services that harm the environment and society.

In order for the investee company to be deemed to contribute to the above objective it must be a "best performer" within its sector of activity on at least one of its material environmental or social factors.

The definition of "best performer" relies on Amundi's proprietary ESG methodology which aims to measure the ESG performance of an investee company. In order to be considered a "best performer", an investee company must perform with the best top three rating (A, B or C, out of a rating scale going from A to G) within its sector on at least one material environmental or social factor. Material environmental and social factors are identified at a sector level. The identification of material factors is based on Amundi ESG analysis framework which combines extra-financial data and qualitative analysis of associated sector and sustainability themes. Factors identified as material result in a contribution of more than 10% to the overall ESG score. For energy sector for example, material factors are: emissions and energy, biodiversity and pollution, health and security, local communities and human rights. For a more complete overview of sectors and factors, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu)

To contribute to the above objectives, the investee company should not have significant exposure to activities (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertilizer and pesticide manufacturing, single-use plastic production) not compatible with such criteria. The sustainable nature of an investment is assessed at investee company level.

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

To ensure sustainable investments do no significant harm ('DNSH'), Amundi utilises two filters:

- The first DNSH test filter relies on monitoring the mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available (e.g. GHG intensity of

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental,

social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company's carbon intensity does not belong to the last decile of the sector). Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal and tobacco.

- Beyond the specific Principal Adverse Impacts indicators sustainability factors covered in the first filter, Amundi has defined a second filter, which does not take the mandatory Principal Adverse Impact indicators above into account, in order to verify that the company does not have badly perform from an overall environmental or social standpoint compared to other companies within its sector which corresponds to an environmental or social score superior or equal to E using Amundi's ESG rating.

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

The indicators for adverse impacts have been taken into account as detailed in the first do not significant harm (DNSH) filter above:

The first DNSH filter relies on monitoring of mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available via the combination of following indicators and specific thresholds or rules:

- Have a CO2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors), and
- Have a Board of Directors' diversity which does not belong to the last decile compared to other companies within its sector, and
- Be cleared of any controversy in relation to work conditions and human rights.
- Be cleared of any controversy in relation to biodiversity and pollution

Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal and tobacco.

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

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into our ESG scoring methodology. Our proprietary ESG rating tool assesses issuers using available data from our data providers. For example the model has a dedicated criteria called "Community Involvement & Human Rights" which is applied to all sectors in addition to other human rights linked criteria including socially responsible supply chains, working conditions, and labor relations. Furthermore, we conduct controversy monitoring on a, at minimum, quarterly basis which includes companies identified for human rights violations. When controversies arise, analysts will evaluate the situation and apply a score to the controversy (using our proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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

economic activities.

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



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

☒ Yes, the Sub-Fund considers all the mandatory Principal Adverse Impacts as per Annex 1, Table 1 of the RTS applying to the Sub-Fund's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches:

- Exclusion: Amundi has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Disclosure Regulation.

- ESG factors integration: Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score higher than the applicable investment universe). The 38 criteria used in Amundi ESG rating approach were also designed to consider key impacts on sustainability factors, as well as quality of the mitigation undertaken are also considered in that respect.

- Engagement: Engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimension, to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.

- Vote: Amundi's voting policy responds to an holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information please refer to Amundi's Voting Policy.

- Controversies monitoring: Amundi has developed a controversy tracking system that relies on three external data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched with an in-depth assessment of each severe controversy, led by ESG analysts and the periodic review of its evolution. This approach applies to all of Amundi's funds.

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu)

☐ No



### What investment strategy does this financial product follow?

The aim of the Subfund is to provide long term capital appreciation by offering investors access to a global equity portfolio in line with ESG criteria. Environmental, governance and/or social characteristics promoted by the Subfund are met through the ESG criteria as mentioned below.

The Subfund is an actively managed fund and not managed in reference to a benchmark. The Subfund will predominantly invest in global equities. The selection of international equities is restricted to issuers in the global developed industrialised countries by using the quantitative selection process of the Investment Manager. This selection process of the Investment Manager is applied on three regions to which the equities will be allocated to depending on the regional place of business: USA, Europe and Japan/Other regions. The

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

individual stock selection process is based on an investment concept which deselects equities of each region with a significant negative historical total return and on the other side selects equities with a low volatility and a high dividend yield. The Investment Manager determines the weighting of the selected stocks per region within the Subfund.

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG score than that of the investment universe. In determining the ESG score of the Sub-Fund and the Investment Universe, ESG performance is assessed by comparing the average performance of a security against the security issuer's industry, in respect of each of the three ESG characteristics of environmental, social and governance. For the purpose of this measurement, the investment universe is defined as MSCI World High Dividend Yield Index.

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

All securities held in the Sub-Fund are subject to the ESG Criteria. This is achieved through the use of Amundi's proprietary methodology and/or third party ESG information.

The Sub-Fund first applies Amundi's exclusion policy including the following rules:

- legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons, etc.);
- companies that seriously and repeatedly violate one or more of the 10 principles of the Global Compact, without credible corrective measures;
- the sectoral exclusions of the Amundi group on Coal and Tobacco (details of this policy are available in Amundi's Responsible Investment Policy available on the website [www.amundi.lu](http://www.amundi.lu)).

The full list of exclusions applicable to the funds are as detailed below.

- **Controversial Weapons**

All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Ex-Controversial Weapons Indexes available at <https://www.msci.com/index-methodology>;

- **Nuclear Weapons**

- All companies that manufacture nuclear warheads and/or whole nuclear missiles,
- All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles),
- All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons,
- All companies that provide auxiliary services related to nuclear weapons,
- All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons,
- All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons,
- All companies that manufacture components for nuclear-exclusive delivery platforms;

- **Civilian Firearms**

- All companies deriving 5% or more revenue from the production of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets,

- All companies deriving 15% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use;
- Tobacco
  - All companies deriving 5% or more revenue from the production of tobacco-related products,
  - All companies deriving 15% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;
- Alcohol
  - All companies deriving 10% or more revenue from the production of alcohol-related products;
- Conventional Weapons
  - All companies deriving 10% or more revenue from the production of conventional weapons and components;
- Gambling
  - All companies deriving 10% or more revenue from ownership or operation of gambling-related business activities;
- Nuclear Power
  - All companies deriving 10% or more revenue from the ownership or operation of nuclear power plants;
- Fossil Fuel Extraction
  - All companies deriving 5% or more aggregate revenue (either reported or estimated) from thermal coal mining and unconventional oil and gas extraction:
    - Thermal Coal Mining: Revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading,
    - Unconventional Oil & Gas Extraction: Revenue from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It does not cover all types of conventional oil and gas production including Arctic onshore/offshore, deep water, shallow water and other onshore/offshore;
- Thermal Coal Power
  - All companies deriving 5% or more revenue (either reported or estimated) from thermal coal-based power generation;
- Genetically Modified Organisms (GMO)
  - Companies that derive any revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption,
  - Companies that are only involved in GMO Research & Development activities are not excluded;
- Abortion
  - All companies classified as “Abortion Provider” or “Own or Operate Acute Care Facilities”;
- Abortifacients
  - All companies classified as “Producer”;
- Adult Entertainment
  - All companies classified as “Producer”,

- All companies classified as “Distributor” or “Retailer” that earn 15% or more of revenues from adult entertainment products;
- Contraceptives
  - All companies classified as “Producer”;
- Stem Cells
  - All companies classified as “Embryonic Stem Cell Research”, “Fetal Tissue Research”, “Use of Fetal Cell Line”, or “Enabling Technology”;
- Animal Testing
  - All companies involved in “Animal Testing for Non-Pharmaceutical Products” and “Do Not Disclose Any Statement” addressing the welfare of animals used for laboratory testing and do not disclose any statement in support of researching or “Employing Alternatives to Animal Testing”.

The Sub-Fund as a binding elements aims to have a higher ESG score than the ESG score of the MSCI World High Dividend Yield Index.

The Sub-Fund’s ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

However investors should note that it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The ESG calculation methodology will not include those securities that do not have an ESG rating, nor cash, near cash, some derivatives and some collective investment schemes.

Furthermore and in consideration of the minimum commitment of 10% of Sustainable Investments with an environmental objective, the Sub-Fund invests in investee companies considered as “best performer” when benefiting over the best top three rating (A, B or C, out of a rating scale going from A to G) within their sector on at least one material environmental or social factor.



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

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

N/A

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

We rely on Amundi ESG scoring methodology. Amundi's ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria. In the Governance dimension, we assess an issuer's ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g. guaranteeing the issuer's value over the long term). The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy  
Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. G-rated companies are excluded from our investment universe.

Each corporate security (shares, bonds, single name derivatives, ESG equity and fixed income ETFs) included in investment portfolios has been assessed for good governance practices applying a normative screen against UN Global Compact (UN GC) principles on the associated issuer. The assessment is performed on an ongoing basis. Amundi's ESG ratings Committee monthly reviews lists of companies in breach of the UN GC leading to rating downgrades to G. Divestment from securities downgraded to G is carried out by default within 90 days.

Amundi Stewardship Policy (engagement and voting) related to governance complements this approach."



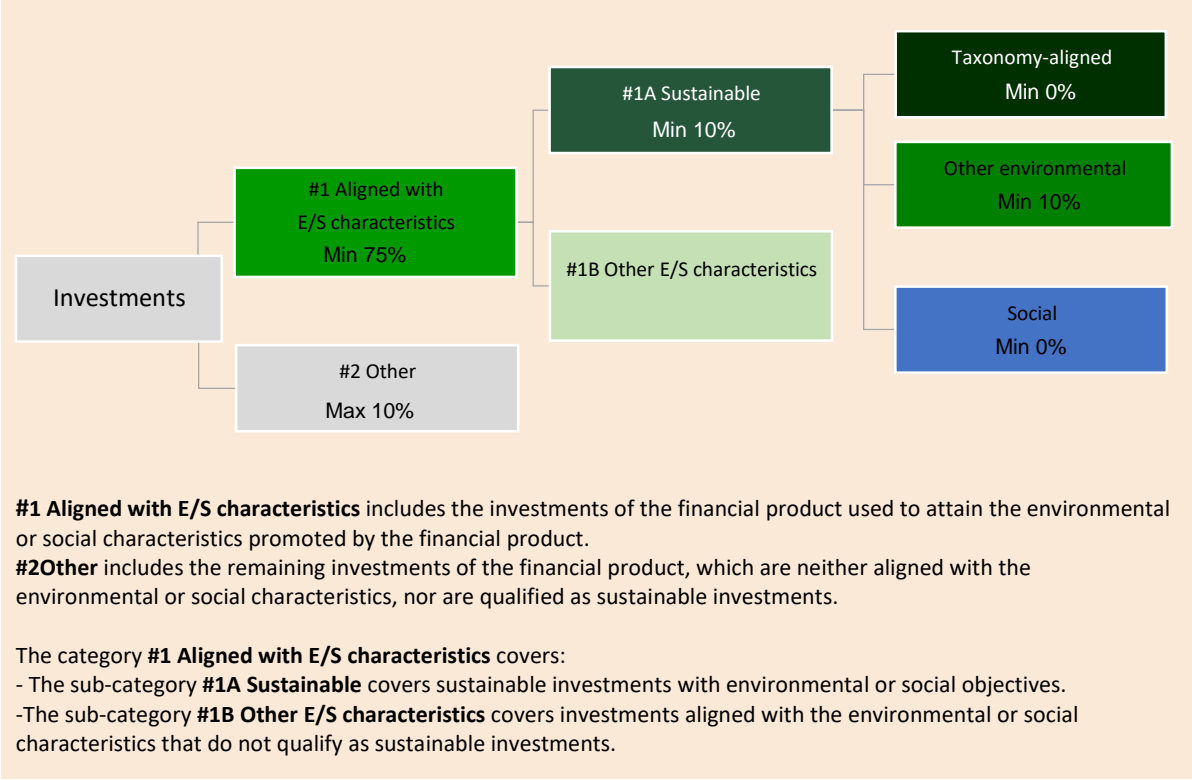
**What is the asset allocation planned for this financial product?**

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

At least 75% of the investments of the sub-fund will be used to meet the environmental or social characteristics promoted by the sub-fund in accordance with the binding elements of the investment strategy of the sub-fund. Furthermore, the sub-fund commits to have a minimum of 10% of sustainable investments as per the below chart. Investments aligned with other E/S characteristics (#1B) will represent the difference between the actual proportion of investments aligned with environmental or social characteristics (#1) and the actual proportion of sustainable investments (#1A).  
The planned proportion of other environmental investment represents a minimum of 10% (i) and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.

Taxonomy-aligned activities are expressed as a share of:

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



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

Derivatives are not used to attain the environmental and social characteristics promoted by the sub-fund.



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

The sub-fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy. The Sub-Fund does not commit to make taxonomy-compliant investments in fossil gas and/or nuclear energy as illustrated below. Nevertheless, as part of the investment strategy, it may invest in companies that are also active in these industries. Such investments may or may not be taxonomy aligned.

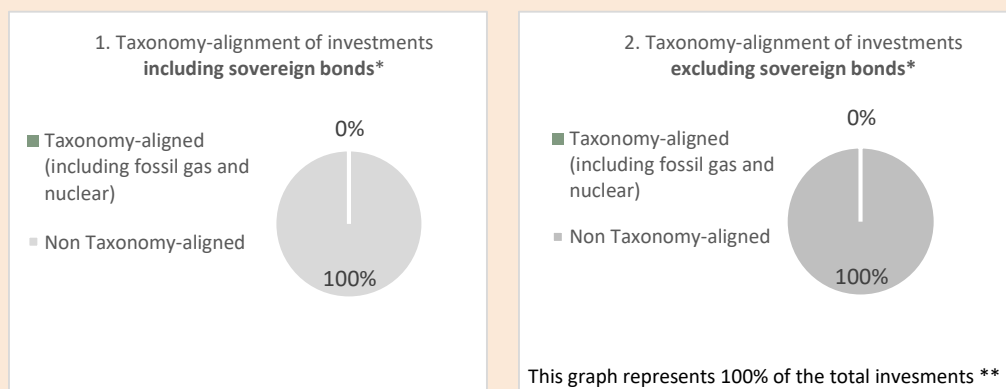
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

- ☐ Yes:
- ☐ In fossil gas      ☐ In nuclear energy
- ☒ No

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

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

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



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

\*\* This percentage is purely indicative and may vary.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

The Sub-Fund has no minimum proportion of investment in transitional or enabling activities



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



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

The Sub-Fund will have a minimum commitment of 10% of Sustainable Investments with an environmental objective with no commitment on their alignment with the EU Taxonomy.



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

The Sub-Fund has no minimum defined minimum share.



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

Included in “#2 Other” are cash and instruments for the purpose of liquidity and portfolio risk management. It may also include ESG unrated securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



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

This Sub-Fund does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

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

N/A

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

N/A

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

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

N/A

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

N/A



**Where can I find more product specific information online?**

**More product-specific information can be found on the website: [www.amundi.lu](http://www.amundi.lu)**

## **1 ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

The distribution of the Shares in the Federal Republic of Germany has been notified to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

### **German Facility Agent**

Amundi Deutschland GmbH, Arnulfstrasse 124-126, 80636 München, Germany confirms that Amundi Deutschland GmbH meets the requirements for a facility agent in Germany (the “German Facility Agent”) pursuant to section 306a paragraph 1 number 2 to 6 German Investment Management Act (“KAGB”) and will perform the following tasks:

- Informing investors how to place subscription, repurchase and redemption orders and make other payments to shareholders for Shares of the UCITS and how repurchase and redemption proceeds will be paid;
- Facilitate the handling of information and access to procedures and arrangements to ensure that the Management Company properly deals with investor complaints and that investors and shareholders of the UCITS it manages can fully exercise their rights within the scope of the KAGB (section 28 paragraph 2 number 1 KAGB). Further information on the complaints policy of the Management Company can be found on the website <https://about.amundi.com/legal-documentation>;
- Providing investors with the Prospectus, the Key Investor Information Document, the Articles of Association of the Company, the current annual and semi-annual reports as well as the issue and redemption prices. The aforementioned documents are available from the German Facility Agent free of charge and in paper form on request. The aforementioned documents and the issue and redemption prices are also published on the website at [www.amundi.com](http://www.amundi.com) and can be viewed there free of charge. Furthermore, investors may inspect the following documents free of charge on business days at the registered office of the German Facility Agent:
  - the articles of incorporation of the Company,
  - the articles of incorporation of the Management Company,
  - the contract with the Depositary,
  - the contract with the Administrator and
  - the contract(s) entered into by and between the Company, the Management Company and the Investment Manager(s).
  - Other information and documents such as details of the remuneration policy or principles for dealing with conflicts of interest to be published in Luxembourg are published on the website <https://www.amundi.lu/retail/Local-Content/Footer/Quick-Links/Regulatory-information/Amundi>
- Provide investors with relevant information in relation to the functions performed by the institution in a durable medium; and
- Acting as a contact point for communication with the Federal Financial Supervisory Authority.

Investors may redeem their Shares for cash by contacting their financial intermediary vis-à-vis the Management Company.

Notices to investors shall be published on the website [www.amundi.com](http://www.amundi.com).

Pursuant to section 298 paragraph 2 KAGB in addition to publication at [www.amundi.com](http://www.amundi.com) the shareholders are also informed by means of a notice to shareholders in the following cases:

- suspension of the redemption of the Shares of a Subfund,
- termination of the management of a Subfund or its settlement,
- changes in the investment conditions which are not compatible with the previous investment principles of the Subfunds which affect material investor rights or which relate to remunerations and reimbursements which can be deducted from the Subfund,
- the merger of a Subfund in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC, and
- conversion of a Subfund into a feeder fund or modification of a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.