
Notice to Shareholders of:

Amundi Funds Global Equity ESG Improvers

6 September 2023








The first part of the paper discusses the importance of the research and the need for a new approach. It then presents the methodology used in the study, followed by the results and conclusions. The final section discusses the implications of the findings and suggests areas for future research.

The research was conducted in a laboratory setting, where the participants were asked to perform a series of tasks. The results of the study show that the new approach is more effective than the traditional one. This is supported by the data collected during the experiment.

The conclusions drawn from the study are that the new approach is a significant improvement over the old one. It is more efficient and produces better results. The implications of this research are far-reaching, as it could be applied to many other areas of study.

Future research should focus on further refining the new approach and testing it in a wider range of contexts. It would also be interesting to see how the findings of this study apply to real-world situations.

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Dear Shareholder,

The Board of Directors of Amundi Funds is writing to you to inform you about the merger of a sub-fund of Amundi S.F. (the “**Merging Sub-Fund**”) into Amundi Funds (the “**Target Sub-Fund**” and part of the “**Target Fund**”), as shown in the table below.

You have a variety of options, which are explained in detail below. Please carefully review the information provided.

Terms not specifically defined herein shall have the same meaning as in the articles of incorporation and the prospectus of Amundi Funds.

01 Key Facts of the Merger

Merging Sub-Fund	Target Sub-Fund
Amundi S.F. – European Equity Optimal Volatility	Amundi Funds Global Equity ESG Improvers

A detailed comparison of the Merging Sub-Fund and the Target Sub-Fund is provided in Appendices 1 and 2.

MERGER DATE:

13 October 2023

BACKGROUND:

The principal aim of the merger is to rationalize existing products ranges within the Amundi Group, by creating investment efficiencies and economies of scale.

COSTS AND EXPENSES OF THE MERGER:

The costs and expenses of the merger for the Target Sub-Fund will be borne by the Management Company, except for banking and transaction related costs.

APPLICABLE LAW AND RULES:

The merger complies with Chapter 8 of the law of 17 December 2010 on undertakings for collective investment, as amended, and article 21 of the management regulations of Amundi S.F. as well as article 33 of the articles of incorporation of Amundi Funds.

02 Merger Process

PRIOR TO THE MERGER:

No general meeting of shareholders will be convened to approve the merger, as shareholders' approval is not required in respect of the merger.

WHAT HAPPENS ON THE MERGER DATE:

On the merger date, all assets and liabilities (if any) of the Merging Sub-Fund will be transferred to the Target Sub-Fund; the Merging Sub-Fund will cease to exist.

Any accrued income in the Merging Sub-Fund will be included in the final net asset value of the Merging Sub-Fund and accounted for in the net asset value of the relevant share class of the Target Sub-Fund after the Merger Date.

In exchange for units of the Merging Sub-Fund, unitholders of the Merging Sub-Fund will receive a number of shares of the relevant share-class of the Target Sub-Fund equal to the number of units held in the relevant Merging Sub-Fund multiplied by the relevant exchange ratio. Fractions of units shall be issued up to three decimals.

The exchange ratio will be calculated by dividing the net asset value of the units of the Merging Sub-Fund dated 13 October 2023 by the net asset value of the shares of the relevant share-class of the Target Sub-Fund having the same date.

On the merger date, unitholders of the Merging Sub-Fund will become shareholders of the Target Sub-Fund.

MERGER REPORT:

The Auditor of Amundi S.F. will issue a merger report, which will be available free of charge at the registered office of the Management Company.

03 Impact of the Merger

The merger will have no material impact on the portfolio or performance of the Target Sub-Fund and on you as a shareholder of the Target Sub-Fund.

04 Trading Timeline

REDEMPTION AND SWITCHING OUT:

You may redeem or switch-out your shares without any redemption or switch fee (if applicable), from the date of this notice up to and including 6 October 2023 at 02:00 p.m. (Luxembourg time), at the applicable net asset value per share. Transactions after this date are subject to the usual applicable fees.

Shareholders operating through Italian distributors, wishing to redeem or switch-out their shares without any redemption or switch fee (if applicable) will have to place their redemption or switch-out orders no later than the 5 October 2023 at 02:00 p.m. (Luxembourg time), so as to have them executed within the 6 October 2023 at 02:00 p.m. (Luxembourg time).

SUBSCRIPTIONS AND SWITCHING INTO:

Subscriptions and switches into shares of the Target Sub-Fund will not be affected by the merger.

TRANSFERS:

Transfers of shares of the Target Sub-Fund will not be affected by the merger.

TRANSACTIONS POST-MERGER:

You may redeem or switch your shares on any valuation day as outlined in the prospectus of Amundi Funds.

05 What Do You Need To Do?

1. If you are comfortable with the merger, you do not need to take any action.
2. If you redeem or switch your investment prior to 6 October 2023 at 02:00 p.m. (Luxembourg time), no redemption or switch fee (if applicable) will be charged. Please place your dealing instructions as you usually do. However, when switching shares into another Amundi Funds' sub-fund charging a higher sales charge, a conversion fee equal to the difference between sales charges will apply.

Luxembourg, on 6 September 2023.

FUND NAME:

Amundi Funds

LEGAL FORM:

SICAV

REGISTERED OFFICE OF THE MANAGEMENT COMPANY:

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

MANAGEMENT COMPANY:

Amundi Luxembourg S.A.

DOCUMENTATION:

The following documents are at the disposal of Shareholders for inspection and for copies free of charge at the registered office of the Management Company:

- the common terms of merger;
- the latest prospectus and key Information Documents of the Merging Sub-Fund and the Target Sub-Fund;
- the copy of the report prepared by the Auditor or the Merging Sub-Fund to validate the conditions foreseen in Article 71 (1), items (a) to (c) of the 2010 Law;
- the copy of the certificate related to the merger issued by the depository of both, the Merging Sub-Fund and the Target Sub-Fund in compliance with Article 70 of the 2010 Law.

The Prospectus, Key Information Documents and most recent financial reports of the Target Sub-Fund are also available at: www.amundi.lu/amundi-funds

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Appendix 1 – Comparison between the Merging Sub-Fund and the Target Sub-Fund

The following table shows the main differences between the Merging Sub-Fund and the Target Sub-Fund:

Merging Sub-Fund:	Target Sub-Fund:
Legal Form	
<i>Fonds commun de placement</i> , as a Luxembourg undertaking for collective investment in transferable securities	<i>Société d'investissement à capital variable</i> as a Luxembourg undertaking for collective investment in transferable securities
Investment Manager	
Amundi Asset Management	Amundi Ireland Limited
Investment Objective/Policy	
<p>Objective Seeks to increase the value of your investment by achieving equity-like returns but with reduced volatility over the recommended holding period.</p> <p>Policy The Sub-Fund invests mainly in shares of companies that are based in, or do most of their business in Europe. The Sub-Fund may invest up to 10% of its assets in other UCIs and UCITS.</p> <p>Benchmark The Sub-Fund is actively managed and is not managed in reference to a benchmark.</p> <p>Derivatives The Sub-Fund makes extensive use of derivatives to reduce various risks, for efficient portfolio management, and as a way to gain exposure (either long or short) to various assets, markets or income streams. This may generate a high level of leverage. In particular, the Sub-Fund may invest in options, futures and currency forwards. At all times, the long positions of the Sub-</p>	<p>Objective Seeks to increase the value of your investment over the recommended holding period.</p> <p>Policy The Sub-Fund is a financial product that promotes ESG characteristics pursuant to Article 8 of the Disclosure Regulation. The Sub-Fund invests mainly in a broad range of equities and equity-linked instruments of companies from anywhere in the world, and which have a market capitalization of at least USD 1 billion at the time of acquisition. The Sub-Fund may invest up to 30% of its net assets in equities of companies that are headquartered in or do substantial business in emerging markets. Whilst the investment manager aims to invest in ESG Rated securities not all investments of the Sub-Fund will have an ESG rating and in any event such investments will not be more than 10% of the Sub-Fund. There are no currency constraints on these investments. While complying with the above policies, the Sub-Fund may also invest in other equities, money market instruments, deposits and up to 10% of its assets in other UCITS and UCIs.</p> <p>Benchmark The Sub-Fund is actively managed by reference to and seeks to outperform (after applicable fees) the MSCI World Net Total Return Index (the "Benchmark") over the recommended holding period. The Sub-Fund is mainly exposed to the issuers of the Benchmark, however, the management of the Sub-Fund is discretionary, and will invest in issuers not included in the Benchmark. The Sub-Fund monitors risk exposure in relation to the Benchmark and the extent of deviation from the Benchmark is expected to be material. The Benchmark is a broad market index, which does not assess or include its constituents according to environmental characteristics and therefore is not aligned with environmental characteristics promoted by the Sub-Fund.</p> <p>Derivatives The Sub-Fund makes use of derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities).</p>

Fund will be sufficiently liquid to cover obligations arising from its short positions.

Investment process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section “Sustainable Investing” of the Prospectus. Given the Sub-Fund’s investment focus, the investment manager of the Sub-Fund does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities. The investment manager pursues two distinct strategies to generate long-term growth with controls on levels of volatility. First, it constructs an actively managed portfolio by applying a “bottom-up” research process. Second, it pursues a combined top-down/bottom-up strategy, which aims to adjust the net long exposure of the portfolio, its component sectors, markets or securities and consequently, the Sub-Fund’s volatility. This strategy will take advantage of price differentials based on the direction in which a specific market is heading, but also based on the changes to the expected volatility of the underlying instrument. The allocation is determined by a sophisticated process, which continually assesses the risk and performance of the overall portfolio.

Management Process

The Sub-Fund integrates Sustainability Factors in its investment process as outlined in more detail in section “Sustainable Investing” of the Prospectus. The investment manager aims to deliver alpha by investing in companies that have embraced, or will embrace, a positive ESG trajectory within their business. The investment manager seeks to identify what are the ESG factors that are material to their business and understand the financial impact of those factors and how they may evolve over time. The investment manager identifies investment opportunities that are aligned with the aim of generating alpha by focusing on inclusion of companies that will be strong ESG improvers in the future, while also investing in companies that are currently ESG winners in their sectors.

Further, the Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of the Benchmark. When analysing ESG score against the Benchmark, the Sub-Fund is compared with the ESG score of its Benchmark after 20% of the lowest ESG rated securities have been excluded from the Benchmark.

In accordance with its objective and investment policy, the Sub-Fund promotes environmental characteristics within the meaning of article 6 of Taxonomy Regulation and may partially invest in economic activities that contribute to one or several environmental objective(s) prescribed in Article 9 of the Taxonomy Regulation.

While the Sub-Fund may already hold investments in economic activities that qualify as Sustainable Activities without being currently committed to a minimum proportion, the Management Company is making its best efforts to disclose such proportion of investments in Sustainable Activities as soon as reasonably practicable after the entry into force of the Regulatory Technical Standards with regards to the content and presentation of disclosures pursuant to Articles 8(4), 9(6) and 11(5) of SFDR, as amended by the Taxonomy Regulation.

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

Base currency

EUR

USD

Classification under the Disclosure Regulation

Other product (no article 8 product, no article 9 product)

Article 8 sub-fund

Profile of typical investors

Recommended for retail investors

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to increase the value of their investment and provide income over the recommended holding period.
- Qualifies as an equity Sub-Fund for German tax purposes.

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Main risks

List of risks <ul style="list-style-type: none"> • Collective investment • Concentration • Derivatives (extensive use) • Equity • Market • Operational • Sustainable Investment Risk 	List of risks <ul style="list-style-type: none"> • Benchmark and Sub-Fund performance • Counterparty • Credit • Custody • Currency • Default • Derivatives • Emerging markets • Equity • Hedging • Interest rate • Leverage • Liquidity • Management • Market • Operational • Sustainable investment • Volatility • Use of techniques and instruments
Exposure of assets to TRS	
Expected: 0% - 5% (unfunded) Maximum: 10% (unfunded)	Not applicable
Exposure of assets to SFT	
<ul style="list-style-type: none"> • Securities lending Expected: 0% - 5% Maximum: 20% 	<ul style="list-style-type: none"> • Securities lending Expected : 20% Maximum : 50%
Risk management method and leverage	
Absolute VaR (expected gross leverage of 250%)	Commitment
Performance fee benchmark	
Not applicable	MSCI World Net Total Return USD Index
Units / Shares dealing	
Orders received by the Transfer Agent before 18:00 CET on a Business Day will be processed that day, at the NAV to be calculated for that day.	Requests received and accepted by 14:00 CET on a Business Day will ordinarily be processed at the NAV for that Valuation Day (D). Settlement occurs not later than D+3.

07 Appendix 2 – Unit and Share Classes Merger Table per ISIN

The unitholders of the Merging Sub-Fund will receive shares pertaining to the relevant share-class of the Target Sub-Fund, as per the tables below. The association between the unit classes of the Merging Sub-Fund and a share-classes of the Target Sub-Fund is made on the basis of their features, *inter alia* the reference currency.

The following tables compare the material differences between the unit classes of the Merging Sub-Fund and the relevant share-classes of the Target Sub-Fund.

- i. Merger of Amundi S.F. – European Equity Optimal Volatility Class A EUR (C) Non-Distributing (LU1920531883) into Amundi Funds Global Equity ESG Improvers – Class A2 EUR (C) Non-Distributing (LU2643912376)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class A EUR (C) Non-Distributing LU1920531883	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class A2 EUR (C) Non-Distributing LU2643912376
Ongoing Charges	1.72%	1.83%
Entry Charge (Max)	5.00%	4.50%
Management Fees (Max)	1.50%	1.55%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	2	4

- ii. Merger of Amundi S.F. – European Equity Optimal Volatility Class A USD (C) Non-Distributing (LU1920531966) into Amundi Funds Global Equity ESG Improvers – Class A2 USD (C) Non-Distributing (LU2344284976)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class A USD (C) Non-Distributing LU1920531966	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class A2 USD (C) Non-Distributing LU2344284976
Ongoing Charges	1.72%	1.83%
Entry Charge (Max)	5.00%	4.50%
Management Fees (Max)	1.50%	1.55%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	3	4

- iii. Merger of Amundi S.F. – European Equity Optimal Volatility Class C USD (C) Non-Distributing (LU1920532261) into Amundi Funds Global Equity ESG Improvers – Class C USD (C) Non-Distributing (LU2643912020)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class C USD (C) Non-Distributing LU 1920532261	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class C USD (C) Non-Distributing LU2643912020
Ongoing Charges	2.72%	2.63%
CDSC (Max)	1.00% (0 after 1 year investment)	1.00%
Management Fees (Max)	1.50%	1.35%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	3	4

- iv. Merger of Amundi S.F. – European Equity Optimal Volatility Class C EUR (C) Non-Distributing (LU1920532345) into Amundi Funds Global Equity ESG Improvers – Class C EUR (C) Non-Distributing (LU2643911998)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class C EUR (C) Non-Distributing LU1920532345	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class C EUR (C) Non-Distributing LU2643911998
Ongoing Charges	2.72%	2.63%
CDSC	1.00% (0 after 1 year investment)	1.00%
Management Fees (Max)	1.50%	1.35%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	2	4

- v. Merger of Amundi S.F. – European Equity Optimal Volatility Class E EUR (C) Non-Distributing (LU1920532428) into Amundi Funds Global Equity ESG Improvers – Class E2 EUR (C) Non-Distributing (LU2344286328)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class E EUR (C) Non-Distributing LU1920532428	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class E2 EUR (C) Non-Distributing LU2344286328
Ongoing Charges	1.76%	1.63%
Entry Charge (Max)	4.75%	4.00%
Management Fees (Max)	1.50%	1.35%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	2	4

- vi. Merger of Amundi S.F. – European Equity Optimal Volatility Class F EUR (C) Non-Distributing (LU1920532691) into Amundi Funds Global Equity ESG Improvers – Class F EUR (C) Non-Distributing (LU2490079782)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class F EUR (C) Non-Distributing LU1920532691	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class F EUR (C) Non-Distributing LU2490079782
Ongoing Charges	2.51%	2.43%
Performance Fee	Not applicable	20.00%
Management Fees (Max)	2.25%	2.15%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	2	4

- vii. Merger of Amundi S.F. – European Equity Optimal Volatility Class G EUR (C) Non-Distributing (LU1920532774) into Amundi Funds Global Equity ESG Improvers – Class G EUR (C) Non-Distributing (LU2490079865)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class G EUR (C) Non-Distributing LU1920532774	Target Sub-Fund: Amundi Funds –Global Equity ESG Improvers Class G EUR (C) Non-Distributing LU2490079865
Ongoing Charges	2.30%	1.78%
Performance Fee	Not applicable	20.00%
Distribution Fee (Max)	0.50%	0.35%
Management Fees (Max)	1.50%	1.15%
Administration Fee (Max)	Not applicable	0.23%
Summary Risk Indicator	2	4

- viii. Merger of Amundi S.F. – European Equity Optimal Volatility Class H EUR (C) Non-Distributing (LU1920532857) into Amundi Funds Global Equity ESG Improvers – Class M2 EUR (C) Non-Distributing (LU2440106289)

	Merging Sub-Fund: Amundi S.F. – European Equity Optimal Volatility Class H EUR (C) Non-Distributing LU1920532857	Target Sub-Fund: Amundi Funds Global Equity ESG Improvers Class M2 EUR (C) Non-Distributing LU2440106289
Ongoing Charges	1.01%	0.86%
Entry Charge (Max)	2.00%	Not applicable
Management Fees (Max)	0.80%	0.70%
Administration Fee (Max)	Not applicable	0.15%
Subscription tax (<i>taxe d'abonnement</i>)	0.05%	0.01%
Summary Risk Indicator	2	4

