

# PROSPECTUS

UCITS subject to European Directive 2009/65/EC

## I. GENERAL FEATURES

- **Name:** **AMUNDI ETF GOVIES 0-6 MONTHS EURO INVESTMENT GRADE UCITS ETF DR** (the "Fund")
- **Legal form and Member State in which the UCITS has been set up:** French Mutual Fund (FCP)
- **Launch date and scheduled term:** The Fund was approved by the French Market Regulator (AMF) on 06 May 2009 and launched on 22 June 2009 for an anticipated duration of 99 years.
- **Summary of the management offer:**

ISIN code	Allocation of distributable income	Denomination currency	Frequency of NAV calculation	Initial NAV	Minimum initial subscription	Minimum subsequent subscription	Eligible subscribers
FR0010754200	Accumulation	euro	Daily	EUR 117.72	Primary market 5000 unit(s)  Secondary market 1 unit(s)	Primary market 1 unit(s)  Secondary market 1 unit(s)	All subscribers

- **Address from which the latest annual and interim reports may be obtained:**

The latest annual report and interim statements will be sent to investors within eight working days upon written request from the unitholder to:

**Amundi Asset Management**

Amundi ETF  
91-93, Boulevard Pasteur  
CS 21564  
75730 Paris Cedex 15, France  
Tel: +33 (0)1 76 32 47 74  
Email: [info@amundiETF.com](mailto:info@amundiETF.com)

Further details are available from Amundi Asset Management and on its website [amundiETF.com](http://amundiETF.com).

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

## II. SERVICE PROVIDERS

- **Management Company:**

Amundi Asset Management (the "Management Company")  
A simplified joint-stock company (société par actions simplifiée),  
Portfolio Management Company operating under AMF approval no. GP 04000036

Registered office: 91-93, Boulevard Pasteur - 75015 Paris, France

► **Depository and Registrar:**

CACEIS Bank (the “Depository”),

Société Anonyme (a French public limited company),

Main business: Credit institution providing investment services, approved by the Committee of Credit Establishments and Investment Enterprises (CECEI) on 01 April 2005,

Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge

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

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

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

Updated information can be provided to unitholders on request.

► **Institutions responsible for clearing subscription and redemption orders by delegation of the Management Company:**

CACEIS Bank,

Société Anonyme (a French public limited company),

Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge

Main business: Bank and investment services provider approved by CECEI on 01 April 2005.

The Depository is also responsible, by delegation from the Management Company, for the Fund's liability accounting, which includes clearing unit subscription and redemption orders and managing the Fund's unit issue account.

► **Statutory Auditor:**

PwC Sellam, represented by Mr Patrick Sellam,

Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine

► **Delegated Accounting Manager:**

CACEIS Fund Administration,

Société Anonyme (a French public limited company),

Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge

CACEIS Fund Administration is a company of the CREDIT AGRICOLE Group specialising in the administrative and accounting management of UCIs on behalf of clients inside and outside the Group.

CACEIS Fund Administration has accordingly been appointed by the Management Company as Delegated Accounting Manager for the valuation and accounting of the Fund. CACEIS Fund Administration is responsible for valuing the assets, establishing the Fund's NAV and preparing its periodic financial statements.

► **Market-makers:**

As at 29 June 2009, the financial institution acting as Market-maker is:

### **III. OPERATING AND MANAGEMENT ARRANGEMENTS**

#### **III.1 General features**

► **Characteristics of the units:**

ISIN code: FR0010754200

- **Nature of the right attached to the unit class:** each unitholder is entitled to joint ownership of the Fund's assets, proportional to the number of units held.
- **Entry in a register or clarification of liability accounting methods:** The Depositary is responsible for liability accounting. Units can be cleared through Euroclear France, Clearstream Banking S.A. and Euroclear Bank.
- **Voting rights:** no voting rights are attached to the units: decisions are made by the Management Company. Note: investors will be notified of changes to the Fund's operating arrangements either individually, through the press or by any other means in accordance with current regulations.
- **Form of units:** bearer units.
- **Splitting (fractioning) of units, if any:** subscriptions and redemptions are made in whole units.

► **Listing of the units on the Euronext Paris NextTrack market:**

Under Article D.214-22-1 of the French Monetary and Financial Code (the "CMF"), 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. 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 percent margin of 1.5% either side of the Fund's Indicative Net Asset Value or "iNAV" (see "Indicative Net Asset Value" section), as published by Euronext Paris SA and updated during each trading session on an estimate basis according to the variation in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index;
- trading of the Fund's units on the Euronext Paris NextTrack market will be suspended in the following cases:
  - suspension or halt of the listing or calculation of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index by the index provider;
  - suspension of the market(s) on which the securities that make up the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index are listed;
  - if the listed price of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index is unavailable to Euronext Paris;
  - if Euronext Paris cannot obtain the Fund's NAV for the day and/or publish the "iNAV";
  - violation of applicable Euronext Paris rules by a market-maker;
  - failure of Euronext Paris's systems, particularly its IT or electronic systems;
  - if stock market disturbances or difficulties render normal market-making impossible;
  - any other event that prevents the calculation of the Fund's iNAV or the trading of Fund units.

"Market-makers" likewise ensure that the market price of the Fund's units does not diverge by more than 1.5% on either side of the Fund's Indicative Net Asset Value, in order to comply with the reservation threshold set by

Euronext Paris SA (see “Indicative Net Asset Value” section).

► **Financial year-end:** last Trading Day in June each year.

► **First financial year-end:** last trading day of June 2010.

► **Tax treatment:**

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

The UCITS, by its nature, is not subject to taxation. However, unitholders may be taxed on any income distributed by the Fund or when they sell Fund units. The tax treatment applicable to amounts distributed by the Fund or unrealised or realised capital gains or losses will depend on the individual unitholder's tax situation, residence for tax purposes and/or the investment jurisdiction of the Fund. If an investor is uncertain of his or her tax position, the investor should consult a financial advisor or a professional investment consultant to determine the tax rules applicable to his or her particular situation before any investment. Some income distributed by the UCITS to unitholders residing outside France may be subject to withholding tax in France.

#### US tax considerations

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

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

The 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 established in the United States or under the laws of the United States or any State thereof, or a trust if (i) a court within the United States has authority under applicable law to hand down orders or judgments concerning substantially all issues regarding the administration of the trust; and if (ii) one or more US Persons have authority to control all substantive decisions of the trust, or of an estate of a deceased person who was a citizen or resident of the United States.

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 Fund or the sale of units or shares to any non-participating FFI (NPFFI),<sup>(1)</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 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 Article 3 of the Fund's rules<sup>(2)</sup>.

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

The provisions herein are not a complete analysis of all the tax rules and considerations or tax-related advice and shall not be considered as a complete list of all the potential tax-related risks inherent in subscribing or holding Fund units or shares. 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 the Management Company must provide the local tax authorities with certain information about non-resident Unitholders 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

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1 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.

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

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 states signatory to the agreement.

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 unitholder to provide the requested documentation, or attributable to the unitholder 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.

## **III.2 Special provisions**

### **► Classification:**

Bonds and other debt instruments denominated in the euro.  
The Fund is an index-tracking Fund.

### **► Investment objective:**

The Fund's investment objective is to track the performance of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index (see "Benchmark Index" section) as closely as possible, both upwards and downwards.

The Fund seeks to achieve the smallest possible difference between the change in the NAV and the change in the value of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index (hereinafter the "100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index"). The target for the maximum tracking error between the changes in the Fund's net asset value and those in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index is 2%.

If the tracking error exceeds 2%, the objective would nevertheless be to remain below 15% of the volatility shown by the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

### **► Benchmark index:**

The Fund's Benchmark Index is the FTSE Eurozone Government Bill 0-6 Month Capped Index, a euro-denominated total return index (i.e. reinvesting the coupons of the components).

The FTSE Eurozone Government Bill 0-6 Month Capped Index is a "bond" index calculated and published by the international index provider FTSE International Limited ("FTSE").

The bonds in the FTSE Eurozone Government Bill 0-6 Month Capped Index are government bonds issued by eurozone Member States with maturity ranging from 0 to 6 months and with at least two Investment Grade ratings by the rating agencies S&P, Moody's and Fitch, i.e. greater than or equal to BBB- by S&P and Fitch, Baa3 by Moody's.

The eligibility criteria for the bonds that make up the FTSE Eurozone Government Bill 0-6 Month Capped Index are as follows:

- nominal value and coupons denominated in euros, with no options and no convertibility;
- issued by a sovereign government of one of the following eurozone countries: Belgium, France, Germany, Italy, the Netherlands, Portugal and Spain;

- with at least two Investment Grade ratings by the rating agencies S&P, Moody's and Fitch.

The methodology and calculation method of FTSE mean that the number of securities in the FTSE Eurozone Government Bill 0-6 Month Capped Index varies. As at 20.08.2019\*, the FTSE Eurozone Government Bill 0-6 Month Capped index had 239 components.

\* Source: FTSE

The full methodology of the construction of the FTSE Eurozone Government Bill 0-6 Month Capped Index is available on the FTSE website: [www.ftserussell.com](http://www.ftserussell.com).

The performance tracked is the 17:15 fixing (Paris time) of the FTSE Eurozone Government Bill 0-6 Month Capped Index.

- **100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index publication**

The FTSE Government Bill 0-6 Month Capped Index undergoes a calculation and official fixing during the day at 17:15 (Paris time).

For this fixing of the FTSE Eurozone Government Bill 0-6 Month Capped Index, FTSE uses the official fixings of its component securities.

The Fund uses the 17:15 fixing (Paris time) of the FTSE Eurozone Government Bill 0-6 Month Capped Index.

The 17:15 fixing (Paris time) of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index is available on the FTSE website: [www.ftserussell.com](http://www.ftserussell.com).

The 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index is also calculated on each Trading Day.

The 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index is available via Reuters and Bloomberg.

Via Reuters: EMTT6CC=

Via Bloomberg: EMTT6CC

- **100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index review**

The FTSE Eurozone Government Bill 0-6 Month Capped Index composition is revised weekly.

The rules for the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index reviews are published by FTSE and are available on the FTSE website: [www.ftserussell.com](http://www.ftserussell.com).

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

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

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

### **► Investment strategy:**

The Fund is managed "passively".

#### **1. Strategy employed:**

The Fund's management is index-linked with the aim of tracking the changes in performance of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index using a method of direct replication of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index, which consists of investing in the

financial securities that make up the Index in proportions extremely close to those of the Index.

The Management Company may decide to use the so-called “sampling” technique, which consists of investing in a selection of representative securities comprising the Index (rather than all its securities), in different proportions to those of the Index, or even investing in securities that do not make up the Index.

Geographical area of the issuers of the securities comprising the Index	Eurozone countries: Belgium, France, Germany, Italy, the Netherlands, Portugal and Spain
Sensitivity to interest rates of the Index	Between 0 and 0.5
Range of sensitivity to credit spreads	not applicable
Currency in which the components of the Index are denominated	Euro (EUR)
Level of exposure to currency exchange risk	None

The Fund shall observe the investment rules stipulated in Articles R214-21, R214-22 and R214-23 of the French Monetary and Financial Code.

The Fund's assets, comprising directly held assets described in the “Assets used” section, comply with the provisions of Article R214-21 of the French Monetary and Financial Code (CMF).

The Fund's exposure to the index may benefit from special ratios applicable to indexed UCITS as stipulated in Article R214-22 of the French Monetary and Financial Code (CMF). That Article stipulates that an index may comprise up to 20% equities or debt securities issued by the same entity; this limit may be raised to 35% maximum for a single issuing entity, when such increase is justified by special market circumstances such as on regulated markets where some marketable securities or some money-market instruments are largely dominant.

In accordance with Article R.214-23 of the French Monetary and Financial Code, by way of derogation from Article R.214-21 of the same Code, the Fund may invest up to 100% of its assets in various eligible financial securities and money-market instruments, on the basis of the risk allocation principle outlined under point 1 of Part IV of Article R.214-21.

These eligible financial securities and money-market instruments belong to at least six different issues, on condition that securities from any one issue do not exceed 30% of the total amount of the Fund's assets.

### **Information on the integration of sustainability risks**

The Management Company applies a Responsible Investment Policy, which consists of a policy of targeted exclusions according to the investment strategy.

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

The Management Company may also consider the principal negative impacts through its policy of norm-based exclusions in accordance with its Responsible Investment Policy.

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

### **2. Assets used (except embedded derivatives):**

#### **- Securities:**



Up to 100% of the Fund's net assets will be invested, subject to the legal and regulatory ratios, in securities. However, in the event of adjustments associated with subscriptions/redemptions, investments may exceed this limit on a residual basis.

The Fund will be continuously exposed to one or more eurozone rate markets.

The securities in the Fund's assets will primarily be the securities comprising the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

To help achieve its investment objective and/or manage intermediate cash flows, the Fund may hold bonds and debt securities and money-market instruments denominated in euros.

- Interest rate instruments: the Fund may hold money-market and/or bond instruments of any kind from eurozone countries.

The bond issuers selected may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may account for up to 100% of all debt instruments.

The Fund's sensitivity to interest rates will range from 0 to 0.5.

- Euro-denominated debt instruments and money-market instruments: cash flow may be managed through money-market instruments.

Portfolio securities will be selected according to management decision and in compliance with the internal credit risk monitoring policy of the Management Company.

For the purpose of stock picking, management does not, either exclusively or mechanically, rely on the ratings issued by rating agencies, but bases its buy and sell convictions of a security on its own credit and market analyses. For information purposes, management may specifically deal in securities with minimum ratings of AA in the S&P and Moody's scale.

The bond issuers selected may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may account for up to 100% of all debt instruments. The average maturity of these instruments will not exceed ten years.

- UCITS units or shares:

The Fund may hold up to 10% of its assets in units and/or shares of UCITS. These UCITS are representative of all asset classes, in compliance with the Fund's requirements.

They may be UCITS managed by the Management Company, or by other entities, which may or may not belong to the Crédit Agricole SA Group, including related companies.

### **3. Derivatives:**

Counterparties are selected through the procedure in force within the Amundi Group, based on the principle of selecting the best market counterparties.

This includes specifically:

- a double validation of the counterparties by the Amundi Intermédiation manager and by Amundi Asset Management's Credit Committee after analysis of their financial and operational profiles (type of activities, governance, reputation, etc.) conducted by a team of credit analysts working independently of the management teams.
- a limited number of financial institutions with which the UCITS trades.

Amundi AM relies on the expertise of Amundi Intermédiation in the context of providing services regarding the

selection of counterparties.

Amundi Intermédiation provides Amundi AM with an indicative list of counterparties, the eligibility of which is approved beforehand by the Amundi (Group) Credit Risk Committee, concerning the aspects of counterparty risk.

This list is then approved by Amundi AM at ad hoc meetings of its “Broker Committees”. The purpose of the Broker Committees is to:

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

The Amundi AM Broker Committees include Management Directors or their representatives, representatives of the Amundi Intermédiation trading desk, an operations manager, a Risk Control manager and a Compliance manager.

The Fund may take positions in the following derivatives:

- Type of markets:
  - ☒ regulated
  - ☒ organised
  - ☒ OTC
- Categories of risk in which the Fund intends to take a position:
  - ☐ equity risk
  - ☒ interest rate
  - ☒ currency
  - ☒ credit
  - ☐ volatility
- Types of transactions and description of all operations that must be limited to the achievement of the investment objective:
  - ☒ hedging
  - ☒ exposure
  - ☐ arbitrage
  - ☐ trading
  - ☐ other
- Types of instruments used:
  - ☒ futures: on bonds and indices
  - ☐ options: on bonds and indices
  - ☒ forward exchange contracts (total return swaps): on bonds and indices.
    - The Fund may enter into exchange contracts in two combinations from the following types of flows:
      - fixed rate
      - variable rate (indexed on the Eonia, Euribor, or any other market benchmark)
      - performance linked to one or more currencies, equities, stock market indices or listed securities, UCIs or investment funds
      - dividends (net or gross)
  - ☒ total return swap
  - ☒ puttable bonds (up to 10% of net assets)
  - ☒ callable bonds (up to 10% of net assets)
  - ☐ other

- Strategy for using derivatives to achieve the investment objective:
  - ☐ constructing synthetic exposure to a particular security, sector and/or to the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index via the use of total return swaps.
  - ☒ management of intermediate cash flows (dividends, subscriptions/redemptions etc.) to reach the desired degree of exposure to a particular security, business sector and/or to the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index via the use of futures.
  - ☐ management of intermediate cash flows (dividends, subscriptions/redemptions etc.) to reach the desired degree of exposure to a particular security, business sector and/or to the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index via the use of options.
  - ☒ Puttable and callable bonds are used to adjust exposure to the credit market

These instruments may be used to hedge up to 100% of the Fund's net assets.

The Fund will not overexpose its assets: the Fund's total commitments on derivatives and embedded derivatives may not exceed 100% of its net asset value.

**4. Securities incorporating derivatives ("embedded derivatives"): None**

**5. Deposits and liquid assets:**

The Fund may hold up to 20% of its net assets in deposits for a maximum term of twelve months. The deposits are used for cash management purposes and help the Fund achieve its cash management objectives.

**6. Borrowing:**

The Fund may temporarily, and in exceptional cases, borrow up to 10% of its net assets in order to optimise its cash flow management.

**7. Transactions involving temporary acquisition/disposal of securities: None**

**► Information relating to financial guarantees (temporary purchases and sales of securities) and total return swaps:**

Type of collateral:

In the context of temporary purchases and sales of securities and OTC derivative transactions, the Fund may receive collateral of securities and cash.

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

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

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

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

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

The discounts that may be applied to the collateral received will take into account the credit quality, the price

volatility of the securities and the results of the stress tests performed.

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

Reuse of securities received as collateral:

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

► **Risk profile:**

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

Investors are warned that their capital invested is not guaranteed and may not be recovered.

No exposure to the equity and exchange rate risk is permitted.

The main risks for investors if they invest in the Fund are as follows:

- Risk related to changes in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index:  
The Fund is exposed among other things to the change, both upwards and downwards, in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index. The Fund is therefore exposed to market risks related to fluctuations in the value of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index. The Fund's value will fall in the event of a fall in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

- Factors that could influence the ability of the Fund to track the performance of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index:

The ability of the Fund to track the performance of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index may be affected by the following factors:

- the re-weightings of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index tracked by the Fund may generate transaction and/or trading costs;
- whether there are market fees;
- and/or on account of minor valuation discrepancies that would not be such as to result in the calculation of the Fund's net asset value being suspended. These discrepancies may be due to the temporary unavailability of certain securities in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index or to exceptional circumstances that could have the effect of causing distortions in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index, particularly in cases of suspension or temporary disruption in the listing of the securities in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

- Interest rate risk:

The value of interest rate instruments may fall as a result of interest rate fluctuations. It is measured in terms of sensitivity. In periods when interest rates are rising (positive volatility) or falling (negative volatility), the net asset value may fall significantly.

- Credit risk:

This is the risk that the creditworthiness of an issuer will deteriorate or that the issuer will fail. This deterioration may result in the value of a security falling, causing the net asset value to fall.

Legal risk:

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

- Liquidity risk:

The markets in which the Fund is invested may occasionally and temporarily be affected by a lack of liquidity. These market disturbances may impact the price terms at which the Fund may have to liquidate, initiate or

modify positions and may also cause the net asset value to fall.

- Liquidity risk in a stock market:

The Fund's market price may deviate from its indicative net asset value. The liquidity of the Fund's units in a listing market may be affected by any suspension that could, in particular, but not only, be due to:

- i) the suspension or halt of the calculation of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index by the Index provider,
- ii) the suspension of the market(s) on which the underlying assets of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index are listed,
- iii) a relevant listing market not being able to obtain or to calculate the Fund's indicative net asset value,
- iv) a violation by a market maker of the rules applicable in the relevant listing market,
- v) failure of the systems, in particular of IT or electronic systems, in a relevant listing market,
- vi) any other event that prevents the calculation of the Fund's indicative net asset value or the trading of Fund units.

- Sustainability risk:

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

- 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.

► **Guarantee or protection:** None

► **Eligible subscribers and standard investor profile:**

• Eligible subscribers:

All subscribers

• Standard investor profile:

This Fund is for investors who seek medium-term capital growth and exposure to bond markets, with maturities ranging from 0 to 6 months, issued by governments of eurozone member states, while offering opportunities for short-term arbitrage. It is continuously listed on one or more markets and its units may be traded in the same way as simple stocks. It therefore combines the advantages of a listed security and those of a UCITS.

The amount that might be reasonably invested in this Fund depends on the investor's personal situation. To determine this amount, investors should consider their personal assets, their current financial needs and the recommended investment period as well as their willingness to accept risks or their wish to invest cautiously. It is also strongly recommended that investors sufficiently diversify their investments so as to avoid exposing themselves entirely to the risks of this Fund.

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

This Fund's units cannot be offered or sold directly or indirectly in the United States of America (including its territories and possessions), to/on behalf of a US Person as defined in US "Regulation S" adopted by the Securities and Exchange Commission ("SEC").

The term "US Person" means:

- (a) any individual residing in the United States of America;
- (b) any entity or company organised or incorporated under the laws of the United States;
- (c) any estate of which the executor or the administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any branch or subsidiary of a non-US entity located in the United States of America;

- (f) any non-discretionary account (other than an estate or trust) held by a financial intermediary or any other fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (g) any discretionary account (other than an estate or trust) held by a financial intermediary or any other fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (h) any entity or company, if
- (i) organised or incorporated under the laws of any non-US jurisdiction and
- (ii) formed by a US person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended, unless it is organised or incorporated, and owned, by Accredited Investors (as defined in Rule 501(a) of the Act of 1933, as amended) who are not individuals, estates or trusts.

► **Recommended investment period:**

The minimum recommended investment period is one year.

► **Determination and allocation of distributable sums:**

Accumulation

► **Accounting currency:** euro

► **Characteristics of the units:**

- **Currency of units:** euro
- **Initial net asset value:**

117.72 euros per Fund unit.

The initial net asset value is equal to the 17:30 fixing (Paris time) on 22 June 2009 of the FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

► **Subscriptions and redemptions:**

As indicated above, the Fund's activity is organised on two markets, one "**primary**" and the other "**secondary**".

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

• **Subscription and redemption on the primary market:**

In the primary market, new Fund units are subscribed for and/or redeemed in return for (i) cash or (ii) in-kind contributions/withdrawals to/from a portfolio of bonds representative of the composition of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index plus a "cash adjustment".

In this market, initial subscriptions are only allowed in minimum quantities of 5,000 units and subsequent subscriptions are only allowed in minimum quantities of one unit. Redemptions are made in whole units, with a minimum value of EUR 500,000 or equivalent in the currency of the unit per redemption request.

Orders for the subscription and redemption of Fund units are centralised on a daily basis by the Depositary, between 09:00 and 15:30 (Paris time), on days when the Paris Stock Exchange is open (the "**Trading Day**"). Subscription and redemption requests sent after 15:30 (Paris time) on a Trading Day will be processed as orders received between 09:00 and 15:30 (Paris time) on the next Trading Day.

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

The Fund's net asset value on a given Trading Day is calculated using the 17:15 fixing (Paris time) of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index on that day.

#### Subscriptions/redemptions in cash only

Cash-only orders centralised by the Depositary between 09:00 and 15:30 (Paris time) on a given Trading Day will be executed on the basis of the net asset value of that same Trading Day.

#### Subscriptions/redemptions made by contributions/withdrawals to/from a portfolio of bonds representative of the composition of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index

Orders centralised by the Depositary between 09:00 and 15:30 (Paris time) on a given Trading Day will be executed on the basis of the terms set by the Management Company at 15:30 (Paris time) on the same Trading Day, as follows:

- (1) contribution of a portfolio of bonds reflecting the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index as determined by the Management Company, which the subscriber must deliver and, where applicable,
- (2) payment of a cash amount in euros to or from the Fund ("cash adjustment") where a subscription/redemption order is for a minimum initial subscription of 5000 units and a minimum subsequent subscription of one unit. Redemptions are made in whole units, with a minimum value of EUR 500,000 or equivalent in the currency of the unit per redemption request. The cash adjustment will be equal to the difference in euros between the net asset value of the Fund units on that day and the value in euros of the bonds to be delivered on that day.

Orders will be executed in accordance with the table below:

D	D	D: the net asset value calculation day	D+1 business day	D+2 business days	D+2 business days
Clearing before 15:30 of subscription orders <sup>1</sup>	Clearing before 15:30 of redemption orders <sup>1</sup>	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

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

The Management Company reserves the right to refuse the securities offered/requested for all subscriptions/redemptions made by contributions/withdrawals of securities and has 7 days from the date of the deposit/request to indicate its decision.

Subscriptions/redemptions must be paid for/delivered no later than five Trading Days after the calculation and publication of the net asset value.

Subscription and redemption orders must be for a whole number of units.

- **Institutions authorised to receive subscription and redemption orders:**

CACEIS Bank

Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge

*Investors should note that orders sent to distributors other than the aforementioned institutions should take into account the fact that the cut-off time for the clearing of orders applies to those distributors with CACEIS Bank. As a result, these distributors may apply their own deadline, earlier than the time mentioned above, to allow them to meet their order transmission deadline to CACEIS Bank.*

- **Listing and trading of the Fund's units on the secondary market:**

The secondary market is the market on which existing Fund units are traded. It includes all the stock markets on which the Fund is or will be admitted for continuous trading.

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Orders for the purchase or sale of units may be placed in any market where the Fund is (or will be) traded, through an approved broker. Placing a stock market order will give rise to costs over which the Management Company has

no influence.

There is no minimum amount for purchase/sale orders placed on the secondary market, other than those which may be imposed by the stock market where Fund units are listed.

The price of a unit traded on the secondary market depends on supply and demand and is approximately equal to the Indicative Net Asset Value (see “Indicative Net Asset Value” section).

“Market-makers” maintain secondary market liquidity by acting as market counterparties (see “Market-makers” section). They contract with the stock market operators in question to maintain a maximum difference between the highest bid and the lowest offer prices. Their activities ensure that trading in Fund units remains liquid. They also ensure, through arbitrage between the primary and secondary markets, that the Fund’s listed market price does not diverge significantly from its Indicative NAV.

If the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index listing is halted or suspended, the Fund’s listing is suspended at the same time. As soon as listing of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Benchmark Index resumes, the Fund’s listing also resumes, taking account of any change in the Fund’s NAV and Indicative NAV since the interruption.

The units acquired on the secondary market cannot generally be resold directly on the primary market. Unitholders must buy and sell units in a secondary market with the assistance of an intermediary (a broker, for example) and may have to bear the corresponding costs. In addition, unitholders may pay more than the current NAV when they buy units and may also receive less than the current NAV when they sell them.

Fund units will be listed on the Euronext Paris market.

The Management Company may apply for these units to be listed on other markets.

Fund units will be listed on Euronext Paris and traded in a product segment dedicated to Trackers: NextTrack.

- **Market-makers:**

As at 29 June 2009, the financial institution acting as Market-maker is:

Société Générale Corporate and Investment Banking, Tour Société Générale, 17 cours Valmy, 92987 Paris La Défense, France.

Market-makers will provide market-making services for Fund units from the date they are listed on the market where the Fund is admitted for trading. They will mainly act as “Market-makers” through their continuous presence on the market, maintaining a buy/sell price range and ensuring adequate liquidity.

Specifically, the financial institutions acting as “Market-makers” that have signed a market-making contract for the Fund have made a commitment to Euronext Paris SA to meet the following conditions for the Fund:

- a maximum total spread of 2% between the offer price and bid price in the centralised order book
- a nominal minimum amount at purchase and sale corresponding to 100,000 euros.

The obligations of the “Market-makers” will immediately be suspended if the value of the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index becomes unavailable or if one of its component securities is suspended. The obligations of the “Market-makers” will generally be suspended in the event of unusual disturbances or difficulties on the stock market in question which prevent standard market-making operations (e.g. listing disturbances etc.).

“Market-makers” must also ensure that the Fund unit’s market price does not differ by more than 1.5% either side of the indicative net asset value (see “Indicative Net Asset Value” section).

The Management Company may ask “Market-makers” to halt their listing of Fund units should exceptional



circumstances arise or should investor interest require it.

## **SECONDARY MARKET BUY AND SELL TERMS AND CONDITIONS**

If the stock market value of the listed Fund's units or shares significantly differs from its indicative net asset value or if the Fund's units or shares 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 Fund 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 occasional;
- 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 markets 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 in the primary market shall only be subject to a redemption fee of 1% 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 in the primary market. The Management Company will also provide said procedure to the stock market operator that lists the Fund's units.

### **► Date and frequency of calculating the net asset value:**

Daily

### **► Location and method of publication or communication of the net asset value:**

The net asset value is calculated and published each day on which the Euronext Paris stock exchange is open or if one of the markets on which the Fund is listed for trading is open (in particular the Borsa Italiana, the Deutsche Börse, the London Stock Exchange and the SIX Swiss Exchange), except for days on which the markets listing the securities that make up the index are closed, provided that the orders placed on the primary and secondary markets can be covered.

The net asset value of the Fund is available on request from the Management Company and on its website [amundiETF.com](http://amundiETF.com).

Furthermore, on the days the NAV is published, an Indicative Net Asset Value (see "Indicative Net Asset Value" section) in euros will be published by Euronext Paris.

► **Costs and fees:**

• **Subscription and redemption fees:**

*Subscription and redemption fees are levied by addition to the subscription price paid by the investor or subtraction from the redemption price. Fees are retained by the Fund to compensate for its costs incurred in investing or liquidating the assets. Fees not paid to the Fund revert to the Management Company, the distributor, etc.*

- On the primary market:

<b>Fees payable by the investor deducted when subscriptions or redemptions are made</b>	<b>Basis</b>	<b>Interest rates</b>
Subscription fee not retained by the Fund	NAV X number of units	2% on each subscription request
Subscription fee retained by the Fund	NAV X number of units	maximum 1%
Redemption fee not retained by the Fund	NAV X number of units	2% on each redemption request
Redemption fee retained by the Fund	NAV X number of units	maximum 1%

It is the Management Company's policy that subscription and redemption fees are acquired by the Fund to cover the actual portfolio adjustment costs of primary market trading, in particular execution costs or tax-related costs.

**Exemption:**

The Management Company and Société Générale Corporate and Investment Banking are exempt from the payment of subscription or redemption fees not accruing to the Fund.

The nature of these fees is detailed in the section describing subscription and redemption arrangements.

- On the secondary market:

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Orders for the purchase or sale of units may be placed in any market where the Fund is traded, through an approved broker. Nevertheless, placing a stock market order will trigger costs over which the Management Company has no influence (e.g. broker's commission on stock market orders to buy or sell units charged by the investor's broker).

The distribution of this Prospectus may be subject to restrictions in certain countries, as may the purchase or sale of Fund units. This Prospectus is not an offer or solicitation by any person in any country where such offer or solicitation would be illegal or where the person making it would not meet the applicable statutory conditions, nor directed to any person to whom it would be illegal to make such a solicitation.

• **Operating and management fees:**

*These fees cover all expenses billed directly to the Fund, except for transaction costs.*

*Part of the management fee may be passed on to the promoters with whom the Management Company has entered into marketing agreements. These promoters may or may not belong to the same group as the Management Company. These fees are calculated on the basis of a percentage of the financial management fees and are invoiced to the Management Company*

*In addition to these fees, there may be:*

- *performance fees. These reward the Management Company when the Fund exceeds its objectives. They are therefore billed to the Fund;*

- fees relating to the temporary purchases and sales of securities.

For more details of the fees actually billed to the Fund, refer to the key information document.

	Fees charged to the UCITS	Basis	Rate structure
P1	Management fees and fees external to the Management Company (Statutory Auditor, Depositary, distribution and lawyers)	Net assets	
P2	Maximum indirect fees (fees and management fees)	Net assets	None
P3	<p>Turnover fees</p> <p>-</p> <p>Received by the Depositary</p> <p>-</p> <p>*****</p> <p>-----</p> <p>Accruing to the Management Company</p>	<p>-</p> <p>-</p> <p>Deducted from each transaction or operation</p>	<p>-</p> <p>-</p> <p>None</p> <p>-</p> <p>*****</p> <p>-----</p> <p>-</p> <p>None</p>
P4	Performance fees	Net assets	None

Administrative and management fees will be charged directly to the Fund's income account.

The following costs may be added to the fees charged to the Fund, as detailed above:

- Exceptional legal costs related to recovery of the debts of the Fund;
- Costs related to fees payable by the Management Company to the AMF in connection with managing the Fund.

#### **Securities lending transactions and repos:**

As part of securities lending and repurchase transactions, Amundi Asset Management has entrusted Amundi Intermédiation, on behalf of the UCITS, with the following tasks:

- selection of counterparties,
- market contracts set-up requests,
- counterparty risk control,
- qualitative and quantitative monitoring of collateralisation (management of diversification, ratings, liquid assets, etc.), repurchase agreements and securities lending

Revenues from such transactions are returned to the UCITS.

These transactions generate costs that are paid by the UCITS. Amundi Intermédiation's billing may not exceed 50% of the revenues generated by these transactions.

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

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

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

Revenues from such transactions are returned to the UCITS. These transactions generate costs that are paid by the UCITS. Amundi Intermédiation's billing may not exceed 50% of the revenues generated by these transactions.

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

#### **Selection of intermediaries**

The Management Company implements an intermediary selection policy, in particular when entering into temporary purchases and sales of securities and certain derivatives, such as total return swaps (TRS).

We have a rigorous selection process for brokers and financial intermediaries. They are selected from among

reputable financial intermediaries on the basis of multiple criteria related to the provision of research services (fundamental financial analysis, company information, value added by partners, solid basis for recommendations, etc.) or execution services (access to market information, transaction costs, execution prices, good transaction settlement practices, etc.).

Only those financial institutions of an OECD country with a minimum rating that might be 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.

In addition, each of the counterparties retained will be analysed using the criteria of the Risk Department, such as financial stability, rating, exposure, type of activities, past performance, etc.

The list of authorised counterparties is reviewed annually. It involves various parties from the front office and support departments of the Amundi Group. The brokers and financial intermediaries selected will be monitored regularly in accordance with the Management Company's Performance Policy.

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

The Management Company implements a counterparty selection policy, in particular when entering into temporary purchases and sales of securities and certain derivatives, such as total return swaps (TRS).

Amundi Intermédiation provides Amundi AM with an indicative list of counterparties, the eligibility of which is approved beforehand by the Amundi Group Credit Risk Committee, concerning the aspects of counterparty risk. This list is then approved by Amundi AM at ad hoc meetings of its "Broker Committees". The purpose of the Broker Committees is to:

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

The Amundi AM Broker Committees include Management Directors or their representatives, representatives of the Amundi Intermédiation trading desk, an operations manager, a Risk Control manager and a Compliance manager.

In order to justify inclusion in the Amundi Intermédiation shortlist, counterparties are assessed by several teams, which give opinions on various criteria:

- counterparty risk: the Amundi Credit Risk team, under the governance of the Amundi Group Credit Risk Committee, is in charge of assessing each counterparty on the basis of precise criteria (shareholding, financial profile, governance, etc.);
- quality of order execution: the operational teams charged with the execution of orders within the Amundi Group assess the execution quality based on a series of factors depending on the type of instruments and markets concerned (quality of trading information, prices obtained, quality of settlement);
- quality of post-execution processing.

The selection is based on the principle of selectivity of the best counterparties in the market and aims to select a limited number of financial institutions. Financial institutions of an OECD country with a minimum rating ranging from AAA to BBB- on the Standard & Poor's scale or with a rating deemed equivalent by the Management Company are primarily selected when setting up the transaction.

#### Broker selection policy

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

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

In order to justify inclusion in the Amundi Intermédiation shortlist, brokers are assessed by several teams, which give opinions on the basis of various criteria:

- a universe that is restricted to brokers that enable transactions to be paid for/delivered on a delivery versus payment basis or cleared listed derivatives;
- quality of order execution: the operational teams charged with the execution of orders within the Amundi

Group assess the execution quality based on a series of factors depending on the type of instruments and markets concerned (quality of trading information, prices obtained, quality of settlement);

- quality of post-execution processing.

- **Fees paid in kind:**

The Management Company receives no commission in kind either for itself or for third parties.

**Disclaimer:**

The tax treatment applicable to amounts distributed by the Fund or to its unrealised or realised capital gains or losses depends on the tax laws applicable to the individual investor's tax position and country of tax residence and/or on the jurisdiction in which the Fund holds assets.

Some income distributed by the Fund to unitholders residing outside France may be subject to withholding tax in France. We recommend that you consult your tax adviser on this issue.

Investors should also note that the Investment Income Taxation Directive specifies certain tax obligations for Fund representatives and agents and on certain unitholders.

Other regulations specifying similar obligations may be introduced in jurisdictions outside the European Union. In principle, under that Directive, and potentially under comparable regulations that might be adopted elsewhere, the payment of interest (which may include the proceeds of the sale, redemption or repurchase of Fund units by certain unitholders) may in certain circumstances be disclosed to the local tax authorities.

Investors are invited to refer to the Fund's Annual Report for further information.

## **IV. COMMERCIAL INFORMATION**

Unitholders are informed of any changes affecting the Fund in accordance with the procedures defined by the AMF (Autorité des Marchés Financiers), the French financial market regulator: by individual notification or by any other method (financial notice, interim report, etc.).

Financial notices may be published in the press and/or on the website <https://about.amundi.com> in the News section.

The Fund's prospectus, latest annual and periodic documents, and the Fund's NAV are sent within one week upon written request from the investor to:

Amundi Asset Management – Amundi ETF – 91-93, Boulevard Pasteur – CS 21564 – 75730 PARIS Cedex 15, France

The Management Company provides investors with information on how the criteria for compliance with social, environmental and governance quality objectives are taken into account in its investment policy on its website at [amundi.com](https://amundi.com) and in the Fund's annual report.

The transparency policy is available on request from the Management Company and on its website [amundi.com](https://amundi.com) and information about the asset composition of the Fund is available on request from the Management Company and on its website [amundi.com](https://amundi.com) where it is published with a delay of at least three stock market days.

In addition, the Management Company may directly or indirectly send the breakdown of Fund assets to unitholders who are classified as professional investors by the ACPR, the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under the Solvency II Directive. If applicable, this information must be disclosed at least 48 hours after publication of the net asset value.

Further details are available from the Management Company and at [amundi.com](https://amundi.com).

► **Indicative net asset value:**

The indicative net asset value ("iNAV") 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 "iNAV" 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 "iNAV" is automatically and continuously updated throughout the days on which Fund units are quoted for trading.

If several listings of bonds included in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index are closed (e.g. for a public holiday as defined in the TARGET calendar), and the Indicative Net Asset Value therefore cannot be calculated, trading in Fund units may be suspended.

On Euronext Paris, the "iNAV" is published every 15 seconds throughout the Paris trading session (09:00 to 17:35). The "iNAV" history is published continuously on the Euronext Paris website (euronext.com) and by most financial information providers (Reuters, Bloomberg and others).

Reservation thresholds are set by applying a percent margin of 1.5% either side of the "iNAV" of the Fund units, as published by Euronext Paris SA and provisionally updated during each trading session according to the variation in the 100% FTSE EUROZONE GOVERNMENT BILL 0-6 MONTH CAPPED Index.

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

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

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

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

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

The objective of this Fund is to replicate, as closely as possible, the performance of an index whose methodology does not involve sustainability risks, whether the index rises or falls. The Fund's investment process therefore does not involve sustainability risks.

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

Under the Taxonomy Regulation, environmentally sustainable investments are investments in one or several economic activities that qualify as environmentally sustainable under this Regulation. For the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify

as environmentally sustainable where it contributes substantially to one or more of the environmental objectives set out in the Taxonomy Regulation, does not significantly harm any of the environmental objectives set out in said Regulation, is carried out in compliance with the minimum safeguards laid out in this Regulation, and complies with the technical screening criteria that have been established by the European Commission under the Taxonomy Regulation.

## **V. INVESTMENT RULES**

The Fund shall comply with the investment rules laid down by European Directive 2009/65/EC of 13 July 2009. The Fund will comply with the legal ratios decreed by the French Monetary and Financial Code – Regulatory Part.

In particular, the Fund may invest 35% or more of its assets in eligible financial securities and money-market instruments issued or guaranteed by any government or authorised public or semi-public institution outlined in section “2. Assets used (excluding embedded derivatives)” of chapter III.2 “Special Provisions” of the Prospectus.

The legal investment rules applicable to the Fund are those which govern the UCITS in which up to 10% of the assets are invested in other UCIs, as well as those which are applied to its AMF classification – “Euro-denominated international bonds and other debt securities”.

The main financial instruments and management techniques used by the Fund are listed in Chapter III.2 “Special Provisions” of the Prospectus. Amendments to the French Monetary and Financial Code will be taken into consideration by the Management Company in managing the Fund as soon as they are implemented.

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## **VI. GLOBAL RISK**

Commitment calculation method.

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

### **► Principle**

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

- continuity of operations,
- consistency of accounting methods from one year to the next,
- independent financial years.

The standard method for recognising assets in the accounts is the historic cost method, except for portfolio valuation.

### **► Asset valuation rules**

The net asset value of the units is calculated with respect to the following valuation rules:

- Transferable securities traded in a regulated market (French or foreign), are valued at market price. Market price valuation is carried out under conditions specified by the Management Company. Securities contributed to or held by the Fund are valued at their latest market price.
- Differences between the market prices used to calculate the NAV and the historic cost of the securities in the portfolio are recognised in an account "Estimation Differences".

However:

- Securities for which a price has not been recorded on the valuation date or for which the price has been corrected, are valued at their probable trading value as estimated by the Management Company. The Statutory Auditor is informed of these valuations and their justification when conducting audits.
- Except in the case of major transactions, negotiable debt instruments and similar securities are valued using an actuarial method; the rate used is the rate of equivalent securities issues adjusted, when necessary, by a difference that is representative of the intrinsic features of the security issuer. However, negotiable debt instruments with a residual maturity of three months or less will be valued according to the linear method unless they are particularly volatile. The procedures for the application of these rules are set by the Management Company. In accordance with the instructions of the French Market Regulator (AMF), negotiable debt instruments (other than Treasury Notes) are valued as indicated below:
  - securities with 3 months or less (short-term): valued at cost price, with any spread of the discount or listing, on the remaining life;
  - securities with over 3 months and 1 year or less: valued at the Euribor rate published in the Official List, plus or minus a margin, according to the issuer's signature;
  - securities with over 1 year: valued at the equivalent BTAN rate, plus or minus a margin, according to the issuer's signature.
- Treasury notes are valued at the market rate, provided daily by the Banque de France.
- UCITS units or shares are valued at the last known net asset value.
- Securities not traded in a regulated market are valued by the Management Company at their likely trading value. Their valuation is based on their assets and yield, taking into account the prices used in recent major transactions.
- Transferable securities covered by a temporary disposal or acquisition contract are valued in accordance with the legislation in force, and the methods used are determined by the Management Company.

Securities received under repurchase agreements are entered in the purchase portfolio as "Receivables representing securities received under repurchase agreements" at the value stipulated in the contract, plus interest receivable. However, if their maturity exceeds 3 months, these securities are valued at the current value of the contract (market value).

Securities surrendered under repurchase agreements are entered in the purchase portfolio and valued at market price. Interest receivable and payable for repurchase transactions is calculated pro rata. Liabilities representing securities lent under repurchase agreements are posted in short portfolios at the value set forth in the agreement, plus any accrued interest due. On settlement, the interest received and paid is shown as debt revenues. However, if their maturity exceeds 3 months, these securities are valued at the current value of the contract (market value).

Loaned securities are valued at market price. The consideration received for the loan is recorded as debt revenues. Accrued interest is included in the stock market value of the securities lent.

- Transactions on firm forward financial agreements or options traded in organised markets (French or foreign) are valued at market value according to procedures specified by the Management Company.



Contracts on forward markets are valued at the settlement price.

Valuation of collateral:

Collateral is valued daily at market price (mark-to-market method). The discounts that may be applied to the collateral received will take into account the credit quality, the price volatility of the securities and the results of the stress tests performed. Margin calls are made daily, unless otherwise stipulated in the framework contract covering these transactions or if the Management Company and the counterparty have agreed to apply a trigger threshold.

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

### ► Accounting method

Securities entering and leaving the portfolio are recognised excluding costs.

Revenues are recognised when received.

Revenues consist of:

- income from transferable securities,
- dividends and interest received on foreign securities, at the foreign currency rate,
- cash proceeds in foreign currency, loan income, and revenue from lending of securities and other investments.

The following deductions are made from these revenues:

- management fees,
- financial expenses and charges on the lending and borrowing of securities and other investments.

Off-Balance Sheet commitments:

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

### ► Income accruals account

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

## **VIII - REMUNERATION**

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

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

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

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

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

The remuneration policy is available on the amundi.com website or free of charge upon written request from the Management Company.

**Prospectus updated on:** September the 30th, 2024

# REGULATIONS

## Mutual Fund

Amundi ETF Govies 0-6 Months Euro Investment Grade UCITS ETF DR

### SECTION 1 - ASSETS AND UNITS

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

The joint ownership rights are expressed as units, each unit corresponding to an identical share of the Fund's assets (the “**Fund**”). Unitholders are entitled to joint ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund is 99 years from its launch, unless it is wound up early or extended pursuant to these Regulations.

The characteristics of the various unit classes and their access conditions are set out in the Fund's Key Investor Information Document and Prospectus.

The different unit classes may:

- have different rules for allocating income: (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- carry different subscription and redemption fees;
- have different nominal values;
- be systematically hedged against risk, either partially or in full, as set out in the prospectus. The hedging process is performed using financial instruments that reduce the impact of the hedging transactions on the Fund's other unit classes to a minimum;
- be reserved for one or more distribution networks.

Possibility of consolidating or splitting units.

The Management Company's governing body may also decide, at its own discretion, to split the units by issuing new units which shall be allocated to unitholders in exchange for their existing units.

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

Units may not be redeemed if the Fund's assets fall below the amount set by the regulations; in this case, and unless the assets are restored above this amount in the meantime, the Management Company shall take the necessary measures to merge or dissolve the Fund in question within thirty days, or to carry out one of the transactions mentioned in Article 411-16 of the General Regulation of the AMF (transfer of the UCITS).

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

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

Redemptions and subscriptions are performed under the terms and conditions defined in the Fund's key investor information document and prospectus.

The Fund's units may be listed for trading in compliance with applicable laws and regulations.

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

measured according to the rules set out in Article 4, and the subscription shall take place based on the first net asset valuation following the acceptance of the securities concerned.

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

By derogation from the above, where the Fund is an ETF, redemptions on the primary market may, with the agreement of the Management Company and in the interests of the unitholders, be carried out in kind under the conditions set out in the prospectus or the Fund rules. The assets are then delivered by the issuing account holder under the conditions set out in the Fund's prospectus.

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

Redemptions shall be settled by the issuing account holder within a maximum of five days following the unit's valuation.

If however, under exceptional circumstances, the reimbursement requires the prior sale of Fund assets, this period may be extended but shall not exceed 30 days.

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

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

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

Minimum subscription conditions may be set in accordance with the procedures set out in the Fund's prospectus.

The Fund may cease to issue units pursuant to the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, either temporarily or permanently, fully or partially, in situations that objectively require the closure of subscriptions, such as reaching the maximum number of units issued, the maximum amount of assets or the end of a fixed subscription period. Existing unitholders shall 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 by any means will explicitly specify the terms under which existing unitholders may continue to subscribe during the period of this 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 this tool). A change to the objective situation invoked or to the trigger threshold for the tool must always be made in the interest of the unitholders. The information by any means shall specify the exact reasons for these changes.

Clauses resulting from the US Dodd-Frank Act:

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

A Non-Eligible Person is:

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

To this end, the Fund's management company may:

- (i) refuse to issue any unit if it seems that as a result of such issuance said units would or could be held directly or indirectly by or on behalf of a Non-Eligible Person;
- (ii) at any time request that a person or entity whose name is listed in the unitholders' registry provide it with any information, and a statement to that effect, that it deems necessary to determine whether the actual beneficiary of the units is a Non-Eligible Person or not; and
- (iii) carry out, within a reasonable time frame, a mandatory redemption of all the [units/shares] held by a unitholder/shareholder if it seems that the latter is (a) a Non-Eligible Person and, (b) such person is the sole or joint beneficiary of the units. During such time frame, the actual beneficiary of [the units/shares] may present comments to the competent body.

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

#### **Article 4 – NAV calculation**

The NAV of the units is calculated in accordance with the valuation rules set out in the prospectus.

Contributions in kind may only consist of the securities, currencies or contracts eligible for the UCITS; contributions and redemptions in kind are valued in accordance with the same valuation rules as for the calculation of the NAV.

## **SECTION 2 – FUND OPERATIONS**

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

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

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

#### **Article 5a – Operating rules**

The instruments and deposits eligible to form part of the Fund'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 a management 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 Portfolio Management Company are lawful. As applicable, it shall take any prudential measures that it deems useful. It shall notify the French Market Regulator (AMF) of any disputes with the Management Company.

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

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

The Independent Auditor is required to notify the AMF as soon as 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.

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

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

The Independent Auditor's fees shall be set by mutual agreement between the former and the governing body 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 dividend distributions.

## **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 year then ended.

The Management Company prepares at least half-yearly an inventory of the Fund's assets, which will be audited by the Depositary. All the documents listed above are audited by the Independent Auditor.

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**

Distributable income consists of:

1. The net profit plus any amounts carried forward and plus or minus the balance of income accruals;
2. Realised capital gains, net of fees, less any realised capital losses, net of fees recorded during the financial year, plus any net capital gains of the same nature recorded during prior financial years which have not been distributed or accumulated and plus/minus the balance of capital gains accruals.

The sums mentioned under 1 and 2 may be distributed, in whole or in part, independently from one another.

Distributable income is paid out within a maximum of 5 months following the financial year-end.

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

The Management Company determines the allocation of any distributable income.

For each class of units, as applicable, the Fund may select for each of the sums mentioned under 1 and 2 one of the following options:

Full accumulation: distributable sums will be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;

Full distribution: the distributable sums are distributed in full, after rounding;

For Funds which prefer to maintain the freedom to capitalise and/or distribute and/or carry forward any distributable sums, the Management Company decides each year how to allocate each of the amounts listed under 1 and 2.

If applicable, the Management Company may decide, during the fiscal year, to pay one or more interim dividends within the limits of the net income of each of the amounts mentioned under 1 and 2 recognised as at the date of the decision.

The specific terms of allocation of income are described in the Prospectus.

## **SECTION 4 - MERGER - DEMERGER - DISSOLUTION - LIQUIDATION**

### **Article 10 - Merger - Demerger**

The Management Company may either transfer all or some of the Fund assets into the fund of another UCITS it manages or split the Fund into two or more other mutual funds, which it will manage.

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

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

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

The Management Company may wind up the Fund early; it shall notify the unitholders of this decision and of the date from which no further 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 Auditors' report to the French Market Regulator (AMF).

The Management Company may decide, with the Depositary's consent, to extend the Fund's term. The decision must be taken at least three months before expiry of the Fund's anticipated term and the unitholders and the French Market Regulator (AMF) notified.

### **Article 12 - Liquidation**

In the event of dissolution, the Management Company or the person nominated to that effect will act as liquidator; failing that, a liquidator will be appointed by the court of law at the request of any interested party. To this end, the Management Company, or the depositary where applicable, will be granted the broadest powers to sell the assets, pay off any creditors and distribute the available balance among the unitholders in the form of 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 dispute 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.