

# Notice to Shareholders of:

» Amundi Funds

***THIS NOTIFICATION IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE. THE BOARD OF DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS NOTIFICATION AS BEING ACCURATE AS AT THE DATE OF PUBLICATION.***

*5 April 2019*

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Dear Shareholder,

Following the merger of Pioneer Investments with the Amundi group in July 2017, Amundi has consolidated its position as the market leader in Europe and among the top ten asset management companies globally.

We are now undertaking the final phase of an integration process which aims to deliver, through fund mergers and rationalisation, a focussed and enhanced product range with strength and depth across all asset classes.

The Board of Directors of Amundi Funds (the “Fund”), is writing to inform you of changes to the Fund as detailed below.

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

The prospectus of the Fund will be updated in due course to reflect the changes to the Fund as detailed below. Copies of the prospectus, the product key facts statements of the sub-funds, and other documents as set out in the section headed “XXI. DOCUMENTS AVAILABLE FOR INSPECTION” in the prospectus of the Fund are available for inspection free of charge at the office of the Hong Kong representative at Suites 901-908, 9th Floor One Pacific Place, No. 88 Queensway Road, Hong Kong during normal business hours. For enquiries on the Fund and the changes as detailed below, please contact the Hong Kong representative at (852) 2521 4231.

Unless otherwise specified in this notice, words and expressions contained hereafter shall have the same meaning as defined in the prospectus.

Yours faithfully,

Julien Faucher  
for the Board of Directors of Amundi Funds

## 01. Sub-Fund Name Changes

The naming convention of the Amundi Funds' sub-funds offered will be revised with effect from the 1 June 2019 to ensure consistency across the range. Please refer to Appendix I to this letter for information on the sub-fund name changes.

## 02. Share Class Naming Convention

The naming of Classes will be standardised based on the following convention from the 1 June 2019:

| Fund         | Sub-Fund                  |   | Class  | Currency           | Hedging             | Distribution Frequency  | Target Distribution | Distribution Type                         |
|--------------|---------------------------|---|--|--------------------|---------------------|---|---------------------|---|
| Amundi Funds | Name of relevant sub-fund | - | Relevant Class letter (e.g. A, E, U, I, etc) | E.g. EUR, USD, etc | Hdg (if applicable) | Distributing Annually: (AD),<br>Distributing Quarterly: (QD),<br>Distributing Monthly: (MD) | T (if applicable)   | Distributing (D),<br>Non-Distributing (C) |

## 03. Fee changes

With effect from 1 June 2019, the maximum management fee of the following share class of the following sub-fund will increase as shown in the table below. However, the maximum administration fee will be reduced and the estimated ongoing charges ratios will decrease as a result. These fee adjustments are the commercial decision of the Management Company after review and rationalization of its fund range in the context of the merger of the Amundi and Pioneer Investments groups.

| Sub-Fund   | Class of Shares | Current Maximum Management Fee (p.a. in percentage of net asset value) | New Maximum Management Fee (p.a. in percentage of net asset value) | Current Maximum Administration Fee (p.a. in percentage of net asset value) | New Maximum Administration Fee (p.a. in percentage of net asset value) | Current ongoing charges ratio over a year <sup>1</sup> | Estimated ongoing charges ratio over a year taking into account the fee increment <sup>2</sup> |
|--|-----------------|--|--|--|--|--|--|
| Amundi Funds – Equity Asia Concentrated<br><br>(to be renamed as “Amundi Funds – Asia Equity Concentrated” with effect from 1 June 2019) | A2U             | 1.85%  | 1.90%  | 0.50%  | 0.30%  | 2.40%  | 2.25%  |

Please be confirmed that there is no change to the investment objective and policy and the risk profile of the sub-fund listed in the above table. The fee adjustment will not result in any change in the operation and/or manner in which such sub-fund is being managed and will not materially prejudice the rights and interests of the existing Shareholders. The costs and expenses of making this change will be borne by Amundi Luxembourg S.A., acting as the Management Company of the Fund.

Shareholders who do not wish to remain invested in the sub-fund as a result of the fee adjustment as mentioned above may request for redemption of their Shares in accordance with the normal procedures as set out in the prospectus. Currently, no redemption fee is payable on redemption of Shares.

## 04. Introduction of Swing Pricing

To protect the interests of existing Shareholders in case of significant subscriptions, redemptions or conversions, the Board of Directors has decided to introduce an anti-dilution mechanism called swing pricing to the following sub-funds with effect from 6 May 2019.

<sup>1</sup> This figure is based on expenses for the period from 1 July 2017 to 30 June 2018 and expressed as a percentage of the average net asset value for corresponding period. This figure may vary from year to year.

<sup>2</sup> This figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the sub-fund with adjustments to reflect the fee adjustment with effect from 1 June 2019 expressed as a percentage of this share class' estimated average net asset value of the share class over a 12-month period.

- Amundi Funds - Equity Global Concentrated
- Amundi Funds - CPR Global Gold Mines
- Amundi Funds - CPR Global Lifestyles
- Amundi Funds - CPR Global Agriculture
- Amundi Funds - CPR Global Resources
- Amundi Funds - Equity ASEAN
- Amundi Funds - Equity Asia Concentrated (to be renamed as “Amundi Funds - Asia Equity Concentrated” with effect from 1 June 2019)
- Amundi Funds - Equity Emerging Focus (to be renamed as “Amundi Funds – Emerging Markets Equity Focus” with effect from 1 June 2019)
- Amundi Funds - Equity Emerging World (to be renamed as “Amundi Funds – Emerging World Equity” with effect from 1 June 2019)
- Amundi Funds - Equity MENA
- Amundi Funds - Equity Greater China
- Amundi Funds - SBI FM Equity India (to be renamed as “Amundi Funds – SBI FM India Equity” with effect from 1 June 2019)
- Amundi Funds - Equity Latin America (to be renamed as “Amundi Funds – Latin America Equity” with effect from 1 June 2019)
- Amundi Funds - Equity Thailand
- Amundi Funds – Cash EUR
- Amundi Funds – Cash USD

Various costs for investment and divestment in case of significant subscriptions, redemptions or conversions may negatively affect the net asset values of the sub-funds. These costs can be derived from taxes, brokerage fees, dealing spreads and other market and trading considerations (the “Costs”). With the adoption of swing pricing to protect existing Shareholders from being affected by the Costs, in general, when the net balance of subscriptions and redemptions for a given sub-fund is greater than a predetermined threshold percentage of the sub-fund’s net asset value on any Valuation Day, the dealing price will be adjusted upward when there is strong demand to buy Shares of the sub-fund and downward when there is a strong demand to redeem the Shares of the sub-fund. These dealing price adjustments will normally not exceed 2% of the sub-fund’s original net asset value per Share. The Board of Directors will periodically review this adjustment limit and may decide to increase this adjustment limit if it considers necessary to protect the interests of existing Shareholders. Shareholders will be notified if this adjustment limit is increased. The threshold determined by the Board of Directors will be reviewed on a quarterly basis. The details of the mechanism, including the threshold percentage, will only be known by persons in charge of its determination and implementation.

Please note that a sub-fund may not be totally free from dilution of net asset value due to significant subscriptions, redemptions or conversions even with the adoption of swing pricing. There is a risk that the swing pricing adjustment to the dealing price may not fully cover the actual amount of the Costs incurred to accommodate the cash inflows or outflows and the net asset value of the sub-fund may be negatively affected by the shortfall as a result. Due to the application of swing pricing policy, the sub-fund’s net asset value volatility may not only be the exact reflect of the volatility of the underlying assets held in portfolio of the sub-fund.

Please be confirmed that the implementation of swing pricing will not affect the sub-funds’ investment objectives and policies, risk profiles and fee levels. Also, the implementation of swing pricing will not result in any change in the operation and/or manner in which the sub-funds are being managed and will not materially prejudice the rights and interests of the existing Shareholders. The costs and expenses of making this change will be borne by Amundi Luxembourg S.A., acting as the Management Company of the Fund.

Shareholders who do not wish to remain invested in the relevant sub-funds as a result of the introduction of swing pricing as mentioned above may request for redemption of their Shares in accordance with the normal procedures as set out in the prospectus. Currently, no redemption fee is payable on redemption of Shares.

## 05. Change in Dealing Price Publication

To reduce the operating costs of the Amundi Funds, the Board of Directors has decided to cease publishing the dealing prices in the Hong Kong Economic Journal with effect from 28 June 2019. The dealing prices will continue to be published at <http://www.amundi.com.hk/retail>. Please note that this website has not been reviewed by the Securities and Futures Commission in Hong Kong.

## 06. Sub-Fund Mergers

### » KEY FACTS OF THE MERGERS:

#### BACKGROUND:

The principal aim of the sub-fund mergers is to focus the investment capabilities of the enlarged Amundi group which resulted from the merger of the Amundi and Pioneer Investments groups. The mergers will rationalise the Amundi range of funds available to investors and provide opportunity for efficiencies in operation. Some SFC-authorized sub-funds of Amundi Funds will be consolidated into other SFC-authorized sub-funds of Amundi Funds. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Appendix II lists the relevant sub-funds of Amundi Funds ("Merging Sub-Funds") which will merge into the corresponding sub-funds of Amundi Funds ("Target Sub-Funds").

The net asset value of the Merging Sub-Funds and the Target Sub-Funds as at 18 March 2019 are shown in the table below.

| Merging Sub-Funds                                  | Net Asset Value as at 18 March 2019 | Target Sub-Funds  | Net Asset Value as at 18 March 2019 |
|--|-------------------------------------|---|-------------------------------------|
| Amundi Funds - Bond Global Emerging Local Currency | EUR 793,289,481.54                  | Amundi Funds - Emerging Markets Local Currency Bond   | EUR 0 (EUR 387,413,229.29*)         |
| Amundi Funds - Equity Greater China                | EUR 295,790,170.82                  | Amundi Funds - China Equity   | EUR 0 (EUR 325,962,972.46*)         |
| Amundi Funds - Equity Thailand                     | EUR 62,182,917.40                   | Amundi Funds - Equity Asia Concentrated (to be renamed as "Amundi Funds - Asia Equity Concentrated" with effect from 1 June 2019) | EUR 107,375,700.13                  |
| Amundi Funds - Equity Global Concentrated          | EUR 295,751,469.06                  | Amundi Funds - Pioneer Global Equity  | EUR 0 (EUR 613,705,317.40*)         |

\* The Target Sub-Funds will be launched on 14 June 2019. The Target Sub-Funds will not only absorb their respective Merging Sub-Funds, but also other fund(s) prior to the merger. The figures in bracket show the total net asset values of such other fund(s) as at 18 March 2019.

Currently, there is no unamortised balance of the preliminary expenses incurred in the formation on the books of the Merging Sub-Funds.

#### MERGER DATE:

The Merger Date for each relevant sub-fund is shown in Appendix II.

#### COSTS AND EXPENSES OF THE MERGER:

The costs and expenses of the merger will be borne by Amundi Luxembourg S.A., acting as the Management Company of Amundi Funds, except banking and transaction related costs (including the "Rebalancing Costs" as described in the "Merger Process" section below and other miscellaneous banking fees) which are expected to be immaterial and will be charged out of the assets of the Merging Sub-Funds.

#### APPLICABLE LAW AND RULES:

The merger complies with Chapter 8 of the law of 17<sup>th</sup> December 2010 on undertakings for collective investment, as amended and Article 30 of the Articles of Association and the "XVII. Duration, Liquidation and Merger of the Fund" section of the prospectus of Amundi Funds.

## » MERGER PROCESS

### PRIOR TO THE MERGER:

From the date of this notice, the Merging Sub-Funds are no longer allowed to be marketed to the public in Hong Kong. Therefore, any request for subscription for Shares of the Merging Sub-Funds from new investors will be rejected. During the period between the Rebalancing Date as set out in the Appendix II and the Merger Date, the investment managers may rebalance and align the investments of the Merging Sub-Funds with the respective investment objectives and policies of the Target Sub-Funds. As a result, the portfolios or performance of the Merging Sub-Funds may be materially affected during the period between the Rebalancing Date and the Merger Date. This will not affect the investment management of the Target Sub-Funds or other sub-funds. Besides, certain costs (the "Rebalancing Costs") will be incurred and charged out of the assets of the Merging Sub-Funds in rebalancing the portfolios of the Merging Sub-Funds to align with the respective investment objectives and policies of the Target Sub-Funds during the period between the Rebalancing Date and the Merger Date. If Shareholders of the Merging Sub-Funds decide to redeem or switch out their Shares and want to avoid such Rebalancing Costs, they should place their dealing instructions before the Rebalancing Date. Please note that Shareholders of the Merging Sub-Funds who place their dealing instructions to redeem or switch out their Shares during the period between the Rebalancing Date and the Cut-Off Time as set out in the Appendix II will be subject to such Rebalancing Costs.

### WHAT HAPPENS ON THE MERGER DATE:

On the Merger Date, each Merging Sub-Fund will transfer all its assets and liabilities to its corresponding Target Sub-Fund. As a consequence, the Merging Sub-Funds will cease to exist.

In exchange for your Shares of the relevant Share Class of a Merging Sub-Fund, you will receive a number of Shares of the same Share Class of the corresponding Target Sub-Fund equal to the number of Shares held in the relevant Share Class of the Merging Sub-Fund multiplied by the relevant exchange ratio. Fractions of Shares shall be issued up to three decimals. The exchange ratio will be calculated by dividing the net asset value of the Shares of the relevant Share Class of the Merging Sub-Fund on the date as shown in Appendix II by the net asset value of the Shares of the same Share Class of the corresponding Target Sub-Fund on the same date. On the Merger Date, you will become a shareholder of the corresponding Target Sub-Fund.

No cash payment will be made as part of the exchange of Shares of the Merging Sub-Funds in receipt of Shares of the corresponding Target Sub-Funds.

### MERGER REPORT:

The Auditor of Amundi Funds will issue a merger report, which will be available free of charge at the registered office of the Amundi Funds and the office of the Hong Kong Representative at Suites 901-908, 9th Floor One Pacific Place, No. 88 Queensway Road, Hong Kong during normal business hours.

## » IMPACT OF THE MERGER

**A detailed comparison of the Merging and Target Sub-Funds is available for inspection at the office of the Hong Kong Representative at Suites 901-908, 9th Floor One Pacific Place, No. 88 Queensway Road, Hong Kong during normal business hours.**

### FEATURES OF THE MERGING AND TARGET SUB-FUNDS:

The following tables present the similarities and differences in the main features of the Merging and Target Sub-Funds.

|                      | <b>Merging Sub-Fund: Amundi Funds –Bond Global Emerging Local Currency</b>  | <b>Target Sub-Fund: Amundi Funds – Emerging Markets Local Currency Bond</b>  |
|----------------------|---|--|
| Investment objective | To achieve a combination of income and capital growth (total return). Specifically, the sub-fund seeks to outperform the JP Morgan GBI-EM Global Diversified (USD) unhedged index.  | To provide income and to increase the value of your investment.  |
| Investment policy    | <p>The sub-fund invests mainly in bonds of governments and companies in emerging countries with no currency constraints. The sub-fund may invest up to 20% of the net assets in Chinese bonds denominated in local currency and investments may be made indirectly or directly (via Direct CIBM access) in Chinese bonds.</p> <p>Investments may include mortgage-backed securities (MBS) and asset-backed securities (ABS). The sub-fund primarily invests in bonds and currencies (indirectly via financial derivative instruments). The active currency positions implemented by the sub-fund may not be correlated with the underlying assets (i.e. bonds) of the sub-fund.</p> <p>Specifically, the sub-fund invests at least 67% of assets in bonds that are:</p> <ul style="list-style-type: none"> <li>- issued or guaranteed by emerging country governments or government agencies, or</li> <li>- issued by companies that are headquartered, or do substantial business, in emerging countries.</li> </ul> <p>There are no rating constraints on these investments.</p> <p>While complying with the above policies, the remaining assets of the sub-fund may also invest in other types of bonds, in money market instruments and deposits, and in the following up to these percentages of net assets:</p> <ul style="list-style-type: none"> <li>- convertible bonds: 25%</li> <li>- ABSs and MBSs: 20%</li> <li>- equities and Equity-Linked Instruments: 10%</li> <li>- UCITS/UCIs: 10%</li> </ul> <p>The sub-fund's exposure to contingent convertible bonds is limited to 10% of net assets.</p> | <p>The sub-fund invests mainly (i.e. at least 50% of net asset value) in bonds that are denominated in a local currency from emerging markets or where the bond's credit risk is linked to emerging markets. The sub-fund may invest in bonds issued by all types of issuers. The sub-fund does not have specific credit rating criteria and may therefore invest up to 100% of its net asset value in debt securities which is below Investment Grade or unrated. "Unrated debt securities" means debt securities which neither the debt securities themselves nor their issuers have a credit rating. The sub-fund is not subject to any limitation on the portion of its net asset value that may be invested in any one country or region.</p> <p>The sub-fund may invest up to 45% of the sub-fund's net asset value in securities issued and/or guaranteed by a single sovereign issuer (e.g. Brazil) (including its government, a public or local authority of that country) which is below Investment Grade or unrated. However, please note that the credit rating of sovereign issuers may change from time to time and the abovementioned sovereign is named only for reference and is subject to change as its credit rating changes. Such investments are based on the conviction and professional judgement of the Investment Manager whose reasons for investment may include a favourable / positive outlook on the sovereign issuer and potential for credit ratings upgrade and the expected changes in the value of such investments due to the credit rating changes. The Investment Manager believes that it is necessary to retain the flexibility to invest at above 10% of net asset value in securities issued and/or guaranteed by a single sovereign issuer which is below Investment Grade or unrated within the universe of high yield or unrated debt securities that the sub-fund may expose to according to its investment objective. In addition, high yield exposure may increase as a result of downgrades relating to investments held in the portfolio.</p> <p>The sub-fund may also invest in bonds from any country that are denominated in other currencies, and may invest up to 25% of its assets in bonds with attached warrants, up to 10% in contingent convertible bonds and up to 5% in equities.</p> <p>The sub-fund may invest up to 10% of its assets in other UCIs and UCITS.</p> |
| Use of derivatives   | The sub-fund may use derivatives for hedging and efficient portfolio management, and to increase its net exposure (focusing on interest rates, credit and currency). The sub-fund will invest extensively in derivatives for investment purposes (e.g. currency exposure management and active duration management) but it is not limited to a particular strategy regarding the usage of derivatives. Such derivatives may include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts. The sub-fund may use credit derivatives (such as single issuer swap and indices credit default swap) for up to 40% of its net assets. The sub-fund may be leveraged through the use of derivatives. The leverage assessed as per the sum of notional approach is expected to be around 1000% of the sub-fund's net asset value. The   | The sub-fund may invest extensively in derivatives for investment purposes. The sub-fund may make 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 credit, interest and foreign exchange, such as cross currency swaps, interest rate swaps, total return swaps, currency forward, currency option, non-deliverable forward and credit default swap). For the avoidance of doubt, the use of derivatives by the sub-fund will not result in the sub-fund being in a net short position on an overall basis. The sub-fund may use derivatives (such as total return swap) to gain exposure to loans  |

|  |  |   |
|--|--|---|
|  | leverage level assessed as per the commitment approach, which corresponds to the notional approach after taking into account netting and hedging techniques, is expected to be around 0%-110% of the sub-fund's net asset value. The expected level of leverage is an indicator and not a regulatory limit. The expected level of leverage may namely be higher when interest rates are expected to change significantly, when credit spreads are expected to widen or tighten significantly, or when market volatility is very low. | up to maximum of 20% of its assets. The leverage assessed as per the sum of notional approach is expected to be around 250% of the sub-fund's net asset value. The leverage level assessed as per the commitment approach, which correspond to the notional approach after taking into account netting and hedging techniques, is expected to be around 0%-60% of the sub-fund's net asset value. The expected level of leverage is an indicator and not a regulatory limit. The expected level of leverage may namely be higher when interest rates are expected to change significantly, when credit spreads are expected to widen or tighten significantly, or when market volatility is very low. |
| Management process   | The investment team analyses interest rate and long-term macroeconomic trends (top-down) to identify the geographic areas that appear likely to offer the best risk-adjusted returns. The investment team then uses both technical and fundamental analysis, including credit analysis, to select issuers and securities (bottom-up) and to construct a highly diversified portfolio.  | The investment manager uses a combination of overall market analysis and analysis of individual bond issuers to identify those bonds that appear more creditworthy than their ratings indicate, offer the potential for attractive income and may benefit from increases in the value of local currencies.  |
| Base currency  | USD  | EUR   |
| Key risk factors   | Developing countries risk, sovereign debt risk, corporate debt issuer risk, interest rate risk, risk attached to the use of financial derivative instruments (credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk), credit default swap risk, downgrading risk, below investment grade / unrated bonds risk, exchange rate risk, high leverage risk, risks related to distribution out of capital   | General investment risk, exchange rate / currency risk, risks associated with debt securities (credit / counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, below investment grade / unrated bond risk, sovereign debt risk, contingent convertible bonds risk, valuation risk, credit rating risk), developing countries risk, concentration risk, risk attached to the use of financial derivative instruments (credit and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter derivatives transaction risk), high leverage risk, risks related to distribution out of capital   |
| Management Company   | Amundi Luxembourg S.A.   | Amundi Luxembourg S.A.  |
| Investment Manager   | Amundi Asset Management  | Amundi Asset Management   |
| Custodian  | CACEIS Bank, Luxembourg Branch   | CACEIS Bank, Luxembourg Branch  |
| Class of Shares  | A2U  | A2 USD (new naming convention of Class A2U effective on 1 June 2019)  |
| Maximum management fee (p.a. in percentage of net asset value)     | 1.50%  | 1.45%   |
| Maximum administration fee (p.a. in percentage of net asset value) | 0.40%  | 0.30%   |
| Ongoing charges ratio over a year                                  | 1.65% <sup>3</sup>   | 1.80% <sup>4</sup>  |

The investment objectives and policies of the Merging and Target Sub-Funds set out in the above table are very similar. The key operators of these two sub-funds are identical. Although the base currencies of these two sub-funds are different, the currency of denomination at the share class level is identical. Given

<sup>3</sup> This figure is based on expenses for the 12-month period ended 30 October 2018 and expressed as a percentage of the average net asset value for the same period. This figure may vary from year to year.

<sup>4</sup> As this sub-fund is yet to be launched, the ongoing charges figures is based on estimated expenses borne by the share class over a 12-month period divided by the estimated average net asset value over the same period. It mainly includes the management fee, the administration fees and the Luxembourg tax (Taxe d'Abonnement). The actual figure may be different from this figure and may change from year to year.



that the base currency and the share class currency of the Target Sub-Fund are different, please note that the net asset value per Share of the Target Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between the base currency and the share class currency. Both sub-funds invest in derivatives extensively for investment purposes. However, the expected level of leverage calculated based on commitment approach for the Target Sub-Fund is lower than the Merging Sub-Fund. The ongoing charge ratio over a year of the Target Sub-Fund is expected to be higher than that of the Merging Sub-Fund. The Target Sub-Fund's investment objective and policy, key operating parties, its operation, the way it is being managed, risk profile and fee structure will not be changed as a result of the merger.

|                      | <b>Merging Sub-Fund: Amundi Funds – Equity Greater China</b>  | <b>Target Sub-Fund: Amundi Funds – China Equity</b>   |
|----------------------|---|---|
| Investment objective | To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (after applicable fees) the MSCI AC Golden Dragon index.  | To increase the value of your investment.   |
| Investment policy    | <p>The sub-fund invests mainly in equities of companies in China, Hong Kong and Taiwan.</p> <p>Specifically, the sub-fund invests at least 67% of assets in equities of companies that are headquartered or do substantial business in Hong Kong, the People's Republic of China or Taiwan. Investments in Chinese equities can be made either through authorised markets in Hong Kong or through the Stock Connect. The sub-fund may invest less than 30% of net assets in China A Shares and B Shares (combined). There are no currency constraints on these investments.</p> <p>While complying with the above policies, the remaining net assets of the sub-fund may also invest in other equities, Equity-Linked Instruments, convertible bonds, bonds, money market instruments and deposits, and may invest up to 10% of net assets in UCITS/UCIs.</p> | <p>The sub-fund invests mainly (i.e. at least 50% of net asset value) in equities of companies based in, or that do most of their business in, the People's Republic of China, and that are listed on stock markets there or in Hong Kong. The sub-fund is not subject to any limitation on the portion of its net asset value that may be invested in any one sector or any companies with a particular market capitalisation.</p> <p>The sub-fund may invest up to 10% of its assets in other UCIs and UCITS.</p> <p>The sub-fund may invest up to 100% of its net asset in China B Shares. Also, the sub-fund may from time to time invest and have direct access to China A Shares via Stock Connect and/or the quota granted to a Renminbi Qualified Foreign Institutional Investor with an exposure of up to 10% of its net assets.</p> <p>The sub-fund does not intend to invest more than 10% of the sub-fund's net asset value in securities issued and/or guaranteed by a single sovereign issuer (including its government, a public or local authority of that country) which is below Investment Grade or unrated.</p> |
| Use of derivatives   | The sub-fund may use derivatives for hedging and efficient portfolio management. The sub-fund will not invest extensively in financial derivative instruments for investment purposes.  | The sub-fund may make 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). However, the sub-fund will not invest extensively in financial derivative instruments for investment purposes.   |
| Management process   | The investment team actively manages the sub-fund's portfolio by using a stock-picking model (bottom-up) that aims to select the most attractive equities based on growth potential and valuation.  | The Investment Manager uses a combination of overall market data and fundamental analysis of individual issuers to identify equities with superior long-term prospects.   |
| Base currency        | USD   | EUR   |
| Key risk factors     | Market risk, risk of investing in China based companies and companies with exposure in China, concentration risk, risk attached to the use of financial derivative instruments, risk of investment in China A Shares and B Shares market, risk of investing in other funds, risks related to distribution out of capital  | General investment risk, market risk, exchange risk / currency risk, equity market risk, risk of small and medium companies, country risk – China, concentration risk, volatility risk, risk associated with regulatory/ change requirements/policies of China markets, risk attached to the use of financial derivative instruments, risks related to distribution out of capital  |
| Management Company   | Amundi Luxembourg S.A.  | Amundi Luxembourg S.A.  |

|  |                                |   |
|--|--------------------------------|---|
| Investment Manager   | Amundi Asset Management        | Amundi Asset Management   |
| Custodian  | CACEIS Bank, Luxembourg Branch | CACEIS Bank, Luxembourg Branch  |
| Class of Shares  | A2U                            | A2 USD (new naming convention for Class A2U effective on 1 June 2019) |
| Maximum management fee (p.a. in percentage of net asset value)     | 1.85%                          | 1.95%   |
| Maximum administration fee (p.a. in percentage of net asset value) | 0.50%                          | 0.30%   |
| Ongoing charges ratio over a year                                  | 2.40% <sup>5</sup>             | 2.30% <sup>6</sup>  |

The investment objectives and policies of the Merging and Target Sub-Funds set out in the above table are very similar. The key operators of these two sub-funds are identical. Both sub-funds do not invest in derivatives extensively for investment purposes. Although the base currencies of these two sub-funds are different, the currency of denomination at the share class level is identical. Given that the base currency and the share class currency of the Target Sub-Fund are different, please note that the net asset value per Share of the Target Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between the base currency and the share class currency. The ongoing charge ratio over a year of the Target Sub-Fund is expected to be lower than that of the Merging Sub-Fund. The Target Sub-Fund's investment objective and policy, key operating parties, its operation, the way it is being managed, risk profile and fee structure will not be changed as a result of the merger.

|                      | <b>Merging Sub-Fund: Amundi Funds – Equity Thailand</b>  | <b>Target Sub-Fund: Amundi Funds –Equity Asia Concentrated (to be renamed as “Amundi Funds – Asia Equity Concentrated” with effect from 1 June 2019)</b>   |
|----------------------|--|--|
| Investment objective | To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (after applicable fees) the Bangkok Set (TRI) index.   | To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (after applicable fees) the MSCI AC Asia ex Japan index.   |
| Investment policy    | <p>The sub-fund invests mainly in Thai equities.</p> <p>Specifically, the sub-fund invests at least 67% of assets in equities that are listed on the Stock Exchange of Thailand (SET) and are issued by companies that are headquartered, or do substantial business, in Thailand.</p> <p>While complying with the above policies, the remaining assets of the sub-fund may also invest in other equities, Equity-Linked Instruments, convertible bonds, bonds, money market instruments and deposits, and may invest up to 10% of net assets in UCITS/UCIs.</p> | <p>The sub-fund invests mainly in Asian equities (excluding Japan).</p> <p>Specifically, the sub-fund invests at least 67% of assets in equities and Equity-Linked Instruments of companies that are headquartered, or do substantial business, in Asia (excluding Japan and including China). Investments in Chinese equities can be made either through authorised markets in Hong Kong or through the Stock Connect. The sub-fund may invest up to 10% of net assets in China A Shares and B Shares (combined). There are no currency constraints on these investments.</p> <p>While complying with the above policies, the remaining net assets of the sub-fund may also invest in other equities, Equity-Linked Instruments, convertible bonds, bonds, money market instruments and deposits, and may invest up to 10% of net assets in UCITS/UCIs.</p> |
| Use of derivatives   | The sub-fund may use derivatives for hedging and efficient portfolio management. The sub-fund will not invest extensively in financial derivative instruments  | The sub-fund may use derivatives for hedging and efficient portfolio management. The sub-fund will not invest extensively in financial derivative instruments  |

<sup>5</sup> This figure is based on expenses for the 12-month period ended 30 October 2018 and expressed as a percentage of the average net asset value for the same period. This figure may vary from year to year.

<sup>6</sup> As this sub-fund is yet to be launched, the ongoing charges figures is based on estimated expenses borne by the share class over a 12-month period divided by the estimated average net asset value over the same period. It mainly includes the management fee, the administration fees and the Luxembourg tax (Taxe d'Abonnement). The actual figure may be different from this figure and may change from year to year.

|  |  |  |
|--|--|--|
|  | for investment purposes.   | for investment purposes.   |
| Management process   | The investment team actively manages the sub-fund's portfolio by using a stock-picking model (bottom-up) that aims to select the most attractive equities based on growth potential and valuation.                                       | The investment team actively manages the sub-fund's concentrated portfolio by combining top-down and bottom-up strategies: geographical allocation and equity selection based on growth potential and valuation. |
| Base currency  | USD  | USD  |
| Key risk factors   | Concentration risk, developing countries risk, equity risk, market risk, volatility risk, risk attached to the use of financial derivative instruments, risk of small and medium companies, risks related to distribution out of capital | Developing countries risk, market risk, volatility risk, risk of small and medium companies, risk attached to the use of financial derivative instruments, risks related to distribution out of capital          |
| Management Company   | Amundi Luxembourg S.A.   | Amundi Luxembourg S.A.   |
| Investment Manager   | Amundi Hong Kong Ltd.  | Amundi Asset Management  |
| Custodian  | CACEIS Bank, Luxembourg Branch   | CACEIS Bank, Luxembourg Branch   |
| Class of Shares  | AU   | A2 USD (new naming convention for Class A2U effective on 1 June 2019)  |
| Maximum management fee (p.a. in percentage of net asset value)     | 1.60%  | 1.90% <sup>7</sup>   |
| Maximum administration fee (p.a. in percentage of net asset value) | 0.50%  | 0.30% <sup>7</sup>   |
| Ongoing charges ratio over a year                                  | 2.15% <sup>8</sup>   | 2.25% <sup>9</sup>   |

As set out in the above table, the Target Sub-Fund has a broader investment universe, and hence, is more diversified and generally has a lower risk profile, than the Merging Sub-Fund. Both sub-funds do not invest in derivatives extensively for investment purposes, their base currencies and the currency of denomination at the share class level are identical. While the management company and the custodian for these two sub-funds are identical, they are managed by different investment managers. The ongoing charge ratio over a year of the Target Sub-Fund is expected to be higher than that of the Merging Sub-Fund. The Target Sub-Fund's investment objective and policy, key operating parties, its operation, the way it is being managed, risk profile and fee structure will not be changed as a result of the merger.

|                      | <b>Merging Sub-Fund: Amundi Funds – Equity Global Concentrated</b>  | <b>Target Sub-Fund: Amundi Funds – Pioneer Global Equity</b>   |
|----------------------|---|--|
| Investment objective | To achieve long-term capital growth. Specifically, the sub-fund seeks to outperform (after applicable fees) the MSCI World All Countries (ACWI) TR index.   | To increase the value of your investment.  |
| Investment policy    | <p>The sub-fund invests mainly in equities of large capitalisation companies around the world.</p> <p>Specifically, the sub-fund invests at least 67% of net assets in equities of companies that have a market capitalisation of at least USD 500 million at the time of the purchase. There are no currency constraints on these investments.</p> <p>While complying with the above policies, the</p> | <p>The sub-fund invests mainly (i.e. at least 50% of net asset value) in equities of companies from anywhere in the world. The sub-fund may invest in a broad range of sectors and industries. The sub-fund is not subject to any limitation on the portion of its net asset value that may be invested in any one country or region or any companies with a particular market capitalisation.</p> <p>The sub-fund may invest up to 10% of its assets in</p> |

<sup>7</sup> This fee rate will take effect on 1 June 2019.

<sup>8</sup> This figure is based on expenses for the 12-month period ended 30 October 2018 and expressed as a percentage of the average net asset value for the same period. This figure may vary from year to year.

<sup>9</sup> This figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the sub-fund with adjustments to reflect the fee adjustment as described in Section 3 of this notice with effect from 1 June 2019 expressed as a percentage of this share class' estimated average net asset value of the share class over a 12-month period.

|  |   |  |
|--|---|--|
|  | <p>remaining net assets of the sub-fund may also invest in other equities, Equity-Linked Instruments, convertible bonds, bonds, money market instruments and deposits, and may invest up to 10% of net assets in UCITS/UCIs.</p> <p>The sub-fund does not intend to invest more than 10% of net assets in unrated or below Investment Grade bonds issued or guaranteed by any one sovereign issuer (including its government, a public or local authority of that country).</p> | <p>other UCIs and UCITS.</p> <p>The sub-fund does not intend to invest more than 10% of the sub-fund's net asset value in securities issued and/or guaranteed by a single sovereign issuer (including its government, a public or local authority of that country) which is below Investment Grade or unrated.</p>   |
| Use of derivatives   | The sub-fund may use derivatives for hedging purposes only.   | The sub-fund may make 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 and foreign exchange). However, the sub-fund will not invest extensively in financial derivative instruments for investment purposes. |
| Management process   | The investment team selects equities based on a disciplined approach to valuation (bottom-up), constructing a concentrated portfolio that consists of those securities about which the investment team has conviction. The team focuses on long-term opportunities to take advantage of market mispricings.   | The Investment Manager uses fundamental analysis of individual issuers to identify equities with superior long-term prospects.   |
| Base currency  | USD   | EUR  |
| Key risk factors   | Market risk, volatility risk, equity risk, risk attached to the use of financial derivative instruments, exchange rate risk, risks related to distribution out of capital   | General investment risk, market risk, exchange risk / currency risk, equity market risk, risk of small and medium companies, volatility risk, risk associated with regulatory/ change requirements/policies of certain markets/regions, risk attached to the use of financial derivative instruments, risks related to distribution out of capital   |
| Management Company   | Amundi Luxembourg S.A.  | Amundi Luxembourg S.A.   |
| Investment Manager   | Amundi Ireland Limited  | Amundi Pioneer Asset Management, Inc.  |
| Custodian  | CACEIS Bank, Luxembourg Branch  | CACEIS Bank, Luxembourg Branch   |
| Class of Shares  | A2U   | A2 USD (new naming convention for Class A2U effective on 1 June 2019)  |
| Maximum management fee (p.a. in percentage of net asset value)     | 1.45%   | 1.80%  |
| Maximum administration fee (p.a. in percentage of net asset value) | 0.35%   | 0.20%  |
| Ongoing charges ratio over a year                                  | 1.85% <sup>10</sup>   | 2.05% <sup>11</sup>  |

The investment objectives and policies of the Merging and Target Sub-Funds set out in the above table are very similar, except that the Merging Sub-Fund has a focus on equities of large capitalisation. While

<sup>10</sup> This figure is based on expenses for the 12-month period ended 30 October 2018 and expressed as a percentage of the average net asset value for the same period. This figure may vary from year to year.

<sup>11</sup> As this sub-fund is yet to be launched, the ongoing charges figures is based on estimated expenses borne by the share class over a 12-month period divided by the estimated average net asset value over the same period. It mainly includes the management fee, the administration fees and the Luxembourg tax (Taxe d'Abonnement). The actual figure may be different from this figure and may change from year to year.

the Target Sub-Fund has greater flexibility to invest in equities of different market capitalisation, and hence, can adjust the portfolio more easily than the Merging Sub-Fund to adapt to changes in market conditions, please note that the Target Sub-Fund may expose to the risk of investing in small and medium companies. Both sub-funds do not invest in derivatives extensively for investment purposes. Although the base currencies of these two sub-funds are different, the currency of denomination at the share class level is identical. Given that the base currency and the share class currency of the Target Sub-Fund are different, please note that the net asset value per Share of the Target Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between the base currency and the share class currency. While the management company and the custodian for these two sub-funds are identical, they are managed by different investment managers. The ongoing charge ratio over a year of the Target Sub-Fund is expected to be higher than that of the Merging Sub-Fund. The Target Sub-Fund's investment objective and policy, key operating parties, its operation, the way it is being managed, risk profile and fee structure will not be changed as a result of the merger.

The distribution policies of the Merging Sub-Funds are the same as their corresponding Target Sub-Funds.

#### **TAXATION:**

Under current law and practice in Hong Kong, no tax will be payable by Hong Kong Shareholders in respect of dividends or other income distributions of the Merging Sub-Funds or in respect of any capital gain arising on a sale, realisation or other disposal of Shares, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong. However, it is recommended that you seek specific tax advice to assess the tax impact of the merger should your circumstances require.

## **» TRADING TIMELINE**

#### **REDEMPTION AND SWITCHING OUT:**

Shareholders of the Merging Sub-Funds may redeem or switch-out their Shares without any redemption or conversion fee (if applicable), from the date of this notice up to and including the applicable cut-off time (the "Cut-Off Time") as shown for each Merging Sub-Fund in Appendix II at the applicable net asset value per Share in accordance with the procedures and arrangements for redemption and conversion as set out in the current prospectus. Shareholders of the Merging Sub-Funds that have not requested redemptions or switches before the Cut-Off Time will have their Shares switched to Shares of the Target Sub-Funds on the Merger Date.

#### **SUBSCRIPTIONS:**

Shareholders of the Merging Sub-Funds may continue to subscribe Shares of the Merging Sub-Funds they are investing up to and including the applicable Cut-Off Time as shown for each Merging Sub-Fund in Appendix II in accordance with the procedures and arrangements for subscription as set out in the current prospectus.

#### **TRANSFERS:**

Transfers of the Shares of a Merging Sub-Fund will no longer be accepted from the applicable Cut-Off Time as shown for each Merging Sub-Fund in Appendix II.

#### **SUBSCRIPTION, REDEMPTION AND SWITCHING FOLLOWING THE MERGER**

Investors should refer to the prospectus of Amundi Funds for detailed information regarding the requirements for subscription, redemption or switching in relation to the Target Sub-Funds following the Merger.

## **» TIMELINE SUMMARY:**

Please refer to Appendix II for the applicable timeline for your sub-fund.

| Rebalancing Date   | Cut-Off Time*   | Merger Date/ Date of Net Asset Value used to calculate the exchange ratio   | The first business day after the Merger Date   |
|--|---|---|--|
| The investment managers may rebalance and align the investments of the Merging Sub-Funds with the investment objectives and policies of the respective Target Sub-Funds during the period between the Rebalancing Date and the Merger Date. Shareholders of the Merging Sub-Funds who decide to redeem or switch out their Shares and avoid the Rebalancing Costs should place their dealing instructions before the Rebalancing Date. | The Merging Sub-Funds stop accepting orders to redeem, subscribe, transfer or switch out/into Shares. | The mergers occur.**<br>The Merging Sub-Funds will transfer all their assets and liabilities to their respective Target Sub-Funds.<br>Shares in the Merging Sub-Funds will be converted to the Shares in the respective Target Sub-Funds according to the exchange ratio calculated based on the net asset values of the Merging Sub-Funds and the Target Sub-Funds on this date. | Shareholders can subscribe, redeem, transfer and switch out/into their Shares of the Target Sub-Funds. |

\* After the applicable Cut-Off Time as shown in Appendix II, any subscription, switching, transfer or redemption request received by the Merging Sub-Funds will be rejected.

\*\* With effect from the close of business on the Merger Date, all receivables and payables are deemed to be received or be payable by the Target Sub-Funds.

## » WHAT DO YOU NEED TO DO IN THE CASE OF MERGERS?

1. If you are comfortable with the merger, you do not need to take any action.
2. If you redeem or switch out your investment prior to the Cut-Off Time, no conversion or redemption fee (if applicable) will be charged. Please place your dealing instructions as usual. However, when switching Shares into another sub-fund charging a higher subscription fee, the difference between the conversion fee and the subscription fee will be charged.

## » OTHER INFORMATION

### MANAGEMENT COMPANY OF AMUNDI FUNDS:

Amundi Luxembourg S.A.

### REGISTERED OFFICE OF THE AMUNDI FUNDS:

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

### LITERATURE:

The prospectus, product key facts statements and most recent financial reports of Amundi Funds are available at: [www.amundi.com.hk/retail](http://www.amundi.com.hk/retail) (Please note that this website has not been reviewed by the Securities and Futures Commission.)

At the registered office of the Amundi Funds and the office of the Hong Kong representative at Suites 901-908, 9th Floor One Pacific Place, No. 88 Queensway Road, Hong Kong during normal business hours, you may read or obtain copies of the following documents: the common terms of merger, the merger report issued by the Auditor of Amundi Funds and the certificate related to the merger issued by the depositary of Amundi Funds as required by Article 70 of the Law of 17th December 2010 on undertakings for collective investment.

## **Appendix I**

Please see below a complete list of sub-fund name changes effective from 1 June 2019.

| <b>Current Sub-Fund Name</b>            | <b>New Sub-Fund Name</b>                     |
|---|--|
| Amundi Funds - Equity Asia Concentrated | Amundi Funds - Asia Equity Concentrated      |
| Amundi Funds - Equity Emerging Focus    | Amundi Funds - Emerging Markets Equity Focus |
| Amundi Funds - Equity Emerging World    | Amundi Funds - Emerging World Equity         |
| Amundi Funds - Bond Euro Corporate      | Amundi Funds - Euro Corporate Bond           |
| Amundi Funds - Bond Euro High Yield     | Amundi Funds - Euro High Yield Bond          |
| Amundi Funds - Bond Global              | Amundi Funds - Global Bond                   |
| Amundi Funds - Convertible Global       | Amundi Funds - Global Convertible Bond       |
| Amundi Funds - Equity Latin America     | Amundi Funds - Latin America Equity          |
| Amundi Funds – SBI FM Equity India      | Amundi Funds - SBI FM India Equity           |

## Appendix II

| <b>Merging Sub-Funds</b>                           | <b>Target Sub-Funds</b>   | <b>Cut-Off Time***</b>                  | <b>Rebalancing Date</b> | <b>Date of Net Asset Value used to calculate the exchange ratio</b> | <b>Merger Date</b> |
|--|---|---|-------------------------|---|--------------------|
| Amundi Funds - Bond Global Emerging Local Currency | Amundi Funds - Emerging Markets Local Currency Bond   | 18 June 2019 at 5 p.m. (Hong Kong time) | As from 17 June 2019    | 21 June 2019  | 21 June 2019       |
| Amundi Funds - Equity Greater China                | Amundi Funds - China Equity   | 18 June 2019 at 5 p.m. (Hong Kong time) | As from 17 June 2019    | 21 June 2019  | 21 June 2019       |
| Amundi Funds - Equity Thailand                     | Amundi Funds - Equity Asia Concentrated (to be renamed as Amundi Funds - Asia Equity Concentrated with effect from 1 June 2019) | 27 May 2019 at 5 p.m. (Hong Kong time)  | As from 24 May 2019     | 31 May 2019   | 31 May 2019        |
| Amundi Funds - Equity Global Concentrated          | Amundi Funds - Pioneer Global Equity  | 18 June 2019 at 5 p.m. (Hong Kong time) | As from 17 June 2019    | 21 June 2019  | 21 June 2019       |

\*\*\* Please note that distributors may have different dealing cut-off time. Shareholders of the Merging Sub-Funds should check with the relevant distributors for the applicable dealing cut-off time should they subscribe Shares of the Merging Sub-Fund through distributors.