

# **PROSPECTUS**

## **Amundi PEA S&P US Industrials Screened UCITS ETF**

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## PROSPECTUS

UCITS COMPLIANT WITH DIRECTIVE 2009/65/EC

### GENERAL FEATURES

#### TYPE OF UCITS

Mutual Fund

#### NAME

Amundi PEA S&P US Industrials Screened UCITS ETF (hereinafter the "Fund").

#### LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WAS INCORPORATED

French Mutual Fund incorporated in France.

#### LAUNCH DATE AND SCHEDULED TERM

The Fund was authorised by the French Financial Markets Authority on 24 April 2014. It was created on 13 May 2014 for a term of 99 years. The Fund's asset management company has changed since 1 June 2022.

#### SUMMARY OF THE MANAGEMENT OFFER

Units	ISIN codes	Allocation of distributable income	Denomination currency	Eligible subscribers	Minimum subscription/redemption amount (primary market) and purchase/sale amount (secondary market)	Stock markets
Acc	FR0011869270	Accumulation	EUR	The Fund is open to all subscribers	EUR 100,000 on the primary market None on the secondary market <sup>(1)</sup>	Euronext Paris

<sup>(1)</sup> NO MINIMUM PURCHASE/SALE AMOUNT IS REQUIRED UNLESS IMPOSED BY THE RELEVANT STOCK MARKET.

#### ADDRESS FROM WHICH THE LATEST ANNUAL OR INTERIM REPORT AND FINANCIAL STATEMENTS MAY BE OBTAINED

The latest annual report and financial statements along with the breakdown of assets will be sent to unitholders within eight working days upon written request to:  
AMUNDI ASSET MANAGEMENT.  
91/93 Boulevard Pasteur, 75015 Paris – France.

These documents are also available on the website [www.amundi.com](http://www.amundi.com).  
Any requests for explanations can be made via the website [www.amundi.com](http://www.amundi.com).

## SERVICE PROVIDERS

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### **MANAGEMENT COMPANY**

AMUNDI ASSET MANAGEMENT (hereinafter the "**Management Company**")

A simplified joint-stock company (société par actions simplifiée)

Registered office: 91/93 Boulevard Pasteur, 75015 Paris – France.

Postal address: 91/93 Boulevard Pasteur, 75015 Paris – France.

### **REMUNERATION POLICY**

The Management Company has established a remuneration policy in compliance with the regulations in force. This policy is consistent with the economic strategy, objectives, values and interests of the Management Company and the funds it manages and those of the investors in these funds, and includes measures to avoid conflicts of interest.

The remuneration policy of the Management Company establishes a balanced system in which the remuneration of the employees concerned is primarily based on the principles listed below:

- The Management Company's remuneration policy is compatible with and promotes sound and effective risk management and does not encourage risk-taking, which is inconsistent with the risk profiles, this prospectus or the other instruments of incorporation of the funds that the Management Company manages;
- The remuneration policy has been adopted by the supervisory board of the Management Company, which adopts, and reviews at least annually, the general principles of said policy;
- Staff engaged in control functions are compensated according to the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- Where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or Fund concerned and as to their risks, and the overall results of the Management Company when assessing individual performance, taking into account financial and non-financial criteria;
- Fixed and variable components of total remuneration are appropriately balanced;
- Above a threshold, a substantial portion, and in any event at least 50%, of any variable remuneration component, consists of exposure to an index, the components and operating rules of which ensure alignment of the interests of the staff concerned with those of the investors;
- Above a threshold, a substantial portion, and in any event at least 40%, of the variable remuneration component is deferred over an appropriate period;
- Variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Management Company as a whole, and justified according to the performance of the business unit, the funds and the individual concerned.

Details of the updated remuneration policy are available on the following website: [www.amundi.com](http://www.amundi.com).

### **DEPOSITARY, CUSTODIAN**

#### **IDENTITY OF THE DEPOSITARY**

The Depositary is Société Générale S.A., acting through its Securities Services department (the "Depositary"). Société Générale, having its registered office at 29, boulevard Haussmann in Paris (75009), France, under Paris Trade and Companies register number 552 120 222, authorised by the French Prudential Supervision and Resolution Authority (ACPR) and regulated by the French Financial Markets Authority (AMF).

#### **Description of the role and responsibilities of the Depositary and potential conflicts of interest**

The Depositary has three types of responsibilities: control of the lawfulness of the Management Company's decisions, monitoring the UCITS' cash flows and the custody of the UCITS' assets.

The primary objective of the Depositary is to protect the unitholders/investors of each UCITS.

Potential conflicts of interest can be identified, notably when the Management Company has a commercial relationship with Société Générale in addition to its appointment as Depositary (which may be the case when Société Générale is in charge, through delegation by the Management Company, of calculating the net asset value of UCITS for which Société Générale is the Depositary).

In order to manage these situations, the Depositary implements and updates a conflicts of interest policy that aims to:

- Identify and analyse potential situations of conflicts of interest
- Record, manage and monitor situations of conflicts of interest:
  - (i) On the basis of permanent measures put in place to manage conflicts of interest such as the separation of tasks and of hierarchical and functional levels, the monitoring of insider lists, and dedicated IT environments;
  - (ii) By implementing on a case-by-case basis:
    - (a) preventive and appropriate measures such as the creation of an ad hoc monitoring list, new Chinese walls, or verifying that transactions are processed in an appropriate manner and/or informing the clients concerned
    - (b) or refusing to manage activities that may give rise to conflicts of interest.

#### **Description of the possible custodian functions delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest that could result from such a delegation**

The Depositary is responsible for the custody of the assets (as defined in Article 22.5 of Directive 2009/65/CE as amended by Directive 2014/91/EU known as the "**UCITS Directive**"). In order to offer custodian services in a large number of countries and enable UCITS to achieve their investment objectives, the Depositary designates sub-custodians in the countries in which the Depositary does not have a direct local presence. These entities are listed on the following website: [https://www.securities-services.societegenerale.com/uploads/tx\\_bisgnews/Global\\_list\\_of\\_sub\\_custodians\\_for\\_SGSS\\_2018-15\\_01.pdf](https://www.securities-services.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2018-15_01.pdf)

In compliance with Article 22a(2) of the UCITS V Directive, the process for appointing and monitoring sub-delegates meets the highest standards of quality, including the management of potential conflicts of interest that could arise with these appointments. The Depositary has established an effective policy for the identification, prevention and management of conflicts of interest in accordance with national and international regulations as well as international standards.

The delegation of the Depositary's custodian functions can lead to conflicts of interest. The latter have been identified and are managed. The policy implemented by the Depositary consists of a procedure to prevent situations of conflicts of interest from arising and to ensure that it always exercises its activities in the best interests of the UCITS. The prevention measures consist in particular of ensuring the confidentiality of the information exchanged, physically separating the main activities that could create a conflict of interest, identifying and classifying monetary and non-monetary benefits and remuneration and implementing procedures and policies for gifts and events.

The updated information relating to the previous points will be sent to investors on request.

## **INSTITUTION RESPONSIBLE FOR KEEPING THE UNIT REGISTERS AND CLEARING SUBSCRIPTION AND REDEMPTION ORDERS**

The general administration and clearing of the subscription and redemption orders are delegated by Amundi Asset Management to:

### **SOCIETE GENERALE.**

Credit institution created on 8 May 1864 by authorisation decree signed by Napoleon III.

Registered office: 29, bd Haussmann - 75009 Paris – FRANCE.

The postal address of the institution in charge of clearing subscription and redemption orders is:

32 rue du Champ de tir – 44000 Nantes – France

## **INDEPENDENT AUDITOR**

PRICEWATERHOUSECOOPERS AUDIT.

French public limited company (société anonyme).

Registered office: 63, rue de Villiers - 92208 Neuilly-sur-Seine – FRANCE.

Signatory: Benjamin Moise.

## **DELEGATED MANAGERS**

AMUNDI ASSET MANAGEMENT will delegate the administrative and accounting management of the Fund to:

Société Générale

Credit institution created on 4 May 1864 by authorisation decree signed by Napoleon III.

Registered office: 29, bd Haussmann - 75009 Paris – FRANCE.

The services provided by Société Générale to Amundi Asset Management consist of providing assistance for the administrative and accounting management of the Fund, and more specifically of calculating the net asset value, providing the information and materials necessary for the production of periodic documents and annual reports and communicating the Banque de France statistics.

## **MARKET-MAKERS:**

the Market-makers responsible for market-making services for Fund units (the "**Market-makers**") are:

Société Générale - Tour Société Générale, 17 Cours Valmy, 92987 Paris-La Défense – France.

An updated list of the Fund's market-makers is available at: [www.amundi.com](http://www.amundi.com).

# OPERATING AND MANAGEMENT PROCEDURES: GENERAL FEATURES

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## FEATURES OF THE UNITS

The units shall be entered in a register under the name of the institutions holding the accounts of the subscribers on their behalf. The register is kept by the Depositary.

Unitholders are entitled to co-ownership of the Fund's net assets in proportion to the number of units held.

No voting rights are attached to the units; decisions are made by the Management Company.

The units are bearer units. The units will not be split.

## PRIMARY MARKET OPERATION

The Fund's units may be subscribed and/or redeemed on the primary market.

The primary market is where the units are generally issued by the Fund to authorised participants ("Authorised Participants") (the "APs") or redeemed by the Fund for APs subject to the terms and conditions set out below (the "**Primary Market**").

The Management Company has signed agreements with each AP, setting the terms and conditions by which the AP may subscribe and redeem Fund units on the primary market.

### 1. Collection of AP orders on the primary market:

APs may send subscription or redemption orders over a digital order collection platform or directly over the telephone. In both instances, APs must send an order placement form (the "**Form**"). Forms must be received each day of the primary market (as defined in the "Subscription and redemption on the primary market" section) before 17:00 or before any other cut-off time stated in the aforementioned section ("Specific cut-off time"). Forms received after 17:00 or after the specific cut-off time on a trading day of the primary market shall be deemed as received on the following trading day of the primary market before 17:00 or before a specific cut-off time.

The AP will be sent a subscription or redemption order confirmation containing the transaction details (the "**Transaction Confirmation**"). AP must verify the content of the transaction confirmation in order to confirm the subscription or redemption order was correctly registered.

The delivery of securities and/or cash corresponding to a subscription and/or redemption order must be made on the business day specified in the transaction confirmation. Where no deadline is set out in the transaction confirmation, the applicable settlement/delivery deadline shall be as indicated in the "Subscription and redemption on the primary market" section. With regard to redemption orders, the Management Company reserves the right to extend the settlement/delivery deadlines by five business days at most.

Use of the digital order placement platform is subject to prior agreement from the Management Company and said use must align with current laws and regulations. The forms are available upon request from the Management Company and the Depositary.

The Depositary and/or Management Company reserves the right to request information and specific documents from AP. Every AP must inform the Depositary regarding any change in their details and provide any supporting documents linked to said change upon request from the Depositary and/or Management Company. The registration details and payment instructions of an AP will only be changed when the Depositary receives original documents.

In accordance with the anti-money laundering and financing of terrorism regulations, the AP must provide proof of identity or any other relevant document to the Management Company and Depositary.

It is also understood that APs cannot hold the Management Company and Depositary liable for any loss or damage due to the non-processing or late processing of a subscription or redemption order where the information required by the Management Company or Depositary has not been provided by APs in the set deadline and/or was incomplete.

### 1. Refusal of AP order on the primary market:

APs are solely responsible for the information provided in the Form. Once accepted, Forms are final (unless the Management Company decides otherwise). The Management Company and Depositary cannot be held liable for losses linked to errors and/or delays and/or failures in (i) submitting Forms and (ii) submitting any subscription or redemption request send over the digital order placement platform.

The Management Company may decide to suspend issuing and redeeming units in accordance with the terms and conditions set out in the Fund's regulations.

The Management Company may also, entirely at its own discretion (albeit without any obligation thereto) refuse or cancel all or part of any unit subscription order placed by an AP where there is an Insolvency Case (as defined below).

An "Insolvency Case" arises with regard to an individual or entity where (i) an order has been made or an effective resolution passed on their liquidation or bankruptcy; (ii) a receiver or equivalent agent has been appointed for all or part of any assets which are subject to a receivership; (iii) an arrangement has been agreed with one or several creditors or the party is deemed unable to repay their debts; (iv) the party closes or threatens to close its business or a major element thereof, or makes or threatens to make a substantial change to the nature of its business; (v) an event arises in any jurisdiction that has an equivalent effect to any of the events set out in points (i) to (iv) above; or (vi) the Management Company reasonably believes that one of the above events is likely to occur.

### 3. AP order adjustment on the primary market:

The Management Company may decide on a case-by-case basis to only accept settlement of AP redemption orders in kind or in cash (or a combination thereof): (i) by simple notification where an AP is involved in an Insolvency Case or where the Management Company reasonably believes the concerned AP is a credit risk or (ii) in all other instances with the consent of the concerned AP.

Redemption orders will only be processed if payment is made to an account opened in the AP's name.

### 4. Transactions in kind and in cash

Subject to agreement from the Management Company, subscription and redemption orders may be accepted and settled in kind, in cash or in directed cash dealings (or a combination of all three).

Entry and exit fees may be invoiced to AP for their subscription, redemption or unit conversion orders.

The nature and level of entry/exit fees invoiced to APs depend on the transaction type, as detailed above: in kind, in cash or in directed cash dealings. Specifically, the transaction type determines the execution methods to adjust the basket of financial instruments comprising the Fund's target asset, and the entry/exit fees invoiced to APs reflect these different execution methods and their associated costs (1).

Whatever the nature of the transaction, the level of entry/exit fees corresponds to the estimated difference between:

- the amounts paid or received by the Fund to adjust its target asset basket to process the transaction in question for the AP (in the Fund's assets); and
- the amounts (excluding entry/exit fees) paid by or to the AP corresponding to the number of Fund units multiplied by the Fund's net asset value on the transaction date.

With a view to reducing the tracking error between the Fund's performance and that of its Benchmark Index, the estimated levels applied to the AP by the Management Company will aim to be as precise and structurally unbiased as possible.

Nonetheless, differences between the entry/exit fee levels invoiced to APs and the real portfolio adjustment costs may notably arise from (i) the estimation process for fee levels and necessary rounding caused by the process and (ii) the real adjustment conditions for the basket of financial instruments in the Fund's assets. The real adjustment conditions for said basket of financial instruments may be particularly affected by (a) the closing level of the underlying assets in said adjustment operations, where these levels notably impact the associated tax or exchange scope; and/or (b) any situation likely to impede or delay the execution and/or conclusion of adjustment operations for the target basket of assets held by the Fund.

(1) These costs (hereinafter the "Theoretical Costs") may include: the anticipated transaction fees linked to the subscription or redemption transaction; all stamp duties; taxes and excise duties; banking fees; exchange fees; interest; custody fees (linked to sales and purchases); transfer fees; registration fees and any other applicable fees and charges.

The Management Company will make the Fund's Portfolio Composition File ("PCF") available to APs on a daily basis.

#### 4.1 Transactions in kind

For every transaction in kind, the Management Company will specify to AP the nature of the investments (as defined below) and/or the amount in cash to be provided by (a) APs for subscriptions or (b) the Management Company for redemptions as an exchange of units.

The "Investments" refers to the financial instruments indicated in L. 214-20 of the French Monetary and Financial Code which comply with the Fund's investment objective and strategy for which the AP plans to place the subscription or redemption order.

#### 4.2 Transactions in cash

The Management Company may accept subscription and redemption orders in cash. The calculation method for applicable fees within this framework is set out in the Costs and fees section in the Prospectus.

APs who wish to place a redemption order in cash must inform the Management Company and Depositary in writing and take the necessary steps to transfer their units to the Fund's account within the redemption settlement deadline stated in the transaction confirmation.

#### 4.3 Directed cash dealings

The Management Company may accept orders for directed cash dealings. Under this framework, APs may request (i) transactions on underlying financial instruments and/or (ii) related currency transactions for the execution of their subscription or redemption order be executed in a specific way by the Fund's manager. The Management Company may accept to fulfil the AP request while complying with the best interests of the Fund's unitholders. The Management Company cannot be held liable if the execution request is not implemented in the conditions expected by the AP.

The calculation method for applicable fees within this framework is set out in the Costs and fees section in the Prospectus.

Where an AP requests the financial instruments and/or currency transactions be traded/made with a specific broker, the Management Company may, at its sole discretion, trade the financial instruments and/or make the currency transactions with the broker designated by the AP. APs who wish to select a specific broker are responsible for contacting the designated broker to organise the transaction and/or operation before the Management Company carries out said transaction and/or operation.

The Management Company cannot be held liable if the purchase or sale of the financial instruments and/or currency transactions with the designated broker and, by extension, the AP subscription or redemption, are not successfully carried out due to an omission, error, failure or delay in payment/delivery by the AP or the designated broker.

If the AP or designated broker default on or modify the terms of all or part of the operations and/or transaction on underlying securities and/or currency, they will bear all risks and associated costs. In these circumstances, the Management Company reserves the right to conclude the transaction and/or operation with another broker and modify the AP's subscription or redemption terms to take into account the default or modifications of the execution terms.

#### 5. Failure to deliver

Where an AP fails to deliver (i) the investments and/or amounts in cash required for a subscription in kind or (ii) the amount in cash for a subscription in cash within the settlement deadlines indicated in the transaction confirmation, the Management Company reserves the right to cancel the concerned subscription order. The AP must compensate the Fund and the Management Company for any loss suffered by the Fund and the Management Company due to the AP failing to comply with its obligation to deliver the required investments and the amount in cash within the set period.

At its sole discretion, the Management Company may in the exclusive interest of Fund unitholder decide to not cancel a subscription where an AP has failed to deliver the investments and/or amount in cash alone, where appropriate, within the settlement/delivery deadlines indicated in the transaction confirmation. In this instance, the Fund manager may temporarily lend an amount equal to the subscription and invest the loaned amount in accordance with the Fund's investment objective and strategy. Once the investments and/or cash, where appropriate, are received, the Management Company shall use them to repay the loans. Moreover, the Management Company reserves the right to invoice the concerned AP for all interest and other costs (where applicable) covered by the Fund and linked to the loan.

If the investments and amount in cash or the amount in cash alone (where applicable) delivered by the AP are not sufficient to cover the interest or other costs, or if the AP fails to deliver the required investments and amount in cash (where applicable) as soon as possible, the Management Company may, at its sole discretion, cancel the order and the AP shall have to compensate the Fund and/or the Management Company for all (i) interest or fees incurred (including but not limited to transaction costs linked to portfolio adjustments, any interest applied to treasury loans) and (ii) losses suffered (including but not limited to any underlying asset depreciation following the sale and purchase processes by the manager ("market effect") and by the Fund and Management Company following said settlement failure.

### **INFORMATION REGARDING THE ADMISSION OF THE FUND'S UNITS ON A REGULATED MARKET**

- When the unit is listed on Euronext Paris, as specified in the "Summary of the management offer" section, the rules below apply for the listing:

Under Article D.214-22-1 of the French Monetary and Financial Code (the "CMF"), shares or units of undertakings for collective investment in marketable securities may be listed for trading, provided that these entities have set up a mechanism to ensure that the listed market price of the shares or units does not diverge significantly from a reference price (the "Benchmark Price"). The following operating rules developed by Euronext Paris SA apply accordingly to the listing of the Fund's units: reservation

thresholds are set by applying a 3% variation on either side of the Benchmark Price (see the "Benchmark Price" section) for Fund units, as published by Euronext Paris of NYSE Euronext. These are updated during each trading session on an estimate basis according to the variation in the Index.

Market-makers ensure that the market price of the Fund's units does not diverge by more than 3% on either side of the Benchmark Price, in order to comply with the reservation thresholds set by Euronext Paris of NYSE Euronext (see "Benchmark Price" section).

- When the unit is listed on a market other than Euronext Paris, as specified in the "Summary of the management offer" section, the rules below apply for the admission of units to such stock exchange(s):

Investors wishing to acquire units of the Fund on the stock exchange(s) mentioned in the "Summary of the management offer" section are invited to read the operating rules published by the relevant stock exchange company, in accordance with local regulations; where appropriate, with the assistance of their usual intermediaries for placing of orders on these stock exchanges.

## **YEAR-END DATE**

Last working day in March in France.

First year-end date: the last business day in March 2015 in France.

## **INFORMATION ON TAX TREATMENT**

Investors should be aware that the following information is only a general summary of the tax regime applicable, as currently provided for by French legislation, to investment in a French mutual fund. Investors should therefore review their specific situation with their usual tax advisor.

### **France:**

The Fund is eligible for the French Equity Savings Plan ("PEA").

Given its eligibility for the French Equity Savings Plan (PEA), the Fund fully respects the relevant restrictions placed on assets and may not hold less than 75% of its assets in equities of companies registered in a Member State of the European Union, or in another State party to the agreement on the European Economic Area (EEA) and which has a tax treaty with France that provides for administrative assistance to prevent tax evasion or avoidance.

The Fund may provide a support vehicle for life insurance policies denominated in units of account.

### **1. At the level of the Fund**

In France, the quality of co-ownership of the funds places them fully outside the corporate tax scope; they therefore benefit by nature from a certain level of transparency. Income received and gains realised by the Fund in the course of its management are therefore not taxable at its level.

Outside France (in the Fund's countries of investment), capital gains realised on the disposal of foreign securities and income from foreign sources received by the Fund in the course of its management may, where relevant, be subject to taxation (usually in the form of withholding tax). Taxation abroad may, in some cases, be reduced or eliminated where applicable tax treaties exist.

### **2. For holders of Fund units**

#### **2.1 Holders residing in France**

The amounts distributed by the Fund to French residents as well as the gains or losses on securities are subject to current taxation. Investors should review their specific situation with their usual tax advisor.

#### **2.2 Holders residing outside France**

Subject to the application of tax treaties, the amounts distributed by the Fund may, where appropriate, be subject to a levy or withholding tax in France.

In addition, capital gains realised on the redemption/sale of Fund units are generally exempt from tax.

Holders residing outside France will be subject to the provisions of the tax legislation in force in their country of residence.

## **US tax considerations**

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

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

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

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

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

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

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

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

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

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

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

In order to avoid the potential impacts of the foreign passthru payment mechanism and to prevent any withholding on such payments, the Fund or its delegated entity reserves the right to prohibit any subscription to the UCI or the sale of units or shares to any non-participating FFI (NPFFI)<sup>2</sup>, particularly when such a prohibition is considered legitimate and justified for the protection of the general interests of investors in the Fund.

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

To this end, the Fund may reject any subscription or require the mandatory redemption of units or shares in the Fund in accordance with the provisions set out in the regulations or Articles of Association of the Fund<sup>3</sup>.

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

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

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

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

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

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

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

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

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

#### **Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosures Regulation")**

As a financial market participant, the Management Company of the Fund is governed by Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "Disclosures Regulation").

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

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

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

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

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

For the purpose of establishing the environmental sustainability of an investment, an economic activity is considered environmentally sustainable if it makes a substantial contribution to one or more of the six environmental objectives, does not significantly harm one or more of the environmental objectives ("do no significant harm" or

<sup>2</sup> NPFFI or non-participating FFI = a financial institution that refuses to comply with FATCA either by refusing to sign a contract with the IRS or by refusing to identify its clients or report to the authorities.

<sup>3</sup> This may also apply to any person (i) who seems to be directly or indirectly in violation of the laws and regulations of any country or any government authority; or (ii) who may, in the opinion of the Fund's Management Company, cause damage to the Fund that it would not have otherwise suffered or incurred.



"DNSH" principle), is carried out in accordance with the minimum safeguards set out in Article 18 of the Taxonomy Regulation, and complies with the technical review criteria that have been established by the European Commission under the Taxonomy Regulation.

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

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

## MINIMUM STANDARDS AND EXCLUSION POLICY

The Management Company applies a Responsible Investment Policy which consists of a policy of targeted exclusions according to the investment strategy for a given fund (as defined in the "Investment Strategy" section, where applicable).

The principal adverse impacts of investment decisions (within the meaning of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation")) are the negative, material or likely to be material effects on sustainability factors that are caused or aggravated by or directly linked to investment decisions. Annex 1 of the Delegated Regulation supplementing the Disclosure Regulation lists the indicators of the principal adverse impacts.

The Management Company also considers the main negative impacts through its policy of norm-based exclusions. In this case, only indicator 14 (Exposure to controversial weapons, anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account. The other indicators and issuers' ESG ratings are not taken into account in the relevant Fund's investment process.

More detailed information on the principal adverse impacts can be found in the Management Company's Sustainable Finance Disclosure Statement available on its website: [www.amundi.com](http://www.amundi.com).

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020:

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

**Investors should be aware that the fiduciary duty and regulatory obligations in passive management are to track an index as faithfully as possible.**

**The Management Company must thus comply with the contractual obligation to deliver passive exposure faithful to the tracked index. Consequently, the Management Company may invest and/or remain invested in securities included in an index and impacted by serious controversial events, acute sustainability risks or those which have a major negative impact on sustainability factors since these events may lead to exclusion of the very securities in Amundi's actively managed funds or ESG ETF.**

***If you would like to consider another ESG investment, you will find a wide range of options in our responsible investment range.***

## GUIDELINES ON FUND NAMES USING ESG OR SUSTAINABILITY-RELATED TERMS

On 14 May 2024, the European Securities and Markets Authority ("ESMA") published guidelines on investment fund names containing terms related to environmental, social and governance (ESG) criteria or sustainability (the "Guidelines"<sup>4</sup>). The Guidelines came into force on 21 November 2024 for new Funds and are applicable from 21 May 2025 for Funds created before 21 November 2024.

The purpose of these Guidelines is to provide a framework for the use of terms related to ESG criteria or sustainability by including new rules on the naming of Funds whose investment strategy complies with the Guidelines (the "Naming Rules").

All Funds covered by the Guidelines must comply with the following rules:

- meet an 80% threshold linked to the proportion of investments used to:
  - (i) meet environmental or social characteristics, for funds classified under Article 8 of the SFDR; or
  - (ii) meet sustainable investment objectives, for funds classified under Article 9 of the SFDR.
- comply with the exclusions provided for the European Union's "Paris-aligned" benchmarks ("PAB") or "Climate Transition" benchmarks ("CTB").

Additional obligations apply to Funds using sustainability terms (such as "transition", "impact", "sustainable" etc.), which must commit to invest significantly in sustainable investments as defined in the SFDR.

The PAB exclusions set out in Article 12(1) (a) to (g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks ("Regulation (EU) 2020/1818") provide that administrators of EU Paris-aligned Benchmarks shall exclude all of the following companies from those benchmarks:

- a) companies involved in any activities related to controversial weapons;
- b) companies involved in the cultivation and production of tobacco;
- c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- d) companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- e) companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f) companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g) companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh.

The CTB exclusions set out in Article 12(1) (a) to (c) of Commission Delegated Regulation (EU) 2020/1818 provide that administrators of EU Climate Transition Benchmarks shall exclude all of the following companies from those benchmarks:

- a) companies involved in any activities related to controversial weapons;
- b) companies involved in the cultivation and production of tobacco;
- c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;

<sup>4</sup> <https://www.esma.europa.eu/document/guidelines-funds-names-using-esg-or-sustainability-related-terms>

Where a Fund complies with the PAB or CTB exclusions, this has been indicated in the Benchmark Index section of the relevant Fund and in the relevant section of the pre-contractual annex for financial products referred to in Article 8 (1), (2) and (2a) or Article 9 (1) to (4a) of Regulation (EU) 2019/2088 and the first paragraph of Article 6 or the first paragraph of Article 5 of Regulation (EU) 2020/852 ("SFDR Annex").

## OPERATING AND MANAGEMENT PROCEDURES: SPECIAL PROVISIONS

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### ISIN CODES

Unit class Acc: FR0011869270

### CLASSIFICATION

International equities.

At least 60% of the Fund is permanently exposed to a foreign equity market or equity markets in a number of countries, including the French market when appropriate.

The Fund is a strategy index-tracking UCITS ETF.

### INVESTMENT OBJECTIVE

The Fund is a passively managed index-tracking UCITS.

The Fund's investment objective is to track the upward and downward movements of the S&P 500 Plus Industrials Enhanced Weighted & Screened Index (hereinafter the "Index" or "Benchmark Index"), while reducing the tracking error between the Fund's performance and that of the Benchmark Index to a minimum.

The anticipated maximum ex-post tracking error under normal market conditions is 2.00%. If the "tracking error" exceeds 2%, the aim would nevertheless be to remain below 15% of the volatility shown by the euro-adjusted Index.

The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the Disclosure Regulation.

### BENCHMARK INDEX

The Fund's Benchmark Index is the S&P 500 Plus Industrials Enhanced Weighted & Screened Index, denominated in USD, net dividends reinvested (net total return). The Index is a "share" index, calculated and published by the international index provider Standard & Poor's (S&P). It has the following features:

- a) An investment universe that matches the components of the S&P 500 Capped 35/20 Industrials Index (the "**Parent Index**"), designed to gauge the performance of mid- and large-cap companies listed and traded in the United States and active in the industrial staples sector (the "Investment Universe").

The industrial sector comprises capital goods manufacturers and distributors (e.g. aerospace, defence, construction products, electrical equipment and machinery, construction and engineering service businesses), commercial and professional service providers (e.g. printing, environmental and installation services, office supply services, security and alarm services, human resources and recruitment services, research and advice services) and companies providing transport services.

- b) An approach incorporating environmental, social and governance criteria (ESG):

- i. Exclusion of companies particularly involved in the following controversial activities: controversial weapons, military contracts, thermal coal, tobacco, oil sands and shale, shale gas, Arctic drilling, Arctic oil and gas, light weapons, energy production based on fossil fuels; the exposure criteria set by S&P in the Index methodology are different for each of these activities;
- ii. Exclusion of companies that fail to act in accordance with the principles of the United Nations Global Compact, as set by the Index methodology;
- iii. Exclusion of companies where the data provider is unable to calculate their carbon intensity;
- iv. Exclusion of companies without an S&P Global ESG score or whose S&P Global ESG score is among the lowest 5% in the Investment Universe; and
- v. Exclusion of controversial companies as determined by S&P.

The non-financial hedging rate represents over 90% of the securities comprising the Index.

- c) A filtered Investment Universe optimisation procedure is thus carried out to:

- Reduce carbon intensity by at least 30% compared to the Parent Index;
- Improve the S&P Global ESG score by at least 10% compared to the Parent Index; and
- Improve the S&P Global ESG environmental score by at least 10% compared to the Parent Index.

(the "**Optimised Universe**")

- d) Where the Optimised Universe comprises fewer than 20 equities, the securities from the consumer staples sector belonging to the S&P 400 Index, classified by descending order of their market capitalisation and to which the issuer exclusion filters apply as set out in b) above, are added to the Optimised Universe in order to reach the 20 equities to constitute the Index. If after this stage the Optimised Universe still fails to reach 20 securities, the mechanism is repeated based on the S&P 600 Index.

Where applicable, the carbon intensity of the Index will be reduced with regard to the minimum between (i) the carbon intensity of the Parent Index and ii) the carbon intensity of the S&P 500, S&P 400 and S&P 600 universes.

For more information about the S&P Global ESG score, ESG controversies and the criteria used to classify whether a company aligns with UNGC principles or not, please see the Index methodology available at: [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/) [www.spdji.com](http://www.spdji.com).

The Fund follows an engaging non-financial approach enabling a minimum 30% reduction in the carbon intensity of the initial investment universe compared to the Parent Index, as calculated for the Benchmark Index and the Parent Index based on the "weighted average carbon intensity". This calculates the weighted amount of scope 1 and 2 greenhouse gas emissions levels (as defined in the Greenhouse Gas Protocol or "GHG Protocol") generated by each index component applied to the company's value. Scope 1 and 2 greenhouse gas emissions levels are calculated based on data from the provider Trucost.

The performance tracked is the closing price of the Index.

A complete description and the full construction methodology of the Benchmark Index, as well as information on its composition and the respective weights of the Benchmark Index components, are available on: <http://www.spindices.com/>

## **REVIEW AND COMPOSITION OF THE BENCHMARK INDEX**

The composition of the Benchmark Index is reviewed in specific limited circumstances by the index sponsor and explained in greater detail in the methodology of the Benchmark Index. In this sense, the Benchmark Index review may take place following an acquisition or event with a significant impact on the activity of one of the companies in the Benchmark Index.

The precise composition and the composition review rules for the Benchmark Index are available at the following website: [www.supplemental.spindices.com/supplemental-data/eu](http://www.supplemental.spindices.com/supplemental-data/eu)

The rebalancing frequency referred to above does not affect costs in the implementation of the investment strategy.

## **PUBLICATION OF THE BENCHMARK**

The S&P Index is calculated by using the official closing prices of the stock exchanges on which the Index components are traded.

The closing price for the index is available on the S&P website: [www.spdji.com](http://www.spdji.com).

The Index is also calculated on each Trading Day.

The Index is available in real time via Reuters and Bloomberg.

Via Reuters: .SPUSEISN

Via Bloomberg: SPUSEISN

The objective of the Index is to reflect as closely as possible changes in the market that it represents. With this in mind, it is revised quarterly to take account of changes affecting a stock's capitalisation (number of shares and float) or changes in its market.

The review rules for the Index are available on the S&P website: [www.spdji.com](http://www.spdji.com).

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

The administrator of the benchmark index, S&P, is recorded on the register of administrators and benchmark indices held by ESMA.

Additional information on the Benchmark Index is available on the website of the Benchmark Index administrator: [www.spdji.com](http://www.spdji.com)

## **INVESTMENT STRATEGY**

The Fund is managed passively.

### **1. Strategy employed**

The Fund shall comply with the investment rules laid down by European Directive 2009/65/EC of 13 July 2009.

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

The principal adverse impacts of investment decisions under the Disclosure Regulation are the negative, material or likely to be material effects on sustainability factors that are caused or aggravated by or directly linked to investment decisions. Annex 1 of the Delegated Regulation supplementing the Disclosure Regulation lists the indicators of the principal adverse impacts.

The mandatory principal adverse impacts of Annex 1 of the Delegated Regulation are taken into account in the investment strategy through a combination of exclusions (normative and sector-based), integration of the ESG rating into the investment process, engagement and voting. More detailed information on the principal adverse impacts can be found in the Management Company's Sustainable Finance Disclosure Statement available on its website: [www.amundi.com](http://www.amundi.com).

More detailed information on the principal adverse impacts can be found in the Management Company's Sustainable Finance Disclosure Statement available on its website: [www.amundi.com](http://www.amundi.com).

In order to achieve the highest possible correlation with the performance of the Benchmark Index, the Fund will attain its investment objective through an indirect replication method. This means the Fund will sign one or several OTC swap futures enabling it to attain its investment objective. These contracts will aim to swap (i) the value of the assets held by the Fund and set of balance sheet assets (excluding securities received as collateral, where applicable) against (ii) the value of the securities comprising the Benchmark Index.

The equities in the Fund's assets will mainly be equities forming the Benchmark Index and other international equities, from all economic sectors, listed on all markets, including small-cap markets.

The basket of securities held may be adjusted daily so its value is equal to or above 100% of net assets in most instances. Where applicable, this adjustment will aim for the counterparty risk associated with the aforementioned swap future is fully neutralised.

Information about (i) the updated composition of the basket of balance sheet assets held in the Fund's portfolio and (ii) the market value of the swap future contract signed by the Fund is available on the specific Fund section at the following website: [www.amundi.com](http://www.amundi.com). The update frequency and/or date for the aforementioned information is also included on the same website.

With regard to exposure management, up to 20% of the Fund's assets may be exposed to equity from a single issuer. The 20% limit may be raised to 35% for a single issuing entity where this is justified due to exceptional market conditions, particularly when certain securities are highly dominant and/or there is major volatility in a financial instrument or securities linked to an economic sector represented in the Benchmark Index, specifically in the event of a public offering that affects one of the securities in the Benchmark Index or several financial instruments join the composition of the Benchmark Index.

### **2. Balance sheet assets (excluding embedded derivatives)**

The Fund's exposure to the Index is achieved through the total return swap.

The Portfolio consists of the Fund's directly held assets as described below.

- Initial eligible basket

The index-based UCITS managed by the Management Company attaining their investment objective through a return swap may hold, in accordance with the ratios set out in regulations, international equities (in all economic sectors and listed on all markets), including small-cap markets.

The aforementioned equities are generally selected on the basis of:

- eligibility criteria, mainly:
  - being listed on the main stock markets or the Index;
  - liquidity (minimum thresholds applied to average daily transaction volumes and market capitalisation);

- rating of the country where the issuer's head office is located (a minimum S&P rating threshold required or equivalent);
- diversification criteria, mainly:
  - issuer (application of relevant ratios to eligible assets in a UCITS as set out in Article R. 214-21 of the French Monetary and Financial Code);
  - geography;
  - sector.

(The "Initial eligible basket")

For more information on the aforementioned eligibility and diversification criteria, particularly the list of eligible indices, investors should view the following website: [www.amundi.com](http://www.amundi.com).

- The Fund's filtered eligible basket

The Fund incorporates sustainability risks and takes into account the principal adverse impacts of investments on sustainability factors in its investment process, as stated in more detail in the "Sustainability risks" section in the Prospectus. The Fund will not hold

- Any securities in companies involved in the production or sale of controversial weapons (anti-personnel mines, cluster bombs, and chemical, biological or depleted uranium weapons);
- Any securities in companies in violation of international human or labour rights conventions or which seriously and repeatedly violate one or several of the ten principles of the United Nations Global Compact ("a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals");
- Any securities in companies involved in tobacco production or distribution;
- Any securities in companies highly exposed to thermal coal, nuclear weapons or non-conventional oil and gas.

The exclusion of these securities aligns with Amundi's Responsible Investment Policy available at [www.amundi.fr](http://www.amundi.fr).

Furthermore, the Fund follows a selective non-financial approach enabling it to reduce the investment universe by at least 20% with regard to the initial eligible basket. The limits of the non-financial approach are mentioned in the "Risk profile" section below. Non-financial data cover over 90% of the shares held by the Fund.

Moreover, over 75% of the Fund's assets will, at all times, consist of securities in companies registered in a Member State of the European Union, or in another State which is part of the European Economic Area (EEA) and has signed a tax treaty with France that provides for administrative assistance to prevent tax evasion or avoidance. This minimum level of equity exposure makes the Fund eligible for the Plan d'Épargne en Actions (French Equity Savings Plan – PEA).

Investment in undertakings for collective investment in transferable securities ("UCITS") compliant with Directive 2009/65/EC is limited to 10% of the Fund's net assets. Within the framework of these investments, the Fund may subscribe UCITS units or shares managed by the Management Company or an affiliated company. The manager will not invest in AIF units or shares referred to in Article R. 214-13 in the French Monetary and Financial Code.

With a view to optimising the management of the Fund in the future, the manager reserves the right to use other instruments within the limits of regulations in order to achieve its investment objective.

### **3. Off-balance sheet assets (derivatives)**

The Fund will use OTC index-linked swaps exchanging the value of the Fund's assets (or any other asset held by the Fund, where applicable) against the value of the Benchmark Index (in accordance with the description in paragraph 1 above in this section).

With a view to optimising the management of the Fund in the future, the manager reserves the right to use other instruments within the limits of regulations in order to achieve its investment objective, such as forward financial instruments other than index-linked swaps.

- Maximum proportion of assets under management that can be used in total return swaps (TRS): 100% of assets under management.
- Expected proportion of assets under management that can be used in total return swaps (TRS): up to 100% of assets under management.

Where Crédit Agricole S.A. acts as counterparty for forward financial instruments, conflicts of interest may arise between the Management Company and Crédit Agricole S.A. These situations are managed by the Management Company's conflict of interest management policy.

The Counterparty to the aforementioned derivative instruments shall not have discretionary power over the composition of the Fund's investment portfolio or over the underlying assets of the derivatives within the limits and conditions set out in the regulations. The voting rights attached to securities to which the Fund is indirectly exposed through using forward financial instruments shall not be exercised by the Counterparty.

In the event of a counterparty defaulting on total return swaps or early termination of said contract, the Fund may be exposed to the performance of its balance sheet assets until, where applicable, a new total return swap is agreed with a different counterparty. In this scenario, the Fund may suffer losses and/or bear fees/costs and its ability to attain its investment objective may also suffer negative impacts. Where the Fund signs several total return swaps with one or several counterparties, the risks set out above apply to the share of assets engaged under the terminated contract and/or where the counterparty defaults.

### **4. Embedded derivatives**

None.

### **5. Deposits**

The Fund may deposit up to 20% of its net assets with credit institutions belonging to the same group as the Depositary to optimise its cash management.

### **6. Cash borrowings**

The Fund may temporarily use loans up to the limit of 10% of its net assets.

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

None. The manager will not engage in temporary purchases or sales of securities.

### **8. Financial guarantees**

In all instances where the investment strategy used causes the Fund to bear counterparty risk, particularly when the Fund uses OTC total return swaps, the Fund may receive securities that are considered financial guarantees in order to reduce the counterparty risk associated with these transactions. The portfolio of guarantees received

may be adjusted daily so that its value is greater than or equal to the counterparty risk borne by the Fund in most cases. The objective of this adjustment will be to ensure that the counterparty risk borne by the Fund is fully neutralised.

Any financial guarantees received by the Fund will be returned to full ownership of the Fund and delivered to the Fund's account opened in the books of its depositary. As such, the financial guarantees received will be listed in the Fund's assets. In the event of a counterparty default, the Fund may dispose of the assets received from the counterparty in order to extinguish the counterparty's debt to the Fund as part of the guaranteed transaction.

Any financial guarantees received by the Fund in this context must comply with the criteria defined by the laws and regulations in force, in particular in terms of liquidity, valuation, credit quality of issuers, correlation, risks related to guarantee management and applicability. In particular, the guarantees received must comply with the following conditions:

- (a) any non-cash guarantees received must be of high quality, highly liquid and traded on a regulated market or multilateral trading system with transparent pricing in order to be sold quickly at a price close to the prior valuation;
- (b) it must be valued at the market price (mark-to-market) at least on a daily basis and assets with high price volatility should not be accepted as financial guarantees unless a sufficiently prudent haircut is applied;
- (c) it must be issued by an entity independent of the counterparty and must not be highly correlated with the counterparty's performance;
- (d) it must be sufficiently diversified in terms of countries, markets and issuers with a maximum exposure per issuer of 20% of the Fund's net asset value;
- (e) it should be able to be fully implemented at any time by the Fund's Management Company without consulting the counterparty or requiring its approval.

As an exception to the condition set out in (d) (above), the Fund may receive a basket of financial guarantees with exposure to a given issuer in excess of 20% of its net asset value provided that:

the financial guarantees received are issued by a (i) Member State, (ii) one of several of its local authorities, (iii) third countries or (iv) a public international body to which one or more Member States belong;

and that these financial guarantees come from at least six different issues, none of which exceed 30% of the Fund's assets.

In accordance with the aforementioned conditions, the guarantees received by the Fund may consist of:

- (i) liquid or equivalent assets, including but not limited to short-term bank assets and money market instruments;
- (ii) bonds issued or guaranteed by an OECD member country, its local public authorities, or European, regional or global supranational institutions or bodies, or any other country provided that conditions (a) to (e) (above) are fully met;
- (iii) shares or units issued by money market funds calculating a daily net asset value and having a AAA or equivalent rating;
- (iv) shares or units issued by UCITS investing primarily in bonds/shares indicated in points (v) and (vi) below;
- (v) bonds issued or guaranteed by first-class issuers offering adequate liquidity;
- (vi) shares admitted or traded on a regulated market of an EU Member State, on a stock exchange of an OECD member country or on a stock exchange of another country provided that conditions (a) to (e) (above) are fully met and that these shares are listed in a first-class index.

#### **Haircut policy:**

The Fund's Management Company will apply a margin to financial guarantees received by the Fund. The margins applied will depend in particular on the following criteria:

- Nature of the assets received as guarantees;
- Maturity of the assets received as guarantees (if applicable);
- Rating of the issuer of the assets received as guarantees (if applicable).

#### **Reinvestment of guarantees received:**

Guarantees received in a form other than cash will not be sold, reinvested or pledged.

Guarantees received in cash will, at the discretion of the manager, be:

- (i) held in deposits with an authorised institution;
- (ii) invested in high-quality government bonds;
- (iii) used for reverse repurchase transactions, provided that such transactions are concluded with credit institutions subject to regulatory supervision and that the UCITS can recall at any time the total amount of liquidity taking into account accrued interest;
- (iv) invested in short-term money market funds as defined in the guidelines for a common definition of European money market funds.

Reinvested cash guarantees must be diversified in accordance with the relevant requirements for non-cash guarantees.

In the event of default by the counterparty to a financing operation on securities (OTC return swaps and/or temporary purchases and sales of securities), the Fund may be forced to resell the guarantees received for the transactions in unfavourable market conditions and, in this sense, suffer a loss. Where the Fund is authorised to reinvest guarantees received in cash, the suffered loss may be caused by depreciation of the securities purchased under the framework of reusing guarantees.

## **RISK PROFILE**

The unitholder's money will be invested primarily in financial instruments selected by the Management Company. These financial instruments are subject to market fluctuations.

Unitholders are exposed through the Fund primarily to the following risks:

### **- Equity risk**

The price of a share may vary upwards or downwards and reflects, in particular, changes in the risks associated with the issuing company or the economic situation of the corresponding market. Equity markets are more volatile than interest rate markets, in which it is possible, for a given period and under equal macroeconomic conditions, to estimate income.

### **- Capital risk**

The invested capital is not guaranteed. Therefore, investors run the risk of capital loss. All or part of the invested amount may not be recovered, especially in the event that the performance of the Benchmark Index is negative over the investment period.

### **- Liquidity risk (primary market)**

If, when the Fund (or one of its counterparties to a financial derivative instrument ("FDI")) adjusts its exposure, the markets related to this exposure are limited, closed or subject to significant purchase/sale price differences, the value and/or liquidity of the Fund may be negatively affected. The inability to carry out transactions linked to tracking the Benchmark Index due to low trading volumes may also have consequences on the unit subscription, conversion and redemption processes.

- **Liquidity risk in a stock market**

The Fund's market price may deviate from its Benchmark Price. The liquidity of the Fund's units or shares in a listing market may be affected by any suspension, which could be due to:

- i) the suspension or halt of the calculation of the Benchmark Index, and/or
- ii) the suspension of the market(s) on which the Benchmark Index's underlying assets are listed, and/or
- iii) a relevant listing market not being able to obtain or to calculate the Fund's Benchmark Price, and/or
- iv) a violation by a market-maker of the rules applicable in this market, and/or
- v) failure of the systems, in particular of IT or electronic systems, in this market.

- **Counterparty risk**

The Fund is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to counterparty risk resulting from its use of over-the-counter financial derivative instruments ("FDI") from Société Générale or any other counterparty. In accordance with UCITS regulations, the counterparty risk (whether this counterparty is Société Générale or another entity) cannot exceed 10% of the total value of the assets of the Fund by counterparty.

In the event of default of the counterparty, the contracts of the FDIs may be terminated early. The Fund will then implement all efforts to achieve its investment objective by entering into, where appropriate, another contract involving FDIs with a third-party counterparty, under the prevailing market conditions at the time of this event. The materialisation of this risk may have an impact on the ability of the Fund to achieve its investment objective, namely tracking the Benchmark Index.

When Société Générale acts as the counterparty for the FDI, conflicts of interest may arise between the Fund's Management Company and the FDI counterparty. The Management Company manages these risks of conflict of interest by setting up procedures to identify, limit and ensure that they are resolved fairly where necessary.

- **Risk that the investment objective may only be partially met**

There is no guarantee that the investment objective will be met. Indeed, no asset or financial instrument allows an automatic and continuous replication of the Benchmark Index, particularly if one or more of the following risks materialise:

- **Risk related to the use of derivative instruments**

In order to attain its investment objective, the Fund uses OTF FDIs that may be in the form of swaps, enabling it to track the performance of the Benchmark Index. These FDIs may involve a series of risks, seen at the level of the FDI, including counterparty risk, events affecting the hedging or the Benchmark Index, risk related to the tax regime, regulatory risk, operational risk and liquidity risk. These risks may directly affect an FDI and could lead to an adjustment or even early termination of the FDI transaction, which could affect the net asset value of the Fund.

- **Risk of conflicts of interest**

A choice of counterparty, guided by reasons other than the sole interest of the Fund, and/or unequal treatment in the management of equivalent portfolios, could be the main sources of conflicts of interest. When Société Générale acts as the counterparty for the FDI and/or in any temporary sales of securities, conflicts of interest may arise between the Fund's Management Company and the counterparty. The Management Company manages these risks of conflict of interest by setting up procedures to identify, limit and ensure that they are resolved fairly where necessary.

- **Risk related to entering into total return swap contracts**

Where a counterparty to an OTC return swap that the Fund has agreed defaults, the Fund may bear a risk that the value of the Fund's assets falls below the commitment value taken on by the counterparty under the contract. This risk could materialise, in particular, in the event of (i) a poor valuation of the securities subject to this contract and/or (ii) unfavourable market movements and/or (iii) a deterioration in the credit rating of the issuers of the securities received as collateral and/or (iv) illiquidity of the market on which the collateral received is admitted to trading. Unitholders should understand that OTC TRS may be signed with Société Générale, an entity in the same group as the Management Company. The Management Company manages the possible risks of conflict of interest related to intragroup transactions by setting up procedures to identify, limit and ensure that they are resolved fairly where necessary.

- **Risks related to collateral management**

The counterparty risk related to investments in OTC financial derivative instruments (including TRS), securities borrowing and lending transactions and repo and reverse repurchase agreements is generally limited by the sale or commitment of a guarantee to the advantage of the Fund.

If a counterparty defaults, the Fund may be forced to resell the guarantees received at market price, possibly at a loss. The Fund may also suffer losses related to possible reinvestment (where authorised) of cash received as collateral due to a depreciation of the investments in question.

- **Operational risk**

The Fund may bear risks of direct or indirect losses following operational failings linked to signing any total return swap (TRS) and/or securities financing transactions, as defined in Regulation (EU) 2015/2365.

- **Risk related to a change in tax regime**

Any change in the tax laws of any country where the Fund is domiciled, authorised for marketing or listed may affect the tax treatment of investors. In this case, the Fund's manager will not assume any responsibility towards investors in connection with payments to be made to any competent tax authority.

- **Risk related to a change in tax regime applicable to the underlying assets**

Any change in the tax legislation applicable to the Fund's underlying assets may affect the Fund's tax treatment. Consequently, in the event of a discrepancy between the estimated and the actual tax treatment applied to the Fund (and/or its counterparty to the FDI), the net asset value of the Fund may be affected.

- **Risk related to regulation**

In the event of a change in the regulation in any country in which the Fund is domiciled, authorised for marketing or listed, the unit subscription, conversion and redemption processes could be affected.

- **Risk related to the regulations applicable to the underlying assets**

In the event of a change in the regulations applicable to the Fund's underlying assets, the net asset value of the Fund and the unit subscription, conversion and redemption processes may be affected.

- **Risk related to events that affect the Benchmark Index**

If an event that affects the Benchmark Index occurs, the manager may, subject to the conditions and limits of applicable legislation, suspend subscriptions and redemptions of the Fund's units. The calculation of the Fund's net asset value may also be affected.

If the event persists, the Fund manager will decide what action to take, which could have an impact on the net asset value of the Fund.

An "event that affects the Index" specifically means the following situations:

- i) the Benchmark Index is deemed to be inaccurate or does not reflect actual market trends;
- ii) the Benchmark Index is permanently removed by the index provider;
- iii) the index provider is unable to provide the level or value of the Benchmark Index;

iv) the index provider makes a significant change in the calculation method or formula of the Benchmark Index (other than a minor change such as adjusting the underlying assets of that Benchmark Index or the respective weightings between its different components) that cannot be effectively replicated, at reasonable cost, by the Fund.  
v) one or more components of the Benchmark Index become illiquid, their listing is suspended on a regulated market or OTC components (such as, for example, bonds) become illiquid;  
vi) the components of the Benchmark Index are impacted by transaction costs related to execution, settlement-delivery or specific tax constraints, unless those costs are reflected in the performance of the Benchmark Index.

- **Risk related to corporate actions**

In the event of an unexpected revision of corporate actions, by the issuer of a security underlying the Benchmark Index, contradicting a prior and official announcement that led to the Fund's assessment of the corporate actions (and/or a valuation of the corporate actions by the Fund's counterparty to a financial derivative instrument), the Fund's net asset value may be affected, in particular, in the event that the Fund's actual processing of the corporate actions differs from the processing of the corporate actions in the Benchmark Index methodology.

- **Currency risk**

The Fund is exposed to currency risk insofar as i) the components of the Benchmark Index may be denominated in a different currency than that of the class(es) held by investors or ii) the Fund may be listed on certain markets or multilateral trading facilities in a different currency to the components of the Benchmark Index. Each unitholder is then exposed to fluctuations in exchange rates between their investment currency and each currency of components of the Benchmark Index. These fluctuations are therefore likely to adversely affect the performance of a unitholder's investment.

Unitholders' attention is drawn to the fact that, when their investment currency is different to that of the Benchmark Index currency, the performance of their investment may differ from the Benchmark Index performance depending on changes in exchange rates. In particular, the performance of a unitholder's investment may be negative despite an appreciation in the value of the Benchmark Index.

- **Risks related to collateral management**

Operational risk: the Fund may bear an operational risk associated with failings or errors committed by various actors involved in collateral management for securities financing transactions and/or total return swaps. This risk only arises as part of collateral management for securities financing transactions and total return swaps, as mentioned in Regulation (EU) 2015/2365.

Legal risk: the Fund may bear a legal risk related to signing any TRS contract and/or securities financing transactions, as referred to in Regulation (EU) 2015/2365.

- **Market risk related to controversies:**

Companies that meet the selection criteria of an index may be suddenly and unexpectedly affected by a serious controversy, which may have an impact on the net asset value of the Fund. Where these securities are included in the Index, they may be held until the next Index rebalancing.

- **Index calculation risk:**

The Fund replicates an index that is determined and calculated by an index provider. The index provider may face operational risks that could lead to errors in the determination, composition or calculation of the index replicated by the Fund, which could result in losses or shortfalls in the Fund's investments, or a deviation from the objective of the index, as described in the index methodology and the description of the Fund's characteristics.

- **ESG risks**

**Risks associated with sustainability data**

The index provider evaluates the securities to be included and/or weighted in the Benchmark Index on the basis of ESG criteria and data provided by the index provider or third parties. The index provider's evaluation of the ESG characteristics of the securities rests on these criteria and data, which may vary according to the index provider. No warrant can be given with regard to their completeness, accuracy or relevance. The Management Company makes no representation as to the reliability and accuracy of the evaluation of the ESG characteristics for the securities made by the index provider or the criteria and data used for the evaluation.

Although index providers for benchmark indices provide descriptions of the objective to attain benchmark indices, they do not generally offer warrants or accept any liability concerning the quality, accuracy or completeness of the data with regard to their benchmark indices or documents on the index methodology, or any warrant that the published indices will comply with their description in the methodology for the benchmark indices. Errors in data quality, accuracy or completeness may occasionally arise and may not be identified and corrected for a certain time, particularly for the least used indices. Sustainability risk impacts are likely to evolve over time and new sustainability risks may be identified as additional data and information become available.

**Risks associated with regulatory changes regarding the definition of ESG criteria**

Regulatory changes or interpretations concerning the definitions and/or use of ESG criteria may have a significant negative impact on the Fund's ability to invest in line with its investment policies, as well as the possibility of certain investor categories investing in funds pursuing an ESG strategy such as the Fund.

**Risks of divergence with criteria associated with minimum ESG standards for investors**

Investors may interpret differently what constitute positive or negative ESG characteristics for a company, instrument or portfolio. Neither the company nor an instrument or portfolio make any representation as to the suitability of the Benchmark Index and Fund regarding the criteria associated with minimum ESG standards for investors. Investors are advised to verify whether the Benchmark Index and Fund align with their own ESG criteria for themselves.

**Risks associated with ESG classifications or state labels**

The Fund may adopt or obtain ESG classifications (e.g. through SFDR or AMF rules) or state labels (e.g. Febelfin Belge which plans to use the full name of the index or French SRI). Where the Fund follows a benchmark index which ceases to respond to the requirements of its ESG classification or label, it plans to keep it in line with its respective indices in or around the time of the next index rebalancing. At this time, the Fund shall be rebalanced in accordance with its respective benchmark indices, subject to any applicable restriction for the Fund due to its ESG classifications or labels albeit not applied by the index provider to its benchmark indices (whether due to the restrictions not being part of the index methodology or to an error).

If the Fund should not hold a security from its benchmark index due to non-compliance with a restriction arising from its ESG classification or label that is not respected by its benchmark index, this may increase the Fund's tracking error. This increase may be aggravated by market volatility. An index provider may discern that a benchmark index cannot be rebalanced to optimally attain all the ESG and non-ESG objectives of the benchmark index at the same time. The index provider may opt to loosen certain ESG or non-ESG objectives based on its rules in order to implement the rebalancing. If this were to occur, it would affect the Fund's performance following the benchmark index at the time of rebalancing.

The rules and standards regarding ESG classifications and labels are continuously evolving. In this sense, the rules may become stricter and diverge from the index methodologies and the Fund's investment objectives, policies or strategies. Indeed, they may even conflict with one another. It may not be possible or achievable for a fund to continue complying with the changing rules while maintaining its current investment objective, policy or strategy, or it may not be in the best interests of the Fund and its unitholders to do so. In these instances, the Fund may cease to hold certain ESG classifications or labels after the given expiry period to remain compliant with the rules applicable to the ESG classifications or labels.

#### Risks associated with index revisions or rebalancing

The index provider may only evaluate ESG data regarding the securities (including ratings) and, where applicable, the relevant ESG objectives or constraints for the benchmark index during revisions or rebalancing of the index. The securities included in the benchmark index may cease to align with ESG criteria but may, nonetheless, remain in the benchmark index and the Fund until the next revision or rebalancing performed by the index provider. As a result, certain securities in the benchmark index or the benchmark index as a whole may not align with the ESG objectives or constraints at all times. Where the ESG evaluation of a security in the index changes, the Management Company shall refuse any liability with regard to this change.

The Management Company does not supervise the securities in the benchmark index regarding the ESG objectives or restrictions applied by the index provider and is not liable for changes in the ESG evaluation of a security in the benchmark index between rebalancing events.

#### Risk associated with ESG methodologies

Indices with an environmental, social and governance (ESG) component generally use an ESG best-in-class or a rating upgrade approach. These two approaches relate to an investment universe. At times, companies with a low ESG rating may be included in the index components and the global ESG rating of the index may be below the global ESG rating of a non-ESG index based on a different investment universe.

Due to the application of ESG criteria to the Parent Index/investment universe in order to determine inclusion eligibility for the relevant benchmark index, the Benchmark Index will comprise a narrower universe of securities than the Parent Index/investment universe. Additionally, the securities in the Benchmark Index are also subject to different GICS sector and factor weightings than those in the Parent Index/investment universe.

The impacts from risks associated with ESG investment are subject to change over time, and new sustainability risks and factors may be identified when new data and information on ESG factors and impacts become available. Moreover, ESG investment methodologies continue to develop and the ESG methodology applied by the index provider may change over time.

Investors are advised that the analysis of a fund is subject to the financial product disclosure requirements under Article 8 in the SFDR regulation and is solely made on the basis that the Benchmark Index promotes environmental and social characteristics. The company relies solely on the activities performed and information provided by the Benchmark Index administrator or other data providers (where applicable) to carry out the analysis.

#### Sustainable investment risk

The Management Company takes into account the principal adverse impacts of investments on sustainability factors when selecting the index whose performance is tracked.

As indicated in the relevant fund description, certain funds are constituted in accordance with (i) investment policies aimed at promoting environmental and social characteristics or (ii) an objective to reduce carbon emissions. With regard to these funds, the relevant Investment Manager excludes securities based on the exclusion list from the Management Company as set out in the Responsible Investment Policy mentioned above.

Certain tracked funds and indices may have an investment universe based on companies that align with specific criteria, including ESG scores, which are related to certain sustainable development topics and demonstrate their alignment with corporate environmental, social and governance practices. As a result, the universe for these funds and indices may be smaller than the universe of other funds and indices. Investors should be aware that the Benchmark Index relies solely on the analysis from the Benchmark Index administrator or other data providers (where applicable) with regard to sustainability criteria. Neither the company nor any of its service providers make any representation as to the accuracy, reliability and precision of the sustainable development data or how they are implemented.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is risk that the Benchmark Index administrator or other data providers (where applicable) incorrectly evaluate a security or an issuer, which may lead to the mistaken inclusion or exclusion of a security in the Benchmark Index and, thus, in the Fund's portfolio.

It is also important to note that the ESG performance analysis for companies may be based on models, estimates or hypotheses. This analysis should not be considered to be an indication or guarantee of current or future performance.

These funds and indices may (i) underperform the market as a whole where such investments underperform the market and/or (ii) underperform with regard to their Parent Index or eligible universe for the index which do not use ESG criteria and/or may lead the Fund to sell investments whose current and subsequent performance is good due to concerns associated with ESG criteria. The exclusion or transfer of securities from issuers that fail to comply with certain ESG criteria in the Fund's index or investment universe methodology may, for both the Fund and index, lead to a different performance than that of similar indices and funds which do not have a Responsible Investment Policy or an ESG component in their index methodology and which do not apply ESG selection criteria when selecting investments. The funds will vote by proxy in such a way as to comply with relevant ESG exclusion criteria, which may not always be compatible with the short-term performance optimisation of the issuer in question. More information on Amundi's ESG voting policy is available at: [www.amundi.com](http://www.amundi.com). Asset selection may rely on a proprietary ESG rating process (such as the index provider's procedure) which partially or fully relies on third-party data. The data provided by third parties may be incomplete, inaccurate or unavailable and, as a result, there is a risk that the Investment Manager incorrectly evaluates a security or an issuer.

#### Sustainability risk

The risk relating to an environmental, social or governance event or condition that, if it occurs, could cause a major negative impact on the value of an investment.

The risks associated with environmental issues include but are not limited to climate risk, both physical and for climate transition. Physical risk arises from the physical effects of climate change, whether acute or chronic. For example, frequent and serious weather events may have an impact on produces, services and supply chains. Transition risk, whether political, technological, market or reputational, arises from adapting an economy to lower carbon emissions in order to mitigate climate change.

The risks associated with social issues may include but are not limited to human rights, health and safety, inequalities, integration and labour rights.

The risks associated with governance may include but are not limited to the risks associated with severe and recurrent violations of international agreements, corruption, board independence, ownership and control or tax auditing and management.

These risks may have an impact on operational effectiveness and resilience at an issuer, as well as its public perception and reputation. This may affect its profitability and, in turn, capital growth and ultimately the value of the Fund's assets.

#### Index tracking sampling

Tracking an index—which involves investing in a portfolio made up of the securities comprising said Index—may be costly and not always possible. In certain circumstances, the Management Company may implement optimisation methodologies, based on techniques such as sampling. Thus it attempts to reproduce the index's yield (i) by investing in representative marketable securities that are part of the Benchmark Index albeit possibly with different weightings, and/or (ii) by investing in a portfolio of marketable securities that are not necessarily in the index or other admissible assets such as derivative financial instruments. The Fund makes every effort to reproduce the index performance by following a sampling strategy although there is no guarantee of exact tracking. The Fund may also face an increased risk in tracking error corresponding to the risk that the Fund does not precisely track the index performance from time to time. Moreover, the use of representative sampling may lead to a divergence from the Fund's overall ESG characteristics or the ESG risk with regard to those for the Benchmark Index.

#### Risk associated with calculating ESG scores

It is advisable to note that most ESG scores and ratings are not defined in absolute but rather in relative terms, by comparing a company to a peer group. As a result, companies generally perceived by the market as having poor ESG practices could potentially be given a good rating if the other companies in its peer group have lower standards in terms of ESG practices. The ESG score for companies is calculated by an ESG rating agency based on raw data, models and estimates that are collected/calculated in accordance with specific methods for each participant. Most use a selection of information vectors and channels: questionnaires sent to companies, the use of information published by the companies the data concerns or by trusted third parties (press agencies, non-governmental agencies) and the use of data produced by other sector providers through subscriptions or partnerships. The collected information may be completed, clarified or corrected based on exchanges with the concerned companies. Ratings agencies publish indications on their methodology and provide supplementary information on demand. Nevertheless, due to the lack of standardisation and the unique nature of each methodology, the information provided may be incomplete, particularly with regard to the precise description of variables used to calculate the scores, the processing of data gaps and the weighting of different variables and components in the scores, as well as the calculation methods. There may also be a lag between the date on which the data are captured and the date on which they are used. This may have an impact on data relevance and quality.



## **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

The Fund is open to all subscribers for all units.

Investors subscribing to this Fund wish to gain exposure to the international equity market.

The amount that might be reasonably invested in this Fund depends on your personal situation. To determine this amount, you must consider your personal wealth/assets, current and five-year financial needs as well as your willingness to accept risks or wish to invest cautiously. It is also recommended that you sufficiently diversify your investments so as not to be exposed solely to the risks of this Fund.

All investors are therefore invited to consult their own financial advisors about their individual situations.

The recommended minimum investment period is more than 5 years.

## **DENOMINATION CURRENCY**

Denomination currency	Unit Acc Euro
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## **DETERMINATION AND ALLOCATION OF DISTRIBUTABLE SUMS**

Unit class Acc: The Management Company reserves the right to distribute all or part of the distributable sums and/or accumulate them once or several times a year.

## **DISTRIBUTION FREQUENCY**

For distribution, the Management Company reserves the right to distribute all or part of the distributable sums once or several times a year.

## **FEATURES OF THE UNITS**

Subscriptions are made in amounts or in whole units.

Redemptions are made in whole units.

## **SUBSCRIPTIONS AND REDEMPTIONS**

### **1. SUBSCRIPTION AND REDEMPTION CONDITIONS ON THE PRIMARY MARKET**

Requests for subscriptions/redemptions of Fund units will be cleared, by the Depositary, between 10:00 and 18:30 (Paris time), each day the Fund's net asset value is published, subject to a significant share of the components on the Benchmark Index being listed (hereinafter a "**Primary Market Trading Day**", and will be executed on the basis of the net asset value of the Primary Market Trading Day, hereinafter the "**Benchmark NAV**". Subscription and redemption requests sent after 18:30 (Paris time) on a trading day in the primary market will be processed as orders received between 10:00 and 18:30 (Paris time) on the next trading day in the primary market. Subscription/redemption requests must be for an exact whole number of units in the Fund, corresponding to a minimum amount of EUR 100,000 for the unit class acc.

Orders will be executed in accordance with the table below:

D-0 business day	D-0 business day	D: the net asset value calculation day	D+1 business days	D+5 business days	D+5 business days
Clearing before 18:30 of subscription orders <sup>1</sup>	Clearing before 18:30 of redemption orders	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

<sup>1</sup> Unless any specific timescale has been agreed with your financial institution.

### **Subscriptions/redemptions in cash.**

Subscriptions and redemptions will be made in accordance with the methods set out in paragraph 4 "Transactions in kind and in cash" in the "Primary market operation" section, and will be made on the basis of the Benchmark NAV.

### **Terms and conditions for settlement/delivery of subscriptions/redemptions.**

Settlement/delivery of subscriptions/redemptions will be made no later than five business days in France from the date of receipt of the subscription/redemption requests.

### **Date and frequency of NAV calculation.**

The net asset value will be calculated and published every day on the Fund's net asset value publication calendar provided that the orders placed on the primary and secondary markets can be cleared.

The Fund's net asset value is calculated using the closing price of the Benchmark Index.

The net asset value of each of the classes denominated in a currency other than the accounting currency (if applicable) is calculated using the exchange rate between the accounting currency and that of the class concerned, using the WM/Reuters exchange rate applicable on the day of the reference NAV.

### **2. BUYING AND SELLING CONDITIONS ON THE SECONDARY MARKET**

#### **B. COMMON PROVISIONS**

For any purchase or sale of Fund units made directly on any of the stock markets where the Fund is or will be admitted for continuous trading, no minimum purchase or sale size is required other than any possibly imposed by the concerned stock market.

Fund units acquired in the secondary market generally cannot be resold directly to the listed Fund. Investors must buy and sell units/shares in a secondary market, with the assistance of an intermediary (a broker, for example) and may have to pay corresponding fees. In addition, investors may have to pay more than the current net asset value when they buy units/shares; investors may also receive less than the current net asset value when they sell them.

If the stock market value of the listed UCITS shares or units significantly differs from its Benchmark Price or if the UCITS shares or units have been suspended from trading, investors may be allowed, under the conditions described below, to have their units redeemed in the primary market directly with the listed UCITS without the minimum-size requirements described in the "Subscription and redemption fees (applicable solely to primary market trading)" section having to apply thereto.

The Management Company shall decide whether to proceed with this type of primary market opening and on the duration of such opening, based on the criteria listed below, the analysis of which shall be used to qualify the materiality of the market disruption:

- Verification that the nature of the suspension or of the significant disruption of the secondary market in one of the potential stock markets is not incidental;
- Link between the market disruption and the traders in the secondary market (such as for example a default of all or part of the market-makers trading in a given market or a malfunction affecting the operating or IT systems of a given stock market), by conversely excluding the disruptions, if any, with causes external to the secondary market of the Fund's units or shares, such as, among other things, an event affecting the liquidity and the valuation of all or part of the components of the Benchmark Index;
- Analysis of any other objective factor that may affect the equal treatment of the Fund's unitholders and/or their interests. As an exception to the provisions on fees mentioned in the "Subscription and redemption fees (applicable solely to primary market trading)" section, the unit redemption transactions carried out in this case on the primary market shall only be subject to a redemption fee of 1.00% maximum payable to the Fund and intended to cover the costs related to the transaction paid by the Fund.

In such exceptional primary market opening cases, the Management Company will post on its website [amundiETF.com](http://amundiETF.com) the procedure to be followed by investors wishing to redeem their units on the primary market. The Management Company will also provide said procedure to the stock market operator that lists the Fund's units.

### C. SPECIFIC PROVISIONS

- a) When the unit is listed on Euronext Paris, as specified in the "Summary of the management offer" section, the rules below apply:

#### Tradability of the units and information on market-makers:

They are all freely tradable on the regulated market of Euronext Paris, under the conditions and according to the legal and regulatory provisions in force.

The Fund's units will be listed in a specific trading group whose operating rules are defined in the instructions published by Euronext Paris SA below:

- Instruction no. 4-01 "Trading manual for the Universal Trading Platform"
- Annex to Instruction no. 4-01 "Annex to the trading manual on Euronext stock markets"
- Instruction no. 6-04 "Documentation to be supplied at the time of the application for an admission to listing of ETFs, ETNS, ETVS and open-end investment funds other than ETFS".

Under Article D.214-22-1 of the French Monetary and Financial Code, shares or units of undertakings for collective investment in transferable securities may be listed for trading, provided that these entities have set up a mechanism to ensure that the listed market price of the shares or units does not diverge significantly from their net asset value. In addition, the following operating rules, developed by Euronext Paris SA, apply accordingly to the listing of the Fund's units: reservation thresholds are set by applying a 3% variation on either side of a Fund Benchmark Price (see "Reference Price" section), published by Euronext Paris SA and updated during each trading session on an estimate basis according to the variation in the Benchmark Index.

Market-makers likewise ensure that the market price of the Fund's units does not diverge by more than 3% on either side of its Indicative Net Asset Value, in order to comply with the reservation threshold set by Euronext Paris SA (see "Indicative Net Asset Value" section).

Euronext Paris SA may, in accordance with the conditions set out in its operating rules, trading of the Fund's units in the event that the variation percentage for reservation thresholds stated above is not fulfilled.

Moreover, Euronext Paris SA will suspend trading in the Fund's units in the following instances:

- Halt of the listing or calculation of the Benchmark Index;
- Euronext Paris SA not being able to obtain the Benchmark Index's level;
- Euronext Paris SA not being able to obtain the Fund's NAV.

In accordance with the trading admission terms for Euronext Paris, market-makers undertake to ensure market-making for the Fund's units starting from their listing on the Euronext Paris market.

In particular, the market makers undertake to carry out their market-making operations through a significant presence on the market, which primarily entails the positioning of a bid-ask spread.

More precisely, market-makers have signed a contract regarding Euronext Paris to meet the following conditions for the Fund:

- a maximum total spread of 3% between the offer price and bid price in the central order book.
- a nominal minimum amount at purchase and sale of EUR 100,000.

In addition, the obligations of the Fund's Market-makers will be suspended in the following cases:

- Halt of the listing or calculation of the Benchmark Index;
- In the event of difficulties on the stock market, such as a generalised price misalignment, or a disruption rendering normal market-making impossible.

#### **Benchmark Price**

The Benchmark Price is published by the stock market operator during trading hours on each day the Fund's NAV can be calculated and published.

A Trading Day is a working day on which the Fund's NAV can be calculated and published.

The Benchmark Price is the Fund's theoretical market value at any given moment, and is used as a benchmark price by market-makers and intraday traders. It is calculated for each market in which the Fund's units are listed and traded.

The Benchmark Price is automatically and continuously updated throughout the days on which Fund units are traded.

In the event of closure of one or more stock exchanges on which the commodity futures are listed, of several listings of bonds, of one or more stock exchanges on which the equities are listed, of one or more stock exchanges on which the bonds are listed, of the US market or several listings of bonds included in the Benchmark Index Strategy Index (e.g. for a public holiday as defined in the TARGET calendar), and where the Benchmark Price cannot therefore be calculated, trading in Fund units may be suspended.

On Euronext Paris, the Benchmark Price is published every 15 seconds throughout the Paris trading session (9:00 to 17:35). The Benchmark Price is published continuously on the Euronext Paris website ([euronext.com](http://euronext.com)) and by most financial information providers (Reuters, Bloomberg and others).

Reservation thresholds are set by applying a 3% variation on either side of the Benchmark Price for Fund units, as published by Euronext Paris SA. These are updated during each trading session on an estimate basis according to variations in the Benchmark Index.

- b) **When the unit is listed on a market other than Euronext Paris (see the "Summary of the management offer" section), the rules below apply:**

Investors wishing to acquire units of the Fund or obtain any other information relating to market-maker conditions concerning the admission and tradability of the units on the stock exchange(s) mentioned in the "Summary of the management offer" section are invited to read the operating rules published by the relevant stock exchange company, in accordance with local regulations; where appropriate, with the assistance of their usual intermediaries for placing orders on these stock exchanges.

## COSTS AND FEES

### SUBSCRIPTION AND REDEMPTION FEES (APPLICABLE SOLELY TO PRIMARY MARKET TRADING)

No subscription or redemption fee will be paid for any sale or purchase of Fund units made on any of its markets.

Subscription and redemption fees are levied by addition to the subscription price paid by the investor or subtraction from the redemption price. Fees are retained by the Fund to offset the costs incurred by the Fund in investing or liquidating the amounts involved. Fees not accruing to the UCITS are allocated to the Management Company, the promoter etc.:

Costs borne by the investor, taken at subscription and redemption	Basis	Rate structure
Subscription fees not accruing to the Fund	Net asset value × number of units	Maximum of the highest between (i) EUR 50000 per subscription request and (ii) 5%, passed on to third parties
Subscription fee accruing to the Fund	Net asset value × number of units	Specific procedures <sup>(1)(2)</sup>
Redemption fees not accruing to the Fund	Net asset value × number of units	Maximum of the highest between (i) EUR 50000 per redemption request and (ii) 5%, passed on to third parties
Redemption fee accruing to the Fund	Net asset value × number of units	Specific procedures <sup>(1)(3)</sup>

No subscription or redemption fee will be paid by the Management Company for any sale or purchase of Fund units made on any of its markets. Specific procedures:

(1) the Management Company implements an adjustable fee policy on a daily basis in order to cover the Adjustment Costs for the portfolio in primary market trading where traders there place an order in cash (see section 4.2 in the Prospectus). The calculation method for the adjustable fees used by the Management Company aligns with the methodology set out in the AFG charter available at the following address: [http://www.afg.asso.fr/wp-content/uploads/2014/06/GuidePro\\_SwingPricing\\_2014\\_actuelise\\_2016.pdf](http://www.afg.asso.fr/wp-content/uploads/2014/06/GuidePro_SwingPricing_2014_actuelise_2016.pdf)

(2) For all subscription transactions made by AP in accordance with the procedures set out in section 4.3 "Primary market operation – directed cash dealings", the fees are the same as the Theoretical Costs (as defined in section 4 above) borne by the Fund to invest the sums from the subscription, taking into account the execution procedures agreed with said AP.

(3) For all redemption transactions made by APs in accordance with the procedures set out in section 4.3 "Primary market operation – directed cash dealings", the fees are the same as the Theoretical Costs (as defined in section 4 above) borne by the Fund to liquidate the sums from the redemption, taking into account the execution procedures agreed with said AP.

### OPERATING AND MANAGEMENT FEES

These fees cover all charges billed directly to the Fund, except for transaction costs. Transaction fees include intermediary fees (i.e. brokerage fees, stock market taxes etc.) and turnover fees, if any, may be charged, notably by the Depositary and the Management Company.

The following fees may be charged in addition to the operating and management fees for the Fund (see summary table below):

- Performance fees: these fees compensate the Management Company when the Fund exceeds its objectives and are invoiced to the Fund;
- Turnover fees invoiced to the Fund.

For additional information about the fees actually billed to the Fund, please refer to the Key Investor Information Document (KIID).

Fees charged to the Fund	Basis	Rate structure
Management fees and management fees external to the portfolio Management Company (Independent Auditor, Depositary, distribution and lawyers) incl. tax <sup>(1)</sup>	Net assets	maximum 0.50% p.a.
Maximum indirect fees (fees and management fees)	Net assets	None
Performance fees	Net assets	None
Turnover fees	Per transaction	None

<sup>(1)</sup> including all costs excluding transaction costs, performance fees and costs related to investments in UCITS.

### Counterparty selection policy

The Management Company implements a financial intermediary and counterparty selection policy when it signs total return swaps (TRS) on behalf of the Fund.

The list of "eligible" counterparties is validated by the Management Company at ad-hoc committees, the "best execution committees" (the "**Eligible Counterparties**").

The Eligible Counterparties are selected based on different criteria linked to execution services (such as price, liquidity, speed and cost) in accordance with their relative importance for the type of order or financial instrument.

Financial institutions of an OECD country with a minimum rating ranging from AAA to BBB- on Standard & Poor's rating scale or with a rating deemed equivalent by the Management Company are selected when setting up the transaction.

Additionally, the Management Company applies its best selection and execution policy. For more information about the policy and particularly on the relative importance of the different execution criteria by asset class, please see our website: [www.amundi.com](http://www.amundi.com).

## COMMERCIAL INFORMATION

The distribution of this prospectus, as amended, and the offer or purchase of Fund units may be prohibited or restricted in certain jurisdictions. Persons who receive this Prospectus and/or more generally any document or information relating to the Fund must comply with all restrictions applicable in their jurisdiction. The offer, sale or purchase of Fund units, or the distribution or holding of the Prospectus, any document and/or any information relating to the Fund must be carried out in accordance with the law and regulations in force in all jurisdictions in which an offer is made, a sale or purchase of the Fund's units is carried out, or in which the Prospectus, any document and/or any information relating to the Fund is distributed or held, including, in particular, obtaining consent or authorisation required by the law and regulations or any other required formality, and paying any tax payable in said jurisdictions.

No person has been authorised to provide information on the offer or purchase of Fund units apart from those contained in the prospectus. If such information has been provided, the Fund's Management Company will not have to take this into account. You must ensure that the prospectus you received has not been replaced by a newer version. The submission of this prospectus and the distribution of the Fund's units according to the following procedures do not mean that there have been no changes in the Fund's features since the date of publication of this prospectus.

Potential Fund unit subscribers must inform themselves of the legal requirements applicable to this subscription request, and inform themselves about the foreign exchange control regulations and the tax regime applicable respectively in the country of which they are nationals or residents, or in which they are domiciled.

### 1. Contractual obligations of the counterparty to total return swap (TRS) contracts.

In implementing its investment strategy, the Fund signs a total return swap (TRS) contract with a banking counterparty. Pursuant to the provisions in the FBF – AMAFI Charter on synthetic hedging for ESG funds where a banking counterparty is attached, the total return swap contract enabling the balance sheet asset performance to be swapped against the Benchmark Index performance is governed by contractual clauses. These clauses ensure there is no downgrading to the non-financial characteristics of the Fund's exposure related to the hedging procedure used by the counterparty.

### 2. Unitholder information on the lack of voting rights on the securities to which the Fund is exposed

The voting rights attached to the securities to which the Fund is exposed within the swap-based replication of the Benchmark Indicator shall not be exercised by the banking counterparty.

### Warning regarding US regulations applicable to the Fund

This prospectus, taken in conjunction with any other document and/or information relating to the Fund, does not constitute an offer or a solicitation to sell units of the Fund in any State in which such an offer or solicitation is not authorised or to any person to whom it would be unlawful to make such an offer or solicitation.

Any person who receives a copy of this prospectus in their country shall not consider it an invitation or an offer, unless in the country concerned such an invitation or offer is possible, without any special legal requirement, such as registration obligations. Those wishing to acquire rights or subscribe to or redeem units of the Fund in accordance with the procedures described in the prospectus must comply with the law in force in their country, including, in particular, obtaining authorisations from the government or any other entity or any other formality, and the payment of any tax payable in the country concerned.

The Fund's units have not been and will not be subject to the conditions of registration of the Securities Act of 1933 of the United States of America (as amended) (the "US Securities Act") or the conditions of registration of the securities laws of each of the States of the United States of America. The Fund's units may not be offered or sold, directly or indirectly, in the United States of America, in its territories or possessions, to one of its States or to the District of Columbia (the "United States"), or to a U.S. Person (as defined below), or on their behalf. Anyone wishing to acquire units in the Fund must declare that they are not a U.S. Person within the meaning of the Volcker Rule (as defined below). No federal or state authority in the United States has reviewed or approved this prospectus or any other document relating to the Fund. Under US law, any claim to the contrary would be classified as an offence.

In accordance with and as defined in Regulation S of the US Securities Act, the Fund's units will be offered only outside the United States.

No Fund unitholder is authorised to sell, transfer or allocate, directly or indirectly (for example, through a swap or any other financial contract, interest or any other similar agreement), their units to a US Person. Any sale, allocation or transfer will be considered null and void.

The Fund will not be subject to the conditions of registration of the United States Investment Company Act of 1940 (as amended) (the "**Investment Company Act**"). On reading the Investment Company Act, members of the United States Securities and Exchange Commission on Foreign Investment Companies confirmed that a Fund is not subject to such conditions of registration if the number of unitholders classified as US Persons is limited and if no offer is made to the public. In order to ensure that the Fund is not subject to the conditions of registration of the Investment Company Act, the Management Company may redeem units of the Fund held by U.S. Persons.

A **US Person** is defined as (A) a United States person as defined in Regulation S of the Securities Act of 1933 of the United States of America, and/or (B) a person not classified as a non-United States person as defined in Section 4.7(a)(1)(iv) of the rules issued by the Commodity Futures Trading Commission of the United States of America, and/or (C) any US Person as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986 (US Tax Code), as amended.

**Volcker Rule:** Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (including, where applicable, its implementing regulations).

## PLACE AND METHODS OF PUBLICATION OR COMMUNICATION OF THE NET ASSET VALUE

At the registered office of AMUNDI ASSET MANAGEMENT, 91- 93 Boulevard Pasteur, 75015 Paris – France.

The net asset value of the Fund will be calculated and published each Trading Day.

## IMPORTANT INFORMATION ABOUT THE BENCHMARK PROVIDER

THE AMUNDI PEA S&P US INDUSTRIALS SCREENED UCITS ETF FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY STANDARD & POOR'S OR ITS AFFILIATES ("S&P"). S&P MAKES NO REPRESENTATION OR WARRANTY, EXPLICIT OR IMPLIED, TO THE INVESTORS OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN SECURITIES GENERALLY OR IN THE FUND PARTICULARLY OR THE ABILITY OF THE S&P INDEX TO TRACK THE PERFORMANCE OF CERTAIN FINANCIAL MARKETS AND/OR SECTIONS THEREOF AND/OR OF GROUPS OF ASSETS OR ASSET CLASSES. THE ONLY RELATIONSHIP BETWEEN S&P AND AMUNDI ASSET MANAGEMENT IS THE LICENSING OF CERTAIN TRADEMARKS AND TRADE NAMES AND OF THE INDEX, WHICH IS DETERMINED, COMPOSED AND CALCULATED BY S&P WITHOUT REGARD TO AMUNDI ASSET MANAGEMENT OR THE FUND. S&P HAS NO OBLIGATION TO TAKE INTO CONSIDERATION THE NEEDS OF AMUNDI ASSET MANAGEMENT OR OF INVESTORS IN DETERMINING, COMPOSING OR CALCULATING THE INDEX. S&P IS NOT RESPONSIBLE FOR AND HAS NOT PARTICIPATED IN THE DETERMINATION OF THE PRICES AND NET ASSET VALUE OF THE FUND OR THE TIMING OF THE ISSUE OR SALE OF THE FUND OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY WHICH

THE FUND SHARES ARE TO BE CONVERTED INTO CASH. S&P HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING, OR TRADING OF THE FUND.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE RESULTS OBTAINED BY AMUNDI ASSET MANAGEMENT, INVESTORS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPLICIT OR IMPLIED WARRANTIES OR REPRESENTATIONS, AND EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ANY OTHER WARRANTY WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P INCUR ANY LIABILITY FOR ANY SPECIAL, PUNITIVE OR INDIRECT DAMAGES (INCLUDING LOST PROFITS) RESULTING FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN, EVEN IF S&P HAVE BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### **ADDITIONAL INFORMATION**

The Fund's units are admitted to and eligible on Euroclear France S.A.

Subscription and redemption orders are sent by the investors' financial intermediaries (members of Euroclear France S.A.), and are received and cleared by the Depositary.

The Fund's prospectus, the Key Investor Information Document, the latest annual report and financial statements, along with the breakdown of assets will be sent to unitholders within eight working days upon written request to:

AMUNDI ASSET MANAGEMENT

91/93 Boulevard Pasteur, 75015 Paris – France.

Any requests for explanations can be made to Amundi Asset Management via the website [www.amundi.com](http://www.amundi.com).

Prospectus publication date: **24 March 2025**

In accordance with the provisions of Article L.533-22-1 of the French Monetary and Financial Code, appropriate information about how the Management Company takes into account criteria relating to social, environmental and governance objectives in its investment policy is available on the Management Company's website as well as in the Fund's annual report.

The "voting policy" concerning the securities held by the Fund implemented by the Management Company and the report on the conditions under which these voting rights were exercised are available on the Management Company's website: [www.amundi.com](http://www.amundi.com).

Investors will be able to ask the Management Company for details about the exercise of voting rights for each resolution presented at the general meeting of a given issuer as long as the share of securities held by the funds managed by the Management Company has met the holding threshold set out in its voting policy. Any lack of response from the Management Company may be interpreted, after a period of one month, as indicating that it voted in accordance with the principles laid down in its voting policy.

The AMF website ([www.amf-france.org](http://www.amf-france.org)) provides additional information on the list of regulatory documents and all provisions relating to investor protection.

This prospectus must be given to subscribers prior to subscription.

## INVESTMENT RULES

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The Fund shall comply with the investment rules laid down by European Directive 2009/65/EC of 13 July 2009.

In particular, the Fund may invest in the assets referred to in Article L. 214-20 of the French Monetary and Financial Code in accordance with the risk division and investment ratios provided for in Articles R. 214-21 to R. 214-27 of the French Monetary and Financial Code.

As an exception to the 10% limit set in paragraph II of Article R. 214-21 in the French Monetary and Financial Code, the Fund may use up to 20% of its assets in shares and debt securities from a single issuer in line with Article R. 214-22-I on index funds. Moreover, and in accordance with Article R. 214-22 II in the French Monetary and Financial Code, the Fund may raise the limit from 20% to 35% for a single issuer where this is justified by exceptional market conditions, notably when certain securities are most dominant.

## OVERALL RISK

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Overall exposure is calculated using the commitment approach.

## ASSET VALUATION AND ACCOUNTING RULES

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### A.Valuation rules

The Fund's assets are valued in accordance with the laws and regulations in force, and more specifically with the rules defined by Accounting Regulations Committee regulation no. 2020-07 of 4 December 2020 on the accounting plan for undertakings for collective investment with variable capital.

Financial instruments traded on a regulated market are valued at the closing price recorded on the day before the day on which the net asset value is calculated. When these financial instruments are traded on more than one regulated market at the same time, the closing price used will be the one recorded on the regulated market they mainly trade on.

However, the following financial instruments, in the absence of significant transactions on a regulated market, will be valued using the following specific methods:

- negotiable debt securities with a residual maturity at acquisition of 3 months or less are valued by spreading the difference between the acquisition value and the redemption value on a linear basis over the residual life. The Management Company nevertheless reserves the option to value these securities at their present value in the case of particular sensitivity to market risks (rates etc.). The rate used will be that of issues of equivalent securities with the risk margin associated with the issuer;
- negotiable debt securities with a residual life at acquisition greater than 3 months but with a residual life at the net asset value cut-off date equal to or less than 3 months are valued by spreading the difference between the last present value used and the redemption value on a linear basis over the residual life. The Management Company nevertheless reserves the option to value these securities at their present value in the case of particular sensitivity to market risks (rates etc.). The rate used will be that of issues of equivalent securities with the risk margin associated with the issuer;
- negotiable debt securities with a residual life at the net asset value cut-off date of greater than 3 months are valued at present value. The rate used will be that of issues of equivalent securities with the risk margin associated with the issuer.
- Futures traded on organised markets are valued at the settlement price on the day before the net asset value is calculated. Options traded on organised markets are valued at their market value recorded on the day before the day on which the net asset value is calculated. Futures or options traded over the counter are valued at the price calculated independently by the Management Company. The latter shall monitor this valuation with the price given by the counterparty of the financial instrument.
- Deposits are valued at their nominal value plus accrued interest.
- Warrants, savings certificates, promissory notes and mortgage notes are valued under the responsibility of the Management Company at their likely trading value.
- Temporary acquisitions and disposals of securities are valued at market price.
- The units and shares of French undertakings for collective investment in transferable securities are valued at the last known net asset value on the day on which the net asset value of the Fund is calculated.
- Units and shares of foreign UCITS are valued at the last known unit net asset value on the day on which the net asset value of the Fund is calculated.

Financial instruments traded on a regulated market for which a price was not found or has been adjusted are valued at their likely trading price, as estimated by the Management Company.

The exchange rates used for the valuation of financial instruments denominated in a currency different from the Fund's reference currency are the exchange rates published by the WM Reuters fixing on the same day of the calculation of the Fund's NAV.

### B.METHOD USED FOR THE RECOGNITION OF BROKERAGE FEES

The method used is fees excluded.

### C.METHOD USED FOR THE RECOGNITION OF INCOME FROM FIXED-INCOME SECURITIES

The method used is the coupon-received accounting basis.

### D.DISTRIBUTION POLICY

For more details, please see the "DETERMINATION AND ALLOCATION OF DISTRIBUTABLE SUMS".

### E.ACCOUNTING CURRENCY

The accounting for the Fund is done in euro.

### SECTION 1

#### ASSETS AND UNITS

##### Article 1 – Co-ownership units

The rights of co-owners are expressed as units, with each unit corresponding to an equal share of the Fund's assets. Unitholders are entitled to co-ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund shall start from the date of its approval by the French Financial Markets Authority for a period of 99 years, except in the case of early dissolution or extension, as provided for in these rules.

The Fund reserves the right to merge or split units.

Units may be subdivided at the discretion of the chair of the Management Company, into hundred-thousandths, called fractions of units.

The provisions of the Rules governing the issuance and redemption of units shall also apply to fractions of units, the value of which will always be proportional to that of the unit they represent. All other provisions regarding units shall automatically apply to fractions of units unless provided otherwise.

Lastly, the Management Company's chair may, at their sole discretion, split units by creating new units which are allocated to bearers in exchange for the former units.

##### Article 2 – Minimum asset amount

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

##### Article 3 – Issue and redemption of units

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

Subscriptions and redemptions are performed under the terms and conditions set out in the prospectus.

Fund units may be listed for trading in accordance with current regulations.

Subscriptions must be paid up in full on the day of the net asset value calculation.

Subscriptions must be paid up in full on the day of the net asset value calculation. They may be paid in cash and/or financial instruments. The Management Company has the right to refuse the instruments offered, provided it informs the purchaser of its decision within seven days of their remittance. If accepted, contributed instruments will be valued according to the rules set out in Article 4, and the subscription will take place based on the first net asset value following acceptance of the instruments concerned.

If the Fund is to be wound up, when the unitholders concerned have agreed, they may be reimbursed in the form of securities. They shall be settled by the issuing account holder within a maximum period of five days following the unit's valuation. In exceptional circumstances, however, this period may be extended if the redemption requires the prior liquidation of Fund assets, but such extension may not exceed 30 days.

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

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

When the net asset value of the Fund is less than the amount specified by the regulations, no further units may be redeemed.

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

##### Article 4 – NAV calculation

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.

## **SECTION 2 OPERATION OF THE FUND**

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

The Fund is managed by the Management Company in accordance with the strategy defined for the Fund.

The Management Company shall act, at all times, in the exclusive interest of the unitholders and has sole authority to exercise the voting rights attached to the securities held in the Fund.

### **Article 5a – Operating rules**

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

### **Article 5b – Listing for trading on a regulated market and/or multilateral trading facility**

The units may be listed for trading on a regulated market and/or a multilateral trading facility in accordance with current regulations. If the Fund whose units are listed for trading on a regulated market has an investment objective based on an index, the Fund shall have set up a mechanism to ensure that the price of its units does not significantly differ from its net asset value.

### **Article 6 – The Depositary**

The Depositary performs the duties for which it is responsible under the legal and regulatory provisions in force and those contractually entrusted to it by the Management Company. It must ensure that decisions taken by the Management Company are lawful. As applicable, it shall take any prudential measures that it deems useful. It shall notify the AMF of any disputes with the Management Company.

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

The Management Company appoints an Independent Auditor for a term of six financial years, after obtaining the agreement of the French Financial Markets Authority. It certifies that the accounts are true and fair.

The Independent Auditor's appointment may be renewed.

The Independent Auditor is required to notify the AMF as soon as is practicable of any fact or decision concerning the undertaking for collective investments in transferable securities of which the Independent Auditor has become aware in the performance of the audit and that might:

1. Constitute a breach of the legal or regulatory provisions applicable to such undertaking and that may have a material effect on its financial position, earnings or assets;
2. Adversely affect the conditions or the continuity of its operations;
3. Lead to the expression of reservations or refusal to certify the financial statements.

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

The Independent Auditor shall be responsible for the appraisal of any contribution in kind.

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

The Independent Auditor's fees shall be set by mutual agreement between the former and the chair of the Management Company in accordance with a work programme specifying the measures deemed necessary.

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

Its fees are included in the management fees.

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

At the end of each financial year, the Management Company shall prepare the summary documents and shall draw up a report on the management of the Fund during the previous year. The Management Company shall establish an inventory of the Fund's assets at least half-yearly, which will be controlled by the Depositary.

The Management Company keeps these documents available for consultation by the unitholders for a period of four months from the year-end and informs them of their income entitlement. These documents are either sent by post at the express request of the unitholders, or made available to them at the Management Company's offices.

## **SECTION 3 ALLOCATION OF DISTRIBUTABLE SUMS**

### **Article 9 – Procedures for allocating income and capital gains**

The net profit for the period is the total amount of interest, arrears, dividends, premiums and bonuses, Directors' fees and all income from the securities that make up the Fund's portfolio, plus the proceeds of any amount held in cash, minus management fees and interest on loans.

Distributable income consists of:

1. The net profit plus any amounts carried forward and plus/minus the balance of the income equalisation account;
  2. Realised capital gains, net of fees, less any realised capital losses, net of fees, recorded during the financial year, plus any net capital gains of the same nature recorded during prior financial years which have not been distributed or accumulated and plus/minus the balance of capital gains accruals.
- The sums mentioned under 1 and 2 may be distributed, in whole or in part, independently from one another.

For each unit class, the Fund may opt for:

Accumulation only: distributable amounts are fully accumulated.

Distribution only: the amounts are entirely distributed, after rounding; interim dividends may be distributed.

Accumulation and/or Distribution: the Management Company decides each year on the allocation of the distributable amounts; the Management Company may decide, during the year, to distribute of one or more interim dividends within the limit of the distributable amounts recognised at the decision date.

The specific terms of allocation of distributable amounts are described in the prospectus.



## **SECTION 4**

### **MERGER – DEMERGER – DISSOLUTION – LIQUIDATION**

#### **Article 10 – Merger – Demerger**

The Management Company may either transfer all or some of the Fund's assets into another UCITS or split the Fund into two or more other mutual funds.

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

#### **Article 11 – Dissolution – Extension**

- If the Fund's assets remain below the minimum amount set in Article 2 above for 30 days, the Management Company shall notify the AMF and then either arrange a merger with another mutual fund or wind up the Fund.

- The Management Company may wind up the Fund early; it must inform the unitholders of its decision and, as of that date, no new subscription or redemption requests will be accepted.

- The Management Company may also wind up the Fund if it receives an application to redeem all its units, if the Depositary ceases to operate and no other Depositary has been appointed, or on expiry of its term, if it is not extended.

The Management Company shall inform the AMF by mail of the winding-up date and procedures adopted. It will then send the Independent Auditor's report to the AMF.

The Management Company may decide, with the Depositary's consent, to extend the Fund's term. The decision must be taken at least three months before the Fund's scheduled expiry date, and made known to the unitholders and to the AMF.

#### **Article 12 – Liquidation**

If the Fund is wound up, the Management Company or the Depositary, with its agreement, shall assume the role of liquidator: failing this, the liquidator shall be appointed by the court at the request of any interested party. They shall therefore be vested with extensive powers to realise the assets, pay any creditors, and distribute the available balance between the unitholders, in the form of either cash or securities. The Independent Auditor and the Depositary will continue to perform their duties until the liquidation is complete.

## **SECTION 5**

### **DISPUTES**

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

Any disputes arising in relation to the Fund before its expiry or at the time of its winding up, whether among unitholders or between unitholders and the Management Company or the Depositary, shall be brought before the competent courts.

Settlement date: 24 March 2025