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**Amundi Funds**

*Société d'investissement à capital variable*  
*Registered office : 5, Allée Scheffer*  
*L-2520 Luxembourg*  
*R.C.S. de Luxembourg B-68.806*  
(the "Fund")

Luxembourg, 29 October 2021

Dear Shareholder,

We are writing to inform you of the following changes which will be made to the Sub-Funds and the Hong Kong offering document of the Fund and the Sub-Funds (comprising of the Prospectus and the Product Key Facts Statements of the Sub-Funds). Unless otherwise defined herein, terms and expressions used in this notice have the same meanings as given to them in the Hong Kong offering document of the Fund and the Sub-Funds.

**1. Clarifications and changes in the Valuation Day arrangement in respect of the following Sub-Funds:-**

- **Amundi Funds – Equity MENA**
- **Amundi Funds – Pioneer US Equity Research Value**
- **Amundi Funds – China Equity**
- **Amundi Funds – SBI FM India Equity**

**(each a "Sub-Fund" and collectively the "Sub-Funds" for the purpose of this section)**

(1) Clarifications and immaterial changes in the Valuation Day arrangement of the Sub-Funds

The following clarifications and immaterial changes have been made to the Valuation Day arrangement of the Sub-Funds:-

- (a) It is clarified that the days specified in the second table in point D. "Dealing Times" of Chapter VI. "The organisation of shares" of the Prospectus is not considered as a Valuation Day (instead of a Business Day) for the Sub-Funds; and
- (b) To align the valuation schedules of the Sub-Funds with the trading calendars of their principal market(s), a holiday which is observed in the main stock exchanges in the countries shown in the table mentioned in paragraph (a) above (instead of a public holiday in the countries shown in the table mentioned in paragraph (a) above) will not be considered as a Valuation Day in respect of the Sub-Funds with effect from 1 October 2021. It is expected that there will be a decrease in the number of days which are not considered as Valuation Days as a result of the change above, as there will be fewer holidays which are observed in the main stock exchanges than public holidays in the countries specified above.

The clarifications and changes in the Valuation Day arrangement of the Sub-Funds as described in paragraphs (a) and (b) above shall be referred to as the “**Clarifications and Immaterial Changes**”.

The Valuation Day arrangements of the Sub-Funds before and after the Clarifications and Immaterial Changes are as follows:

(i) *Before the Clarifications and Immaterial Changes*

A public holiday in the countries shown in the table below would not be considered as a Business Day for the Sub-Funds.

<b>Sub-Fund</b>	<b>Public Holiday in:</b>
Amundi Funds – Equity MENA	Luxembourg or MENA <sup>1</sup>
Amundi Funds – Pioneer US Equity Research Value	Luxembourg or USA
Amundi Funds – China Equity	Luxembourg or Hong Kong
Amundi Funds – SBI FM India Equity	Luxembourg or India

The days specified above would not be a Business Day or a Valuation Day for the Sub-Funds. No requests for the subscription, conversion or redemption of Shares of the Sub-Funds (“**Dealing Requests**”) would be processed and no net asset value would be calculated and published for the Sub-Funds on the days specified above.

(ii) *After the Clarifications and Immaterial Changes*

With effect from 1 October 2021, a holiday which is observed in the main stock exchanges in the countries shown in the table below will not be considered as a Valuation Day for the Sub-Funds:

<b>Sub-Fund</b>	<b>Holiday which is observed in the main stock exchanges in:</b>
Amundi Funds – Equity MENA	Luxembourg or MENA <sup>1</sup>
Amundi Funds – Pioneer US Equity Research Value	Luxembourg or USA
Amundi Funds – China Equity	Luxembourg or Hong Kong
Amundi Funds – SBI FM India Equity	Luxembourg or India

The days specified above will not be a Valuation Day for the Sub-Funds, and no net asset value will be calculated and published for the Sub-Funds on such days. Dealing Requests will still be processed on the days specified above which are full bank business days in Luxembourg at the net asset value determined on the following Valuation Day except for Amundi Funds – Pioneer US Equity Research Value (which will be ordinarily be processed at the net asset value determined on the same Business Day if it is a Valuation Day).

<sup>1</sup> “MENA” means Middle East and North Africa, i.e. Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates.

(2) Addition of specified days which are not considered as Valuation Days in respect of Amundi Funds – China Equity

To ensure better protection for shareholders and avoid requests to buy, convert or redeem shares of Amundi Funds – China Equity being executed on net asset values that are not fully reflecting fair market prices when the principal market(s) of Amundi Funds – China Equity are closed, with effect from 30 November 2021, in addition to a holiday which is observed in the main stock exchanges in Luxembourg or Hong Kong, a holiday which is observed in the main stock exchanges in the People’s Republic of China will no longer be considered as a Valuation Day for Amundi Funds – China Equity either (the “**China Equity Valuation Day Change**”).

The Valuation Day arrangements of Amundi Funds – China Equity after the Clarifications and Immaterial Changes and the China Equity Valuation Day Change are as follows:

(iii) *After the Clarifications and Immaterial Changes and the China Equity Valuation Day Change (in respect of Amundi Funds – China Equity)*

With effect from 30 November 2021, a holiday which is observed in the main stock exchanges in the countries shown in the table below will not be considered as a Valuation Day for Amundi Funds – China Equity:

<b>Sub-Fund</b>	<b>Holiday which is observed in the main stock exchanges in:</b>
Amundi Funds – China Equity	Luxembourg, Hong Kong or the People’s Republic of China

Following the implementation of the Clarifications and Immaterial Changes and the China Equity Valuation Day Change, in addition to the holidays which are observed in the main stock exchanges in Luxembourg or Hong Kong, the holidays which are observed in the main stock exchanges in the People’s Republic of China will no longer be a Valuation Day for Amundi Funds – China Equity either. No net asset value will be calculated and published for Amundi Funds – China Equity for the aforementioned days.

**2. Changes in the investment policy of Amundi Funds – China Equity (the “Sub-Fund” for the purpose of this section)**

Currently, the Sub-Fund may from time to time invest and have direct access to China A Shares via Stock Connect and/or the status of a Qualified Foreign Investor (QFI) (formerly known as a Renminbi Qualified Foreign Institutional Investor) with an exposure of up to 20% of its net assets.

In order to build in greater flexibility to take advantage of market opportunities, with effect from 30 November 2021, the investment policy of the Sub-Fund will be amended to allow investments in China A Shares via Stock Connect and/or the status of a QFI up to a proportion below 70% of its net assets at all times. With effect from 30 November 2021, investments in China A Shares may be achieved within the above limit via the ChiNext market of the Shenzhen Stock Exchange and/or the Science and Technology Innovation Board (“**STAR Board**”) of the Shanghai Stock Exchange.

As a result of the change in the Sub-Fund's exposure to China A Shares, the Sub-Fund will be managed in accordance with the new investment policy and the risks applicable to the Sub-Fund will change. The Sub-Fund will be subject to the additional key risks for its investments in China A Shares as set out below:

(1) Risks of investing in China A Shares

The Sub-Fund's assets may be invested in China A Shares. The securities market in China, including China A Shares, may be more volatile, unstable (for example, due to the risk of suspension/limitation in trading of a particular stock or government implementing policies that may affect the financial markets) than markets in more developed countries and has potential settlement difficulties. This may result in significant fluctuations in the prices of securities traded in such market and thereby affecting the prices of shares of the Sub-Fund.

(2) Risks associated with ChiNext market and/or STAR Board

- Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk: Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
- Delisting risk: It may be more common and faster for companies listed on ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.
- Concentration risk (applicable to STAR Board): STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Sub-Fund to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the Sub-Fund and its investor.

(3) Risks of investment in Chinese equities trading through the Stock Connect

The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the program is effected, the Sub-Fund's ability to invest in China A Shares or access the PRC market through the program will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

#### (4) Risks associated with investment made through QFI regime

The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

The Sub-Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including PRC Depositary and Brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### (5) PRC tax risk

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the QFI Program, the Stock Connect or access products on the Sub-Fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.

Based on professional and independent tax advice, the Sub-Fund will make the following tax provisions:

– 10% for withholding income tax on dividend from China A Shares if the withholding income tax is not withheld at source.

Any shortfall between the provision and the actual tax liabilities, which will be debited from the Sub-Fund's assets, will adversely affect the Sub-Fund's net asset value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

#### (6) Renminbi (“RMB”) currency and conversion risks

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund investing in the PRC. Although offshore RMB (“CNH”) and onshore RMB (“CNY”) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment from the underlying investments to the Sub-Fund in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

In addition, shareholders of the Sub-Fund should note that as a result of the change in the Sub-Fund's exposure to China A Shares, the Sub-Fund will mainly (instead of predominantly) be exposed to the issuers of its benchmark (i.e. the MSCI China 10/40 Index), i.e. the Sub-Fund's exposure to the issuers of its benchmark is likely to be to a smaller extent after the change in the Sub-Fund's exposure to China A Shares. Moreover, the Sub-Fund will monitor risk exposure with reference to its benchmark and the extent of deviation of the Sub-Fund from its benchmark will be expected to be material (instead of limited).

The revised investment policy of the Sub-Fund will be:

#### **“Investments**

*The Sub-Fund is a financial product that promotes ESG characteristics pursuant to Article 8 of the Disclosure Regulation.*

*The Sub-Fund invests mainly (i.e. at least 50% of net asset value) in equities of companies based in, or that do most of their business in, the People’s Republic of China, and that are listed on stock markets there or in Hong Kong. The Sub-Fund is not subject to any limitation on the portion of its net asset value that may be invested in any one sector or any companies with a particular market capitalisation.*

~~**The Sub-Fund may invest up to 10% of its assets in other UCIs and UCITS.**~~

*The Sub-Fund may invest up to 100% of its net asset in China B Shares. Also, the Sub-Fund ~~may from time to time invest~~**invests** and ~~have~~**has** direct access to China A Shares via Stock Connect and/or the status of a ~~Renminbi Qualified Foreign Institutional Investor~~**Qualified Foreign Investor** with an exposure ~~of up to 20%~~**below 70%** of its net assets **at all times. Investments in China A Shares may be achieved within the above limit via the ChiNext market of the Shenzhen Stock Exchange and/or the Science and Technology Innovation Board of the Shanghai Stock Exchange.***

~~**The Sub-Fund may invest up to 10% of its assets in other UCIs and UCITS.**~~

*The Sub-Fund does not intend to invest more than 10% of the Sub-Fund's net asset value in securities issued and/or guaranteed by a single sovereign issuer (including its government, a public or local authority of that country) which is below Investment Grade or unrated.*

#### **Benchmark**

*The Sub-Fund is actively managed by reference to and seeks to outperform (after applicable fees) the MSCI China 10/40 Index (the “Benchmark”). The Sub-Fund is ~~predominantly~~**mainly** exposed to the issuers of the Benchmark, however, **the Benchmark is not used for the purpose of portfolio construction of the Sub-Fund and** the management of the Sub-Fund is discretionary, and will also invest in issuers not included in the Benchmark. ~~The Investment Manager seeks to generate excess return through active stock or sector selection and weighting. While the Benchmark is not used for the purpose of portfolio construction of the Sub-Fund, the portfolio of the Sub-Fund is relatively concentrated compared to the Benchmark. Market circumstances may limit the extent to which the performance of the portfolio deviates from that of the Benchmark.~~ The Sub-Fund monitors risk exposure with reference to the Benchmark and the extent of deviation from the Benchmark is expected to be **limited material**. Further, the Sub-Fund has designated the Benchmark as a reference benchmark for the purpose of the Disclosure Regulation. The Benchmark is a broad market index, which does not assess or include its constituents according to environment characteristics and therefore is not aligned with the environmental characteristics promoted by the Sub-Fund. Information in respect of the methodology used for the calculation of the Benchmark can be found at [www.amundi.com.hk](http://www.amundi.com.hk). This website has not been reviewed by the SFC.”*

### **3. Immaterial changes to the investment policy of Amundi Funds – Emerging Markets Local Currency Bond (the “Sub-Fund” for the purpose of this section)**

With effect from 30 November 2021, the investment policy and management process of the Sub-Fund will be amended as follows:

- (1) The investment policy of the Sub-Fund will be amended to reflect that it is a financial product that promotes ESG characteristics pursuant to Article 8 of the Disclosure Regulation.

- (2) Further, the investment policy of the Sub-Fund will be amended to reflect that it has not designated its benchmark (i.e. the JP Morgan GBI-EM Global Diversified Index) as a reference benchmark for the purpose of the Disclosure Regulation.
- (3) The management process of the Sub-Fund will be amended to include a complementary objective that seeks to achieve an ESG score of its portfolio greater than that of its investment universe. In determining the ESG score of the Sub-Fund and its investment universe, ESG performance is assessed by comparing the average performance of a security against the security issuer's industry, in respect of each of the three ESG characteristics of environmental, social and governance. The selection of securities through the use of Amundi's ESG rating methodology takes into account principal adverse impacts of investment decisions on Sustainability Factors according to the nature of the Sub-Fund. Please refer to "Appendix V: Sustainable Investment" of the Prospectus for more details on Amundi's ESG rating methodology.

#### **4. Removal of the Sub-Investment Manager of Amundi Funds – Latin America Equity (the "Sub-Fund" for the purpose of this section)**

Currently, Amundi Asset Management (the "**Investment Manager**") has delegated the responsibility for the investment management of part of the assets of the Sub-Fund to Amundi (UK) Limited (the "**Sub-Investment Manager**").

To streamline the management process of the Sub-Fund, with effect from 30 November 2021, the Sub-Investment Manager will be removed as the sub-investment manager of the Sub-Fund.

As a result of the above change, the Sub-Investment Manager will no longer act as the sub-investment manager of the Sub-Fund, and the Investment Manager will assume all the investment management functions over all the assets of the Sub-Fund. The removal of the Sub-Investment Manager will not affect the existing arrangement whereby Amundi Luxembourg S.A., the management company of the Fund and the Sub-Fund (the "**Management Company**"), will at all times delegate its investment management functions in respect of the Sub-Fund to the Investment Manager.

#### **5. Miscellaneous updates**

The following changes will also be made to the Prospectus:

- (1) Update to the disclosure of Amundi Funds – Cash USD to reflect that Amundi Funds – Cash USD is rated A/f S1 by Fitch, further to a rating solicited and financed by the Investment Manager.
- (2) Update to the list of board of directors of the Management Company and the lists of conducting officers of the Fund and the Management Company.
- (3) Update to the disclosures associated with investment made through the Qualified Foreign Investor regime.
- (4) Other miscellaneous clarifications and updates.

## **Implication of the changes**

Except as otherwise mentioned in this notice, the changes to the Fund and the Sub-Funds as mentioned in this notice will not have any impact on the features and risks applicable to the Sub-Funds, and will not lead to any changes in the operation and/or manner in which the Sub-Funds are being managed or other effects on existing investors. There will be no change in the fee structure and fee level of the Sub-Funds and cost in managing the Sub-Funds following the implementation of the changes. It is not expected that the changes will materially prejudice the rights and interests of shareholders.

The costs and expenses associated with the changes as mentioned in this notice will be borne by the Management Company.

If you don't agree with the changes to your Sub-Funds as detailed in sections 1 to 4 of this notice, you have the right to redeem your shares or convert your shares to any other share class (provided that they meet the specific requirements as set out in Appendix I of the current Prospectus, for each type of share class) of other SFC-authorized sub-funds<sup>2</sup> of the Fund in Hong Kong, without redemption fee or conversion fee, before 5:00 p.m. Hong Kong time by 30 November 2021 in accordance with the procedures and arrangements for redemption and conversion as set out in the current Prospectus. Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The Hong Kong offering document will be amended to reflect the above changes in due course. A copy of the latest Hong Kong offering document is available on request free of charge at the registered office of the Fund and at the office of the Hong Kong Representative at 901-908, One Pacific Place, No.88 Queensway, Hong Kong. The latest Hong Kong offering document is also available online at: <http://www.amundi.com.hk>. Please note that this website has not been reviewed by the SFC.

If you would like any further information, please contact Amundi Hong Kong Limited, the Hong Kong Representative at (852) 2521 4231.

Yours faithfully,

**The Board of Directors**

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<sup>2</sup> SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.