

# **Prospectus and Investment Terms**

for

## **Amundi**

A compliant umbrella fund under German law (UCITS) of

Amundi Luxembourg S.A.  
5, Allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg  
Registered in the Luxembourg Commercial and Companies Register under Number B 57.255

Chairman of the Board of Directors: David Joseph Harte

Distributors:

Amundi Asset Management S.A.S., 91-93 boulevard Pasteur, 75015 Paris, France and its branches

Chairwoman of the Management Board of Amundi Asset Management S.A.S.: Valérie Baudson

This extract from the prospectus drawn up in accordance with German law is used exclusively for the distribution in Sweden of the sub-fund of Amundi referred to in this document.

Otherwise, this extract corresponds to the prospectus drawn up in accordance with German law.

16 April 2026

## Prospectus notice

**Purchases and sales of units in special sub-funds of the umbrella fund Amundi (the "Fund") will be made on the basis of the Prospectus, key information document of the relevant sub-fund and the "General Investment Terms" taken together with the Special Investment Terms in their current versions. The General and Special Investment Terms are printed at the end of this Prospectus.**

**The Prospectus is a statutory sale document provided on request and free of charge to anyone interested in purchasing units in the special sub-fund, along with the most recently published annual report and any interim report published since the annual report. Key information document will also be provided free of charge in good time before the contract is concluded.**

**No information or explanations deviating from this this Prospectus may be provided. The purchase and sale of units on the basis of information or explanations not contained in this Prospectus or in the key information document is at the buyer's own risk.**

**The Prospectus is supplemented by the most recent annual report and any interim report that may have been published since the annual report.**

## Investment restriction for US persons

Dissemination of the information contained in this Prospectus and the offer of units described in this Prospectus as part of a public distribution are permitted only in countries in which distribution is permitted.

In particular, units in the special sub-fund are not intended for distribution in the United States of America or to US citizens. Amundi Luxembourg S.A. and/or the special sub-funds of Amundi described in this Prospectus have not been, and will not be, registered pursuant to the United States Investment Company Act of 1940 as amended. Units in the special sub-fund have not been, and will not be, registered pursuant to the United States Securities Act of 1933 as amended or pursuant to the securities laws of any federal state of the United States of America. Fund units may not be offered or sold within the United States to, or for the account or benefit of, any US person. If required, applicants must declare that they are not US persons and are not purchasing units for the account or benefit of US persons or reselling units to US persons. US persons are US citizens or persons who live in the US and/or are liable for tax in the US. US persons can also be persons or corporations founded under the laws of the US, a federal US state or territory or a US possession.

Special sub-fund units have not been approved by the US Securities and Exchange Commission (SEC) or any other US supervisory authority, nor has such approval been denied; furthermore, neither the SEC nor any other US supervisory authority has issued any decision as to the accuracy or suitability of this Prospectus or the benefits offered by the units. Allegations to the contrary are an offence.

The United States Commodity Futures Trading Commission has neither examined nor approved this Prospectus or any other sales documents for the Amundi special fund. The Prospectus may not be distributed in the United States. The distribution of this Prospectus distribution and offering of units may also be subject to restriction in other jurisdictions.

The Foreign Account Tax Compliance Act (FATCA), a component of the Hiring Incentives to Restore Employment Act, came into force in the US in 2010. Under FATCA, credit institutions outside the US must send the US tax authorities details of the financial accounts of specified US persons every year. Credit institutions that fail to do so are subject to a 30% withholding on certain types of income from US sources.

On 31 May 2013, Germany and the US signed the FATCA Agreement ("IGA"). This regulates the automatic exchange of tax-relevant data obtained by credit institutions with the aim of also increasing fiscal compliance in international matters. The Fund must comply with the IGA following its implementation in Germany.

Under the IGA, the Company undertakes, where necessary, to collect information on behalf of the fund that will identify its direct and indirect unit holders that are classified as specified US persons for FATCA purposes. In such cases, the Company will forward the information it has collected on reportable financial accounts to the Federal German Central Tax Office (*Bundeszentralamt*) which exchanges such information with the US Internal Revenue Service every year in order to prevent double taxation and tax evasion in the country in which income and assets are taxed.

## Material legal effects of contractual relationships

By purchasing units, the investor will become a co-owner of the assets of the special sub-fund according to the number of units he holds. He will have no access to those assets. Units do not carry voting rights.

The contractual relationship between Amundi Luxembourg S.A. (the “Company” or the “Management Company”) and the investor and the pre-contractual relations are governed by German law. The location of the registered office of Amundi Luxembourg S.A. shall be the jurisdiction for any disputes between the investor and the Management Company arising from the contractual relationship. Investors that are consumers and live in another EU Member State may also bring actions before the competent courts in their own place of residence.

Consumers are natural persons who invest in the fund for a purpose that cannot generally be attributed to their professional or self-employed activities and is therefore for private purposes.

All publications and advertising must be in German or accompanied by a translation into German. Amundi Luxembourg S.A. will also conduct all communications with its investors in German.

The Company undertakes to participate in dispute resolution proceedings before a consumer arbitration board. In the event of disputes involving consumers, the parties involved can turn to the official consumer arbitration board of the German Federal Financial Supervisory Authority. The right to appeal to the courts remains unaffected by this.

Contact details:

Schlichtungsstelle bei der  
Bundesanstalt für Finanzdienstleistungsaufsicht  
- Referat VB 12 -  
Marie-Curie-Straße 24-28  
60439 Frankfurt am Main  
Email: [schlichtungsstelle@bafin.de](mailto:schlichtungsstelle@bafin.de)  
[www.bafin.de/schlichtungsstelle](http://www.bafin.de/schlichtungsstelle)

In the event of disputes arising from application of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB) to distance financial services contracts, consumers should contact the arbitration board of the German Central Bank. The consumer's right to bring an action before the courts remains hereby unaffected.

Contact details:

Deutsche Bundesbank  
Schlichtungsstelle  
Postfach 10 06 02  
60006 Frankfurt am Main  
E-Mail: [schlichtung@bundesbank.de](mailto:schlichtung@bundesbank.de)  
<https://www.bundesbank.de/de/service/schlichtungsstelle>

The right to appeal to the courts remains unaffected by arbitration proceedings.

The Prospectus, which is written in German, will be translated into one or more languages. Only the German version is legally binding.

Unless otherwise governed in individual cases, all terms used in this Prospectus are those used in the KAGB (Capital Investment Code).

## Instruction on the right of withdrawal pursuant to § 305 KAGB

### Right of withdrawal

If units in UCITS are purchased after verbal negotiations outside the permanent business premises of the person selling or brokering their sale, the buyer shall be entitled, without stating grounds, to revoke his declaration of purchase in writing (by e.g. letter, fax or e-mail) within two weeks. The right of withdrawal shall also apply if the person selling or brokering the sale of units has no permanent business premises.

The buyer shall be informed of his right of withdrawal. No right of withdrawal will apply if the seller can either demonstrate that: (i) the buyer is not a natural person who is making the purchase for a purpose that cannot be attributed to his professional activities (consumer); or (ii) negotiations were commenced at the buyer's initiative, i.e. the seller visited the buyer for negotiation purposes at the buyer's request. No right of withdrawal will apply in the case of contracts concluded entirely remotely (e.g. by letter, telephone, e-mail) (distance selling contracts).

The withdrawal period will start when the buyer is handed a copy of the application upon conclusion of the contract or is sent an invoice containing information on the right of withdrawal that complies with the requirements of § 246(3)(2) and (3) of the Introductory Law to the German Civil Code. Any withdrawal sent in good time will fall within the withdrawal deadline. In the event of disagreement over the start of the withdrawal period, the burden of proof shall lie with the seller. Withdrawal must be made in writing pursuant to §§ 126b BGB with the name and signature of the person making the withdrawal. No reason need be given for the withdrawal.

Withdrawals should be addressed to:

Amundi Deutschland GmbH  
Arnulfstrasse 124-126  
80636 München  
Deutschland  
E-mail: info\_de@amundi.com

### Consequences of withdrawal

No right of withdrawal will apply if the seller can demonstrate that the buyer is not a consumer pursuant to § 13 BGB or that he visited the buyer for negotiation purposes that led to the sale of the units at the buyer's request pursuant to § 55(1) of the German Trade and Industry Code (*Gewerbeordnung*). No right of withdrawal will apply in the case of contracts concluded entirely remotely (e.g. by letter, telephone, e-mail) (distance selling contracts).

If withdrawal comes into effect after the buyer has made payment, the Company shall, where appropriate, in exchange for the retransfer of the units acquired, pay the costs paid and an amount repay that amount he paid for them plus an amount reflecting the value of the paid for units the day after receipt of the withdrawal notice. The right of withdrawal cannot be waived.

The above also applies to the sale of units by investors.

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## General information

This Prospectus is divided into general and special information and the Investment Terms. General information presents the general rules on the special funds covered by this Prospectus. They apply equally to all special funds covered by the Prospectus, even if this section deals only with the special sub-fund and not with special sub-funds or a particular special sub-fund. Special information presents additional, alternative or particular regulations. Both sections together contain the required information that, pursuant to § 165 KAGB, is of material importance at the time that units are purchased in any special sub-fund. These sections are followed by the current General Investment Terms which apply to all special sub-funds discussed and the Special Investment Terms designed for each particular special sub-fund.

## 1 Principles

### 1.1 Special sub-funds

Special sub-funds

Amundi DivDax II UCITS ETF	
Amundi MDAX ESG II UCITS ETF	Amundi TecDAX UCITS ETF
Amundi STOXX Europe 600 ESG II UCITS ETF	Amundi DAX 50 ESG II UCITS ETF

(being together the “sub-funds” or each individually the “sub-fund”) form part of an umbrella fund – Amundi – along with other sub-funds pursuant to § 96(2) KAGB. The sub-funds are investment funds under Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of legal and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (the “UCITS Directive”) and pursuant to the German Investment Code (*Kapitalanlagegesetzbuch*– KAGB). The sub-funds within the umbrella fund are managed by Amundi Luxembourg S.A.

Sub-fund management primarily involves, with due regard for the distribution of risk principle, putting investors’ money into a number of assets that have been approved under the KAGB and are kept separate from the Company’s own assets.

The assets in which the sub-fund may invest the money and the conditions that must be met are specified in the KAGB, the associated regulations and the Investment Terms which govern the legal relationship between the investor and the sub-fund. The Investment Terms comprise a general and a special section (the "General Investment Terms" or "GIT" and the "Special Investment Terms" or "SIT"). The Investment Terms of any sub-fund must first be approved by BaFin (German Federal Financial Supervisory Authority). Sub-funds do not form part of an insolvent company’s estate.

### 1.2 Sale documents and disclosure of information

The Prospectus, the key information documents, the Investment Terms and the most recent annual and interim reports can be obtained from the Company and distributors free of charge.

**As this Prospectus in English language is made for the public offering of the sub-fund of Amundi DAX 50 ESG II UCITS ETF in Sweden only, any reference to “sub-fund” or “sub-funds” shall be read as a reference to the sub-fund of Amundi DAX 50 ESG II UCITS ETF.**

Additional information on the investment limits of the risk management for this Fund, risk management methods and the most recent developments in terms of risk and return on the most important asset categories can be obtained from the Company and distributors electronically or in writing or viewed at [www.amundiETF.com](http://www.amundiETF.com). To the extent that the Company provides individual investors with further information on the composition of the sub-funds' portfolios or their performance, it will make such information available to all investors in the sub-funds at the same time.

### 1.3 Investment Terms and amendments

The Investment Terms are attached to this Prospectus. The Company may amend the Investment Terms. Amendments of the Investment Terms must be approved by BaFin. Changes to the investment principles of the sub-funds are only

permitted on condition that the Company offers investors either to redeem their units without further costs or to exchange their units free of charge for units in investment funds with comparable investment principles, provided that such investment funds are managed by the Company or by another company from its group.

All amendments will be published in the *Bundesanzeiger* and also at [www.amundietf.com](http://www.amundietf.com). If the amendments affect remuneration and expense refunds payable from a sub-fund or concern the investment principles of a sub-fund or material investor rights, investors shall also be informed by the custodian via a durable data medium (e.g. paper or electronic format). The information will cover the main features of the planned amendments, their background, investors' rights with respect to the amendment and details of where and how further information can be obtained.

The amendments shall come into effect at the earliest on the day after their publication. Amendments to regulations on remuneration and reimbursement of expenses shall come into effect not earlier than four weeks after their publication unless an earlier date has been determined with the approval of BaFin. Amendments to the previous investment principles of the sub-funds shall also come into effect at the earliest four weeks after their publication.

## 1.4 Distribution provisions

Subscription applications are only accepted based on the terms stated in the current version of this Prospectus. The Prospectus is valid only when accompanied by a copy of the Company's latest annual report (the "Annual Report") with the audited financial statements or a copy of the interim report (the "Interim Report") and (if legally required or a stock market listing requirement) the quarterly report (the "Quarterly Report") if these reports are/have been published after the most recent Annual Report. The Annual Report and the Interim Report form part of this Prospectus.

Potential investors should read the entire Prospectus carefully with regard to:

- a) The statutory and supervisory rules on the subscription, purchase, ownership, redemption and sale of units applying in the country of which they are citizens or in which they reside;
- b) Any currency restrictions applying in their countries to the subscription, purchase, ownership, redemption and sale of units;
- c) The legal, fiscal, financial and other consequences of subscribing, buying, owning, redeeming and selling units; and
- d) All other consequences of these transactions, and should contact their legal, tax and financial advisors in this respect. Investors who are unclear about any part of this Prospectus should contact their broker, account manager at their bank, lawyer, auditor, tax advisor or other advisor.

No person is authorised to provide information, explanations or assurances concerning the offer of units except as stated in this Prospectus and the reports to which it refers. If such information explanations or assurances are nevertheless provided, there is no guarantee that they have been approved by the Company. In order to take account of significant amendments, the Prospectus may be updated from time to time and investors should enquire as to whether a more recent version of the Prospectus is available.

## 1.5 Responsibility for the Prospectus

The Company has taken all due care to ensure that the information contained in this Prospectus at publication is correct and complete in all material points. The Company accepts liability for this accordingly.

## 1.6 Date

Prospectus date: 16 April 2026

# 2 Management Company

## 2.1 Name, legal form and registered office

The sub-funds are managed by Amundi Luxembourg S.A., which is registered in Luxembourg.

The Company was appointed to manage the sub-funds. In this capacity, it provides asset management, management, operating and marketing services for each sub-fund unless otherwise provided for in the relevant special section. Amundi Luxembourg S.A. was incorporated on 20 December 1996.

The Company is an EU Management Company pursuant to § 1(17)(1) KAGB and Chapter 15 of the Luxembourg Law of 17 December 2010 has been licensed by the Luxembourg Financial Supervisory Authority *Commission de Surveillance du Secteur Financier* (CSSF) to manage UCITS that comply with the UCITS Directive. The collective

asset management of the Fund in Germany is based on the cross-border free movement of services pursuant to § 51 and § 52 KAGB.

The Company has also been licensed to manage alternative investment funds. The Company's corporate purpose is the collective portfolio management of: i) undertakings for the collective investment in transferable securities (UCITS) in accordance with Directive 2009/65/EC as amended from time to time; and ii) alternative investment funds (AIF) in accordance with Directive 2011/61/EU as amended from time to time and other collective investment undertakings not covered by the above Directives.

The Company complies with Directive 2009/65/EC as implemented by the law of 17 December 2010 and with Directive 2011/61/EU on alternative investment fund managers, as implemented by the law of 12 July 2013.

The Company's amended articles of association, first effective on 20 December 1996, were published in the Mémorial on 28 January 1997. Last modified on 1 January 2018 and published in the RESA on 8 January 2018. The Company is registered in the Luxembourg Commercial and Companies Register under Number B57.255. Its subscribed and paid up capital is EUR 17,785,525.00.

The Company is a wholly-owned subsidiary of Amundi Asset Management S.A.S.

## **2.2 Board of Directors and Management**

For further information on the management and the composition of the Board of Directors, please refer to the section "Names and addresses" of the Prospectus.

## **2.3 Equity and management**

The Company's share capital is EUR 17,785,525.00 and is fully paid-up.

To cover any potential liability arising from breach of its duty of care, the Management Company meets the equity requirements of the Luxembourg Law of 12 July 2013 implementing Directive 2011/61/EU on alternative investment fund managers and, in particular, Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Equity constitutes at least 0.01% of the value of the portfolio of all managed AIFs. This figure is reviewed and adjusted annually. Equity is included in the paid-up capital.

# **3 Custodian**

## **3.1 General**

The KAGB separates the management of the Fund from their custody. The Company has appointed a credit institution as custodian of sub-fund assets.

The custodian holds the assets in blocked deposits or blocked accounts. Where assets cannot be held in custody, the custodian verifies that the Company has acquired ownership of them. It verifies that the Company has the disposal of the assets in accordance with the KAGB and the Investment Terms. Assets may only be invested in bank deposits held with other credit institutions with the approval of the custodian. The custodian must consent if the investment complies with the Investment Terms and the provisions of the KAGB.

The custodian is responsible for the issue and redemption of Fund units and ensures that issues and redemptions and units and unit valuations comply with the KAGB and the Investment Terms of the relevant sub-fund, it ensures that consideration for transactions executed in the common interest of all investors is received into its custody within the usual timeframe, it ensures that sub-fund income is used in accordance with the KAGB and the Investment Terms. The custodian also monitors or approves borrowing by the Company on behalf of the sub-fund and ensures that the collateral given for securities lending is effectively provided and available at all times.

## **3.2 Name, legal form, registered office and primary business of the custodian**

BNP Paribas S.A., Niederlassung Deutschland with registered office Senckenberganlage 19, 60325 Frankfurt am Main has assumed the role of custodian for the sub-fund. BNP Paribas S.A., Niederlassung Deutschland, is a credit institution under French law that operates a custody business in Germany under § 53b of the German Banking Act (*Kreditwesengesetz* – KWG). Its primary business is the provision of securities services.

### 3.3 Conflicts of interest

The custodian may have the following conflicts of interest with regard to the Fund:

A conflict of interests is a situation in which the interests of the custodian, its affiliates and/or its agents, employees or service providers directly or indirectly conflict with those of the Fund for which it/they are acting.

A custodian conflict of interests may mean that e.g.

- a financial advantage is obtained or a financial disadvantage is avoided to the detriment of the Fund;
- the result of a service rendered or activity performed for the Fund or a transaction executed on the Fund's behalf creates an interest that does not coincide with that of the Fund;
- a financial or other incentive puts Fund interests above those of any other UCITS managed by the Company;
- a similar service is being rendered for another client; or
- the custodian is being and will continue to be paid for a service it is rendering for the Company or in connection with assets managed by the Company.

The custodian has therefore taken the necessary steps to prevent the interests of its clients being improperly damaged in this way. If, while carrying out its custodial duties, the custodian discovers a not inconsiderable risk that could damage the interests of one or more of its clients, a solution to that potential conflict of interests shall be sought. In such cases the custodian may:

- Refuse to execute the transaction that is causing a conflict of interests;
- Execute the transaction in full awareness of the conflict of interests and at the same time take action to circumvent the problem and prevent all but immaterial damage to its clients' interests;
- Inform the Fund. Some conflicts of interest cannot be properly resolved using either of the aforementioned alternative actions. In these cases, the custodian shall inform the Company of the nature and origin of the conflict of interests in order for the Company to make an informed decision on how to proceed.

The custodian shall resolve all potential and actual conflicts of interest in consideration of the following criteria:

- Custodian employees must apply the principles of integrity, fairness, impartiality and banking secrecy and at all times put the client's interests before those of the Bank or their own;
- A supervisory committee must cover all areas of business to prevent conflicts of interest and take appropriate corrective action;
- Business areas must be separated to ensure independent operations: The custodian has separated business units that are at risk of conflicts of interest when they are in contact with each other to ensure that transactions can be executed independently of other transactions that could potentially create a conflict of interests;
- Internal procedures must form the framework conditions for the above measures.

### 3.4 Sub-custodian

The custodian has outsourced the following custodial duties to another company (sub-custodian):

- Assets are held on the Fund's behalf by sub-custodians contracted by the custodian on the basis of their location. The list of sub-custodians can be viewed at the premises of the custodian and the Company and can also be accessed on the following website: <https://securities.cib.bnpparibas/app/uploads/sites/3/2023/11/list-of-delegates-and-sub-delegates-of-bnp-paribas-s-a-appointed-depositary-of-ucits-funds.pdf>.

The following conflicts of interest could arise from this transfer:

- The sub-custodian may be an affiliate of the custodian.

The custodian has taken appropriate steps to prevent a conflict of interest and, if one exists, to resolve it in the Fund's interests.

### 3.5 Custodian liability

The custodian is essentially responsible for all assets that it holds or that, with its agreement, are held by another custodian. In the event of loss of any such asset, the custodian shall be liable to the sub-fund and its investors unless the loss is imputable to an event that is beyond the custodian's control. The custodian shall not in principle be liable

for any damage other than asset loss unless it was at least negligent in its compliance with the provisions of the KAGB. The custodian's liability is not affected by the transfer of its custodial duties.

### 3.6 Additional information

On request, the Company shall send investors information on the current position as regards the custodian and its duties, sub-custodians and potential conflicts of interest arising from the duties of the custodian or sub-custodian.

## 4 Listing on a stock exchange

Sub-fund units are intended to be admitted for trading on one or more stock markets. Admission for trading shall also require one or more members of the stock markets concerned to act as market makers and set prices at which investor units can be bought and sold. The relevant stock market authorities can supervise and regulate the spread between the buying and selling prices. The admission of certain unit classes for listing on the following stock markets is planned:

#### **Frankfurt Stock Exchange**

Deutsche Börse AG  
60485 Frankfurt am Main, Germany

#### **XETRA**

Deutsche Börse AG  
60485 Frankfurt am Main, Germany

#### **Baden-Württembergische Wertpapierbörse**

Börse Stuttgart  
Börsenstraße 4  
70174 Stuttgart, Germany

#### **SIX Swiss Exchange**

SIX Swiss Exchange AG  
Selnaustraße 30  
8021 Zurich  
Switzerland

It is possible that other sub-fund unit classes will be introduced and listed on stock markets other than those presented above.

#### **The possibility that units will also be traded on other markets cannot be excluded.**

Approving the listing of documents by a stock market on the basis of its own listing requirements does not constitute a guarantee or assurance by that stock market as to the technical competency of the service provider, the adequacy of the information in the prospectus or the suitability of units for investment or other purposes.

## 5 Licences

DAX® 50 ESG is a trademark of Qontigo Index GmbH. The Company has obtained licences from the licensors that enable it to use the relevant underlying indices on for each sub-fund. As of August 2019, Deutsche Börse AG has transferred management of the DAX share indices, formerly known as the share indices of Deutsche Börse AG, to its subsidiary, STOXX Ltd. Qontigo was set up in 2019 through the merger of STOXX, DAX and Axioma and is part of the Deutsche Börse Group.

The sub-funds are not sponsored, promoted, sold or marketed by the trademark holders (the "Licensors"). Other than through the licensing of the underlying index and the granting of the right to use their trademarks in association with the name of the sub-fund concerned, the Licensor has no connection whatsoever with the sub-funds.

The Licensor gives no warranty as to the accuracy or completeness of the underlying index or the data it contains. It accepts no liability for errors, omissions or interruptions in the underlying index.

The Licensor gives no direct or indirect warranty as to the results obtained using the underlying index or the data it contains. It gives no direct or indirect warranty and accepts no direct or indirect liability as to the marketability, suitability or use of the underlying index or the data it contains for particular purposes.

Notwithstanding the foregoing, the Licensor accepts no liability under any circumstances whatsoever for damage arising from or connected with the underlying index or any fund that relies on it. This exclusion of liability also applies to indirect loss, extraordinary loss and consequential loss (including loss of earnings) relating to the underlying index or any sub-fund that relies on it, even where the Licensors have been informed that a liability claim of this nature has been asserted.

Third parties shall not benefit from any agreement between the Licensor and the Company.

## **6 Risk warnings**

**Before deciding whether to buy sub-fund units, investors should carefully read the following notice of risk and other information in this Prospectus and take this into consideration when making their investment decision. The occurrence of one or more of these risks can, either alone or together with other circumstances, have a negative impact on the value of a sub-fund or its assets and therefore also on unit value.**

**If sub-fund units are sold at a time when the price of the assets held by the sub-fund has fallen since the time the units were purchased, the investor will not get back all or part of the capital he has invested in the sub-fund. Investors may lose part or all of the capital they have invested in the sub-fund. Rises in value cannot be guaranteed. Investor risk is limited to the amount invested. Investors are not subject to compulsory calls for funds over and above the capital they have invested.**

**In addition to the risks and uncertainties described here and elsewhere in the Prospectus, sub-fund value can also be affected by various other, currently unknown, risks and uncertainties. The order in which the following risks are shown is no indication of the likelihood of their occurrence or of their scope or their importance should individual risks occur.**

### **6.1 UCITS investment risk**

The following are the risks typically associated with investment in a UCITS. They can have a negative impact on unit value, capital invested by the investor and on the time the investor intends to hold the investment.

#### **6.1.1 Fall in fund value**

The value of a fund unit is the value of the sub-fund divided by the number of units in circulation. The value of a sub-fund is therefore the total market value of all its assets less the total market value of all its liabilities. The value of a sub-fund unit consequently depends on the value of the sub-fund's assets and liabilities. If the value of these assets falls or the value of these liabilities rises, the value of units in the sub-fund will fall.

#### **6.1.2 Reduction in the value fund units due to transfers from the Fund**

Transfers from the sub-fund reduce the sub-fund's assets by an amount exceeding the interest, dividends, and income from investment units accrued during the fiscal year on behalf of the sub-fund and not used to cover costs, as well as realised capital gains and other income. Distributions may therefore be made even if no profits are generated.

#### **6.1.3 Tax impact on individual results**

The tax treatment of investment income depends on the particular relationships of the investor and may change. Please contact your tax advisor if you have particular questions, especially if they concern your personal tax situation.

#### **6.1.4 Changes in investment policy or Investment Terms**

The Company can amend the Investment Terms with BaFin approval. If the Investment Terms are amended, the rules that affect investors can also change. By amending the Investment Terms, the Company can alter the investment policy of the sub-fund or increase the costs charged to the sub-fund. The Company may also amend the investment policy within statutory and contractually permitted investment limits without amending the Investment Terms or requiring BaFin approval. Sub-fund risk may change if this occurs.

#### **6.1.5 Suspension of unit issuance and redemption**

The Company may temporarily suspend the issue and redemption of units where exceptional circumstances exist which, having regard to the interests of investors, make such a suspension appear necessary. Exceptional circumstances in this context may include, for example: difficulties in valuing assets; serious liquidity problems (e.g. margin calls in

securities trading, significant investor redemptions), where the sale of the sub-fund's assets must be carried out and could lead to liquidity problems for the Fund (e.g. large discounts on the sale of assets, significant dilution effects); a critical cyber incident affecting the Fund, the Company and/or the operational capability of a service provider to the Company; unforeseen market closures; trading restrictions; closure of trading venues; a severe financial and/or political crisis; the discovery of significant criminal activity; a natural disaster. . In addition, following consultation with the Company, BaFin may order the Company to suspend or resume the issue and redemption of units if there are risks to investor protection or financial stability which, upon reasonable and balanced consideration, necessitate the suspension or resumption of issues and redemptions. Investors cannot redeem their units during this period. New investors cannot acquire units during this period. Even in the event of a suspension of the issue and redemption of units, the unit value may fall; for example, if the Company is forced to sell assets below market value during the suspension. The unit value following the resumption of the issue and redemption of units may be lower than that prior to the suspension. A suspension may be followed directly by the winding up of the sub-fund without the issue and redemption of units being resumed, e.g. if the Company terminates the management of the sub-fund with a view to subsequently winding it up. Investors therefore face the risk that they will be unable to realise their intended holding period and that significant portions of the capital invested will be unavailable to them for an indefinite period or lost entirely.

#### **6.1.6 Winding up of the sub-fund**

The Company is entitled to terminate the management of a sub-fund by publishing a notice in the Federal Gazette and, in addition, in the annual or half-yearly report. Upon publication of the notice of termination, the Company is obliged to liquidate the relevant sub-fund and to distribute the proceeds from the sale of the assets of the relevant sub-fund to the investors in proportion to their holdings. If the Company's management rights cease in circumstances other than the termination and liquidation of a sub-fund, for example if insolvency proceedings are opened in respect of the Company's assets, the custodian shall liquidate the sub-fund concerned. Investors therefore face the risk that they will be unable to realise their intended holding period. If the units of the relevant sub-fund are removed from the investor's custody account following liquidation, the investor may be liable for income tax.

#### **6.1.7 Transfer of sub-fund assets to another open-end public investment fund (merger)**

The Company may transfer all sub-fund assets to another UCITS. In this event the investor can: (i) redeem his units; (ii) retain them and become an investor in the acquiring UCITS; or (iii) exchange them for units in an open-end public investment fund with comparable investment principles so long as the Company or one of its affiliates manages another similar investment fund with comparable investment principles. This also applies if the Company transfers all the assets of another open-end public investment fund to the relevant sub-fund. In this case the investor must make another investment decision before the transfer. Income tax may be payable at unit redemption. Investors that exchange units for units in an investment fund with comparable investment principles may be taxed if the value of the units received is higher than that of the old units at the moment of purchase.

#### **6.1.8 Fund or sub-fund transfer to another investment management company**

The Company may transfer the Fund/sub-fund to another investment management company. This will not change the (sub-)fund or the position of the investor. With regard to the transfer, the investor must however decide whether the new investment management company is as suitable as its predecessor. If he does not wish to remain invested in the (sub-)fund under its new management, he must redeem his units. This could give rise to income tax.

#### **6.1.9 Return and achievement of the investor's investment objectives**

There is no assurance that investments will be as successful as desired. Sub-fund unit values can fall and lead to losses for the investor. The Company and third parties can give no assurance that promised minimum payments will be made at redemption or that there will be a specific return on investment in a sub-fund. An issue premium paid when the units were purchased or a redemption fee paid when the units were sold may also reduce or even cancel investment returns, particularly in the case of short-term investments. The amount received at redemption may be lower than the original investment.

### **6.2 Specific risks for securities-indexed UCITS (index risks)**

Should underlying index perform negatively, the investor risks loss of his entire share in the sub-fund. The Company does not hedge against loss in value (no active management).

#### **6.2.1 Availability of securities**

The temporary non-availability of particular securities on the market or other extraordinary circumstances may lead to deviation from the exact index value development. When replicating the underlying index, sub-funds are also subject to transaction costs and other costs, fees, taxes and duties when tracking the underlying index, which are not included

in the index calculation. Sub-funds cannot therefore fully track the underlying index. The composition of the underlying index may also change over time. There is no assurance that the underlying index will continue to be calculated using the principles described and published in the Prospectus or that it will not be subject to significant change.

### **6.2.2 Index calculation and replacement**

In certain circumstances, the calculation or publication of the underlying index may be suspended or adjusted. Index components may also change and the underlying index itself may be replaced by another index. The regular adjustment of index components by the index administrator can give rise to costs that have a negative impact on the index itself. Certain circumstances, such as adjusting the index calculation or publication or suspending trading in index components, can lead to the suspension of trading in units or the suspension of the obligation of market makers to quote bid and offering prices on relevant markets.

No assurance can be given that an index will be calculated and published in the manner described in this Prospectus for an unlimited period of time or that it will not be significantly altered. Past performance of an index is no indication of future positive performance. Index administrators are not required to take account of Company or unit holder requirements when determining, compiling or calculating an index. Index administrators are not responsible for, or involved in, determining sub-fund launch dates or the prices or numbers of issued units. They also have no influence over redemption methods.

### **6.2.3 No further index investigations or reviews**

The Company, fund manager and their affiliates have not put in place and undertaken any further index investigations or reviews on behalf of unit holders and neither will they do so in future. Any further investigations or reviews by or on behalf of the Company, fund manager or their affiliates are undertaken for investment purposes only. Particular risks associated with investment in a specific index or index components are explained below.

### **6.2.4 Deviation risk**

The temporary unavailability of certain securities on the market, compliance with legally binding issuer limits, the reinvestment of dividends at index level, transaction charges associated with the purchase of index components or the use of derivatives in certain circumstances, taxes, index adjustments and other extraordinary circumstances can lead to a deviation from the index performance (tracking error). When replicating the underlying index, sub-funds are also subject to transaction costs and other costs, fees, taxes and duties when tracking the underlying index, which are not included in the index calculation. Sub-funds cannot therefore fully track the underlying index. The tracking error expected in normal market conditions, as shown in the sub-fund special section, is a Management Company assessment based on the standard deviation from the difference between sub-fund and underlying index values over previous months. When unexpected circumstances occur, the actual tracking error may deviate from the expected tracking error.

## **6.3 Risks of negative Fund performance (market risk)**

Market risk is the loss risk for an investment fund as a result of fluctuations in the market value of positions in its portfolio which can be attributed to changes in market variables, such as interest rates, exchange rates, unit and commodity prices or issuer credit rating.

The following are risks to each sub-fund of investment in individual assets. The risks can affect the performance of each sub-fund or its assets and therefore have a negative impact on unit value and invested capital.

### **6.3.1 Value adjustment risks**

The assets in which the Company invests on behalf of the sub-fund are subject to risk. Losses in value can occur if the market value of the assets falls against their purchase price or if spot and forward prices develop in different ways.

### **6.3.2 Capital market risk**

The price and market performance of financial products depends mainly on the performance of the capital markets, which in turn are influenced by the general position of the global economy and economic and political environments in various countries. Irrational factors (e.g. mood, opinions and rumours) can affect prices in general, particularly on stock markets. Price and market fluctuations can also be caused by changes in interest rates, exchange rates and issuer credit rating.

### 6.3.3 Equity price change risk

Experience has shown that equities are subject to major price fluctuation and therefore to the risk of price drops. Prices are particularly sensitive to changes in issuer profit, industry developments and the economy in general. Equity prices can also be affected by the market's confidence in the issuing company. This is particularly true of companies whose equities have only recently been admitted to a stock market or other organised markets and in their case even minor changes in forecasts can lead to major price movements. Where share free float is low, even small sales and purchases can have a significant impact on market price and therefore cause significant price fluctuations.

### 6.3.4 Negative deposit rate risk

The Company deposits sub-fund cash with the custodian or other banks on behalf of the sub-fund concerned. In some cases, a deposit rate has been partially agreed for these bank deposits which matches the Euro Short-Term Rate (€STR) plus 8,5 bps plus a certain margin. If €STR falls below 8.5 bps plus the margin, negative interest will be charged to the relevant account. Depending on how ECB interest-rate policy develops, short, medium and long-term bank deposits may be subject to negative interest rates.

### 6.3.5 Derivatives risks

The Company may conclude derivative transactions for sub-funds subject to the limits and purposes stated at 13.1 below. The sale and purchase of options, forward contracts and swaps carry the following risks:

- The use of derivatives can lead to unpredictable loss and may exceed the limits set for the derivatives transaction.
- Changes in the price of the underlying asset can reduce the value of a derivative. If its value falls, making a derivative valueless, the Company may be forced to write off the acquired rights.
- A liquid secondary market for a particular instrument may not be available at a particular time. In some circumstances, derivative positions cannot be closed;
- The leverage effect of derivative transactions can have a bigger impact on the value of sub-fund assets than the direct purchase of the underlying asset. It is not possible to specify the risk of loss when the transaction is concluded;
- Options are bought with the risk that they may not be exercised because the price of the underlying does not change as expected, meaning that the sub-fund loses the option premium it paid. When options are sold, there is the danger that the sub-fund will be forced to buy assets at above-market price or to deliver assets at below-market price. The sub-fund will then suffer a loss that is the price difference less the option premium collected.
- Forward contracts carry the risk that the Company may be required, on behalf of the sub-fund, to pay the difference between the price at the time the transaction was concluded and the market price at close-out or when the transaction matures. This will cause loss to the sub-fund. It is not possible to specify the risk of loss when the transaction is concluded;
- Closing-out gives rise to expense;
- The Company's forecasts regarding the future development of the underlying assets, interest rates, prices and currency markets may with hindsight prove incorrect;
- It may not be possible to buy or sell the asset underlying a derivative at a time that suits the buyer or seller and they may have to be bought or sold at an unsuitable time.

The following risks apply to OTC (over-the-counter) transactions:

- There may be no organised market, making it hard or impossible for the Company to sell the financial instrument bought OTC on behalf of the sub-fund;
- Individual contracts may make the conclusion of an offsetting transaction (close-out) difficult, impossible or expensive.

### 6.3.6 Repo risks

The Company shall not enter into repo agreements in connection with sub-fund management. There is no repo risk.

### 6.3.7 Securities lending risks

The Company shall not engage in securities lending in connection with sub-fund management. There is no securities lending risk.

### 6.3.8 Collateral risks

The Company receives collateral for derivatives transactions. Derivatives can increase in value. The collateral provided may therefore no longer fully cover the Company's delivery or refund claim against the counterparty.

The Company can place cash collateral in blocked accounts, high quality sovereign bonds or in short-term money market funds. The credit institution holding the bank deposits may default. Sovereign bonds and money market funds may perform negatively. When the transaction matures, the invested collateral may no longer be available in full but the Company will still be required to return the original amount of collateral on behalf of the sub-fund. The Company may then be required, on behalf of the sub-fund, to top up the collateral to its original value, compensating the loss suffered through the investment.

### 6.3.9 Inflation risk

Inflation poses a devaluation risk for all assets. This also applies to sub-fund assets. Inflation may be greater than sub-fund growth.

### 6.3.10 Currency risk

Sub-fund assets may be invested via a currency that is different from the currency of the sub-fund itself. The sub-fund will then receive income, redemption payments and proceeds from those investments in the other currency. If the value of that currency falls against the sub-fund currency, the value of the investments and therefore also of the sub-fund assets will also fall.

### 6.3.11 Concentration risk

The index underlying each sub-fund focuses investment on a particular market. This means that the sub-fund depends on the performance of its underlying markets alone and not on the performance of the market as a whole.

### 6.3.12 Risks in connection with the investment in investment units

The risks posed by investment funds in which sub-funds can invest (target funds) are closely connected with the risks associated with the assets those sub-funds contain and with the target fund's investment strategies. Since target fund managers act independently of each other, several target funds may have identical or opposite investment strategies. This can lead to an accumulation of existing risks and opportunities may cancel each other out. The Company is not usually able to control target fund management. Their investment decisions need not necessarily coincide with the Company's own assumptions or expectations. The Company will often be unaware of the current composition of the relevant target fund. If that composition does not coincide with its assumptions or expectations, it may only be able to react with a significant delay by returning target fund units.

Open-end investment funds in which sub-funds can purchase units may also temporarily restrict or suspend unit redemption. This will then prevent the Company from selling units in the target fund until it returns the redemption price to the management company or custodian of the target fund.

### 6.3.13 Investment spectrum risks

Subject to the investment principles and limits in the KAGB and Investment Terms, which give the sub-fund a very wide scope for manoeuvre, **actual** investment policy may be focused on investment in e.g. only a limited number of industries, markets or regions/countries. Investment in just a few specialist sectors can be risky (e.g. restricted market, wide fluctuation within particular economic cycles). For details of investment policy, please see the annual report for the financial year just ended.

## 6.4 Risk of restricted or increased sub-fund liquidity and risks associated with increased subscriptions or redemptions (liquidity risk)

Liquidity risk is the risk that a position in an investment funds portfolio cannot be sold, liquidated or closed out quickly enough, thereby affecting the ability of that investment fund to meet its redemption obligations under the KAGB or other payment obligations.

The following risks can arise from sub-fund liquidity problems. Such liquidity risks may result in the Company implementing procedures designed to reduce the risk of dilution for investors remaining in the relevant sub-fund when units are issued and/or redeemed, or may result in the relevant sub-fund being temporarily or permanently unable to meet its payment obligations, or in the Company being temporarily or permanently unable to meet investors' redemption requests. The investor may, where applicable, only be able to purchase units at an increased issue price and/or, where applicable, may only receive a reduced redemption price upon the redemption of units. Furthermore, the investor may, under certain circumstances, be unable to realise their intended holding period and may not have access to the invested capital or parts thereof for an indefinite period of time. As a result of liquidity risk, the value of sub-fund assets, and therefore unit value, may also fall if, for example, the company is forced, and it is legally permitted, to sell sub-fund assets at below-market value. If the Company is unable to meet investor's redemption requests, this may also lead to the restriction of units or the suspension of the issue and redemption of units, and, in extreme cases, to the subsequent winding up of the sub-fund concerned.

#### **6.4.1 Restriction of unit redemption**

The Company may temporarily and partially restrict the redemption of units of a sub-fund if, on a settlement day, investors' redemption requests reach a pre-determined threshold above which, due to the sub-fund's liquidity situation, such redemption requests can no longer be executed in the interests of all investors. If the threshold is reached, the Company shall decide, in accordance with its duty of care, whether to restrict redemptions on that settlement day. If it decides to restrict redemptions, it shall redeem units only on a pro rata basis at the redemption price applicable on the settlement day; otherwise, the obligation to redeem shall lapse. This means that each redemption request will be executed only on a pro rata basis according to a ratio determined by the Company. The unexecuted portion of the order will not be executed at a later date but will lapse. Investors therefore face the risk that their order to redeem units will only be executed on a pro rata basis and that they will have to place the outstanding portion of the order again. This measure serves to protect investors and is to be regarded as a less severe measure compared to the suspension of the issue and redemption of units.

To manage liquidity risks, the Company may employ procedures whereby the costs arising from the issue and/or redemption of units in a sub-fund (e.g. transaction costs resulting from the necessary sale or purchase of fund assets) are allocated to new investors or redeeming investors on a 'user-pays' basis, thereby reducing the risk of dilution for investors remaining in the sub-fund. For investors redeeming units, there is a risk that, where these procedures are applied, a fee will be deducted from the unit value, thereby reducing the redemption price accordingly. For new investors, there is also a risk that, where these procedures are applied, the unit value will be increased by a fee, thereby increasing the issue price accordingly.

#### **6.4.2 Risk of investment in assets**

The sub-fund may also purchase assets that are not admitted to trading on a stock market or admitted to trading on or included in another organised market. It may not be possible to sell the assets without a significant discount, a delay or at all. It may not be possible to sell assets admitted to trading on a stock market at all or only subject to significant discounts because of market conditions, volumes, timing or scheduled costs. Although assets may only be purchased for the sub-fund if they can in principle be liquidated at any time, the possibility remains that it may not be possible occasionally, or always, to sell them without loss.

#### **6.4.3 Risk from borrowing**

The Company may take out short-term loans for sub-funds. Rising interest rates on variable-rate loans can have a negative impact on sub-fund assets. If the Company has to repay a loan but cannot find the follow-up financing or if the sub-fund does not have the available liquidity to do so, the Company may be forced to sell assets earlier or on worse terms than planned.

#### **6.4.4 Risks of increased subscriptions or redemptions**

Investor subscriptions and redemptions cause liquidity to flow into/out of sub-funds. In/outflows may, after settlement, produce a net in/outflow of cash to/from the sub-fund. The fund manager can use the net in/outflow to buy or sell assets, giving rise to transaction costs. This will apply particularly if the in/outflow causes a rise above/drop below the level of cash assigned to the sub-fund by the company. The ensuing transaction costs are charged to the sub-fund concerned and may affect its performance. Inflows can increase fund liquidity and have a negative impact on sub-fund performance if the company cannot, or cannot immediately, invest the funds appropriately.

#### **6.4.5 Public holiday risk in particular regions/countries**

In accordance with the investment strategy, investment must be made for sub-funds in particular regions/countries. Local public holidays in those regions/countries can lead to discrepancies between stock market trading days in those regions/countries and sub-fund valuation days. On a day that is not a valuation day, it may not be possible for a sub-

fund to react same-day to market developments in those regions/countries, or to trade on that market on a valuation day that is not a trading day in those regions/countries. This may prevent the sub-fund from selling assets at the required time. This may have a negative impact on the sub-fund's ability to meet redemption requests or meet other payment obligations.

## **6.5 Counterparty risk, including credit and receivables risk**

Counterparty risk is the risk of loss to an investment fund if the counterparty to a transaction may not be able to meet its obligations at the settlement of payment.

A sub-fund may face the following risks in transactions with another party (the counterparty). They include the risk that the contractual partner may be unable to meet its agreed obligations. This can impact sub-fund performance and therefore have a negative effect on unit value and invested capital.

### **6.5.1 Counterparty default risk (not including central counterparties)**

If an issuer or a contractual partner (counterparty) with has claims against the fund defaults, the sub-fund could sustain loss. Issuer risk describes the impact that, alongside general capital market trends, the particular developments of an issuer can have on the price of a security. Even careful securities picking cannot avoid the possibility of loss caused by the financial collapse of the issuer. The party to a contract entered into on behalf of a sub-fund may default in full or in part (counterparty risk). This applies to all contracts taken out on behalf of the sub-fund.

### **6.5.2 Central counterparty risk**

A central counterparty ("CCP") is the intermediary in particular transactions undertaken on behalf of a sub-fund, especially derivative financial instrument transactions. In this case, it will act as the purchaser with respect to the seller or as the seller with respect to the purchaser. CCPs protect themselves from the risk that the other party to the transaction will be unable to make the agreed delivery through a series of protective mechanisms that ensure they can set off transaction loss at all times (e.g. through collateral). Despite these protective mechanisms, a CCP may fall into debt and default, where company claims on behalf of their sub-funds may be affected. This can lead to losses for the sub-funds concerned.

### **6.5.3 Counterparty repo default risk**

The Company does not use repos in sub-fund management. It is therefore exposed to no counterparty default in this connection.

### **6.5.4 Counterparty default risk on securities lending**

The Company does not engage in securities lending in sub-fund management. There are therefore no associated counterparty default risks.

## **6.6 Operating risks and other risks to sub-funds**

Operating risk is the risk of loss to an investment fund resulting from inadequate internal processes, human error or system error caused by the Company or external events, and includes legal, documentation and reputation risk and risk arising from trading, settlements and valuation procedures performed on behalf of the investment fund.

The following risks may, for example, arise from inadequate internal processes or human error or system error by the Company or external third parties. These risks can affect sub-fund performance and therefore have a negative impact on unit value and capital invested by investors.

### **6.6.1 Risk of criminal activities, maladministration and natural disasters**

Sub-funds can be the victims of fraud and other criminal activities. They can incur loss through errors by employees of the company or third parties or through other events, such as natural disasters or pandemics.

### **6.6.2 Country or transfer risk**

There is a risk that a foreign debtor who has the ability to pay cannot make payments on time, at all or only in another currency because of the inability or unwillingness of its country of domicile to execute transfers, or for any other reason. This means that, for example, payments to which a company is entitled on behalf of a sub-fund may not be made, or be in a currency that is not or no longer convertible due to currency restrictions. If the debtor makes payment in a different currency, this position will be exposed to the above currency risk.

### 6.6.3 Legal and political risks

Investments in jurisdictions where German law does not apply, or where the jurisdiction is outside Germany in the event of disputes, may be made for sub-funds. A company's resulting rights and obligations on behalf of the sub-fund may differ from those applying in Germany to the disadvantage of the sub-fund or the investor. Political and legal developments, including changes in the legal framework in these jurisdictions, may not become known to the company at all or until too late or may lead to restrictions on the assets that can be bought or have already been bought. These same consequences may arise if the legal framework changes in Germany so far as the company and/or sub-fund management are concerned.

Sub-fund benchmarks are indices pursuant to Regulation (EU) 2016/1011 of the European Parliament and the Council of 8 June 2016 on indices used as benchmarks for financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Benchmark Regulation). The Benchmark Regulation provides that indices which are the reference point for the performance of a fund and their index administrators must meet certain conditions. If the index is provided by an index administrator located in the European Union, the index administrator must be registered in a register maintained by the European Securities and Markets Authority (ESMA) after approval. Third country benchmarks and index administrators are kept in a separate register. At the time of the update of the Prospectus, the indices and index administrators used by the sub-funds were registered in the register established pursuant to Article 36 of the Benchmark Regulation.

### 6.6.4 Change in fiscal framework, tax risk

The fiscal information provided in this Prospectus is based on the law as it stands at present. The brief tax information applies to persons who in Germany have unlimited personal income tax or corporation tax liability. No liability can be assumed however for tax assessment changing as a result of legislation, case law or decrees by the tax authorities.

The alteration of incorrect sub-fund tax bases for the past financial year (e.g. as a result of external tax audits) can lead to tax corrections that are to the investor's disadvantage in that he will have to pay the cost of the fiscal correction for previous financial years even though in some circumstances he may not have been invested in the fund in that period. On the other hand, the investor may no longer be able to benefit from a fiscal correction in his favour with respect to the present and previous financial years in which he was invested in the sub-fund because he redeemed or sold his units before the correction was applied.

In addition, a correction to tax data may mean that taxable income or tax benefits are assessed in a period other than the correct tax assessment period, which may have a negative impact on individual investors.

### 6.6.5 Key person risk

If the investment result of the Fund is very positive in a certain period, this success may also depend on the suitability of the acting persons and thus the correct decisions of the management. However, the personnel composition of the fund management can change. New decision-makers may then be less able to act successfully.

### 6.6.6 Custody risk

The custody, particularly abroad, of assets carries the risk of loss through the possible insolvency of the custodian or the violation of its duty of care or as a result of *force majeure*.

### 6.6.7 Trading and clearing mechanism risks (settlement risk)

The electronic settlement of securities trades carries a risk that the counterparty will pay late or not in line with the terms of the agreement, or that they will not deliver the securities on time.

## 7 Sustainability-related disclosures

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation"), the Management Company is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the sub-funds.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary according to another specific other risk, a region and/or an asset class. Generally, when Sustainability Risk occurs for an asset, there will be a

negative impact and potentially a total loss of its value and therefore a negative impact on the net asset value of the concerned sub-fund.

Such assessment of the likely impact must therefore be conducted at each sub-fund level, further detail and specific information is given in each relevant sub-fund's special section.

"Sustainability Factors" means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

"Sustainability Risk" means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the relevant sub-fund. Sustainability Risks can either represent a risk on their own or have an impact on other risks and may contribute significantly to such risks, such as (but not limited to) market risks, operational risks, liquidity risks or counterparty risks. Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Sustainability Risk is linked but not limited to climate-related events resulting from climate change (a.k.a. Physical Risks) or to the society's response to climate change (a.k.a. Transition Risks), which may result in unanticipated losses that could affect the relevant sub-fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, the Management Company aims to mitigate Sustainability Risks. In addition, when a sub-fund follows an extra-financial approach, through the implementation of the ESG investment process included but not limited to selection, thematic or impact, Sustainability Risk intend to be further mitigated. In both cases, please note that no insurance can be given that Sustainability Risks will be totally removed. Further information on the integration of Sustainability Risks into investment decisions can be found on the website: <https://www.amundi.lu/retail/regulatory-documents>.

In respect of sub-funds where the investment policy of a particular sub-fund is to track the underlying index, sustainability risks cannot influence the decision as to whether that sub-fund invests in a particular security as this is ultimately determined by the constituents of the underlying index.

Unless **otherwise** stated in the Special Section of the relevant sub-fund under "Investment objective", the sub-funds do not fall within the scope of Article 8 or Article 9 of the Disclosure Regulation but within the scope of Article 6 of the Disclosure Regulation as they do not promote Sustainability Factors and they do not maximise the orientation of the portfolios to Sustainability Factors. However, the sub-funds are still exposed to Sustainability Risks.

**With respect to nuclear energy and natural gas, the Company may, within the scope of the respective index of a Sub-Fund to be tracked, acquire assets of issuers or portfolio companies which generate their turnover through activities related to the production or other use of energy from/of nuclear energy and natural gas as well as the extraction of uranium or natural gas. Details of this are described in the Special Section of the respective sub-fund under "Description of the underlying index of the sub-fund".**

## 8 Taxonomy Regulation

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

For the sub-funds falling within the scope of Article 6 of the Disclosure Regulation: The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

For the sub-funds falling within the scope of Article 8 of the Disclosure Regulation, please refer to the section " Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" for further information on the Taxonomy Regulation.

## 9 Guidelines on funds' names using ESG or sustainability-related terms

On 14 May 2024 ESMA published the Guidelines on funds' names using ESG or sustainability-related terms (the 'Guidelines'). They entered into force on 21 November 2024 for new Sub-Funds and will enter into force on 21 May 2025 for Sub-Funds created on or before 21 November 2024. Their objective is to protect investors against misleading sub-funds names which may contain inaccurate sustainability claims and to provide guidance to fund managers in relation to what ESG or sustainability-related names they can use in their funds.

All the Sub-Funds in scope of the Guidelines must comply with the two rules below, namely:

- Minimum 80% of their investments is used to meet environmental or social characteristics in case of art. 8 Sub-Funds, or sustainable investment objectives in case of art. 9 Sub-Funds.
- Compliance with the exclusions under either the EU Paris-Aligned Benchmarks ("PAB") or EU Climate Transition Benchmarks ("CTB").

Additional obligations are specified in the Guidelines depending on whether the Sub-Fund's names contain 'transition', 'impact', 'sustainable' or any terms derived from these words, or a combination of them.

The PAB exclusions as per Art. 12 (1) (a)-(g) of the Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks are:

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

The CTB exclusions as per Art. 12 (1) (a)-(c) of the Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks are:

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

When a Sub-Fund complies with the PAB exclusions this has been disclosed in the Index methodology section of the relevant Sub-Fund and in the relevant section of the Sustainability Annex.

When a Sub-Fund complies with the CTB exclusions this has been disclosed in the relevant section of the Sustainability Annex.

## 10 Increased volatility

The composition of the sub-funds means that they have greater volatility, i.e. unit prices can rise and fall significantly even over a short period of time.

Volatility of, for example, 30% within one year means that the price of Fund units in that period fluctuated on average between 70 and 130% against the current price. The greater the volatility, the greater the fluctuation of sub-fund units in the past, and therefore the riskier the investment.

**Investors should therefore note that, depending on a risk rating that is based on its composition, a sub-fund may be more volatile.**

## 11 Risk profiles

Unless otherwise stated in a relevant special section, sub-funds are intended for institutional and private investors. Investors should understand the instruments used. Investors should essentially be prepared to risk the capital they invest and the income from it. The risk of investment in the various sub-funds may be low, average or high, as described below:

- A sub-fund will be classed low-risk if the risk of capital loss is low because of low volatility in the asset class(es) held by the sub-fund and/or capital protection strategies have been implemented (possibly including a bank guarantee valid for one or more dates, as stated in the relevant special section). Units may be subject to price fluctuations that, in certain circumstances, cause them to fall below their purchase price, with not insignificant capital loss to the investor;
- A sub-fund will be classed average-risk if the risk of capital loss is average because the volatility of its asset classes is average and/or the sub-fund has partial capital protection. Investors must be prepared and able to cope with asset price fluctuation and possibly significant capital loss; and
- A sub-fund will be classed high-risk if it invests in asset classes that are highly volatile and/or have limited liquidity and has no capital protection strategies. Investors must be prepared and able to cope with major unit price fluctuation and possibly major capital loss.

The above classification shows the levels of risk associated with each sub-fund but offers no assurance of possible returns. It is provided only for comparison purposes with other sub-funds publicly offered by the Company and third parties. In the event of doubt about the level of risk appropriate for them, investors should contact their personal investment managers.

Potential investors should obtain information, particularly on the investments and instruments that can be implemented under the stated investment policy. They should also be clear about the risk of investing in units and should not make any investment decision until they have been comprehensively advised by their legal, tax and financial advisors, auditors or other advisors about: (i) the suitability of investing in units in the light of their personal financial or tax position and other circumstances; (ii) the information in this Prospectus; and (iii) the investment policy of the relevant sub-fund.

## 12 Sub-fund risk profile

In the light of the investment principles under section 13 below, the sub-fund is mainly exposed to equity investment risk.

This includes the general market risk, company-specific risk and liquidity risk.

The sub-funds are exchange traded funds. Fund management aims to track the performance of the underlying index as closely as possible (full-replication ETFs). This means that the highest possible percentage of investment will be made in index securities. This is because decisions on the purchase or sale of assets and their sub-fund weighting depend on the underlying index. In the event of negative market movement, the Company will make no provision for minimising possible loss.

For other potential risks to the sub-fund arising from its investment principles, please see the Risk Notice above.

## 13 Investment principles and limits

### 13.1 General

The general assets the sub-fund may purchase and its general investment limits are shown below. The Special Section of the Prospectus provides additional and/or particular rules applying to the relevant sub-fund.

**For its sub-funds, the Company will pursue an investment policy of tracking the composition of a particular, recognised financial index.**

**The sub-funds pursue a passive investment strategy and are therefore not actively managed.**

The Company may only purchase the following assets for sub-funds:

- a) Securities pursuant to § 193 KAGB,
- b) Money market instruments pursuant to § 194 KAGB,
- c) Bank deposits pursuant to § 195 KAGB,
- d) Derivatives pursuant to § 197 KAGB,
- e) Other investment instruments pursuant to § 198 KAGB,
- f) Investment units pursuant to § 196 KAGB

in order to track the underlying index, subject to a proper distribution of risk. The Company may acquire these assets within the investment limits set out in particular in the sections 'Investment limits for securities and money market instruments, including the use of derivatives and bank deposits' and 'Units in other funds and their investment limits'. Details of these assets and the applicable investment limits are set out below.

Unless otherwise stated in the Special Section of the relevant sub-fund under "Investment objective", the sub-funds do not fall within the scope of Article 8 or Article 9 of the Disclosure Regulation but within the scope of Article 6 of the Disclosure Regulation as they do not promote Sustainability Factors and they do not maximise the orientation of the portfolios to Sustainability Factors. However, the sub-funds are still exposed to Sustainability Risks. More detailed information is provided in the Special Section of the relevant sub-funds and in the Annex to this Prospectus.

The Company has drawn up a contingency plan in which it has formulated measures to be taken in the event of a significant change or discontinuation of an index and is guided by these plans in its contractual relationship with its clients. If a similar index can be used as a benchmark, then the index can be replaced. Investors can request the contingency plan from the Company free of charge for inspection.

For the sub-funds falling within the scope of Article 6 of the Disclosure Regulation, the Company considers a selection of the principal adverse impacts ("PAI") through its normative exclusion policy. For these sub-funds only indicator number 14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)" of Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288 is taken into account.

Further information on the PAIs can be found in the annual report.

**The Benchmark Regulation stipulates that index administrators and indices must be entered in a register managed by the European Securities and Markets Authority (ESMA). All sub-fund indices and index administrators were registered in accordance with article 36 of the Benchmark Regulation at the time the Prospectus was updated.**

**Derivative financial instruments may only be used in special situations (e.g. liquidity squeezes for particular securities, special capital measures, more efficient cash management, more accurate mapping of the underlying index or similar) and must be in investors' interests. The value of derivative financial instruments may not exceed 10% of the value of the relevant sub-fund assets.**

The underlying sub-fund indices described in the Special Section are recognised by BaFin and meet the following KAGB requirements:

- The index composition is sufficiently diversified;

- The index provides an adequate benchmark for the market to which it refers;
- The index is appropriately published.

Subject to other applicable restrictions, the Company may invest up to 20% of its assets in equity and/or debt components of this index from one and the same issuer.

Where justified by extraordinary market conditions, this limit can be raised to 35%. Extraordinary market conditions may for example include market concentration on particular undertakings or industries, increased market volatility or market upheavals. This applies in particular to regulated markets on which transferable securities and money market instruments are predominantly traded. Only one 35% upper limit investment may be made with the same issuer. If there are extraordinary market conditions, the Company will avail itself of this option.

**Since the Fund tracks the relevant underlying index with the result that certain issuer and investor limits may be exceeded, the diversification of risk principle only applies to this Fund to a limited extent.**

## 13.2 Assets

### 13.2.1 Securities

On behalf of the sub-fund, the Company may purchase the securities of German and foreign issuers:

1. That are admitted to trading on a stock market in a Member State of the European Union (EU) or in another country which is a signatory to the Agreement on the European Economic Area (EEA) or are admitted to, or included in, another organised market in one of these States;
2. That are admitted to trading only on a stock market outside EU Member States or outside other countries which are EEA Agreement signatories or are admitted to, or included in, another organised market in one of these States, so long as BaFin permits the selection of these stock markets or organised markets.

New issue securities may be purchased if under their terms of issue admission to, or inclusion on, one of the stock markets named under 1 and 2. or organised markets must be requested and the admission or inclusion will follow within one year of issue.

For these purposes, securities are:

- Units in closed-end, contractual or corporate form investment funds that are controlled by their shareholders (shareholder control), i.e. the shareholders must have voting rights in major decisions, and the right to control investment policy using appropriate methods. The investment fund must also be managed by a legal entity that is subject to investor protection regulations, unless the investment fund is a company and asset management is not performed by a different legal entity.
- Financial instruments that are hedged using other assets or are linked to the performance of other assets. Where derivative components are embedded in such financial instruments, additional requirements apply so that the Company may treat them as securities at purchase.

The purchase of securities is subject to the following conditions:

- Potential loss to the sub-fund may not exceed the purchase price of the security. Additional compulsory calls for funds are not permitted.
- If the securities purchased by the sub-fund lack liquidity, this must not prevent the sub-fund from meeting its statutory duty to redeem units. This takes account of the legal possibility that, in certain cases, unit redemption may be restricted or suspended (see "Units - Unit issue and redemption settlement" and "Restriction of unit redemption" or "Suspension of unit redemption").
- A reliable valuation of securities in the form of accurate, reliable and current prices must be available. These must be either market prices or prices calculated by a valuation system that is independent of the securities issuer.
- Appropriate information must be available on securities in the form of proper, accurate and comprehensive market information on the security or an associated, i.e. securitised, portfolio.
- Securities can be traded.
- The purchase of a security must be in line with the sub-fund's investment targets or strategy.
- The sub-fund's risk management must deal appropriately with the risks posed by a security.

Securities may also be acquired in the following manner:

- Equities to which the sub-fund is entitled through capital increase from company funds;
- Securities acquired through the exercising of sub-fund subscription rights.

For these purposes, subscription rights may also be purchased for the sub-fund so long as the securities to which they relate can form part of the sub-fund.

### 13.2.2 Money market instruments

The Company may invest in money market instruments on behalf of the sub-fund that are normally traded on the money market and in interest-bearing securities that, alternatively:

- have a term or remaining term of up to 397 days at the time they were purchased for the sub-fund;
- have a term or remaining term of over 397 days at the time they were purchased for the sub-fund but whose interest rate must be regularly adjusted at least once every 397 days in line with market requirements under their terms of issue; or
- have a risk profile in line with that of securities that meet the remaining term or interest adjustment requirement.

Money market instruments may be purchased on behalf of the sub-fund if they:

1. are admitted to trading on a stock market in an EU Member State or in another country which is a signatory to the EEA Agreement or are admitted to, or included in, another organised market in one of these States;
2. are admitted to trading only on a stock market outside EU Member States or in another country that is an EEA Agreement signatory or are admitted to, or included in, an organised market in one of these States, so long as BaFin permits the selection of these stock markets or organised markets;
3. are issued or guaranteed by the EU, Germany, a fund of the Federal Government, a German *Land*, another Member State or another central, regional or local government authority or the central bank of an EU Member State, the European Central Bank or the European Investment Bank, a third country or, if this is a Federal State, a Member State of that Federal State, or an international public body to which at least one EU Member State belongs;
4. are issued by an undertaking whose securities are traded on the markets under 1 and 2 above;
5. are issued or guaranteed by a credit institution that under EU law is subject to supervision, or by a credit institution that is subject to and compliant with supervisory provisions that, in the view of BaFin, are equivalent to those of Community law; or
6. are issued by other issuers that are in each case:
  - a) an undertaking with equity of at least 10 million euro that produces and publishes an annual report in line with the European Directive on the financial reports of limited companies; or
  - b) a legal entity that, within a group that includes one or more listed companies, is responsible for the financing of that group; or
  - c) a legal entity that issues money market instruments that are backed by debt through a bank credit line. These are products where bank loan receivables are backed by securities ("asset-backed securities").

None of the above money market instruments may be bought unless they are liquid and can be correctly valued at all times. Money market instruments are liquid if they can be sold within a short enough period of time with limited costs. This must take account of the Company's obligation to redeem sub-fund units when requested by the investor and for this purpose to ensure it remains able to sell such money market instruments quickly. An accurate and reliable valuation system for the money market instruments must also be in place that is able to determine the net asset value (NAV) of money market instruments on the basis of market data or valuation models (including systems based on amortised costs). Money market instruments will meet the liquidity requirement if they are admitted to, or included in, an organised market within or outside the EEA so long as BaFin has permitted the selection of that market. This will not apply if the Company provides indications that the money market instruments do not have sufficient liquidity.

In the case of money market instruments that are not listed on a stock market or are not admitted to trading on a regulated market (see points 3 to 6 above), the issue or issuer of these instruments must also be subject to investment and investor protection requirements. Suitable information must be available on these money market instruments that allow proper assessment of the credit risk associated with them and the money market instruments themselves must be freely transferable. Credit risk may be assessed by a credit rating agency.

These money market instruments will also be subject to the following requirements unless they have been issued or are guaranteed by the European Central Bank or the central bank of an EU Member State:

- If they are issued or guaranteed by the following institutions (named under point 3 above):
  - the EU,

- Federal Government of Germany,
- a fund of the Federal Government,
- a German *Land*,
- another Member State,
- another central government authority,
- the European Investment Bank,
- a third country or, if this is a Federal State, a Member State of that Federal State,
- an international public body to which at least one EU Member State belongs,

suitable information on the issue or issuance programme or on the legal and financial position of the issuer must be available before the money market instrument is issued.

- If they are issued or guaranteed by a supervised credit institution in the EEA (see point 5 above), suitable information on the issue or issuance programme or on the legal and financial position of the issuer must be available before the money market instrument is issued and must be updated at regular intervals and whenever significant events occur. In addition, data (e.g. statistics) must be available on the issue or issuance programme to enable the proper assessment of investment credit risks.
- If they are issued by a credit institution outside the EEA that is subject to supervisory provisions that, in the view of BaFin, are equivalent to those applying within the EEA to equivalent credit institutions, then one of the following conditions must be met:
  - The credit institution must have a registered office in an Organisation for Economic Co-operation and Development (hereinafter the "OECD") Member State that also belongs to the G10 (the group of the ten leading industrialised countries).
  - The credit institution must have at least investment-grade rating. Investment-grade is a rating of at least BBB, Baa or an equivalent or better creditworthiness rating issued by a credit-rating agency.
  - Thorough analysis of the issuer will show that the supervisory requirements applying to the credit institution are at least as stringent as those applying under EU law.
- In the case of other money market instruments that are not listed on a stock market or admitted to trading on a regulated market (see above under points 3, 4 and 6), suitable information on the issue or issuance programme or on the legal and financial position of the issuer must be available before the money market instrument is issued and must be updated at regular intervals and whenever significant events occur and must be audited by qualified and independent third parties. In addition, data (e.g. statistics) must be available on the issue or issuance programme to enable the proper assessment of investment credit risks.

### 13.2.3 Bank deposits

The Company may only hold bank deposits with a maximum term of twelve months on behalf of the sub-fund.

The credit balances must be held in blocked accounts with credit institutions registered in an EU Member State or in another country that is an EEA Agreement signatory. They may also be held with credit institutions registered in a third country whose supervisory provisions, in the view of BaFin, are equivalent to those applying under EU law.

### 13.2.4 Other assets and their investment limits

The Company may hold up to 10% of the value of the sub-fund in the following other assets:

- Securities that are not admitted to trading on a stock market or admitted to, or included in, another organised market but that nevertheless essentially meet the criteria for securities. Unlike traded and admitted securities, the reliable valuation of these securities must be available in the form of a valuation carried out at regular intervals based on the issuer's information or competent financial analysis. Suitable information on securities that are not admitted or included and any associated, i.e. securitised, portfolio must be available to the sub-fund in the form of proper and correct information.
- The money market instruments of issuers that do not meet the above requirements but that are liquid and can be properly valued at any time. Money market instruments are liquid if they can be sold within a short enough period of time with limited costs. This must take account of the Company's obligation to redeem sub-fund units when requested by the investor and for this purpose to remain able to sell such money market instruments quickly. An accurate and reliable valuation system for the money market instruments must also be in place that is able to determine the net asset value (NAV) of money market instruments on the basis of market data or valuation models (including systems based on amortised cost). Money market instruments will

meet the liquidity requirement if they are admitted to trading on or included in an organised market within or outside the EEA so long as BaFin has permitted the selection of that market.

- New issue shares if, under their terms of issue:
  - an application will be made for their admission to trading on a stock market in an EU Member State or in another country that is an EEA Agreement signatory or for their admission to an organised market or their inclusion on such a market in an EU Member State or in another country that is an EEA Agreement signatory; or
  - an application will be made for their admission to trading on a stock market, or admission to or inclusion in an organised market that is outside EU Member States or other countries that are EEA Agreement signatories, so long as the selection of such stock markets or organised markets is permitted by BaFin and so long as the admission or inclusion occurs within one year of issue.
  
- *Schuldschein* loans that after purchase for the sub-fund can be assigned at least twice and were granted by one of the following institutions:
  - a) Germany, a German UCITS, a German *Land*, the EU or an OECD Member State;
  - b) another German government body or a regional government or local authority of another EU Member State or another country that is an EEA Agreement signatory, so long as the receivable complies with the regulatory supervisory requirements applying to credit institutions and investment companies and can be treated in the same way as a receivable of the central government in whose territory the regional government or local authority is located;
  - c) other public bodies and institutions with registered office in Germany, another EU Member State or another country that is an EEA Agreement signatory;
  - d) undertakings that have issued securities admitted to trading on an organised market within the EEA or that are admitted to trading on any other regulated market and that meet the main regulated market requirements pursuant to the Financial Instruments Markets Directive as amended; or
  - e) other debtors, so long as one of the institutions and bodies under a) to c) above guarantees interest and repayment.

### **13.2.5 Investment limits for securities and money market instruments, including the use of derivatives and bank deposits**

#### **13.2.5.1 General investment limits**

The Company may invest up to 10% of the net assets of a sub-fund in the securities and money market instruments of one and the same issuer (debtor). The total value of the securities and money market instruments of issuers (debtors) in which a sub-fund has invested over 5% of net sub-fund assets may not exceed 40% of the value of net sub-fund assets.

However, the Company may invest up to 20% of the value of a sub-fund in the securities of a single issuer if under the Investment Terms the securities purchased for the sub-fund must be selected to ensure a proper diversification of risk while tracking a securities index approved by BaFin. A securities index will be approved if:

- its composition is sufficiently diversified;
- it provides a proper benchmark for the market to which it refers;
- it is appropriately published.

The sub-fund's underlying index meets these requirements:

If, in accordance with the Investment Terms, securities must be selected for purchase for the sub-fund to provide a proper diversification of risk and to track a securities index approved by BaFin, then the Company may invest up to 35% of the value of a sub-fund in securities. A 35% maximum investment is permitted in just one issuer.

The issuers of securities and money market instruments must also be taken into account within the limits mentioned if the securities and money market instruments issued by them are acquired indirectly via other securities included in the respective sub-fund which are linked to their performance.

The Company may invest only up to 20% of the value of the sub-fund in bank deposits with just one credit institution.

#### **13.2.5.2 Investment limits for covered bonds**

The Company may invest up to 25% of the value of the sub-fund per issuer in

a) Pfandbriefe, municipal bonds and bonds issued by a credit institution domiciled in an EU Member State or in another signatory state to the EEA Agreement before 8 July 2022. The prerequisite is that the funds raised with the bonds are invested in such a way that they cover the liabilities of the bonds over their entire term and are primarily intended for repayments and interest if the issuer of the bonds default,

b) covered bonds within the meaning of Article 3(1) of Directive (EU) 2019/2162 on the issue of covered bonds and the public supervision of covered bonds, issued after 7 July 2022.

If more than 5 per cent of the value of the sub-fund is invested in such bonds under points (a) and (b) of the same issuer, the total value of such bonds may not exceed 80 per cent of the value of the sub-fund.

#### **13.2.5.3 Investment limits for public issuers**

The Company may invest up to 35% of the value of a special sub-fund in bonds, *Schuldschein* loans and money market instruments of particular German and supranational public issuers. Such public issuers include the German Federal government, German *Länder*, EU Member States and their local bodies, third countries and supranational public institutions to which at least one EU-Member State belongs.

#### **13.2.5.4 Investment limits for bank deposits**

The special sub-fund may be invested in bank deposits that have a maximum term of twelve months. These credit balances must be held in blocked accounts with a credit institution registered in an EU Member State or in another country that is an EEA Agreement signatory. Under the General Investment Terms they may also be held with a credit institution registered in a third country.

#### **13.2.5.5 Combination of investment limits**

The Company may invest up to 20% of the value of a special sub-fund in a combination of the following assets:

- securities and money market instruments from one and the same institution;
- deposits with that institution, i.e. bank deposits;
- capital charges for the counterparty risk on derivatives transactions entered into with this institution.

In the case of particular public issuers, the combination of the above assets may not exceed 35% of the value of the special sub-fund concerned. This does not affect individual investment ceilings.

#### **13.2.5.6 Investment limits with use of derivatives**

The value of the securities and money market instruments of a single issuer to which the above limits apply can be reduced through the use of hedging derivatives whose underlyings are securities or money market instruments from the same issuer. On behalf of special sub-fund assets, securities and money market instruments from a single issuer may therefore be purchased above the aforementioned limits only if the resulting rise in issuer risk is reduced once more through hedging transactions.

### **13.2.6 Units in other funds and their investment limits**

The Company may invest up to 10% of the value of a sub-fund in target fund units in open-ended German and foreign investment funds.

Under its Investment Terms or articles of association, the target fund may invest up to 10% in units of other open-ended investment funds. The following requirements apply to AIF units:

- The target fund must be legally permitted and subject to public investor protection supervision, and must provide sufficient assurance that there will be satisfactory cooperation between BaFin and the target fund's supervisory authorities;
- Investor protection must be equal to that provided by a German UCITS, particularly with regard to the separation of management from asset custody, to borrowing and lending and to the short selling of securities and money market instruments;
- The target fund's business activities must be reported in annual and interim reports and enable investors to form an opinion on its assets and liabilities, income and transactions over the reporting period;
- The target fund be a public fund whose units are unlimited in number and that gives investors the right to redeem their units.

Up to 20% of the value of a sub-fund may be invested in units of a single target fund. Up to 30% of the value of a sub-fund may be invested in AIFs. The Company may not purchase more than 25% of the units issued by a single target fund on behalf of the sub-fund.

*Investor information on restricted or suspended redemption of target fund units*

Target funds may legally temporarily suspend the redemption of their units. The Company may then not redeem the units in the target fund at the management company or custodian of the target fund for their redemption price (see also: "Notice of risk – risks in connection with the investment in investment units"). The Company's homepage at [www.amundi.fund.com](http://www.amundi.fund.com) shows whether, and to what extent, the sub-fund holds units in target funds that have currently suspended redemption.

### 13.2.7 Derivatives

**The Company may, as part of its investment strategy, carry out derivative transactions on behalf of the sub-fund to the extent permitted under 12.1 above to ensure the efficient management of the portfolio. This may at least temporarily increase the risk of loss to the sub-fund.**

A derivative is an instrument whose price depends on changes in, or expectations concerning, the prices of other (underlying) assets. The following information applies both to derivatives and also to financial instruments with derivative components (hereafter collectively "derivatives").

The use of derivatives may at most double sub-fund market risk (market risk limits). Market risk is the risk of loss caused by fluctuations in the market value of Fund assets following changes in variable prices on the market, e.g. interest rates, exchange rates, equity and commodity prices and changes in issuer credit rating. The Company must always comply with market risk limits. The utilisation of the market risk limit must be determined daily in accordance with the legal requirements under the Derivatives Regulation.

Hedging is not permitted on behalf of sub-funds. The Company will use derivatives to track the underlying index efficiently when and to the extent this is contractually required and is in investors' interests. Hedging transactions exclusively in favour of a particular currency unit class are permitted. Currency hedging instruments only include forward exchange contracts, currency futures, currency options and currency swaps and other currency hedging transactions so long as they are derivatives pursuant to § 197(1) KAGB. Expenditure and revenue on currency hedging transactions must exclusively be allocated to the relevant currency unit class.

When calculating market risk limits, the Company uses the simple approach in accordance with the Derivatives Regulation. This totals the capital charges of all derivatives and increases investment grade. The capital charge for derivatives and financial instruments with derivative components is essentially based on the market value of the underlying. Total capital charges for the market risk arising from the use of derivatives and financial instruments with derivative components may not exceed the value of Fund assets.

The Company may generally purchase derivatives if it is permitted to purchase the assets underlying those derivatives for a sub-fund or if the risks presented by the underlying assets could also have arisen from investment fund assets the Company is permitted to purchase for the same sub-fund. On behalf of a sub-fund, the Company may purchase:

- Plain vanilla derivatives pursuant to section 10 of the GIT
- Combinations of these derivatives
- Combinations of these derivatives with other assets that may be purchased for the sub-fund.

The Company can sufficiently accurately determine and assess all sub-fund market risks arising from the use of derivatives.

#### 13.2.7.1 Forward contracts

The Company may, subject to investment principles, enter into forward contracts on securities and money market instruments on behalf of a sub-fund that may be purchased for the sub-fund and on financial indices pursuant to article 9(1) of Directive 2007/16/EC, interest rates, exchange rates and currencies.

Forward contracts are unconditional agreements, binding on both parties, and require them to buy or sell, at a specified time, due date or within a specified timeframe, a specified quantity of a specified underlying asset at a previously agreed price.

#### 13.2.7.2 Over-the-counter (OTC) transactions

The Company may both enter into derivatives transactions that are admitted to trading on a stock market or are admitted to, or included in, another organised market and enter into transactions without the stock exchange, known as over-the-counter (OTC) transactions, on behalf of a sub-fund.

The Company may only enter into derivative transactions that are not admitted to trading on a stock market or admitted to, or included in, another organised market with suitable credit institutions or financial service providers under standard framework contracts.

In the case of OTC-traded derivatives, the counterparty risk the contractual partner may pose may not exceed 5% of the value of a sub-fund. If the contractual partner is a credit institution registered in an EU Member State, another country that is an EEA Agreement signatory or a third country with equivalent supervisory levels, counterparty risk may rise to 10% of the value of a sub-fund. In the case of OTC-traded derivatives in which a central clearing house, stock market or other organised market is the contractual partner, counterparty limits will be ignored if the derivatives are marked to market daily, with daily margin settlement. Sub-fund claims against intermediaries must take account of the limits, even where the derivative is traded on a stock market or other organised market.

### 13.3 Collateral strategy

During derivative transactions, the Company accepts collateral on behalf of the Fund. This serves to reduce in full or in part the risk of default by the contractual partner to these transactions.

#### 13.3.1 Permitted collateral

To the extent that derivative transactions may be concluded on behalf of the Fund, the Company accepts only collateral that meets the following criteria set out under s§ 27(7) DerivateV (Derivatives Regulation):

- Assets that may be purchased for the Fund under the KAGB; and
- Are extremely liquid;
- Are valued at least once per banking day;
- Do not have issuers with a high credit rating;
- Are not issued by issuers that are also the contractual partner or a member of the same group pursuant to s290 of the German Commercial Code (*Handelsgesetzbuch* – HGB);
- Are properly diversified in terms of country, market and issuer risk;
- Are subject to no material operating or legal risk in terms of their management and custody;
- Are held by a custodian that is subject to effective public supervision and is independent of the collateral provider or are legally protected from default on the part of any party unless they have been transferred;
- Can be reviewed by the Company without the approval of the collateral giver;
- Can be immediately used by the Fund; and
- Are subject to legal arrangements in the event of the insolvency of the collateral giver.

The Company regularly inspects accepted collateral for suitability. Depending on the results of these analyses, government bonds from other countries and equities other than those included in the present indices will also be accepted.

#### 13.3.2 Scope of collateral

The collateral given for derivative transactions must be sufficient to ensure that the capital charge for the default risk of the for the other contractual partner does not exceed 5% of Fund value. If the contractual partner is a credit institution registered in an EU Member State or in another country that is an EEA Agreement signatory or in a third country with equivalent supervisory requirements, the capital charge for the default risk may increase to 10% of Fund value.

#### 13.3.3 Valuation haircut strategy

The Company has introduced a haircut strategy covering all assets accepted as collateral. A haircut is a discount of collateral value that takes account of a downturn in the valuation or liquidity profile of collateral over time. The haircut strategy takes account of the features of the asset concerned, including the creditworthiness of the issuer of the collateral, the volatility of collateral price and the results of stress tests that may be performed in the course of collateral management. Subject to existing agreements with the counterparty that may include minimum levels of collateral, the Company intends to adjust the value of all collateral received by at least the counterparty risk as part of its haircut strategy.

The haircuts applied to received collateral will be in line with the Company's internal guidelines on collateral management.

#### 13.3.4 Investment of cash collateral

Cash collateral in the form of bank deposits may be held in blocked accounts with the fund custodian or, with its agreement, with another credit institution. Further investment may only be made in high quality government bonds or

short-term money market funds. Cash collateral may also be invested in reverse repos with a credit institution so long as the accrued balance can be recovered at all times.

### 13.3.5 Custody of collateral securities

The Company can accept derivative securities as collateral on behalf of the Fund. The securities must be held by the custodian or, with its agreement, by another suitable credit institution. Where the Company has received the securities as pledged collateral, the securities may be held in custody by another suitable credit institution.

### 13.4 Probable tracking error

The Company calculates a forecast tracking error under normal market conditions. Tracking error is the annualised standard deviation contained in the difference between sub-fund and underlying index returns. The expected tracking error for a sub-fund is based on the daily net total returns for that sub-fund and its underlying index over three years.

Investors that regularly deal with index funds and hold units in them for only a few days or weeks are often particularly interested in this indicator. Long-term investors with a longer investment horizon usually find the tracking difference between the sub-fund and the underlying index over the intended investment period of greater interest. The tracking difference overlooks the actual difference between sub-fund and index returns (i.e. how accurately a sub-fund is tracking its underlying index). A tracking error on the other hand overlooks rises and falls in the tracking difference (i.e. its volatility). When valuing index funds, investors should consider both indicators.

Probable tracking error is based on the probable volatility of the deviations between the sub-fund and underlying index returns. Liquidity management, transaction costs for index adjustments and differences in valuation method and valuation time between a sub-fund and its underlying index can affect tracking error and the difference between the sub-fund and underlying index returns. Depending on the underlying circumstances, these effects can be positive or negative.

In addition, withholding tax payable by a sub-fund on investor income can also produce a tracking error for the sub-fund. The extent of the withholding-tax induced tracking error will depend on a number of factors, such as the refunds claimed by the sub-fund from various tax authorities, sub-fund tax breaks through a double taxation agreement or securities lending.

**The lower the tracking error, the more similar the performance. The higher the tracking error, the bigger the average deviation of the Fund performance from the benchmark.**

The probable tracking error for each sub-fund is shown in the Special Section of this Prospectus.

### 13.5 Fiscally induced investment limits

Subject to the investment limits stated above, the investment limits indicated in the 'Specific investment limits' in the Special Section of the relevant sub-fund shall apply.

### 13.6 Borrowing

Short-term loans of up to 10% of Fund value may be taken out on behalf of all investors, provided the loan is taken out under normal market conditions and the custodian approves the borrowing.

### 13.7 Leverage

Leverage is a method used by the Company to raise sub-fund investment grades. This can be achieved using the leverage embedded in derivatives or any other manner. The Company can leverage up to 10% of the derivatives limit on behalf of the sub-fund. Leverage is the total exposure of a sub-fund divided by its NAV. When calculating total exposure, Fund NAV is added to the nominal value of all derivative transactions used in the relevant sub-fund. Depending on market conditions, leverage may fluctuate, meaning that the target may be exceeded despite constant Company monitoring. The Company may take out derivatives for a range of purposes, such as to provide collateral or to improve return. The calculation of total exposure does not however distinguish between the various derivative purposes. For this reason, total nominal value is no indicator of Fund risk.

## 13.8 Valuation

### 13.8.1 General rules for asset valuation

#### *13.8.1.1 Assets admitted to trading on the stock market/traded on an organised market*

Assets admitted to trading on a stock market or admitted to, or included in, another organised market, and sub-fund subscription rights are essentially valued at the last available trading price that will produce a reliable valuation unless otherwise stated below under ‘Special rules for the valuation of individual assets’.

#### *13.8.1.2 Assets not listed on stock markets or traded on organised markets or that have no trading price*

Assets that are not admitted to trading on a stock market or admitted to, or included in, another organised market or for which no trading price is available will be valued at their current market value that is appropriate after careful assessment using suitable valuation models and takes account of current market circumstances, unless otherwise stated below.

### 13.8.2 Special rules for the valuation of individual assets

#### *13.8.2.1 Unlisted bonds and Schuldschein loans*

Bonds that are not admitted to trading on a stock market or admitted to, or included in, another organised market (e.g. unlisted bonds, commercial papers and certificates of deposit) and *Schuldschein* loans are valued using the prices paid for comparable bonds and *Schuldschein* loans and, if appropriate, the prices of bonds of comparable issuers that have the same term and yields, where necessary subject to discount to account for their lower saleability.

#### *13.8.2.2 Option rights and forward contracts*

Fund option rights and the liabilities arising from third-party option rights that are admitted to trading on a stock market or admitted to, or included in, another organised market, will be valued at the last available trading price that will provide a reliable valuation.

The same applies to receivables and liabilities on forward contracts sold on the Fund's behalf. Margins charged to the Fund will be added to the Fund value after inclusion of all valuation gains and losses determined on the trading day.

#### *13.8.2.3 Bank deposits s, fixed-term deposits, units in investment funds and loans*

Bank deposits are generally valued at par value plus accrued interest.

Fixed-term deposits are valued at market value if they can be withdrawn at any time and repayment at withdrawal is not at par value plus interest.

Units in investment funds are essentially recognised at their last established redemption price or last available trading price that will provide a reliable valuation. If these prices are not available, units in investment funds will be valued at current market value that is appropriate after careful estimation using suitable valuation models while taking account of current market conditions.

In the case of refund claims on lending transactions, the current market price of the loaned asset will apply.

#### *13.8.2.4 Foreign currency assets*

Foreign currency assets are essentially converted into euro at the last available WM fixing on the valuation day of “The WM Company”.

## 14 Units

Issued bearer units are securitised through one or more global certificates unless otherwise provided below or in the sub-fund SIT.

Global certificates are issued in the name of the Company and deposited with the clearing house. The transferability of the bearer units securitised through a global certificate is subject to current legal requirements and the regulations and procedures of the clearing house responsible for transfers. Investors shall receive the bearer units securitised through a global certificate through booking into the accounts of their financial intermediary that is directly or indirectly made by the clearing house. Under, and in accordance with, this Prospectus and relevant stock market and/or clearing house rules, bearer units securitised through a global certificate are freely transferable. Unit holders that do not take part in such a system can only purchase or transfer bearer units securitised through a global certificate via a financial intermediary involved in a relevant clearing house settlement system.

Further information on bearer units securitised through global certificates and their processing procedures is available at the Company's registered office.

Units of individual sub-fund unit classes can be issued as registered units. Registered units are generally issued without unit certificates. In these cases, securitisation in the form of one or more global certificates is waived. In this case, units are only held in electronic paperless format (known as the book entry procedure).

## **14.1 Unit issue and redemption**

### **14.1.1 Unit issue and subscription**

There is essentially no limit to the number of units that may be issued. Units may be purchased from the Company, the custodian or third-party brokers. They are issued by the custodian at the issue price of the NAV per unit (unit value) plus an anti-dilution levy and/or an initial sales charge an entry fee. Issue may be temporarily or permanently suspended in part or entirely.

Authorised Participants alone may subscribe units directly from the Company. Authorised Participants are leading credit institutions and financial services providers that a recognised authority in a Member State of the Financial Action Task Force on Money Laundering ("FATF") has authorised to provide financial services and that it supervises; and

- can act as market maker on a stock market; and
- have entered into a Participation Contract with the Company for the subscription and redemption of units.

The Company therefore accepts subscriptions only from Authorised Participants. An exception can be made however for cash subscriptions accepted from other investors if required under the applicable laws of the country in which the Company is admitted for public trading. All such exceptions are described in the relevant country-specific section of this Prospectus.

The Company and particular credit institutions ("Authorised Participants") have entered into agreements ("Participation Contracts") that set out the terms and conditions under which Authorised Participants may subscribe units. Under the provisions of Participation Contracts, units may be subscribed by Authorised Participants in full or in part against securities (issue or receipt), subject to compliance with all relevant legal requirements. Unit subscription through Authorised Participants is usually in denominations of set numbers of units for each sub-fund and unit class. Participation Contracts also contain detailed rules on, and procedures for, subscribing units through Authorised Participants. The rules include minimum subscription volumes.

The issue price of units in all sub-funds and unit classes is based on the NAV at the valuation day of the units in the relevant sub-fund/unit class. To this is added the entry fee stated in the Participation Contract. The entry fee is payable to the Management Company. The Management Company may waive all or any of the entry fee. The Management Company can pass the entry fee on to intermediaries as consideration for distribution services in accordance with legal requirements.

The Company may terminate the legal relationship with the investor without notice if the investor does not, or no longer, meet the conditions set out in the investment terms regarding who is permitted to acquire and hold units. Upon receipt of the notice of termination, the investor is obliged to return the units received to the Company without delay. The Company is obliged to redeem the units at the applicable redemption price on behalf of the relevant sub-fund.

### **14.1.2 Unit redemption**

Investors may in principle request unit redemption on any valuation day provided that the Company has not restricted the redemption of units (see the section 'Restriction of unit redemption') and/or temporarily suspended the issue and redemption of units (see the section 'Suspension of unit issuance and redemption'). Redemption orders should be placed with the custodian, the Company itself or vis-à-vis an intermediary third party (e.g. custodian). The Company is required to redeem units at the applicable redemption price equal to the unit value on that day, less any anti-dilution levy and/or an exit fee where applicable. Redemption can also be made via a third-party broker (e.g. the custodian) but additional charges may apply.

The Company and particular credit institutions (Authorised Participants) have entered into agreements (Participation Contracts) that set out the terms and conditions under which Authorised Participants may buy back units. Under the provision of Participation Contracts, units may be redeemed via Authorised Participants in full or in part against securities (issue or receipt), subject to compliance with all relevant legal requirements. Unit redemption via Authorised Participants will usually be in denominations of set numbers of units for each sub-fund and unit class. Participation

Contracts also contain detailed rules on, and procedures for, redeeming units via Authorised Participants. These rules include minimum redemption numbers and position size and allow the postponement of redemptions that exceed a certain percentage of sub-fund NAV.

The redemption price of units in all sub-funds and unit classes is based on the NAV at the valuation day of the units in the relevant sub-fund/unit class. When charged by Authorised Participants, the exit fee is payable to the sub-fund; otherwise it is payable to the Company. Where units are redeemed via Authorised Participants, an exit fee of up to 2% is currently charged to the Authorised Participant. The Company may apply a lower exit fee. Details of all exit fee reductions are provided in the Special Section.

In the case of investors who are not Authorised Participants, the exit fee will be calculated on the basis of the NAV on the relevant valuation day less the exit fee. For further details, please see the respective Special Investment Terms.

### **14.1.3 Restriction of unit redemption**

The Company may temporarily (i.e. for up to 15 consecutive business days in total) and partially restrict the redemption of units for a sub-fund if investors' redemption requests on a settlement day reach at least 10 per cent of the net asset value of the relevant sub-fund ("Threshold"). If the Threshold is reached, the Company shall decide at its discretion whether to restrict redemption for the relevant sub-fund on that settlement date. The decision to restrict redemption may be taken if the redemption requests can no longer be executed in the interest of all investors due to the liquidity situation of the respective sub-fund. This may be the case, for example, if the liquidity of the assets of the respective sub-fund deteriorates due to political, economic or other events on the markets and is thus no longer sufficient to fully service the redemption requests on the settlement date or if, due to the investor structure of the sub-fund, redemptions on a significant scale lead to liquidity problems. The restriction on redemptions is intended to protect investors and should be regarded as a less severe measure than suspending the issue and redemption of units. The option to suspend the issue and redemption remains unaffected.

If the Company has decided to restrict redemption, it will only redeem units of the respective sub-fund on a pro rata basis at the redemption price applicable on the settlement date. The redemption price corresponds to the unit value determined on the relevant valuation day – less any anti-dilution levy and/or an exit fee, where applicable. Redemption may also be arranged through a third party (e.g. the custodian), in which case additional costs may arise.

On the day the restriction is activated, the redemption orders of all investors must be executed pro rata to at least the Threshold amount. Otherwise, the redemption obligation shall not apply. This means that each redemption order will only be executed proportionately on the basis of a quota to be determined by the Company for the respective sub-fund. The Company determines the quota in the interest of the investors on the basis of the available liquidity and the total order volume for the respective settlement date. The amount of liquidity available depends largely on the current market environment. The quota determines the percentage share at which the redemption requests are paid out on the settlement date. The unexecuted part of the order (residual order) of the sub-fund concerned will also not be executed by the Company at a later date but will expire (pro rata approach with expiry of the residual order).

The Company shall publish information on the restriction of the redemption of units of a sub-fund as well as its cancellation on its website without delay.

### **14.1.4 Unit issue and redemption settlement**

The Company applies the principle of the equal treatment of all investors by ensuring that no investor can benefit from the purchase or sale of units at already known unit values. It has therefore introduced a daily order acceptance deadline. Issue and redemption orders received by the custodian or the Company by the order acceptance deadline are settled by the valuation day immediately after order receipt (settlement day) at the latest at the then determined unit value.

Sale and purchase orders received after the acceptance deadline will not be settled until the next-but-one valuation day (settlement day) at the then determined unit value. If the redemption of units is suspended, orders will only be settled on the valuation date following the resumption of unit redemption (= settlement date), at the unit value determined on that date. If the issue of units is suspended, orders will only be settled on the valuation date following the resumption of the issue of units (= settlement date) at the unit value determined on that date. The Company may change the order acceptance deadline at any time.

In the event that one of the stock markets used to calculate unit price has suspended trading in a security for the sub-fund concerned on an order settlement day, settlement will be postponed until the next working day on which all securities in that sub-fund can be traded on the stock markets used to calculate unit price.

The equivalent value will be credited or debited three banking days after unit issue.

Third-parties (e.g. the custodian) may also broker unit issue and redemption. This can lead to longer settlement times. Custodian settlement methods are beyond the Company's control.

#### 14.1.5 Suspension of unit issuance and redemption

The Company may temporarily suspend the unit issuance and redemption if there are extraordinary circumstances in which this is in the best interests of investors. Such extraordinary circumstances will be present if, for example,

- a stock exchange on which a significant proportion of a sub-fund's securities are traded is closed unexpectedly or trading is restricted,
- the assets of a sub-fund cannot be valued,
- a sub-fund experiences serious liquidity problems (e.g. as a result of increased redemptions), necessitating the sale of the sub-fund's assets, which could lead to further liquidity problems for the sub-fund (e.g. due to significant discounts on the sale of assets or the incurring of additional transaction costs),
- a critical cyber incident occurs which affects a sub-fund and/or the Company and/or impairs the operational capability of the Company's service providers,
- there is a severe financial and/or political crisis,
- significant criminal activities take place,
- a natural disaster occurs.

In addition, following consultation with the Company, BaFin may order the Company to suspend or resume the issue and redemption of units if there are risks to investor protection or financial stability which, upon reasonable and balanced consideration, necessitate the suspension or resumption of the issue and redemption of units.

The Company reserves the right to issue, redeem or exchange units only at the issue and redemption price applicable at that time, once it has sold the assets of a sub-fund without delay, whilst safeguarding the interests of all investors. A temporary suspension may be followed directly by the dissolution of the sub-fund concerned without the issue and redemption of units being resumed.

The Company shall inform investors of the suspension and resumption of the issue and redemption of units by means of a notice in the *Bundesanzeiger* and, in addition, in sufficiently widely circulated business and daily newspapers or the electronic information media specified in this prospectus. Investors will also be informed by the custodian via a durable data medium (e.g. paper or electronic format).

#### 14.2 Liquidity management

The Company has introduced the following principles and procedures for monitoring liquidity risks:

Based on its liquidity profile and, in particular, its investment strategy, the Company has set a suitable liquidity level for each Fund. The liquidity level is regularly reviewed to ensure it is appropriate.

The liquidity of the investment fund and its investments is regularly reviewed using the Company's liquidity assessment arrangements. These include consideration of both quantitative and qualitative information on the investment of relevant sub-fund assets. The Company regularly monitors the Fund assets to ensure they are sufficiently liquid, using a limit system combined with appropriate escalation measures. In order to do so, the Company has introduced suitable liquidity and illiquidity warning thresholds for the Funds. Management procedures consider, and also minimise through the actions of market makers, the risks unit redemption can create.

The Company also performs regular stress tests to assess the liquidity risks of each sub-fund. Stress tests are performed on the basis of reliable and current quantitative information or, if this is unsuitable, qualitative information. This includes investment strategy, redemption deadlines, payment obligations and deadlines within which assets can be sold and information regarding general investor behaviour and market developments. Stress tests simulate illiquidity in sub-fund assets and redemption requests that are atypical in terms of number and extent. They cover market risk and their effects, including margin calls, collateral requirements and credit lines. They take account of valuation sensitivities in stress conditions. They take account of sub-fund investment strategy, liquidity profile, type of investor and redemption principles of the sub-fund and are performed with a frequency suitable to the nature of the sub-fund concerned.

The Company reviews these principles regularly and updates them accordingly.

The issuance and redemption rights under normal and extraordinary circumstances as well as any restrictions on or suspension of unit redemption are described in the section "Units" - "Unit issue and subscription" and "Unit redemption" - "Restriction of unit redemption" and "Suspension of unit issuance and redemption" as well as the use of measures to prevent dilution effects on a sub-fund, such as the imposition of an anti-dilution levy, are set out in the section 'Issue and redemption prices'. The associated risks are explained under "Risk warnings" - "UCITS investment risk" - "Restriction of unit redemption" or "Suspension of unit issuance and redemption" and - "Risks of restricted or increased sub-fund liquidity and risks associated with increased subscriptions or redemptions (liquidity risk)".

### 14.3 Stock markets and markets

Subject to admission, sub-fund units can also be bought and sold on the four stock markets named under "Listing on a stock exchange".

The possibility of units being traded on markets without the Company's agreement cannot be excluded. Without the Company's approval, a third party may arrange for units to be included on the regulated unofficial market or traded over the counter.

The market price applying to stock market and other market trades will not depend only on the value of sub-fund assets but also on supply and demand. Market price can therefore deviate from the unit price determined by the Company or custodian.

#### 14.3.1 Indicative net asset value (iNAV)

Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany calculates the iNAV.

During ordinary trading hours, each valuation day on the stock markets on which the units are quoted, the iNAV per unit will be calculated by the calculation agent in its base currency for all sub-fund unit classes and then published on the websites [www.boerse-frankfurt.de/etf/](http://www.boerse-frankfurt.de/etf/) and those of other financial data providers (e.g. Bloomberg, Reuters, Telekurs) during the relevant trading periods for the units in the relevant sub-fund.

The iNAV can also be published on other websites. The calculation agent uses a method similar to the method used by the Company to calculate the daily NAV per unit. It cannot however be guaranteed that the calculation method used by the calculation agent will be the same and all differences in calculation methods will produce an iNAV per unit that differs from the actual daily NAV per unit. When calculating the iNAV, the calculation agent will use the necessary prices from the organised market on which the securities are traded. This is because in certain circumstances and it may also be necessary to take these prices from another organised market on which the securities are traded.

#### Important information

**All per unit iNAVs published on any valuation day offer only an indicative assessment of the NAV per unit that has been determined independently of the Company and the administrator. An indicative assessment of the NAV of a unit is not the value or price of that unit and should not be understood as the price at which the unit can be subscribed or redeemed or bought or sold on a secondary market.**

#### 14.3.2 Role of the Designated sponsors

Designated sponsors – also known as market makers of permanent liquidity providers - are responsible for creating the supply and demand that creates sufficient liquidity. Designated sponsors also set a buying price (bid price) and selling price (offering price) at which units can be bought and sold at any time.

#### 14.3.3 Risks of stock-exchange trading

The duty of designated sponsors to maintain liquidity is limited to specific quantities (minimum quotation volume) and maximum price spreads. The minimum adjustment period on bid and offering prices does not usually cover the entire actual trading period on the stock market concerned. This can lead to short breaks in pricing. This can lead to order executions that do not meet the quality criteria of the stock market concerned.

#### 14.3.4 Unit issue and redemption on stock markets

Investors can buy and sell units in a sub-fund through their bank or they can place orders with their broker on the relevant stock market. This will usually lead to charges over which the Company has no control.

No entry or exit fees are applied to units bought or sold on a stock market. This does not affect the usual expenses and charges for stock market trading or custody.

#### **14.4 Fair treatment of investors and unit classes**

A sub-fund can be composed of various unit classes, i.e. issued units will have different features depending on their class. Existing unit classes are described in detail in the Special Section under the sub-fund concerned.

The relevant sub-fund and any existing unit classes may vary in terms of income application, entry fees, exit fees, management fees (see 19.2.1 below for a definition of "flat-rate fee"), minimum investment, currency of unit value, unit value, the conclusion of currency hedging transactions or a combination of all these features.

Different compositions mean that the economic result of an investment in a particular sub-fund and/or unit class will vary depending on the sub-fund or unit class in which the investment has been made.

This also applies to the pre-tax and post-tax return the investor will obtain. Assets must be purchased for the entire sub-fund; they cannot be purchased for a single unit class or a group of unit classes. If other unit classes are created, the rights of investors that have bought units in existing unit classes will not be affected.

The costs associated with asset class creation must only be borne by investors in that new unit class. Subject to possible differentiating features between unit classes, the Company has tried to ensure that sub-fund investors are all treated fairly. When managing liquidity risk and unit redemption, the interests of one particular investor or group of investors may not be put above those of another investor or group of investors.

The Company must treat investors in the sub-funds fairly. When managing liquidity risk and redeeming units, it must not give priority to the interests of one investor or group of investors over those of another investor or group of investors.

For details of the procedures by which the Company ensures the fair treatment of investors, see the sections 'Unit issue and redemption settlement' and 'Liquidity management'.

#### **14.5 Spin-off of illiquid assets**

In the interests of investors, the Company may spin off certain illiquid assets from a sub-fund in order to maintain the sub-fund's liquidity. The spin-off applies to assets whose economic or legal characteristics have changed significantly or have become uncertain due to exceptional circumstances, for example, due to significant valuation uncertainties and/or because a specific part of the sub-fund's portfolio has become illiquid, for which there is no active market and/or trading is prohibited (e.g. due to sanctions) and/or for which a fair valuation is temporarily not possible. Such exceptional circumstances may also arise from criminal activities, a financial crisis or war.

If the Company decides to spin off illiquid assets of a sub-fund, it is at its discretion, in the best interests of the sub-fund and its investors, to determine whether to leave the illiquid assets within the existing fund structure through accounting separation or to physically separate them from the existing sub-fund structure.

If the Company retains the illiquid assets within the existing sub-fund structure, it will create a special share class for the illiquid assets within the relevant sub-fund (accounting separation). Investors who are invested in the sub-fund concerned on the settlement date of the spin-off will, in this case, receive units in the special unit class comprising the sub-fund's spun-off illiquid assets, whereby no further subscriptions or redemptions are permitted for these units. The Company has the option to sell or liquidate the spun-off illiquid assets from the special share class and distribute the proceeds to investors in proportion to their holdings. Subscriptions and redemptions of shares in respect of the non-spun-off assets of the relevant sub-fund are based on the share value excluding the assets of the special share class.

If the Company decides to physically separate the illiquid assets, the illiquid assets will remain in the existing sub-fund, whilst the Company transfers the sub-fund's unaffected assets to a new sub-fund or merges them into another existing fund. Investors who hold units in the affected sub-fund on the demerger settlement date will, in this case, receive units in the new sub-fund in proportion to their units in the existing sub-fund. They will retain their units in the existing sub-fund containing the illiquid assets, although no further subscriptions or redemptions will be permitted for these. The Company has the option to sell or liquidate the spun-off illiquid assets and distribute the proceeds to investors in proportion to their holdings.

The Company shall publish information regarding the spin-off of illiquid assets on its website without delay.

## 14.6 Determination of the issue and redemption prices and the net asset value

When calculating unit issue and redemption prices, the custodian, working together with the Company, will determine the value of the assets in the relevant sub-fund less its liabilities ("NAV") on each valuation day. The "unit value" is obtained by dividing NAV by the number of unit certificates issued. The unit value for each unit class is calculated separately by allocating the costs of launching new asset classes and the management fee attributable to a specific unit class, including income equalisation where necessary, exclusively to this unit class. Assets are valued in accordance with Sections 168 and 169 KAGB and the Capital Investment Accounting and Valuation Ordinance (KARBV).

A valuation day for determining the issue and redemption price for the units of each unit class of a sub-fund and for determining the net asset value of a sub-fund is any banking day in Frankfurt am Main and Luxembourg on which the relevant stock exchanges in all financial markets listed in the Special Section for the relevant sub-funds are open and on which the index closing price on which NAV will be calculated is determined.

A banking day is any day on which commercial banks, relevant stock exchanges, foreign exchange markets and clearing systems are open for general business in the respective financial centre. Saturdays and Sundays are not bank working days.

The issue and redemption prices and the net asset values of the sub-funds are currently not calculated on New Year's Day, Good Friday, Easter Monday, May Day, Europe Day, Ascension Day, Whit Monday, Corpus Christi, Luxembourg National Day, Assumption Day, German Unity Day, All Saints' Day, Christmas Eve, Christmas Day and New Year's Eve.

If the banks and/or stock exchanges in one of the countries/regions mentioned are not open all day on the following working day on a public holiday falling on a Saturday or Sunday, the issue and redemption prices and the net asset value will not be determined on this day either.

In addition to the days mentioned above, there may be other days on which banks and/or stock exchanges are not open all day in the countries/regions relevant to the fund. The closure of banks and/or stock exchanges may, for example, be due to an unexpected and/or unforeseeable event or the introduction of a new or one-off public holiday at short notice. The issue and redemption prices and the net asset value may also not be calculated on such days.

The calculation and publication day is the banking day in Frankfurt am Main and Luxembourg following the valuation day on which the net asset value is calculated and published.

## 14.7 Suspension of issue and redemption price calculation

The Company can temporarily suspend the calculation of issue and redemption prices on the same terms as for unit redemption. These are explained in more detail in the section "Units - Suspension of unit issuance and redemption".

## 14.8 Entry fee

When determining issue price, an entry fee may be added to the unit price.

In the case of short investment periods, the entry fee can reduce or even wipe out performance. The entry fee is essentially a fee for sub-fund unit distribution. The Company can pass the entry fee on to intermediaries as consideration for distribution services. No entry fee is charged when units are purchased via a stock market.

The entry fee for the respective sub-funds and their unit classes is specified in the Special Section.

## 14.9 Exit fee

When determining redemption price, an exit fee may be deducted from the unit price.

In the case of short investment periods, the exit fee can reduce or even wipe out performance. The Company is entitled to the exit fee.

The exit fee for the respective sub-funds and their unit classes is specified in the Special Section.

## 14.10 Anti-dilution levy

The Company may charge an anti-dilution levy for each sub-fund, which is payable to the relevant sub-fund and serves to protect the remaining investors from dilution caused by potentially large subscription and redemption orders, taking into account liquidity costs.

The Company may only charge the anti-dilution levy if there is a difference between subscriptions and redemptions on the settlement date and the net subscriptions or net redemptions by investors on a settlement date exceed at least 10 per cent of the net asset value (Threshold). Net subscriptions arise when, on a settlement day, the total amount of subscription orders exceeds that of redemption orders. Net redemptions arise when, on a settlement day, the total amount of redemption orders exceeds that of subscription orders.

The Company reviews the Threshold regularly in light of the investment strategy and liquidity profile of the relevant sub-fund in order to avoid significant dilution effects for the investors remaining in the relevant sub-fund. If the Threshold is exceeded, the Company shall, at its discretion and taking market conditions into account, decide whether to charge the anti-dilution levy on that settlement date.

If the Company decides to charge the anti-dilution levy, it shall apply this levy to redeeming investors in the event of net redemptions and to new subscriptions in the event of net subscriptions.

The anti-dilution levy may amount to up to 3 per cent of the respective net redemptions or net subscriptions. When determining the amount of the anti-dilution levy, the Company takes into account the following estimated liquidity costs:

- the estimated explicit transaction costs directly incurred by the relevant sub-fund when acquiring or selling assets, the amount of which is stable and can be quantified in advance of the transaction (e.g. brokerage fees, trading levies, taxes and settlement fees);
- the best possible estimate of the implicit transaction costs indirectly incurred by the relevant sub-fund when acquiring or selling assets, arising primarily from the bid-ask spread and from significant market impacts resulting from the sale of assets to fulfil redemption orders; these may vary depending on the nature of the underlying assets and market conditions.

The Company reviews the calibration of the levy in light of changing market conditions to ensure its effectiveness whilst maintaining the liquidity of the relevant sub-fund.

The Company publishes information regarding the imposition of an anti-dilution levy and its removal without delay on its website.

The anti-dilution levy has no impact on the calculation of the net asset value of the sub-fund concerned and its unit value. In the event of net redemptions, the anti-dilution levy is deducted from the unit value; the redemption price is therefore calculated in such cases as the unit value minus the anti-dilution levy and, where applicable, a redemption discount. In the event of net subscriptions, the anti-dilution levy is added to the unit value; the subscription price is therefore calculated in such cases as the unit value plus the anti-dilution levy and, where applicable, a subscription premium.

## **14.11 Publication of issue and redemption prices**

Issue and redemption prices are published on the website [www.amundiETF.com](http://www.amundiETF.com) on each valuation day.

# **15 Expenses**

## **15.1 Unit issue and redemption expenses**

Units are issued and redeemed by the Company or the custodian at issue price (unit value plus any entry fee) or redemption price (unit value less any exit fee) without any additional expense.

The charges for units bought via third-party brokers may be higher than the entry fee. Units redeemed via a third party may be subject to that third party's own charges.

## 15.2 Management and other expense

The Company receives daily an all-in fee (the "flat-rate fee") described in the Special Section from each sub-fund that may vary by unit class. Details of fees and expense reimbursements chargeable to each special sub-fund can be found in the Special Section of the Prospectus and the GIT and relevant SIT.

### 15.2.1 All-in fees

The flat-rate fee is calculated daily in the amount of 1/365 (1/366 in leap years) on the basis of the net asset value of the respective sub-fund determined in accordance with section 21 of the GIT. The daily calculated flat fee is accrued from the last available net asset value determined in accordance with section 21 of the GIT. Daily deferral from the net asset value in the aforementioned sense means that the flat fee already calculated is taken into account as a liability for the calculation of the net asset value in accordance with section 21 of the GIT until it is withdrawn from the respective sub-fund. The Company withdraws the already accrued fee from the respective sub-fund on a quarterly basis. Due to the daily accrual, the time of withdrawal has no influence on the amount of the remuneration and the calculated net asset value.

The flat-rate fee covers all Company and third party (e.g. custodian, auditor etc.) services unless otherwise stated below. The flat-rate fee includes:

- Remuneration for the management of the sub-fund (fund management, administrative activities);
- Remuneration of the custodian;
- Customary bank custody account and account fees, including the customary bank costs for the safekeeping of foreign assets abroad, if applicable;
- Costs of printing and dispatching the sales documents required by law for investors (annual and semi-annual reports, sales prospectus, key investor information, key information document);
- Costs of publishing the annual and semi-annual reports, the issue and redemption prices and, where applicable, the distributions or reinvestments and the liquidation report;
- Costs of preparing and using a durable medium provided for by contract or law, except in the case of information on mergers of investment funds and except in the case of information on measures in connection with breaches of investment limits or calculation errors in determining the unit value;
- Costs for the audit of the sub-fund by the auditor of the investment fund;
- Costs of publishing tax bases and certification that tax information complies with German tax law;
- The fees and charges applied by government offices to the sub-fund;
- Legal and tax consultancy fees for the sub-fund;
- Costs and fees associated with the purchase and/or use or naming of a benchmark or financial index;
- Costs of organising, maintaining and terminating stock market quotation for units;
- Costs of appointing proxies;
- Costs of third-party analysis of sub-fund investment performance;
- Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a specific sector or a specific market;
- Taxes, in particular value added tax, which are incurred in connection with the expenses mentioned in the costs and fees above and which are to be reimbursed by the sub-fund.

The flat-rate fee does not cover costs, plus VAT if applicable, incurred in connection with the purchase and sale of assets ("transaction costs") and expenses, plus VAT if applicable, for the assertion and enforcement of legal claims by the Company for the account of the Fund and the defence of claims asserted against the Company at the expense of the Fund.

### 15.2.2 Total expense ratio

The annual report publishes the management fees charged to the special fund for the financial year and also presents them as a proportion of average Fund size (the "total expense ratio"). Management fees comprise:

- All-in fees for sub-fund management and
- Delivery fees for index adjustments.

They do not include ancillary charges or the expense of buying and selling assets (the "transaction costs").

### 15.2.3 Deviating cost reporting by distributors

Investors that purchase units using the services of third parties (especially securities service providers, such as credit institutions or other distributors) to provide advice or act as brokers may incur expense or expense ratios that are not as shown in this Prospectus or in the key information document of the relevant sub-fund which may exceed the total expense ratio shown in this Prospectus. The reason for this may in particular include the regulations on the determination, calculation and publication of expenses by said third parties resulting from the implementation of Directive 2014/65/EU of the European Parliament and Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, which applies to them. Deviations may arise from said third parties charging extra for their own services (e.g. a premium or ongoing commission for brokerage or advisory services, custody fees, etc.). These third parties may also have deviating rules for charging sub-fund costs meaning that, for example, sub-fund transaction costs will be included in the third-party statement of costs (Kostenausweis) even though under the current rules applying to fund management companies they are not included in the aforementioned total expense ratio. Statement of costs deviations may appear not only in the information on costs before the contract is entered into, but also in the third-party's regular cost information concerning the investor's current investment in the investment company within the context of a long-term business relationship with its client.

### 15.2.4 Special implications when buying units in other funds

In addition to the sub-fund management fee, another management fee will be charged for target fund units held within sub-funds. The management fee may, but is not required to, include those cost components. Other charges, costs, taxes, commissions and miscellaneous expenses that are not included in the management fee may also be charged separately to sub-fund investors. In addition to the above expenses, the cost of asserting and bringing legal claims and tax on management and custodial services for target fund units may also be charged. It is also possible that a significant portion of these fees will be transferred to the broker of the fund units as portfolio commission.

In its annual and interim report, the Company is required to publish the total entry and exit fees received by the Fund during the reporting period on the purchase and redemption of units pursuant to § 196 KAGB.

Where units are purchased that are managed directly or indirectly by the Company itself or another company with which the Company is associated via a material direct or indirect holding, the Company or the other company is not permitted to charge entry or exit fees on purchases or redemptions. In its annual and interim report, the Company is required to publish the fees charged to the Fund by the Company, Kapitalverwaltungsgesellschaften (German investment management companies), Investmentaktiengesellschaften (German limited investment companies) or other companies with which the Company is associated via a material direct or indirect holding, or by foreign investment companies, including their fund management companies, for management of the units held in the Fund.

## 16 Remuneration policy

The Management Company has designed and implemented a remuneration policy that is consistent with and promotes sound and effective risk management by having a business model that by its nature does not encourage excessive risk taking, such risk being inconsistent with the risk profile of the sub-funds. The management company has identified those of its staff members whose professional activity has a material impact on the risk profiles of the sub-funds and will ensure that these staff members comply with the remuneration policy. The remuneration policy integrates governance, a pay structure that is balanced between fixed and variable components and risk and long-term performance alignment rules. These alignment rules are designed to be consistent with the interests of the management company and the shareholders, with respect to such considerations as business strategy, objectives, values and interest and includes measures to avoid conflicts of interests. The management company ensures that the calculation of any performance-based remuneration is based on the applicable multi-year performance figures of the Fund and that the actual payment of such remuneration is spread over the same period. The details of the current remuneration policy of the management company, such as a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits, are available on <https://www.amundi.lu/retail/regulatory-documents> and a paper copy is available to investors free of charge upon request to the registered office of the management company.

## **17 Performance, determination and application of income and financial year**

### **17.1 Performance**

A long-term presentation of the underlying indices is provided in the Special Section. Current details are given in the current annual and interim reports. Past Fund performance is no indication of its future performance.

### **17.2 Determination and application of income; financial year**

Sub-funds obtain income from the proportion of interest, dividends and income received during the financial year from investments in investment funds that has not been used to cover expenses. Other income may result from the sale of assets held on the Fund's behalf.

The Company uses a netting-out procedure for the Fund. This means that the share of income for the financial year that the unit buyer must pay as part of the issue price and that the seller of units receives as part of the redemption price are continuously offset. Netting out takes account of incurred expenses

Netting out offsets fluctuations between income and other assets that are caused by the net inflows and outflows of funds as a result of unit purchase and redemption. All net cash inflows would otherwise reduce the ratio of income to Fund NAV, and all outflows would increase it.

The result is that netting out means that the income per unit shown in the annual report is not influenced by the number of units in circulation. Purchases consequently assume that, for example, investors who buy units shortly before an income retention deadline must pay tax on the portion of issue price attributable to income even though the capital they paid in did not contribute to that income.

The financial year of each sub-fund starts on 1 July each year and ends on 30 June the following year.

## **18 Sub-fund liquidation, transfer and merger**

### **18.1 Requirements for the dissolution of a sub-fund**

Investors are not entitled to demand the dissolution of a sub-fund. However, the Company may terminate the management of a sub-fund by publishing a notice in the Bundesanzeiger and, in addition, in the annual report or half-yearly report. Furthermore, investors will be informed of the termination via their domestic custodians on a durable medium, such as in paper or electronic form. In such cases, the Company's obligation to manage a sub-fund shall only cease once the Company has liquidated the sub-fund.

The Company's right to manage a sub-fund shall lapse if insolvency proceedings are opened in respect of its assets or upon the court order dismissing the application for the opening of insolvency proceedings for lack of assets becoming final.

### **18.2 Sub-fund liquidation**

Upon the Company's announcement of the termination, the issue and redemption of units in the relevant sub-fund shall cease. From the date of the announcement of the termination, the Company is obliged to liquidate the sub-fund concerned and to distribute the proceeds from the sale of the sub-fund's assets, less any costs still to be borne by the sub-fund and the costs incurred by the liquidation, to the investors in proportion to their holdings. Investment limits need no longer be observed during the liquidation process. The obligation to manage the sub-fund shall only cease once the Company has liquidated the sub-fund.

On the date on which it has liquidated the sub-fund, the Company must prepare a liquidation report that meets the requirements of an annual report.

In cases where the Company's right to manage a sub-fund ceases, the right to manage and dispose of the relevant sub-fund shall pass to the Depositary, which shall liquidate the sub-fund concerned whilst safeguarding the interests of the investors and distribute the proceeds to the investors, or, with the approval of BaFin, transfer the management to

another capital management company. The depositary must prepare a liquidation report annually and on the date on which the liquidation is completed, which must meet the requirements for an annual report.

### 18.3 Sub-fund transfer

The Company can transfer the right to manage and dispose of a sub-fund to another investment management company. This will require the prior approval of BaFin. The approved transfer will be published in the *Bundesanzeiger* and also in the annual or interim report of the Fund/sub-fund as well as in the electronic information media designated in this Prospectus. The effective date of transfer will be decided on the basis of the contractual agreements between the Company and the incoming investment management company. The transfer may not come into effect until at least three months after its publication in the *Bundesanzeiger*. All Company rights and obligations with respect to the Fund will then be transferred to the incoming investment management company.

### 18.4 Merger

All the assets of any sub-fund may, with BaFin approval, be transferred to an investment fund that already exists or is created through the merger and meets the requirements applying to UCITS established in Germany or any other EU or EEA State.

Transfer will come into effect at the end of the sub-fund's financial year (transfer deadline) unless another transfer deadline is determined.

### 18.5 Investor rights in the event of a sub-fund merger

The custodians acting for the investors of any sub-fund shall send the investors paper or electronic information on the grounds for the merger, its potential effect for investors, their rights as a result of the merger and the relevant features of the procedure 37 days before the planned transfer deadline at the latest. Investors will also receive the key information document of the investment fund to which fund assets will be transferred.

Investors will have up to five working days before the planned transfer deadline to either redeem their units at no cost other than those required to liquidate the sub-fund or to exchange their units for units in another open-end public investment fund managed by the Company or another company in the same group whose investment principles are comparable with those of the Fund.

At the transfer deadline, the NAV of the sub-fund and of the acquiring investment fund will be calculated to produce an exchange ratio and the entire exchange procedure will be verified by an auditor. The exchange ratio will be based on the ratio of NAV per sub-fund unit to acquiring investment fund NAV at transfer. Investors will receive the number of units in the acquiring investment fund to which they are entitled according to the value of their sub-fund units.

Unless investors have exercised their redemption or exchange rights, they will become investors in the acquiring investment fund on the transfer date. The Company may however agree with the Management Company of the acquiring investment fund that sub-fund investors will be paid up to 10% of the value of their units in cash. Once all assets have been transferred, the sub-fund will cease to exist. If transfer occurs during the sub-fund's ongoing financial year, the Company must prepare a report at the transfer date that meets the annual report requirements.

The Company shall also publish a notice in the *Bundesanzeiger* and in the electronic information media indicated in this Prospectus if the sub-fund has been merged with another investment fund managed by the Company and that merger has come into effect. If the sub-fund is merged with an investment fund that is not managed by the Company, the Management Company will publish a notice of the completion of the merger managed by the acquiring or new investment fund.

## 19 Outsourcing

The Company has outsourced the following activities:

- Sub-fund management to Amundi Asset Management S.A.S., 91-93 boulevard Pasteur, 75015 Paris, France.

- Fund book keeping, ex-post investment limit checks and Fund reporting to: BNP Paribas S.A., Niederlassung Deutschland (the Administrator), Senckenberganlage 19, 60325 Frankfurt am Main. Some fund accounting services are outsourced to BNP Paribas India Solutions Private Limited, Block B3, 9th Floor, Nirlon Knowledge Park, Village Pahadi, Goregoan East, Mumbai, Maharashtra - 400063, India.
- Distribution to Amundi Asset Management S.A.S., 91-93 boulevard Pasteur, 75015 Paris, France, its branches and in Deutschland to Amundi Deutschland GmbH, Arnulfstrasse 124-126, 80636 München, Germany.

The following conflicts of interests may arise from the outsourcing:

- Amundi Asset Management S.A.S., which has been appointed fund manager, is an affiliate of the Company. Amundi Asset Management S.A.S. is already the fund manager for other funds of both the Company and other companies.
- The custodian and administrator belong to the same group. Their areas are however functionally and hierarchically separate from each other.
- The fund manager and distributors belong to the same group.

## 20 Conflicts of interest

Investor interests may collide with the following Company interests (conflict of interests):

- The interests of the Company and its affiliates;
- The interests of Company employees; or
- The interests of investors in this and other funds.

The circumstances and relations that may give rise to a conflict of interests include:

- Company incentives for employees;
- Employee transactions;
- Company employee benefits;
- Fund conversions;
- Reporting-date-related improvement in Fund performance ("window dressing");
- Transactions between the Company and the investment funds it manages or individual portfolios; or
- Transactions between investment funds managed by the Company and/or individual portfolios;
- Compilation of several orders ("block trades");
- Appointment of affiliated companies and persons;
- Significant individual investments;
- Transactions after the close of trading at the foreseeable closing rate of the same day, known as late trading;

If, following an oversubscription, the Company subscribed securities for several investment funds or individual portfolios ("IPO allocation").

In connection with transactions undertaken on behalf of the sub-fund, the Company shall not accept any non-cash benefits (broker research, financial analyses, market and price information systems) or bill the sub-fund.

The Company receives no repayment of any fees or expense refunds paid by the sub-fund to the custodian or third parties.

The Company may pay brokers, such as credit institutions recurring commission (trail commission), usually on an annual basis.

Potential conflicts of interest may arise from the fact that Company affiliates act as sub-fund distributors. Affiliates acting as distributors may undertake activities that could lead to a conflict of interest, including financial or banking transactions with the Company or the investment or trading of units, other securities or assets that form part of sub-fund assets or are index components (including sale to, and purchase from, the Company).

Potential conflicts of interest may in particular arise if Crédit Agricole S.A. and/or affiliates act as sub-fund market makers or designated sponsors. Crédit Agricole S.A. or the affiliate holding one of these functions, the Board of Directors, custodian, administrator, unit holders, the fund manager, the advisor, other investment managers, the index

administrator, the index calculation agent, the counterparty or a market maker may engage in activities that could give rise to a conflict of interests, including financial or banking transactions with the Company or the investment or trading of units, other securities or assets that form part of sub-fund assets or are index components (including sale to, and purchase from, the Company).

The Board of Directors is aware that it may experience a conflict of interests as a result of the functions they perform for the Fund, subsidiaries of Crédit Agricole S.A. and of Amundi Asset Management S.A.S. In such cases, each subsidiary of Crédit Agricole S.A. and Amundi Asset Management S.A.S. is by its own duties and obligations required to make reasonable endeavours to resolve such conflicts of interests properly with regard to its respective duties and obligations and to ensure that the interests of the Fund and unit holders are not unreasonably affected.

The Board of Directors believes that differences in, and conflicts of, interests can be dealt with appropriately and has taken steps to prevent conflicts of interests.

The Company assumes that contractual partners and counterparties have the ability and competence needed to provide these services and will only charge the Company the standard market fees for such that third parties would charge for the same services.

In the event of unavoidable conflicts of interests, the Company will endeavour to resolve them to the sub-fund's advantage.

In order to deal with conflicts of interests, the Company has introduced the following organisational measures to identify their cause and to prevent, manage, monitor and disclose them:

- A compliance department to monitor compliance with legal requirements and to which conflicts of interest must be reported;
- Duties to disclose;
- Organisational measures such as:
  - the establishment of secure areas for individual departments to prevent the misuse of confidential information,
  - the assignment of responsibilities to prevent undue influence and
  - the separation of own trading from client trading
- Employee conduct rules on colleague transactions, duty to comply with insider trading law;
- Compliance with remuneration systems;
- Principles on the protection of client interests, on investor and investment-specific advice and on compliance with the agreed investment guidelines;
- Best execution principles applying to the purchase and sale of financial instruments;
- Establishing order acceptance times (cut-off times).

## 21 Brief tax information

The tax information set out here applies solely to investors who are tax resident in Germany. Investors subject to unlimited tax liability are also referred to below as "Tax Residents". We recommend that foreign investors consult their tax advisers prior to acquiring units in the Fund described in this Prospectus in order to establish any tax implications that might arise in their country of residence from the purchase of units. Foreign investors are investors who are not subject to unlimited tax liability. These are also referred to below as "Non-resident Taxpayers".

As special-purpose assets, the Fund is in principle exempt from corporation and trade tax. However, under the rules on limited income tax liability, they are partially liable to corporation tax on their (from a German tax law perspective) domestic investment and other domestic income, whereby profits are generally excluded with the exception of gains on the disposal of shareholdings in corporations; profits from the sale of shares in domestic or foreign corporations whose share value is directly or indirectly more than 50 percent based on domestic immovable assets may be subject to corporation tax at the level of the fund under certain conditions. The tax rate is 15 percent. Where taxable income is subject to investment income tax withholding, the 15 percent rate already includes the solidarity surcharge.

As savings and investment income, the investment earnings of private investors are subject to income tax if together with other investment income they exceed the annual EUR 1,000 saver's allowance (for single persons and separately assessed married couples) or EUR 2,000 (for jointly assessed married couples).

Investment income is in principle subject to 25 percent withholding (plus solidarity surcharge and church tax, where applicable). Investment income also includes income from investment funds, i.e. fund distributions, pre-determined tax bases (*Vorabpauschale*) and gains from unit sales. In certain cases, investors can receive a fixed proportion of these investment earnings tax-free (partial exemption).

For private investors, the withholding essentially serves as a settlement (settlement tax), meaning that as a rule they do not need to declare investment income in their income tax return. When making the withholding, the custodian will have already offset losses and credited foreign withholding tax on direct investments.

However, the withholding will not have a settlement effect if the investor's personal tax rate is below the 25 percent settlement rate. In this case, the investment income can be declared in the income tax return. The tax office will then apply the lower personal rate of tax and set the withholding against the investor's personal tax liability (most favourable treatment).

If investment income has not been subject to withholding (e.g. because gains from the disposal of fund units were generated in a foreign securities account), that income must be declared in the tax return. For assessment purposes, investment income is then also subject to the 25 percent settlement tax rate or to the personal tax rate if lower.

If units are held as part of the assets of a business, any income will be treated as business income for tax purposes.

## 21.1 Units held as personal assets (Tax Residents)

### Distributions

Sub-fund distributions are taxable in principle.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 30 percent of the distributions are tax-free. Equity funds are investment funds which, in accordance with the investment conditions, continuously invest more than 50 percent of their value or their assets in equity investments.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 15 percent of the distributions are tax-free. Mixed funds are investment funds which, in accordance with the investment conditions, continuously invest at least 25 percent of their value or their assets in equity investments.

If a sub-fund meets neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is applicable to the distributions.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to this brief information on the tax regulations relevant to German investors. It may change in the future. In such a case, the fund unit shall be deemed to have been sold and on the following day with a new tax classification for the purposes of the partial exemption to have been acquired; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

The tax deduction may be waived if the investor is a Tax Resident and submits an exemption order, provided that the taxable income components do not exceed EUR 1,000 in the case of single assessment or EUR 2,000 in the case of joint assessment of married couples.

The same applies if a non-assessment notice (*NV Bescheinigung*) is presented for a person who is not expected to be liable for income tax.

If a German resident investor holds units in a German custody account, the custodian, as paying agent, will not deduct tax if it is presented either with an exemption application that uses the official template and is for a sufficiently large amount, or a non-assessment notice issued by the tax authorities for a period of up to three years. Where this is the case, the investor will be credited with the full gross amount of the distribution.

### Pre-determined tax base

The pre-determined tax base is the sub-fund's basic income less its distributions in a given calendar year. Basic income is calculated by multiplying unit redemption price at the start of the calendar year by 70 percent of the base interest rate, which is derived from the long-term yield on public-sector bonds. Basic income is limited to the amount by which the last redemption price in the calendar year exceeds the total of the first redemption price in the same calendar year plus distributions in that the calendar year. In the year in which the units are acquired, the pre-determined tax base is reduced by one twelfth per full month prior to the month of acquisition. The pre-determined tax base is deemed to have accrued as of the first working day of the following calendar year.

The pre-determined tax base is generally taxable.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 30 percent of the preliminary lump sums are tax-free. Equity funds are investment funds which, in accordance with the investment conditions, continuously invest more than 50 percent of their value or their assets in equity investments.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 15 percent of the preliminary lump sums are tax-free. Mixed funds are investment funds which, in accordance with the investment conditions, continuously invest at least 25 percent of their value or their assets in equity investments.

If a sub-fund meets neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is to be applied to the advance lump sum.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to this brief information on the tax regulations relevant to German investors. It may change in the future. In such a case, the fund unit shall be deemed to have been sold and on the following day with a new tax classification for the purposes of the partial exemption to have been acquired; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

The tax deduction may be waived if the investor is a Tax Resident and submits an exemption order, provided that the taxable income components do not exceed EUR 1,000 in the case of single assessment or EUR 2,000 in the case of joint assessment of married couples.

The same applies if a non-assessment notice (*NV Bescheinigung*) is presented for a person who is not expected to be liable for income tax.

If a German resident investor holds units in a German custody account, the custodian, as paying agent, will not deduct tax if it is presented either with an exemption application that uses the official template and is for a sufficiently large amount, or a non-assessment notice issued by the tax authorities for a period of up to three years. Where this is the case, no tax will be deducted. If it is not the case, the investor must make the deductible tax available to the German custodian. The custodian may recover the deductible tax from an account held with it and registered in the name of the investor without the investor's consent. Provided the investor does not object prior to receipt of the pre-determined tax base, the custodian may collect the deductible tax from an account held in the investor's name so long as any overdraft facility agreed with the investor on that account has not been used. If the investor fails to meet his obligation to make deductible tax available to the German custodian, the custodian must report that failure to the tax office responsible for the investor. In this case, the investor must declare the pre-determined tax base in his income tax return.

### **Investor gains at disposal**

If units in the sub-fund are sold, any capital gain is generally taxable.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 30 percent of the capital gains are tax-free. Equity funds are investment funds that continuously invest more than 50 percent of their value or assets in equity investments in accordance with the investment conditions.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 15 percent of the capital gains are tax-free. Mixed funds are investment funds that continuously invest at least 25 percent of their value or assets in equity investments in accordance with the investment conditions.

In the event of a capital loss, the loss is not tax-deductible at the level of the applicable partial exemption rate at investor level.

If a sub-fund fulfils neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is applicable to the capital gains.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to this brief information on the tax regulations relevant to German investors. It may change in the future. In such a case, the fund unit shall be deemed to have been sold and on the following day with a new tax classification for the purposes of the partial exemption to have been acquired; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

If the units are kept in a German custody account, the custodian will apply the withholding, taking any partial exemptions into account. The 25 percent withholding (plus solidarity surcharge and church tax, where applicable) may be avoided by presenting an exemption form covering the amount in question or a non-assessment notice. If a private investor sells such units at a loss, the loss may be offset against other investment income. If the units are held in a German custody account and positive investment income is received in that same account in the same calendar year, the custodian will offset the losses accordingly.

Gains on disposal are reduced by the pre-determined tax bases assessed during the holding period.

### **Negative tax income**

Negative tax income of the fund cannot be attributed to the investor.

### **Settlement taxation**

During the liquidation of the fund, distributions made in a calendar year are considered tax-free capital repayments to the extent that the last redemption price determined in that calendar year is lower than the amortised cost. This applies for a maximum period of ten calendar years after the calendar year in which liquidation begins.

## **Exit taxation**

The fund units are considered sold for tax purposes if an investor's unlimited tax liability ends due to giving up their place of residence or habitual abode in the Federal Republic of Germany, or if the units are transferred free of charge to a person who is not subject to unlimited tax liability, or if the Federal Republic of Germany's right to tax the gains from the sale of the fund units is excluded or restricted for other reasons. In such cases, the capital gains accrued up to that point are subject to taxation. The so-called exit tax is only applicable if the investor has held, directly or indirectly, at least 1 percent of the issued shares of the respective fund in the last five years prior to the notional sale or if, at the time of the notional sale, the investor holds, directly or indirectly, fund shares whose acquisition costs amounted to at least EUR 500,000, whereby investments in different investment funds must be considered separately and their acquisition costs must not be added together, and the total taxable gains from all fund units must be positive. Taxation must be assessed in the tax assessment.

## **21.2 Units held as business assets (Tax Residents)**

### **Corporation tax rebates for sub-funds**

The corporation tax incurred at Fund level may be refunded to the Fund for onward payment to an investor to the extent that the investor is a German-registered corporation, association of persons or estate that under its articles of association, deed of foundation or other form of constitution and in its conduct of business, exclusively and directly pursues non-profit, charitable or church purposes, or is a foundation under public law that exclusively and directly serves non-profit or charitable purposes, or is a legal entity under public law that exclusively and directly serves church purposes. This will not apply if units are held within a commercial business. The same applies to comparable foreign investors that have their registered office and management in a foreign country that provides administrative and debt enforcement assistance.

The prerequisite for this is that such an investor submits a corresponding application and that the corporate income tax incurred is attributable proportionately to his period of ownership. In addition, the investor must have been the legal and beneficial owner of the units for at least three months before receipt of fund income that is subject to corporation tax, without any obligation to transfer the units to another person. Furthermore, no usufruct may have been granted on the investment income and no other obligation may have existed to pay the investment income in whole or in part, directly or indirectly, to other persons. With regard to corporation tax incurred at fund level on German dividends and income from German equity-like participation rights, refund also will not be made unless the German shares and German equity-like participation rights have been held by the fund as beneficial owner for an uninterrupted 45 days within the period of 45 days before to 45 days after the investment income payment date, and unless during that uninterrupted 45-day period the minimum risk of change in value was 70 percent (so-called 45-day-rule).

The application must be accompanied by evidence of tax exemption and a unit holding certificate issued by the custodian. A unit holding certificate is based on an official template and shows the number of units held by the investor in the calendar year, and unit sale and purchase dates and quantities during the calendar year.

The corporation tax incurred at Fund level may also be refunded to the Fund for onward transmission to an investor insofar as the units in the Fund are held within the framework of retirement provision or basic pension contracts that have been certified in accordance with the Retirement Provision Contracts Certification Act. This requires that the provider of a retirement provision or basic pension contract informs the Fund within one month after the end of its financial year at which times and to what extent units were acquired or sold. In addition, the above-mentioned 45-day rule must be taken into account.

The Fund or the Company is under no obligation to obtain reimbursement of relevant corporation tax and then to forward it to the investor.

Given the complexity of the rules, we recommend investors to consult a tax advisor.

### **Distributions**

Sub-fund distributions are in principle subject to income or corporation and trade tax.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 60 percent of the distributions are tax-free for income tax purposes and 30 percent for trade tax purposes if the units are held by individuals as business assets. For taxable corporations, generally 80 percent of the distributions are tax-exempt for corporate income tax purposes and 40 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the shares are to be allocated to investments, or that are credit institutions and for which the shares are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of addition to business assets, 30 percent of the distributions are tax-free for the purposes of corporation tax and 15 percent for the purposes of trade

tax. Equity funds are investment funds which, in accordance with the investment conditions, continuously invest more than 50 percent of their value or their assets in equity investments.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 30 percent of the distributions are tax-free for income tax purposes and 15 percent for trade tax purposes if the units are held by natural persons as business assets. For taxable corporations, 40 percent of the distributions are generally tax-exempt for corporate income tax purposes and 20 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the units are to be allocated to investments, or that are credit institutions and for which the units are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of addition to business assets, 15 percent of the distributions are tax-free for the purposes of corporation tax and 7.5 percent for the purposes of trade tax. Mixed funds are investment funds which, in accordance with the investment conditions, continuously invest at least 25 percent of their value or their assets in equity investments.

If a sub-fund meets neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is applicable to the distributions.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to this brief information on the tax regulations relevant to German investors. It may change in the future. In such a case, the Fund unit shall be deemed to have been sold and on the following day with a new tax classification for the purposes of the partial exemption to have been acquired; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

The distributions are generally subject to a tax deduction of 25 percent (plus solidarity surcharge).

For the purposes of tax deduction, provided that the tax requirements for an equity or mixed fund are met, the partial exemption rate applicable to private investors is applied uniformly, i.e. 30 percent in the case of an equity fund and 15 percent in the case of a mixed fund.

#### **Pre-determined tax base**

The pre-determined tax base is the Fund's basic income less its distributions in a given calendar year. Basic income is calculated by multiplying unit redemption price at the start of the calendar year by 70 percent of the base interest rate, which is derived from the long-term yield on public-sector bonds. Basic income is limited to the amount by which the last redemption price in the calendar year exceeds the total of the first redemption price in the same calendar year plus distributions in that the calendar year. In the year in which the units are acquired, the pre-determined tax base is reduced by one-twelfth per full month prior to the month of purchase. The pre-determined tax base is deemed to have accrued as of the first working day of the following calendar year.

The pre-determined tax base is subject to income or corporation tax and trade tax.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 60 percent of the advance lump sums are tax-free for income tax purposes and 30 percent for trade tax purposes if the units are held by natural persons as business assets. For taxable corporations, generally 80 percent of the advance lump sums are tax-exempt for corporate income tax purposes and 40 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the shares are to be allocated to investments, or that are credit institutions and for which the shares are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of addition to business assets, 30 percent of the advance lump sums are tax-free for the purposes of corporation tax and 15 percent for the purposes of trade tax. Equity funds are investment funds which, in accordance with the investment conditions, continuously invest more than 50 percent of their value or assets in equity investments.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 30 percent of the advance lump sums are tax-exempt for income tax purposes and 15 percent for trade tax purposes if the units are held by natural persons as business assets. For taxable corporations, generally 40 percent of the advance lump sums are tax-exempt for corporate income tax purposes and 20 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the units are to be allocated to investments, or that are credit institutions and for which the units are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of addition to business assets, 15 percent of the advance lump sums are tax-free for the purposes of corporation tax and 7.5 percent for the purposes of trade tax. Mixed funds are investment funds which, in accordance with the investment conditions, continuously invest at least 25 percent of their value or assets in equity investments.

If a sub-fund fulfils neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is to be applied to the preliminary lump sum.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to this brief information on the tax regulations relevant to German investors. It may change in the future. In such a case, the Fund unit shall be deemed to have been sold and to have been acquired on the following day with a new tax classification for the purposes of the partial exemption; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

Pre-determined tax bases are usually subject to 25 percent withholding (plus solidarity surcharge).

For tax deduction purposes, provided that the tax requirements for an equity or mixed fund are met, the partial exemption rate applicable to private investors is applied uniformly, i.e. in the case of an equity fund at the rate of 30 percent, in the case of a mixed fund at the rate of 15 percent.

### **Investor gains at disposal**

Gains on the disposal of fund units are in principle subject to income or corporation tax and trade tax. Gains on disposal are reduced by the pre-determined tax bases assessed during the holding period.

If a sub-fund meets the tax requirements for an equity fund within the meaning of the partial exemption, 60 percent of the capital gains are tax-free for income tax purposes and 30 percent for trade tax purposes if the units are held by individuals as business assets. For taxable corporations, generally 80 percent of the capital gains are tax-free for corporate income tax purposes and 40 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the shares are to be allocated to investments, or that are credit institutions and for which the shares are to be allocated to the trading portfolio within the meaning of Section 340e (3) HGB or are to be reported as current assets at the time of addition to business assets, 30 percent of the capital gains are tax-free for the purposes of corporation tax and 15 percent for the purposes of trade tax. Equity funds are investment funds which, in accordance with the investment conditions, continuously invest more than 50 percent of their value or assets in equity investments.

If a sub-fund meets the tax requirements for a mixed fund within the meaning of the partial exemption, 30 percent of the capital gains are tax-free for income tax purposes and 15 percent for trade tax purposes if the units are held by natural persons as business assets. For taxable corporations, generally 40 percent of the capital gains are tax-free for corporate income tax purposes and 20 percent for trade tax purposes. For corporations that are life or health insurance companies or pension funds and for which the units are to be allocated to investments, or that are credit institutions and for which the units are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of addition to business assets, 15 percent of the capital gains are tax-free for the purposes of corporation tax and 7.5 percent for the purposes of trade tax. Mixed funds are investment funds which, in accordance with the investment conditions, continuously invest at least 25 percent of their value or assets in equity investments.

In the event of a capital loss, the loss is not tax-deductible at the investor level in the amount of the applicable partial exemption rate.

If a sub-fund meets neither the tax requirements for an equity fund nor for a mixed fund, no partial exemption is applicable to the capital gain.

A tax classification for the purposes of the partial exemption of the relevant sub-fund can be found in the appendix to these brief notes on the tax regulations relevant to German investors. It may change in the future. In such a case, the Fund unit shall be deemed to have been sold and to have been acquired on the following day with a new tax classification for the purposes of the partial exemption; however, any resulting notional capital gain shall only be taken into account as soon as the units are actually sold or, in certain cases, deemed to have been sold.

The profit from the fictitious sale is to be determined separately for units that are to be allocated to the business assets of an investor.

Gains on the sale of units are not usually subject to any capital gains tax deduction.

### **Negative taxable income**

Negative taxable income of the Fund cannot be attributed to the investor.

### **Tax at liquidation**

During the liquidation of a sub-fund, distributions in a calendar year shall be deemed to be a tax-free repayment of capital to the extent that the last redemption price fixed in that calendar year is lower than the amortised cost. This applies for a maximum period of ten calendar years after the calendar year in which the settlement begins.

## Summary of tax treatment for standard types of business investor

	Distributions	Pre-determined tax base	Gains on disposal
<b>German investors</b>			
Sole traders	<u>Tax on investment income:</u> 25% (the 30% partial exemption for equity funds and 15% for mixed funds is taken into account)		<u>Tax on investment income:</u> No tax deducted
	<u>Material taxation:</u> Income tax and trade tax, taking account of partial exemptions where applicable (equity funds: 60% for income tax/30% for trade tax; mixed funds: 30% for income tax/15% for trade tax)		
Corporations subject to standard taxation (typically industrial companies; banks, except where units are held as trading assets; general insurers)	<u>Tax on investment income:</u> No tax deducted in the case of banks, otherwise 25% (the 30% partial exemption for equity funds or 15% for mixed funds is taken into account)		<u>Tax on investment income:</u> No tax deducted
	<u>Material taxation:</u> Corporation tax and trade tax, including partial exemptions where applicable (equity funds: 80% for corporation tax/40% for trade tax; mixed funds: 40% for corporation tax/20% for trade tax)		
Life and health insurance undertakings and pension funds holding fund units as part of their capital investments	<u>Tax on investment income:</u> No tax deducted		
	<u>Material taxation:</u> Corporation tax and trade tax, unless tax-allowable provisions for premium rebates have been recognised in the balance sheet. Where applicable, account is taken of partial exemptions (equity funds: 30% for corporation tax/15% for trade tax; mixed funds: 15% for corporation tax/7.5% for trade tax)		
Banks holding fund units as trading assets	<u>Tax on investment income:</u> No tax deducted		
	<u>Material taxation:</u> Corporation tax and trade tax, including partial exemptions where applicable (equity funds: 30% for corporation tax/15% for trade tax; mixed funds: 15% for corporation tax/7.5% for trade tax)		
Tax-exempt, non-profit, charitable or church investors (particularly churches, non-profit foundations)	<u>Tax on investment income:</u> No tax deducted		
	<u>Material taxation:</u> Tax-exempt – under certain conditions corporation tax levied at fund level may also be refunded on request		
Other tax-exempt investors (particularly pension funds, burial funds and hardship funds, subject to the German Corporation Tax Act)	<u>Tax on investment income:</u> No tax deducted		
	<u>Material taxation:</u> <u>Tax-free</u>		

It is assumed that the units are held in a German custody account. A solidarity surcharge is levied on top of tax on investment income, income tax and corporation tax. It may be necessary to submit certificates to the custodian in good time in order to avoid the deduction of tax on investment income.

### 21.3 Non-resident Taxpayers

Where Non-resident Taxpayers holds fund units in a securities account with a German custodian, no withholding tax will be deducted from distributions, pre-determined tax bases or gains on the sale of units so long as they can provide proof of their non-resident status. If the custodian is unaware that the account holder is a non-resident or is not made aware of this fact in good time, the foreign investor must apply for a refund of the tax deduction in accordance with the German Tax Code (AO)<sup>1</sup>. This should be submitted to the tax office responsible for the custodian. If a non-resident taxpayer is comparable to a domestic investor who is eligible for a refund of corporation tax incurred at fund level, a refund is also possible in principle. Reference is made to the above comments on tax residents. A further prerequisite is that the non-resident taxpayer has its registered office and management in a foreign country that provides administrative and enforcement assistance.

<sup>1</sup> Section 37(2) AO.

## 21.4 Solidarity surcharge

Withholding tax on distributions, pre-determined tax bases and gains on disposals of units is subject to an additional solidarity surcharge of 5.5 percent.

## 21.5 Church tax

Where income tax has already been collected by a German custodian through withholding, any church tax (at the rate applying for the religious denomination to which the church taxpayer belongs) will be usually collected in the form of a surcharge on the withholding. The deductibility of church tax, in the light of its nature as a special tax, is taken into account by the withholding.

## 21.6 Foreign withholding tax

Withholding tax on the fund's foreign income is in some cases levied in the country of origin. Such withholding tax may not be credited against the investor's tax liability.

## 21.7 Consequences of fund mergers

In cases of mergers of a domestic investment fund into another domestic investment fund to which the same partial exemption rate applies, there is no disclosure of hidden reserves either at the level of the investors or at the level of the investment funds involved, i.e. this transaction is tax-neutral. If the merger plan provides for a cash payment<sup>2</sup> to be made to the investors of the acquired fund, this will be treated as an income distribution.

If the applicable partial exemption rate of the transferring investment fund differs from that of the acquiring investment fund, the investment share of the transferring investment fund is deemed to be sold and the investment share of the acquiring investment fund is deemed to be acquired. The profit from the notional sale shall only be deemed to have accrued as soon as the investment share of the acquiring investment fund is actually sold or, in certain cases, deemed to have been sold.

## 21.8 Automatic exchange of tax information

The significance of the automatic exchange of information in combating cross-border tax fraud and tax evasion has increased dramatically worldwide in recent years. At the request of the G20, the OECD therefore published a global standard, known as the Common Reporting Standard ("CRS"), in 2014 for the automatic exchange of information regarding financial accounts in matters of tax. The CRS is a multilateral agreement signed by over 90 States ("Participating States"). In addition, at the end of 2014, Council Directive 2014/107/EU of 9 December 2014 integrated it into Directive 2011/16/EU as regards the mandatory automatic exchange of information in matters of tax. The Participating States (all EU Member States and a large number of third countries) now apply the CRS. Germany transposed the CRS into German law with the Financial Account Information Exchange Act (*Finanzkonten-Informationsaustauschgesetz*) of 21 December 2015.

Under the CRS, reporting credit institutions (essentially credit institutions) are required to obtain certain information about their clients. Where clients (natural persons or legal entities) are reportable persons domiciled in another Participating State (which do not for example include listed companies or credit institutions), their accounts and securities accounts will be flagged as reportable accounts. The reporting credit institutions will then send the specified information on each reportable account to their home tax authorities who will then, in turn, send the information to the client's home tax authorities.

Transferable information is essentially the personal details of the reportable client (name, address, tax ID or tax numbers, date and place of birth (natural persons), country of domicile and information on accounts and deposits (e.g. account number, balance or value, total gross income from e.g. interest, dividends and distributions from investment funds), total gross gain on the disposal or redemption of financial assets (including fund units).

In concrete terms, it therefore applies to reportable investors that hold accounts and/or securities accounts with a financial institution domiciled in a Participating State. German financial institutions will consequently report information on investors domiciled in other Participating States to the Federal German Central Tax Office, which will forward that information to the tax authorities in the investor's country of domicile. Accordingly, financial institutions in other Participating States will report information on investors domiciled in Germany to their own home tax authorities, which will then forward that information to the Federal German Central Tax Office. Lastly, it is possible that financial institutions domiciled in other Participating States will report information on investors domiciled in yet

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<sup>2</sup> § 190(2)(2) KAGB.

other Participating States to their own home tax authorities, which will then in turn forward that information to the tax authorities of the investor's country of domicile.

## 21.9 General note

The tax statements are based on the currently known legal situation. They are addressed to persons subject to unlimited income tax liability or unlimited corporate income tax liability in Germany. However, no guarantee can be given that the tax assessment will not change as a result of legislation, case law or decrees of the tax authorities.

## 21.10 EU Interest Directive/Interest Information Regulation

The Interest Information Regulation (*Zinsinformationsverordnung – ZIV*) that will implement the Directive as regards the taxation of interest income will ensure effective cross-border taxation of interest income obtained by natural persons within the EU. The EU has signed agreements with a number of third countries (including Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) that to a large extent mirror the EU Interest Directive.

As a result, interest income credited by a German credit institution (as paying agent) to a natural person domiciled outside Germany but in Europe or in certain third countries will be reported by the German credit institution to the Federal German Central Tax Office and by that Office to the financial authorities in the foreign country of domicile.

Accordingly, interest income received by a natural person in Germany from a foreign credit institution located outside Germany but in Europe or in certain third countries will ultimately be reported by the foreign bank to the German financial authorities in the place of domicile. Alternatively, certain foreign States withhold tax that can be offset in Germany.

In concrete terms, the system therefore applies to private investors who are domiciled in the EU or in a third country that has joined the system and who hold deposits or accounts and obtain interest from them in other EU countries on a cross-border basis. Among others, the Grand Duchy of Luxembourg and Switzerland have undertaken to withhold 35% tax on interest income. Along with their other tax documents, investors will receive a certificate that will allow them to declare the deducted withholding tax in their income tax returns.

Alternatively, private investors may claim exemption from the foreign tax deduction by authorising the foreign bank to voluntarily disclose their interest income. This will enable the bank to waive the tax deduction and instead to report the income to the legally authorised tax authorities.

Under the ZIV, the Company must indicate whether each German and foreign investment fund is in or out of ZIV scope. The ZVR contains two material investment limits for this assessment.

- If investment fund assets comprise at most 15% in claims pursuant to the ZIV, the paying agents that ultimately make use of the data reported by the Company shall not make any report to the Federal German Central Tax Office. However, if the 15% ceiling is breached, the paying agents will be required to report the proportion of interest contained in distributions to the Federal German Central Tax Office.
- If the 25% ceiling is breached, the proportion of interest contained in redeemed or sold fund units must be reported. In the case of distributing investment funds, the proportion of interest contained in distributions must also be reported to the Federal German Central Tax Office. Accumulation investment fund reports will therefore only be made when fund units are redeemed or sold.

## 21.11 Appendix – Overview of tax classification for fund or sub-fund exemption purposes

WKN	ISIN	Name of the sub-fund	Minimum equity investment pursuant to the InvStG	Classification for exemption purposes
ETF909	DE000ETF9090	Amundi DAX 50 ESG II UCITS ETF	92%	Equity fund

## 22 Auditors

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, 65760 Eschborn, Germany is the auditor for the sub-fund and the annual report.

The auditor audits the annual sub-fund report. The audit also determines whether sub-fund management complies with the provisions of the KAGB and the Investment Terms. The result of the audit is reported in an opinion that is given

in full in the annual report. The auditor must forward the audit report on the sub-fund to BaFin immediately once the audit has been completed.

## **23 Service providers**

The Company may use the services of Amundi Intermediation S.A., 91, boulevard Pasteur, 75015 Paris, France, for trading activities and related trade matching and settlement services.

## **24 Payments to investors/dissemination of reports and other information**

### **24.1 Payments to investors**

The appointment of a custodian ensures that all distributions are received by investors and that units are redeemed.

### **24.2 Dissemination of reports**

The investor information in this Prospectus can be consulted as stated under the section entitled 'Sale documents and disclosure of information'. The latest annual report and any interim report, the current Prospectus with the current version of the Investment Terms and the key information documents of the relevant sub-funds can be obtained from the Company free of charge upon request. The same documents can be obtained from the custodian or online at [www.amundiETF.com](http://www.amundiETF.com).

### **24.3 Other information**

Key information document is published in the *Bundesanzeiger*, in a high-circulation business or daily newspaper and at [www.amundiETF.com](http://www.amundiETF.com).

Information on the percentage of assets that are difficult to liquidate, new liquidity management rules, the current risk profile and the risk management system that manages those risks, changes in the maximum scope of leverage and the total amount of leverage is provided in the annual report.

## **25 Other investment funds managed by the Company**

The Company also manages the following common funds (FCPs): Amundi S.F., Amundi SIF, Amundi Total Return, CAMCA Lux Finance, Amundi Unicredit Premium Portfolio, Innovative Investment Funds Solutions, Amundi Asia Funds as well as all sub-funds of LFS SICAV which are not covered by this Prospectus.

In addition, in Germany and as part of the cross-border provision of services, the Company renders collective asset management services and manages the German directive-compliant UCITs Amundi Multi-Asset Portfolio.

## Special Section

### 26 Special Section - Amundi DAX 50 ESG II UCITS ETF

#### General

The special sub-fund was established on 06 April 2020 for an unlimited period of time.

Investors are co-owners of sub-fund assets *pro rata* of the number of units they hold. They have no right of disposal over the assets.

#### Fair treatment of investors by unit class

The Amundi DAX 50 ESG II UCITS ETF special sub-fund currently comprises the following unit classes:

- Amundi DAX 50 ESG II UCITS ETF Dist, denominated in euro.

Under s17(2) of the General Investment Terms of the umbrella fund, unit classes may in future be added that differ from current unit classes with regard to their income application, entry fees, exit fees, the currency of unit values including the use of currency hedging transactions, flat-rate fees, minimum investment, etc., or a combination of these factors. The rights of investors that have bought units in existing unit classes shall not be affected. The costs associated with new asset class creation must be borne only by investors in that new unit class.

The Company must treat investors in the special sub-fund fairly. When managing liquidity risk and unit redemption, the interests of one particular investor or group of investors may not be put above those of another investor or group of investors. The procedures used by the Company to ensure the fair treatment of investors are shown in the General Section of the Prospectus under 'Fair treatment of investors and unit classes', 'Unit issue and redemption - settlement' and 'Liquidity management'.

<p><b>Investment objective</b></p>	<p>The sub-fund is a passively managed index-tracking UCITS. The investment objective of <b>Amundi DAX 50 ESG II UCITS ETF</b> is to generate income for the investor linked to the performance of the DAX<sup>®</sup> 50 ESG+ Net Return EUR (net performance index) (ISIN DE000A3DSHU1) (the “index” for this sub-fund).</p> <p><b>This sub-fund promotes environmental and/or social features within the meaning of Article 8 of the Disclosure Regulation.</b></p> <p>No assurance can be given that the sub-fund will achieve its investment objective.</p> <p>The link to the performance of the underlying index can lead to a probable tracking error.</p>
<p><b>Probable tracking error per unit class</b></p>	<p>Amundi DAX 50 ESG II UCITS ETF Dist: Up to 1%</p>
<p><b>Description of the underlying index of the sub-fund</b></p>	<p>The DAX<sup>®</sup> 50 ESG+ Net Return EUR Index calculated by STOXX Ltd. reflects the performance of the 50 highest ESG ranking companies selected from the 75 largest companies in terms of free float Market Cap of the HDAX<sup>®</sup> index, using ESG exclusion filters and valuation methodology from the ESG section of data provider International Shareholder Services Inc. (“ISS-ESG”) and taking into account the exclusions referred to in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818, as amended.</p> <p>The following valuation methodologies and exclusion criteria apply to the companies:</p> <ul style="list-style-type: none"> <li>• <b>ESG Ratings:</b> The rating for companies is based on a best-in-class approach that assesses the sustainability performance of companies, including their ESG risks, ESG opportunities and ESG impacts along a company's value chain. The assessment as sustainable is based on general as well as sector specific indicators with regard to environmental, social and good governance (ESG areas).</li> </ul> <p>A standard set of indicators for overarching ESG issues is applied to all companies (e.g. energy management, climate strategy, equal opportunities, employee affairs, corporate ethics, corporate governance, etc.). In addition, a predominant number of sector specific indicators are used to assess the key sector specific ESG issues (e.g. for the automotive sector: strategy regarding new mobility concepts, CO<sub>2</sub> emissions, alternative drives and fuels, etc.) in order to distinguish best practices from worst practices at sector level.</p> <p>Differentiated weighting scenarios, in which four to five key issues are identified for each industry that account for more than 50 percent of the total weight in the company assessment, are designed to ensure that the sustainability issues that are most important for a particular industry are taken into account.</p> <p>The result of this company analysis culminates in an overall rating, the ESG rating, which consists of a multi-level rating system from A+ to D-. Companies with the worst ESG rating of D- are excluded.</p> <p>The data for the ESG company ratings are obtained, for example, from publicly available information such as the company's own disclosure and reporting documents, public publications, governmental and international institutions, recognised international or local non-governmental organisations.</p> <ul style="list-style-type: none"> <li>• <b>Norms Based Screening:</b> Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as ‘Red’ are excluded. ISS-ESG identifies companies as ‘Red’, if they are failing to respect established norms and where the issue remains unaddressed.</li> <li>• <b>Controversial Weapons:</b> Companies must not be involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus weapons and nuclear weapons (including weapons subject to the Non-Proliferation Treaty). ISS-ESG’s Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as ‘Red’ are excluded.</li> </ul>

• **Product Involvement:** Not have any Product Involvement in the following areas. The revenue shares used from ISS ESG are the maximum revenue share factors which identify the maximum amount of revenue estimated or company reported to be derived from involvement in a business activity as a percentage of the issuer's total annual revenue, and the estimated values range is not inclusive. STOXX will exclude companies that ISS-ESG identifies to have:

**Tobacco:**

- more than 0% of revenues from involvement in the production of tobacco products.
- more than 5% of revenues from the wholesale or retail distribution of tobacco products.
- more than 5% of revenues from services related to tobacco products.

**Thermal Coal Mining:**

- more than 1% of their revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.

**Thermal Coal Mining Expansion:**

- any involvement in thermal coal mine development, operation or planning.

**Thermal Coal Power Generation:**

- more than 5% of revenues from coal-fired electric power generation. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

**Thermal Coal Power Generation Expansion:**

- any involvement in coal power expansion or plans to expand.

**Fossil Fuel:**

- more than 10% of their revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustive oil products), and the distribution of fossil fuels.
- more than 50% of their revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and the distribution of fossil fuels.
- more than 50% of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass).

**Oil Sands:**

- more than 5% of revenues from the extraction and processing of oil sands in the most recent fiscal year.

**Arctic Oil & Gas Exploration:**

- more than 5% of revenues from Arctic oil and gas extraction ("Arctic drilling") in the most recent fiscal year.

**Hydraulic Fracturing:**

- more than 5% of revenues from hydraulic fracturing in the most recent fiscal year.

**Nuclear Power Service:**

- more than 1% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support, maintenance, and the management of nuclear waste management.

**Nuclear Power Production:**

- more than 1% of revenues from the generation of electric power from nuclear fission.

	<p><b>Nuclear Power Uranium:</b></p> <ul style="list-style-type: none"> <li>- more than 1% of revenues from involvement in uranium exploration, extraction, and processing.</li> </ul> <p><b>Civilian Firearms:</b></p> <ul style="list-style-type: none"> <li>- more than 0% of revenues from involvement in the production of civilian firearms and/or the provision of related services.</li> <li>- more than 5% of revenues from involvement in the distribution of civilian firearms.</li> </ul> <p><b>Military Equipment:</b></p> <ul style="list-style-type: none"> <li>- more than 5% of revenues from involvement in the production of military equipment and/or the provision of related services.</li> <li>- more than 10% of revenues from involvement in military equipment and services.</li> </ul> <p>The Index applies exclusions to companies involved in activities considered non-aligned with the Paris Climate Agreement (coal extraction, oil, etc). Those exclusions are provided for in Art. 12 (1) (a)-(g) of the Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.</p> <p>For further information please refer to the "Guidelines on funds' names using ESG or sustainability-related terms" section of the Prospectus.</p> <p>The top 50 companies from the remaining universe, measured in terms of their ESG score as sourced from the ISS-ESG ESG Performance Score, are then selected for inclusion in the index. Where fewer than 50 companies are eligible for inclusion, no additional companies are added and the index will consist of this smaller number. Where the ESG Score for two companies is identical, the larger company, measured in terms of its free-float market capitalization, is selected.</p> <p>The index weighting is based on the free float market capitalization, whereby the maximum weighting per share is capped at 7%. This cap is designed to prevent individual shares from dominating the index.</p> <p>Rebalancing takes place on a quarterly basis. Rebalancing processes affect the costs payable by the sub-fund and therefore the performance of the sub-fund.</p> <p>The index is calculated as a Net Return index. The base date for the index is 17 March 2017, with a base level 1,000.</p> <p>Description of the methodology used to calculate the index:  <a href="https://stox.com/index/daxesgpn/">https://stox.com/index/daxesgpn/</a></p> <p>Bloomberg ticker DAXESGPN</p> <p>The above brief presentation of the index covers its main features at the time this Prospectus was being prepared but does not offer a full description of the index. Further information on the index is available on the aforementioned website. The index administrator has published "guides" to the index on the aforementioned website. In particular, these specify the selection criteria for the index components and the composition of the index. "Guides" are updated on an ongoing basis and can be accessed via the website <a href="http://www.stox.com">www.stox.com</a>. Investors should regularly check this website for the current composition of the index and any adjustments or changes to it (e.g. with regard to the index calculation methodology). In the event of discrepancy between the above composition of the index and the full description of the index given by the index administrator, the full description by the index administrator will prevail.</p>
<p><b>Investment policy</b></p>	<p>Subject to the "Investment principles and investment limits" section in the Prospectus, the sub-fund aims to achieve its investment objective by tracking the underlying index through the purchase of all (or in some cases, a significant number of) components of the underlying index in the same proportion as the index itself (as decided by the Fund manager).</p>

	The sub-fund tracks the DAX <sup>®</sup> 50 ESG+ Net Return EUR (net performance index) (ISIN DE000A3DSHU1), which is its benchmark index.
<b>Index tracking</b>	<p>Direct or full replication.</p> <p>Direct replication funds may not hold every constituent or the exact weighting of a constituent in the underlying index. Nevertheless, through optimisation methods (sampling) and/or investment in securities that are not components of the underlying index, they can seek an exposure that relates to this index.</p>
<b>Reduced investment limits</b>	<p>The sub-fund may invest up to 10% of its assets in other German and foreign UCITS and UCIs. The sub-fund is therefore an eligible target fund for umbrella funds. The sub-fund is therefore an eligible target fund for umbrella funds.</p> <p>Derivative financial instruments may only be used in special situations (e.g. liquidity squeezes for particular securities, special capital measures, more efficient cash management, more accurate mapping of the underlying index or similar) and must be in investors' interests. The value of derivative financial instruments may not exceed 10% of the sub-fund.</p> <p>No securities lending or repos will be undertaken.</p> <p>Subject to the investment limits set above, at least 92% of the value of the UCITS will be put into equity investments pursuant to s2(8) InvStG. For these purposes, equity investments are:</p> <ol style="list-style-type: none"> <li>units in corporations that are admitted to official trading on a stock market or that are admitted to, or included in, another organised market;</li> <li>units in corporations registered in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area and that are in that country subject to, and not exempt from, corporation tax;</li> <li>units in corporations registered in a third country that are in that country subject to, and not exempt from, at least 15% corporation tax;</li> <li>units in other investment funds, either to the value of the proportion of their value, as published each valuation day, that is actually invested in said corporate units or to the value of the minimum investment specified in the other investment fund's Investment Terms.</li> </ol> <p>For further information on sub-fund investment policy, please see "Investment principles and investment limits" in the General Section of the Prospectus.</p>
<b>Valuation day</b>	A valuation day is any banking day in Frankfurt am Main and Luxembourg on which the stock exchanges in all financial markets are open and on which the index closing price on which the NAV will be calculated is set. New Year's Day, Good Friday, Easter Monday, May Day, Europe Day, Ascension Day, Whit Monday, Corpus Christi, Luxembourg National Day, Assumption Day, German Unity Day, All Saints' Day, Christmas Eve, Christmas Day and New Year's Eve are not valuation days.
<b>Calculation and publication day</b>	The banking day in Frankfurt am Main and Luxembourg following the valuation day on which the net asset value is calculated and published.
<b>Subscription/redemption cut-off</b>	<p>Subscription, repurchase and redemption requests received on any day that is both a banking day and a valuation day in the relevant jurisdiction will be processed that same day so long as the request is received by 16:30 in Frankfurt am Main.</p> <p>Requests received by the relevant office after the cut-off time will be processed based on the NAV per unit at the next valuation day.</p>
<b>Financial centre</b>	Frankfurt am Main and Luxembourg
<b>Issue and redemption price</b>	<p>The entry fee is 5% of unit value.</p> <p>The exit fee is 5% of unit value.</p>

	<p>No entry or exit fees are applied to units bought or sold on a stock market. This does not affect the usual expenses and charges for stock market trading or custody.</p> <p>Third-parties (e.g. the custodian) may also broker unit issue and redemption. Custodian settlement methods are beyond the Company's control.</p>
<b>Determination of income</b>	<p>The Sub-fund obtains income from the proportion of interest, dividends and income received during the financial year from investments in investment funds that has not been used to cover expenses. Further income may result from the sale of assets held on the sub-fund's behalf.</p> <p>The Company uses a netting-out procedure for the Fund. This means that the share of income for the financial year that the unit buyer must pay as part of the issue price and that the seller of units receives as part of the redemption price are continuously offset. Netting out takes account of incurred expenses</p> <p>Netting out offset variations between income and other assets that are caused by net inflows and outflows of funds through unit purchase and redemption. All net cash inflows would otherwise reduce the ratio of income to Fund NAV, and all outflows would increase it.</p> <p>The result is that netting out means that the income per unit shown in the annual report is not influenced by the number of units in circulation. Purchases therefore assume that, for example, investors who buy units shortly before an income retention deadline must pay tax on the portion of issue price attributable to income even though the capital they paid in did not contribute to that income.</p>
<b>Application of income</b>	<p><b>Amundi DAX 50 ESG II UCITS ETF Dist</b> unit class: the Company in principle makes a distribution of the proportion of interest, dividends and income obtained on behalf of the sub-fund during the financial year from its investments in other investment funds that has not been applied to cover costs - subject to the relevant netting out of earnings. Disposal gains and other income - subject to the relevant netting out of earnings - may also be included in distributions on a pro rata basis.</p> <p>Final distribution is made within four months of the close of the financial year. The Company may also make interim distributions throughout the year.</p>
<b>Flat-rate fee</b>	<p>Under s7 of the sub-fund's Special Investment Terms, the Company is paid a fee for its management of each unit class in the special sub-fund.</p> <p>For its management of the <b>Amundi DAX 50 ESG II UCITS ETF Dist</b> unit class the Company is paid a daily fee of <b>0.15%</b> per annum, based on the NAV determined each valuation day under section 19 of the GIT.</p> <p>The flat-rate fee is calculated daily in the amount of 1/365 (1/366 in leap years) on the basis of the net asset value of the respective sub-fund determined in accordance with section 21 of the GIT. The daily calculated flat fee is accrued from the last available net asset value determined in accordance with section 21 of the GIT. Daily deferral from the net asset value in the aforementioned sense means that the flat fee already calculated is taken into account as a liability for the calculation of the net asset value in accordance with section 21 of the GIT until it is withdrawn from the respective sub-fund. The Company withdraws the already accrued fee from the respective sub-fund on a quarterly basis. Due to the daily accrual, the time of withdrawal has no influence on the amount of the remuneration and the calculated net asset value.</p> <p>The flat-rate fee covers the following costs in particular:</p> <ul style="list-style-type: none"> <li>• Remuneration for the management of the sub-fund (fund management, administrative activities);</li> <li>• Remuneration of the custodian;</li> <li>• Customary bank custody account and account fees, including the customary bank costs for the safekeeping of foreign assets abroad, if applicable;</li> <li>• Costs of printing and dispatching the sales documents required by law for investors (annual and semi-annual reports, sales prospectus, key investor information, key information document);</li> </ul>

	<ul style="list-style-type: none"> <li>• Costs of publishing the annual and semi-annual reports, the issue and redemption prices and, where applicable, the distributions or reinvestments and the liquidation report;</li> <li>• Costs of preparing and using a durable medium provided for by contract or law, except in the case of information on mergers of investment funds and except in the case of information on measures in connection with breaches of investment limits or calculation errors in determining the unit value;</li> <li>• Costs for the audit of the sub-fund by the auditor of the investment fund;</li> <li>• Costs of publishing tax bases and certification that tax information complies with German tax law;</li> <li>• The fees and charges applied by government offices to the sub-fund;</li> <li>• Legal and tax consultancy fees for the sub-fund;</li> <li>• Costs and fees associated with the purchase and/or use or naming of a benchmark or financial index;</li> <li>• Costs of organising, maintaining and terminating stock market quotation for units;</li> <li>• Costs of appointing proxies;</li> <li>• Costs of third-party analysis of sub-fund investment performance;</li> <li>• Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a specific sector or a specific market;</li> <li>• Taxes, in particular value added tax, which are incurred in connection with the expenses mentioned in the costs and fees above and which are to be reimbursed by the sub-fund.</li> </ul>																		
<p><b>Performance</b></p>	<p><b>Amundi DAX 50 ESG II UCITS ETF Dist</b> was launched on 6 April 2020.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>sub-fund (%)</th> <th>index (%)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>14,93%</td> <td>15,46%</td> </tr> <tr> <td>2022</td> <td>-15,20%</td> <td>-14,61%</td> </tr> <tr> <td>2023</td> <td>19,63%</td> <td>20,42%</td> </tr> <tr> <td>2024</td> <td>15,11%</td> <td>15,79%</td> </tr> <tr> <td>2025</td> <td>20,42%</td> <td>20,24%</td> </tr> </tbody> </table> <p>Past performance is no guarantee of future performance. Calculations do not take account of any expense other than entry and exit fees. Historic Fund performance has been calculated in euro. The "Index" performance shows until 22 July 2024 the Dax® 50 ESG (performance index) (ISIN DE000A0Z3NB0), which was replaced by the Dax® 50 ESG+ Net Return EUR (net performance index) (ISIN DE000A3DSHU1) on 23 July 2024. Current information on performance is published in the annual and interim reports and on the Company's website at <a href="http://www.amundiETF.com">www.amundiETF.com</a>.</p>	Year	sub-fund (%)	index (%)	2021	14,93%	15,46%	2022	-15,20%	-14,61%	2023	19,63%	20,42%	2024	15,11%	15,79%	2025	20,42%	20,24%
Year	sub-fund (%)	index (%)																	
2021	14,93%	15,46%																	
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2023	19,63%	20,42%																	
2024	15,11%	15,79%																	
2025	20,42%	20,24%																	
<p><b>Typical investor profile</b></p>	<p>Based on the risk profiles shown under section 11 above, this sub-fund is high-risk. Investors must be prepared and able to cope with asset price fluctuations and possibly significant capital loss. Their investment horizon should therefore be medium to long-term.</p> <p>For further information, see section 11 in the Prospectus ("Risk profiles").</p>																		
<p><b>Specific risk warning</b></p>	<p>The risk warnings specific to this sub-fund should be read alongside, and together with, the risk warnings set out in the main section of the Prospectus.</p>																		

	<p>Investors should note that the sub-fund offers no capital protection or warranties and that any capital or capital-related amount invested in it is neither protected nor guaranteed. Investors in this sub-fund must be prepared and able to sustain the total loss of all invested capital. Investors are also subject to a number of other risks described under "Risk warnings" in the main section of the Prospectus.</p> <p><b>Sustainability Risks:</b> In managing the Sustainability Risks of this sub-fund, the Management Company relies on STOXX Ltd. as Index administrator of the Index, which identifies and integrates relevant and significant Sustainable Risks into its ESG ratings methodology and intends to reduce Sustainability Risks to certain strategies by implementing an exclusion policy with respect to issuers whose environmental and/or social and/or corporate governance practices are controversial.</p> <p>The integration of the ESG rating methodology as well as the exclusion criteria have a direct impact on the investment universe of the Index. However, no assurance can be given that Sustainability Risks will be completely eliminated and the occurrence of such risks could have a negative material impact on the value of the assets comprising the Index tracked or tracked by the sub-fund.</p> <p>Further information can also be found in the "Sustainability-related disclosures" section of the Prospectus.</p>
<b>Minimum investment</b>	One fund unit
<b>Stock markets and markets</b>	<p>The <b>Amundi DAX 50 ESG II UCITS ETF Dist</b> unit class is admitted to trading on the following stock markets:</p> <p><b>Frankfurt Stock Exchange</b> Deutsche Börse AG 60485 Frankfurt am Main, Germany</p> <p><b>XETRA</b> Deutsche Börse AG 60485 Frankfurt am Main, Germany</p> <p><b>SIX Swiss Exchange</b> SIX Swiss Exchange AG Selnaustraße 30 CH-8021 Zürich, Switzerland</p> <p><b>The possibility that units will also be traded on other markets cannot be excluded.</b></p>
<b>Fund currency</b>	EUR
<b>Launch date</b>	6 April 2020
<b>Securities lending or repos</b>	No
<b>Index administrator and license</b>	<p>Index administrator: STOXX Ltd.</p> <p>STOXX Ltd. is recognised by the German Federal Financial Supervisory Authority (BaFin) as a third-country administrator in accordance with Art. 32 of the EU Benchmarks Regulation. STOXX Ltd. and the indices administered by STOXX Ltd. have been included in the ESMA Benchmarks register under Art. 36 of the EU Benchmarks Regulation.</p> <p>The Company is licensed by Qontigo Index GmbH to use the index.</p> <p><b>Index disclaimer</b></p> <p>DAX<sup>®</sup> 50 ESG is a registered trademark of Qontigo Index GmbH. This financial instrument is not sponsored, promoted, allocated or in any other way supported by Qontigo Index GmbH (the "Licensor"). The Licensor offers no express or implied warranty or assurance as to the results obtainable through the use of the index and/or the</p>

	<p>index trademark or as to the value of the index at any particular time or in any connection. The Index is calculated and published by the Licensor. Where legally permitted, the Licensor accepts no third-party liability for errors in the index. In addition, the Licensor is under no obligation to highlight errors in the index to any third party, including investors.</p> <p>Neither publication of the index by the Licensor nor issue of a licence for the index and the index trademark for use with a financial instrument or other securities or financial products that derive from the index constitute any recommendation on the part of the Licensor to make a capital investment or in any way constitute a warranty or representation by the Licensor as to the attraction of investing in this product.</p> <p>In its capacity as sole holder of all rights to the index and the index trademark, the Licensor has licensed the issuer of the financial instrument to use the index and the index trademark and to refer to the index and the index trademark solely in connection with the financial instrument.</p>
<b>Index administrator website</b>	www.stoxx.com

<b>Description of the unit class</b>	
<b>Unit class</b>	<b>Amundi DAX 50 ESG II UCITS ETF Dist</b>
<b>ISIN-Code</b>	DE000ETF9090
<b>WKN</b>	ETF909
<b>Fund currency</b>	EUR
<b>Minimum investment</b>	One fund unit
<b>Entry fee</b>	5% of unit value
<b>Exit fee</b>	5% of unit value
<b>Flat-rate fee calculated for the unit class</b>	0.15% p.a.
<b>Application of income</b>	Distributing
<b>Probable tracking error</b>	Up to 1%

## 27 Names and addresses

### **Company**

Amundi Luxembourg S.A.  
5, Allée Scheffer  
2520 Luxembourg  
Grand Duchy of Luxembourg

### **Board of Directors of the Company**

*Directors of the management company employed by Amundi:*

David Joseph Harte  
Chairman of the Board of Directors  
Chief Executive Officer  
Amundi Ireland Ltd.

Céline Boyer-Chammard  
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*Director of the management company not employed by Amundi:*

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## 28 Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Amundi DAX 50 ESG II UCITS ETF

**Legal entity identifier:**  
529900GFNNJ8CI4K9B60

### Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: \_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

**Sustainability** indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The sub-fund promotes environmental and/or social characteristics by tracking the DAX® 50 ESG+ Net Return EUR (net performance index) (the "Index"). The sub-fund promotes environmental and/or social characteristics, including through the integration of the environmental, social and governance ("ESG") rating of the ESG section of the data provider International Shareholder Services Inc. ("ISS-ESG"). The DAX® 50 ESG+ Net Return EUR tracks the performance of the 50 highest ESG ranking companies selected from the 75 largest companies in terms of free float Market Cap of the HDAX® index, using ESG exclusion filters

and valuation methodology from the ESG section of data provider ISS-ESG and taking into account the exclusions set out in the current version of Article 12 (1) (a) to g) of the Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks ("Delegated Regulation (EU) 2020/1818").

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

A standard set of indicators for overarching ESG issues is applied to all companies (e.g. energy management, climate strategy, equal opportunities, employee affairs, corporate ethics, corporate governance, etc.). In addition, a predominant number of sector specific indicators are used to assess the key sector specific ESG issues (e.g. for the automotive sector: strategy regarding new mobility concepts, CO2 emissions, alternative drives and fuels, etc.) in order to distinguish best practices from worst practices at sector level.

Differentiated weighting scenarios, in which four to five key issues are identified for each industry that account for more than 50 percent of the total weight in the company assessment, are designed to ensure that the sustainability issues that are most important for a particular industry are taken into account.

The result of this company analysis culminates in an overall rating, the ESG rating, which consists of a multi-level rating system from A+ to D-. Companies with the worst ESG rating of D- are excluded.

The data for the ESG company ratings are obtained, for example, from publicly available information such as the company's own disclosure and reporting documents, public publications, governmental and international institutions, recognised international or local non-governmental organisations.

- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

- **Controversial Weapons:** Companies must not be involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus weapons and nuclear weapons (including weapons subject to the Non-Proliferation Treaty). ISS-ESG's Controversial Weapons Research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.

Additional exclusionary criteria are applied to screen companies active in tobacco products, thermal coal mining, thermal coal mining expansion, thermal coal power generation, thermal coal power generation expansion, fossil fuels, oil sands, arctic oil and gas exploration, hydraulic fracturing, nuclear power service, nuclear power production, nuclear power uranium, civilian firearms and military equipment.

For detailed information on the exclusionary criteria, please refer to "Description of the underlying index of the sub-fund" in the special section of the sub-fund in the prospectus.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments are to invest in investee companies that seek to meet two criteria:

- 1) follow best environmental and social practices; and
- 2) avoid making products or providing services that harm the environment and society.

In order for the investee company to be deemed to contribute to the above objective it must be a “best performer” within its sector of activity on at least one of its material environmental or social factors.

The definition of “best performer” relies on Amundi’s proprietary ESG methodology which aims to measure the ESG performance of an investee company. In order to be considered a “best performer”, an investee company must perform with the best top three rating (A, B or C, out of a rating scale going from A to G) within its sector on at least one material environmental or social factor. Material environmental and social factors are identified at a sector level. The identification of material factors is based on Amundi ESG analysis framework which combines extra-financial data and qualitative analysis of associated sector and sustainability themes. Factors identified as material result in a contribution of more than 10% to the overall ESG score. For energy sector for example, material factors are: emissions and energy, biodiversity and pollution, health and security, local communities and human rights. For a more complete overview of sectors and factors, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu).

To contribute to the above objectives, the investee company should not have significant exposure to activities (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertilizer and pesticide manufacturing, single-use plastic production) not compatible with such criteria.

The sustainable nature of an investment is assessed at investee company level.

By applying the Amundi’s above described Sustainable Investment definition to the Index constituents of this passively managed ETF Product, Amundi has determined that this Product has the minimum proportion of sustainable investments stated in page 1 above. However, please note that Amundi Sustainable Investment definition is not implemented at the Index methodology level.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure sustainable investments do no significant harm (‘DNSH’), Amundi utilises two filters:

The first DNSH filter relies on monitoring the mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the COMMISSION DELEGATED REGULATION (EU) 2022/1288 of 6 April 2022 (“RTS”) where robust data is available (e.g. GHG intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company’s carbon intensity does not belong to the last decile of the sector). Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi’s Responsible Investment Policy. These exclusions, which apply on the top of the filters detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco.

Beyond the specific sustainability factors covered in the first filter, Amundi has defined a second filter, which does not take the mandatory Principal Adverse Impact indicators above into account, in order to

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

verify that the company does not badly perform from an overall environmental or social standpoint compared to other companies within its sector which corresponds to an environmental or social score superior or equal to E using Amundi's ESG rating.

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for adverse impacts have been taken into account as detailed in the first do not significant harm (DNSH) filter above:

The first DNSH filter relies on monitoring of mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available via the combination of following indicators and specific thresholds or rules:

- Have a CO2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors), and
- Have a Board of Directors' diversity which does not belong to the last decile compared to other companies within its sector, and
- Be cleared of any controversy in relation to work conditions and human rights.
- Be cleared of any controversy in relation to biodiversity and pollution.

Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the filters detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal and tobacco.

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into our ESG scoring methodology. Our proprietary ESG rating tool assesses issuers using available data from our data providers. For example the model has a dedicated criteria called "Community Involvement & Human Rights" which is applied to all sectors in addition to other human rights linked criteria including socially responsible supply chains, working conditions, and labor relations. Furthermore, we conduct controversy monitoring on a, at minimum, quarterly basis which includes companies identified for human rights violations. When controversies arise, analysts will evaluate the situation and apply a score to the controversy (using our proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the sub-fund considers all the mandatory Principal Adverse Impacts as per Annex 1, Table 1 of the RTS applying to the sub-fund's strategy and relies on a combination of exclusion policies (normative and sectorial), engagement and voting approaches:

- Exclusion: Amundi has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Disclosure Regulation.

- ESG factors integration: Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score higher than the applicable benchmark). The 38 criteria used in Amundi ESG rating approach were also designed to consider key impacts on sustainability factors, as well as quality of the mitigation undertaken are also considered in that respect.

- Engagement: Engagement is a continuous and purpose driven process aimed at influencing the activities or behavior of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimension, to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.

- Vote: Amundi's voting policy responds to a holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information, please refer to Amundi's Voting Policy.

- Controversies monitoring: Amundi has developed a controversy tracking system that relies on three external data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched with an in-depth assessment of each severe controversy, led by ESG analysts and the periodic review of its evolution. This approach applies to all of Amundi's funds.

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu).

No



## What investment strategy does this financial product follow?

The objective of the investment policy is to track the DAX® 50 ESG+ Net Return EUR (net performance index) and to provide investors with a return that is linked to the performance of the DAX® 50 ESG+ Net Return EUR (net performance index). The sub-fund follows a passive investment strategy.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The sub-fund is a passively managed ETF. Its investment strategy is to replicate the DAX® 50 ESG+ Net Return EUR (net performance index) while minimising the related tracking error. In doing so, only companies are considered that are compliant with (i) the ESG exclusion filters and the valuation methodology from the ESG section of the data provider ISS-ESG and (ii) the exclusions set out in the current version of Article 12 (1) (a) to g) of the Commission Delegated Regulation (EU) 2020/1818. The following assessment methods and exclusion criteria apply to the companies:

- **ESG Ratings:** Companies with the worst ESG rating of D- are excluded.
- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as 'Red' are excluded. ISS-ESG identifies companies as 'Red', if they are failing to respect established norms and where the issue remains unaddressed.
- **Controversial Weapons:** Companies must not be involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus weapons and nuclear weapons (including weapons subject to the Nuclear Non Proliferation Treaty). ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.
- **Business Activities:** Companies that do not meet certain criteria related to tobacco products, thermal coal mining, thermal coal mining expansion, thermal coal power generation and expansion, fossil fuels, oil sands, arctic oil and gas exploration, hydraulic fracking, nuclear power service, nuclear power production, nuclear power uranium, civilian firearms and military equipment will be excluded. Companies are excluded that have, according to ISS-ESG:

**Tobacco:**

- more than 0% of revenues from involvement in the production of tobacco products.
- more than 5% of revenues from the wholesale or retail distribution of tobacco products.
- more than 5% of revenues from services related to tobacco products.

**Thermal Coal Mining:**

- more than 1% of their revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.

**Thermal Coal Mining Expansion:**

- any involvement in thermal coal mine development, operation or planning.

**Thermal Coal Power Generation:**

- more than 5% of revenues from coal-fired electric power generation. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

**Thermal Coal Power Generation Expansion:**

- any involvement in coal power expansion or plans to expand.

**Fossil Fuel:**

- more than 10% of their revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied

petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combustive oil products), and the distribution of fossil fuels.

- more than 50% of their revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and the distribution of fossil fuels.

- more than 50% of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass).

**Oil Sands:**

- more than 5% of revenues from the extraction and processing of oil sands in the most recent fiscal year.

**Arctic Oil & Gas Exploration:**

- more than 5% of revenues from Arctic oil and gas extraction (“Arctic drilling”) in the most recent fiscal year.

**Hydraulic Fracturing:**

- more than 5% of revenues from hydraulic fracturing in the most recent fiscal year.

**Nuclear Power Service:**

- more than 1% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support, maintenance, and the management of nuclear waste management.

**Nuclear Power Production:**

- more than 1% of revenues from the generation of electric power from nuclear fission.

**Nuclear Power Uranium:**

- more than 1% of revenues from involvement in uranium exploration, extraction, and processing.

**Civilian Firearms:**

- more than 0% of revenues from involvement in the production of civilian firearms and/or the provision of related services.

- more than 5% of revenues from involvement in the distribution of civilian firearms.

**Military Equipment:**

- more than 5% of revenues from involvement in the production of military equipment and/or the provision of related services.

- more than 10% of revenues from involvement in military equipment and services.

From the remaining companies, the top 50 companies in terms of ESG score, sourced from ISS-ESG ESG Performance Score, are then selected into the index. In case less than 50 companies are eligible for inclusion, no additional company will be added and the index will be constituted by less than 50 companies. In case the ESG Score is identical for two companies, the larger company in terms of free float market capitalization is selected.

The Index applies exclusions to companies involved in activities considered non-aligned with the Paris Climate Agreement (coal extraction, oil, etc). Those exclusions are provided for in Art. 12 (1) (a)-(g) of the Delegated Regulation (EU) 2020/1818. Details of the index rules and selection criteria are described in the prospectus. The prospectus also provides the website of the index provider where the description of the method used to calculate the underlying index can be found.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no minimum committed rate for the sub-fund.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

We rely on Amundi ESG scoring methodology. Amundi’s ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria. In the Governance dimension, we assess an issuer’s ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g. guaranteeing the issuer’s value over the long term). The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholders’ rights, ethics, tax practices and ESG strategy.

Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. G-rated companies are excluded from our investment universe.

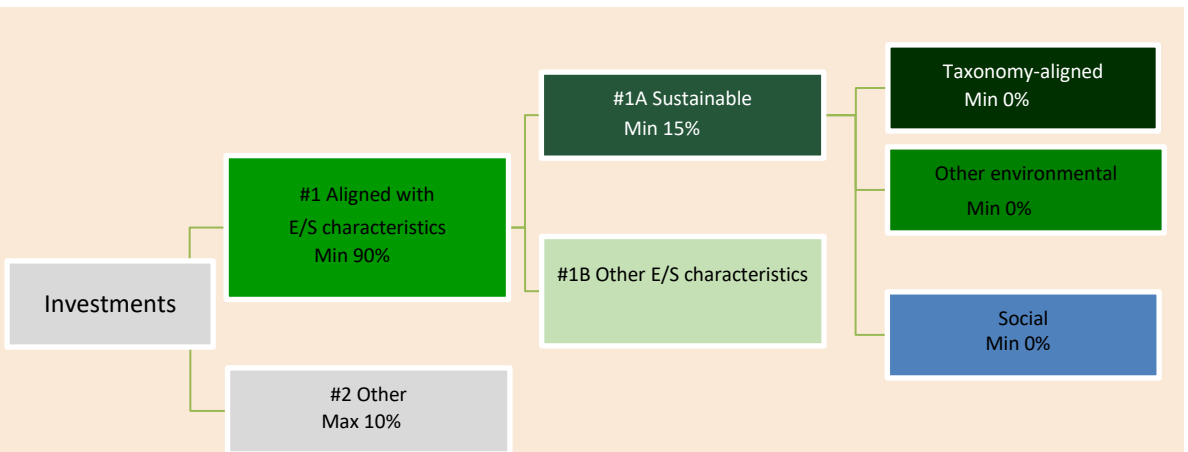
Each corporate security (shares, bonds, single name derivatives, ESG equity and fixed income ETFs) included in investment portfolios has been assessed for good governance practices applying a normative screen against UN Global Compact (UN GC) principles on the associated issuer. The assessment is performed on an ongoing basis. Amundi’s ESG ratings Committee monthly reviews lists of companies in breach of the UN GC leading to rating downgrades to G.

Amundi Stewardship Policy (engagement and voting) related to governance complements this approach.



**What is the asset allocation planned for this financial product?**

90 % of the sub-fund’s securities and instruments will meet the promoted environmental or social characteristics in accordance with the binding elements of the Index methodology. Furthermore, the sub-fund commits to have a minimum of 15 % of Sustainable Investments as per the below chart.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product, which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

**The category #1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental and social characteristics promoted by the sub-fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The sub-fund has no minimum share of investments with an environmental objective that are aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas     In nuclear energy
- No

The sub-fund does not seek to make Taxonomy compliant investments in the fossil gas and/or nuclear energy sectors. However, as part of its investment strategy, it may also invest in companies that are active in these sectors. Further information on such investments will be disclosed in the annual report, where relevant.

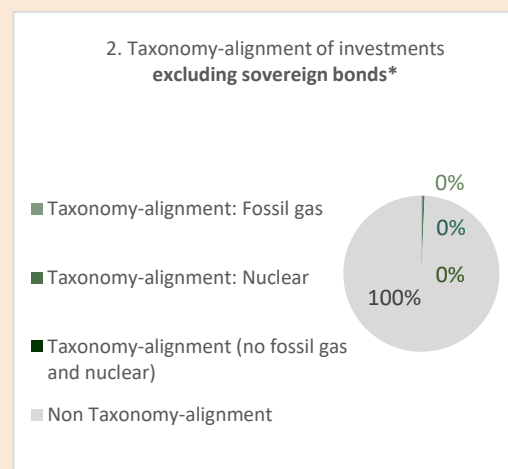
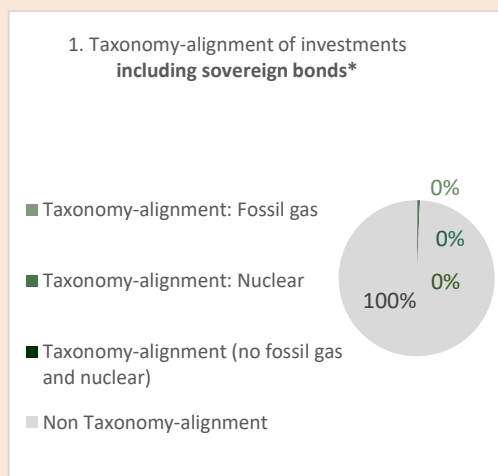
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitation on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.


**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?**

The sub-fund has no minimum proportion of investment in transitional or enabling activities.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sub-fund has no minimum defined minimum share.

- **What is the minimum share of socially sustainable investments?**

The sub-fund has no minimum defined minimum share.

- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

This category can be composed of cash, derivatives and companies on which there is no extra financial coverage.



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes, the DAX® 50 ESG+ Net Return EUR has been designated as a reference benchmark to determine whether the sub-fund is aligned with the environmental and/or social characteristics that it promotes.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

According to applicable regulations to index sponsors (including BMR), index sponsors should define appropriate controls/diligence when defining and/or operating index methodologies of regulated indexes.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

The investment objective of the sub-fund is to track both the upward and downward evolution of the Index, while minimising the difference between the return of the sub-fund and the return of the Index.

- **How does the designated index differ from a relevant broad market index?**

The DAX® 50 ESG+ Net Return EUR is an equity index based on the HDAX®, which comprises all companies included in the DAX®, MDAX® and TecDAX®. The DAX® 50 ESG+ Net Return EUR selects from the investment universe of the HDAX® 50 companies that are assessed as particularly sustainable on the basis of ESG criteria (environmental, social and corporate governance) and excludes companies that

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

have a negative impact on certain sustainability factors and meet certain exclusion criteria and taking into account the exclusions set out in the current version of Article 12 (1) (a) to g) of the Delegated Regulation (EU) 2020/1818.

- ***Where can the methodology used for the calculation of the designated index be found?***

<https://stoxx.com/index/daxesgpn/>



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.amundi-etf.com](http://www.amundi-etf.com)

## 29 General Investment Terms

### **General Investment Terms**

regulating the legal relationship between

investors and

Amundi Luxembourg S.A. (the Company) registered in Luxembourg,

with regard to the securities index special sub-funds managed by the Company in the German-law umbrella fund entitled – Amundi -

(individually the “sub-fund” or collectively the “sub-funds”)

in accordance with Directive 2009/65/EC of the European Parliament and Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the UCITS Directive).

These General Investment Terms are invalid unless taken in conjunction with the

Special Investment Terms for the sub-fund concerned.

## **Section 1 Introduction**

1. The Company is an EU Management Company pursuant to § 1 (17) (1) Capital Investment Code (KAGB), and, under Chapter 15 of the Luxembourg Law of 17 December 2010, has been licensed by the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier*–CSSF) to manage undertakings for collective investment in transferable securities (UCITS) that are covered by the UCITS Directive.
2. The Company invests the money invested with it in assets permitted under the KAGB that are held separately from its own assets in the form of a sub-fund in its own name on joint behalf of its investors in accordance with the distribution of risk principle.
3. The Company manages the UCITS as a cross-border service. Sub-funds are subject to BaFin (Federal Financial Supervisory Authority) supervision of collective investments in accordance with KAGB requirements. The purpose of each sub-fund is restricted to investment on the basis of a determined investment strategy and within a collective asset management framework, using the funds invested in it. No other operations or active asset management may be undertaken.
4. The legal relationship between the Company and investors is governed by the sub-fund’s General Investment Terms (GIT) and Special Investment Terms (SIT) and the KAGB.

## **Section 2 Custodian**

1. The Company has appointed a credit institution to act as custodian for the sub-fund. The custodian operates independently of the Company and exclusively in investors’ interests.
2. The duties and obligations of the custodian are governed by the custody agreement it has signed with the Company, the KAGB and the Investment Terms.
3. Pursuant to § 73 KAGB, the custodian may outsource custodial duties to another company (sub-custodian). For further details, please see the Prospectus.
4. The custodian is liable to the sub-fund or investors for the loss of financial instruments held in custody pursuant to § 72 (1) (1) KAGB by the custodian or a sub-custodian to which the custody of financial instruments in accordance with § 73 (1) KAGB has been transferred. The custodian has no liability however if it can demonstrate that the loss can be attributed to other factors whose consequences could not have been avoided despite all reasonable countermeasures. The foregoing is without prejudice to the right to bring further civil claims in contract or on the ground of unlawful actions. The custodian is also liable to the sub-fund or investors for all other loss they have suffered as a result of negligent or deliberate failure by the custodian to fulfil its duties under the KAGB. Custodian liability is unaffected by the transfer of custodial duties in accordance with paragraph (3)(1).

## **Section 3 Fund management**

1. The Company purchases and manages assets in its own name on the common behalf of all the investors, using the requisite technical knowledge, good faith, care and diligence. It performs its duties independently of the custodian and solely in the interests of investors.
2. The Company may use the money invested by investors to purchase assets and may sell those same assets and invest the proceeds in another manner. It may also undertake all other lawful actions arising from its management of the assets.
3. The Company may not lend money or accept obligations under surety or guarantee agreements on the common behalf of all the investors. It may not sell assets under §§ 193, 194 and 196 KAGB that did

not belong to the sub-fund at the time the transaction was concluded. The foregoing is without prejudice to § 197 KAGB.

#### **Section 4 Umbrella fund**

1. The umbrella fund comprises one or more sub-funds pursuant to § 96(2) KAGB. The umbrella fund comprises all the sub-funds together. Each investor is co-owner of a sub-fund *pro rata* of the number of units he holds in that sub-fund. With respect to unit holders' relationships with each other and with respect to third parties, each sub-fund is a stand-alone UCITS.
2. The rights and duties of the unit holders of any one sub-fund are separate from those of the unit holders of all other sub-funds. Responsibility for individual sub-fund liabilities under § 93(2) KAGB lies solely with the relevant sub-fund. Liabilities that cannot be clearly attributed to a particular sub-fund will, *pro rata* of the managed assets concerned, be shared among the relevant sub-funds.
3. The Company may launch new sub-funds at any time pursuant to § 96(2) KAGB. New sub-funds may differ from each other in Investment Terms policy or other features. An up-to-date list of sub-funds in this umbrella fund is published in the Prospectus and in the annual and interim reports of each sub-fund.

#### **Section 5 Investment principles**

1. Sub-funds are directly or indirectly invested according to the distribution of risk principle.
2. The Company may for each sub-fund purchase assets that are exclusively intended, subject to a proper distribution of risk, to track a BaFin-approved securities index. A securities index will be approved if:
  - a) The composition of the securities index is sufficiently diversified,
  - b) The index provides a proper benchmark for the market to which it refers; and
  - c) The index is appropriately published.

The Company specifies the assets that may be purchased for the sub-fund concerned in the SIT.

3. The securities purchased for umbrella fund sub-funds must primarily already be included in the securities index or in the process of being included in the securities index following changes to the index (index securities), or be securities issued on the basis of the index securities or the underlying index, or be derivatives and financial instruments with derivative components relating to money market instruments, units in other investment funds, recognised financial indices, interest rates, exchange rates or currencies in which the sub-fund, under sections 6 to 11 of the GIT, the Prospectus and the relevant Special Investment Terms may invest.

When tracking the underlying index and in order to achieve its direct replication, the investment preference will be for index securities rather than for the other index-tracking assets named in sub-section 1. Tracking the underlying index using securities, derivatives or financial instruments with derivative components that directly track the index is permitted only in order to remain within the limits of section 12 of the GIT.

4. When tracking the securities index, the replication level of sub-fund assets pursuant to sub-section 2(1) may not fall below 95%. Where derivatives, securities lending or repos are used by investment funds in accordance with the KAGB (Derivative Regulation), the derivatives and financial instruments with derivative components, together with their market risk capital charges, may, under the simple approach introduced by the Risk Management and Assessment Regulation issued pursuant to § 197(3) KAGB, be included in the calculation of replication level.

5. Replication level reflects the proportion of securities, derivatives and financial instruments with derivative components pursuant to § 197(1) KAGB within the sub-fund that matches the securities index in weighting terms. Replication level is the difference between 100 and, with respect to all the securities and attributable values of the derivatives and financial instruments with derivative components pursuant to § 197(1) KAGB in the sub-fund and all the securities in the index, half of the total difference between the weight of the securities in the index and the attributable weight of the securities within the total attributable value of the sub-fund.

$$DG = 100\% - \frac{\sum_{i=1}^n |W_i^I - W_i^F|}{2}$$

DG	=	Duplizierungsgrad in %
n	=	Anzahl der Aktiengattungen im Fonds und Index (obere Summationsgrenze)
I	=	Index
F	=	Fonds
$W_i^I$	=	Gewicht der Aktie i im Index I in %
$W_i^F$	=	anzurechnendes Gewicht der Aktie i im Aktien-Teil des Fonds in %
$\sum$	=	Summenzeichen
i	=	Summationsindex; steht für die einzelnen Aktiengattungen von i = 1 (untere Summationsgrenze) bis i = n (obere Summationsgrenze)

## Section 6 Securities

Unless SIT provides additional restrictions, the Company may, subject to § 198 KAGB, only purchase securities for the sub-fund which:

- are admitted to trading on a stock market in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area or are admitted to, or included in, another organised market in one of these States;
- are admitted to trading only on a stock market outside the European Union or outside other countries which are signatories the Agreement on the European Economic Area or are admitted to, or included in, another organised market in one of these States, so long as the BaFin permits the selection of these stock markets or organised markets<sup>3</sup>.
- under their terms of issue must request admission to trading on a stock market in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area or admission to, or inclusion in, an organised market in a Member State of the

<sup>3</sup> The list of authorised stock markets and other organised markets pursuant to s193(1)(2) and (4) KAGB is published on the BaFin website (<https://www.bafin.de>);

European Union or in another country which is a signatory to the Agreement on the European Economic Area, so long as the admission or inclusion of these securities occurs within one year of their issue;

- d) under their terms of issue an application will be made for their admission to trading on a stock market, or admission to, or inclusion in, an organised market that is outside the Member States of the European Union or other countries which are signatories to the Agreement on the European Economic Area, so long as the selection of such stock markets or organised markets is permitted by BaFin and so long as the admission or inclusion occurs within one year of issue;
- e) they are equities to which the sub-fund is entitled through capital increase from company funds;
- f) they are acquired through the exercise of subscription rights held by the sub-fund;
- g) they are financial instruments that meet the criteria set out at § 193(1)(1)(8) KAGB.

The purchase of securities pursuant to clause 1(a) to (d) is not permitted without additional compliance with § 193(1)(2) KAGB. Subscription rights arising from securities that may be purchased under the present s6 may also be bought.

## **Section 7 Money market instruments**

1. Unless the SIT provides additional restrictions, the Company may, subject to §198 KAGB, purchase instruments for sub-funds that are usually traded on the money markets and interest-bearing securities that, at the time they were purchased for the sub-fund concerned, have a remaining term of up to 397 days and whose return under their terms of issue and throughout their entire term will be regularly marked to market (at least once every 397 days), or whose risk profile matches that of the said securities ("money market instruments").

Money market instruments may not be purchased for sub-funds unless they:

- a) are admitted to trading on a stock market in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area or are admitted to, or included in, another organised market there;
- b) are admitted to trading only on a stock market outside the European Union or outside other countries which are signatories to the Agreement on the European Economic Area or are admitted to, or included in, another organised market there, so long as BaFin permits the selection of these stock markets or organised markets<sup>4</sup>.
- c) are issued or guaranteed by the European Union, Germany, a German UCITS, a German *Land*, another Member State or another central, regional or local government authority or the central bank of a Member State of the European Union, the European Central Bank or the European Investment Bank, a third country or, if this is a federal State, a member State of that federal State, or an international public body to which at least one European Union Member State belongs;
- d) are issued by an undertaking whose securities are traded on the markets at a) and b) above;
- e) are issued or guaranteed by a credit institution that under European Union law is subject to supervision, or by a credit institution that is subject to and compliant with supervisory provisions that in the view of BaFin are equivalent to those of European Union law; or
- f) are issued by other issuers that meet the requirements set out under § 194(1)(1)(6) KAGB.

2. Money market instruments pursuant to sub-section 1 may not be bought unless they meet the requirements set out in § 194(2) and (3) KAGB.

## **Section 8 Bank deposits**

The Company may hold bank deposits for each sub-fund with a maximum term of twelve months. Kept in blocked accounts, the balances may be held with any credit institution registered in a Member State of the European Union or another country which is a signatory to the Agreement on the European Economic Area.

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<sup>4</sup> See footnote 3

The balances may also be held in credit institutions registered in a third country so long as it is subject to supervisory regulations that, in the view of BaFin, are equivalent to those applying under the law of the European Union. Unless otherwise stated in the SIT, bank deposits may also be denominated in foreign currency.

## Section 9 Investments in other investment funds

1. Unless otherwise stated in the SIT, the Company may on behalf of its sub-funds purchase units in other investment funds in accordance with Directive 2009/65/EC (the UCITS Directive). Units in other German UCITS and German *Investmentaktiengesellschaften* with variable capital and units in open-ended EU and foreign AIFs may be bought so long as they meet the requirements set out under § 196(1)(2)KAGB.
2. The Company may not buy units in German UCITS, German *Investmentaktiengesellschaften* with variable capital, EU UCITS or open-ended EU and foreign AIFs unless under the Investment Terms or the articles of association of the investment management company, the German *Investmentaktiengesellschaft* with variable capital, the EU management company, the open-ended EU AIF or of the foreign AIF management company, in total no more than 10% of the value of its assets may be invested in the units of other German UCITS, German *Investmentaktiengesellschaften* with variable capital, open-ended EU investment funds or foreign open-ended AIFs.

## Section 10 Derivatives

1. Unless otherwise stated in the SIT, the Company may, in order to manage the sub-fund concerned, use derivatives pursuant to § 197(1)(1) KAGB and financial instruments with derivative components pursuant to § 197(1)(2) KAGB. Depending on the type and scope of the derivatives and financial instruments with derivative components used, when determining the usage of the market risk limits applying to the use of derivatives and financial instruments with derivative components under § 197(2) KAGB, the Company may adopt either the simple or qualified approach set out in the Risk Management and Assessment Regulation Pursuant to § 197(3) KAGB (Derivatives Regulation). For further details, see the Prospectus.
2. With regard to sub-funds, if the Company adopts the simple approach, it may only regularly use basic derivatives and financial instruments with derivative components or combinations thereof plus underlying securities permitted under § 197(1)(1) KAGB. Complex derivatives with underlying assets permitted under § 197(1)(1) KAGB may be used in only negligible proportions. The sub-fund capital charge for market risk to be determined under s 16 Derivatives Regulation may not at any time exceed the value of the sub-fund.  
Basic derivatives are:
  - a) Forward contracts and swaps on underlying assets under §197(1) KAGB with the exception of units in investment funds pursuant to § 196 KAGB;
  - b) Options and warrants on underlying assets under § 197(1) KAGB with the exception of units in investment funds under § 196 KAGB and on forward contracts under (a) above that present the following features:
    - (i) exercise is not possible either during or at the end of the term; and
    - (ii) the value of the option at exercise depends directly on the +/- difference between the strike price and market price of the underlying security and is zero if the +/- difference is reversed;
  - c) Interest-rate, currency, and interest rate and cross-currency swaps;
  - d) Swaptions pursuant to c), so long as the features described at b)(i) and (ii) apply;
  - e) Credit default swaps that relate to individual underlying assets (single name credit default swaps).
3. If the Company adopts the qualified approach, it may - subject to a suitable risk management system - invest in financial instruments with derivative components or in derivatives that derive from an

underlying security permitted under § 197(1)(1)KAGB. In this case the potential market risk to the sub-fund concerned (amount at risk) may not at any time exceed twice the potential amount at market risk of the benchmark pursuant to s9 Derivatives Regulation. Alternatively, the amount at risk may not at any time exceed 20% of the value of a sub-fund.

4. Under no circumstances may the Company deviate from the investment principles or limits named in the Investment Terms or the Prospectus when entering into these transactions.
5. The Company will use derivatives and financial instruments with derivative components for hedging, efficient portfolio management and to achieve additional income when and if this is in investors' interests.
6. When determining market risk limits for the use of derivatives and financial instruments with derivative components, the Company may, at any time and in accordance with s6(3) Derivatives Regulation, switch between the simple and the qualified approaches. Although switching does not require BaFin approval, the Company must report switches to BaFin immediately and also in the next interim or annual report.
7. When using derivatives and financial instruments with derivative components, the Company will comply with the Derivatives Regulation.

#### **Section 11 Other investment instruments**

Unless otherwise stated in the SIT, the Company may invest up to 10% of the value of a sub-fund in other investment instruments pursuant to § 198 KAGB on behalf of the sub-fund.

#### **Section 12 Issuer and investment limits**

1. With regard to management, the Company shall comply with the limits and restrictions set out in the KAGB, the Derivatives Regulation and the Investment Terms.
2. The Company may invest up to 20% of the value of a sub-fund in the securities of a single issuer, so long as, subject to proper diversification of risk, the purpose is to track a securities index approved by BaFin. A securities index will be approved if:
  - The composition of the securities index is sufficiently diversified,
  - The index provides a proper benchmark for the market to which it refers; and
  - The index is appropriately published.
3. The limit specified under sub-subsection 2 above may be increased to 35% of the sub-fund value for securities from one single issuer. Investment to the limit specified in clause 1 is permitted for one issuer alone.
4. Up to 10% of the value of the sub-fund may be invested in the money market instruments of a single issuer so long as the total value of the securities and money market instruments of that issuer do not exceed 40% of the value of a sub-fund.
5. The issuers of securities and money market instruments must also be taken into account within the limits mentioned under sub-subsections 2 to 4 if the securities and money market instruments issued by them are acquired indirectly via other securities included in the sub-fund which are linked to their performance.

6. The Company may invest up to 35% of the value of a sub-fund in bonds, *Schuldschein* loans and money market instruments that are issued or guaranteed by Germany, a German *Land*, the European Union, a Member State of the European Union or one of its local authorities, another country which is a signatory to the Agreement on the European Economic Area, a third country or an international organisation to which at least one Member State of the European Union belongs.
7. The Company may invest up to 25% of the value of a sub-fund per issuer in
  - a) in *Pfandbriefe*, municipal bonds and bonds issued by credit institutions registered in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area so long as the legal protection afforded to the holders of such bonds places the credit institution under special public supervision and so long as the funds raised through the bonds must by law be invested in assets that cover the liabilities arising from the bonds throughout their entire term, and in the event of issuer default will be prioritised for the repayments and payments of interest that will then become due.
  - b) covered bonds within the meaning of Article 3(1) of Directive (EU) 2019/ 2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (OJ L 328, 18 December 2019, p. 29), issued after 7 July 2022.

If the Company invests over 5% of the value of a sub-fund in bonds from the same issuer in accordance with the clause 1, the total value of those bonds may not exceed 80% of sub-fund value.

8. The limits set at sub-section 6 above may be exceeded in the case of securities and money market instruments from the same issuer under § 206(2) KAGB if permitted by the SIT for the specific issuer concerned. In such cases the securities and money market instruments held on behalf of the sub-fund in question must arise from at least six different issues, with no more than 30% of the value of a sub-fund being invested in any single issue.
9. The Company may invest no more than 20% of the value of a sub-fund in bank deposits under § 195 KAGB with the same credit institution.
10. The Company must ensure that a combination of:
  - a) securities or money market instruments issued by the same institution,
  - b) investments with that institution, and
  - c) capital charges for counterparty risk on transactions entered into with that institution
 does not exceed 20% of sub-fund value. Clause 1 applies to the issuers and guarantors mentioned at sub-sections 5 and 6 with the proviso that the Company must ensure that the combination of the securities mentioned in clause 1 and capital charges does not exceed 35% of the value of the sub-fund. In both cases individual ceilings are not affected.
11. The bonds, *Schuldschein* loans and money market instruments referred to at sub-sections 6 and 7 are not affected by the 40% limits set in sub-section 4. The limits set in sub-sections 4, 6 and 7 and sub-sections 9 to 10 are not cumulative, notwithstanding sub-section 10.
12. The Company may invest only up to 20% of the value of a sub-fund in the units of one single investment fund under § 196(1) KAGB. The Company may invest in total only up to 30% of the value of a sub-fund in units in investment funds under § 196(1)(2) KAGB. On behalf of a sub-fund, the Company may buy no more than 25% of the issued units of another open-ended German, EU or foreign investment fund that, in accordance with the distribution of risk principle, is invested in assets pursuant to §§ 192 to 198 KAGB.

13. Subject to the investment principles set out in section 5 of these GIT, the Company intends to track securities indices on a full-replication basis.

### **Section 13 Merger**

1. The Company may, pursuant to §§ 181 to 191 KAGB:
  - a) transfer all the assets and liabilities of any sub-fund to another existing or newly created for the purpose UCITS or to an EU UCITS or a UCITS *Investmentaktiengesellschaft* with variable capital;
  - b) accept all the assets and liabilities of another open-ended public investment fund into any sub-fund.
2. The merger must be approved by the relevant supervisory authority. For details of the procedure, see §§ 182 to 191 KAGB.
3. Sub-funds may not be merged with public investment funds that are not UCITS unless the acquiring or new investment fund is thenceforward a UCITS. EU UCITS may be also merged with sub-funds in accordance with article 2(1)(p)(iii) of Directive 2009/65/EC.

### **Section 14 Securities lending**

1. On behalf of a sub-fund, the Company may, against fair market consideration and adequate collateral pursuant to § 200(2) KAGB, grant the borrower a securities loan that may be terminated at any time. The market value of the securities to be transferred, together with the market value of the securities already transferred as securities loans on behalf of the sub-fund to the same securities borrower, including group companies pursuant to § 290 of the German Commercial Code (HGB), may not exceed 10% of the value of the sub-fund.
2. If cash collateral is given by the borrower for the transferred securities, it must be held in a blocked account pursuant to § 200(2)(3)(1) KAGB. Alternatively, the Company may invest the cash in the following assets:
  - a) high-quality bonds issued by Germany, a German *Land*, the European Union, a Member State of the European Union or one of its local authorities, another country which is a signatory to the Agreement on the European Economic Area or a third country;
  - b) money market funds with a short-term structure in line with BaFin guidelines implementing § 4(2) KAGB; or
  - c) a reverse repo with a credit institution which guarantees the recovery of the accrued credit balance at any time.

All income from the investment of collateral shall accrue to the sub-fund concerned.

3. The Company can also use the organised brokerage and settlement systems of a securities clearing and deposit bank or of any other undertaking named in the SIT whose corporate purpose for the settlement of cross-border securities transactions for other parties deviates from §§ 200 and 201 KAGB, so long as the terms and conditions of the system protect investor interests and the right of termination referred to in sub-section 1 is valid at all times;
4. Unless otherwise stated in the SIT, the Company may also grant securities loans in connection with money market instruments and units in other investment funds so long as these assets can be purchased for the sub-fund. Sub-sections 1 to 3 apply here accordingly.

## **Section 15 Repos**

1. The Company may on behalf of sub-funds and against payment take out securities repos under standard framework contracts that may be terminated at any time pursuant to s340b(2) HGB with credit institutions or financial services providers.
2. Repos must be based on securities that may be purchased under the sub-fund's Investment Terms.
3. Repos must have a maximum term of 12 months.
4. Unless otherwise stated in the SIT, the Company may also take out repos on money market instruments and units in other investment funds so long as these assets can be purchased for the sub-fund concerned. Sub-sections 1 to 3 apply here accordingly.

## **Section 16 Borrowing**

On the common behalf of investors, the Company may take out short-term loans of up to 10% of the value of a sub-fund so long as the loan is at standard market rates and the custodian agrees to the loan.

## **Section 17 Units**

1. Units may present a range of different features, particularly as regards application of income, entry and exit fees, unit currency, management fee (flat-rate fee), minimum investment or a combination of all these features (unit classes). See the SIT for details.
2. Depending on unit class pursuant to sub-section 1 above, sub-fund units will be either registered or bearer units. See the relevant SIT for details.
3. Where issued, bearer units are documented in a global certificate that bears at least the handwritten or copied signatures of the Company and the custodian. No individual certificates are issued.
4. Bearer units are transferable unless otherwise stated in the SIT. The transfer of bearer units includes the transfer of all contained rights. The Company will in all cases consider the unit holder to be the rightful holder.
5. Where registered units are issued, the unit holder register will provide conclusive proof of unit ownership.
6. Where investor rights at sub-fund creation or investor rights within a unit class at unit class creation are not represented in a sole global certificate but in individual or multiple unit certificates, this will be specified in the SIT.

## **Section 18 Unit issuance and redemption, suspension**

1. There is essentially no limit to the number of units that may be issued. The Company reserves the right to suspend the issue of units temporarily or permanently.
2. Units may be purchased from the Company, the custodian or third-party brokers. The SIT may provide that units can only be bought and held by particular investors.
3. Investors may request that the Company to redeem their units, unless otherwise specified below or in the SIT. Redemption periods may be stipulated. The Company is obliged to redeem the units at the

applicable redemption price for the account of the respective sub-fund. The custodian is the redemption agent.

4. The Company reserves the right to suspend the issue and redemption of units pursuant to § 98(2) KAGB if there are extraordinary circumstances in which this is in the best interests of investors.
5. The Company must keep investors informed through the *Bundesanzeiger* and also in a high-circulation business or daily newspaper or the electronic media detailed in the Prospectus of the suspension and resumption of unit redemption. Investors must be informed of the suspension and resumption of unit redemption by a durable medium immediately after publication in the *Bundesanzeiger*.

## **Section 19 Spin-off of illiquid investments**

The Company may spin off illiquid investments in the interests of the investors in the UCITS.

## **Section 20 Liquidity management instruments**

1. The Company uses at least two of the following liquidity management instruments. It specifies in the SIT which liquidity management instruments are used for the sub-fund:
  - a) Redemption restriction  
The Company may temporarily and partially restrict investors' right to redeem their units, so that investors can only redeem a certain portion of their units.
  - b) Extension of the redemption period  
The Company may extend the redemption period.
  - c) Redemption fee  
The Company may charge a redemption fee within a specified range, which is paid by investors when redeeming units in the sub-fund, taking into account liquidity costs, and which ensures that investors who remain in the sub-fund are not unduly disadvantaged.
  - d) Swing pricing or dual pricing  
The Company may use swing pricing or dual pricing. Swing pricing is a pre-determined mechanism whereby the net asset value of the units of a sub-fund is adjusted by applying a factor ("swing factor") that takes into account liquidity costs. Dual pricing is a mechanism determined in advance whereby the issue and redemption prices for the units of a sub-fund are determined by adjusting the net asset value per unit by a factor that reflects liquidity costs.
  - e) Anti-dilution levy  
The Company may charge an anti-dilution levy, payable by an investor upon the issue or redemption of units in the sub-fund, which compensates the sub-fund for the liquidity costs incurred as a result of the size of the transaction and ensures that other investors are not unfairly disadvantaged.
  - f) Redemptions in kind  
The Company may transfer assets held by or on behalf of the sub-fund to a professional investor instead of paying the redemption price in order to execute redemptions of units.
2. In addition to the instruments specified in paragraph 1, the Company may also use other instruments to manage the liquidity of the sub-fund. The conditions for the use of such instruments are set out in the SIT.

## **Section 21 Issue and redemption prices**

1. Unless otherwise provided for in the SIT, the calculation of the unit issue and redemption prices are determined by calculating the net asset value (total market value of the assets belonging to the sub-fund less borrowing and other liabilities) and dividing this by the number of units in circulation ('unit value'). Where, in accordance with § 17(1), different unit classes are introduced for the sub-fund, the unit value and the issue and redemption price must be determined separately for each unit class.

Assets are valued in accordance with §§ 168 and 169 KAGB and the Investment Accounting and Valuation Ordinance (*Kapitalanlage-Rechnungslegungs- und -Bewertungsverordnung* – KARBV).

2. The issue price is the unit value of the sub-fund plus any entry fees set in the SIT in accordance with § 165(2)(8) KAGB. The redemption price is the unit value of the sub-fund less any exit fees set in the SIT in accordance with § 165(2)(8) KAGB. Where provided for in the SIT, additional fees may be incurred as liquidity management instruments.
3. The settlement date for unit purchase and redemption orders is at latest the valuation day after receipt of the unit purchase or redemption order, unless otherwise stated in the SIT. If the Company suspends the redemption of unit in accordance with section 18 paragraph 4, the settlement date for these redemption orders shall be the valuation date following the resumption of trading.
4. The net asset value, the unit value and the issue and redemption prices of the sub-fund are determined on each valuation day. The valuation day is any banking day in Frankfurt am Main and Luxembourg on which the stock exchanges in all the financial centres listed in the special section of the prospectus for the sub-fund are open and on which the corresponding index closing price is determined, on the basis of which the net asset value is calculated. For further details, see the Prospectus.

## **Section 22 Expenses**

The SIT provide information concerning the expenses and the remuneration that may be payable to the Company, the custodian and third parties by sub-funds. With regard to remuneration pursuant to clause 1 the SIT provide additional details of the method, amount and calculation of the payment.

## **Section 23 Financial reporting**

1. The Company will publish an annual report including an income statement pursuant to § 101(1), (2) and (4) KAGB four months after the end of a sub-fund's financial year at the latest.
2. The Company will publish an interim report pursuant to § 103 KAGB two months after the middle of the financial year at the latest.
3. If the right to manage a sub-fund is transferred to another investment management company during the financial year or a sub-fund is merged during the financial year with another UCITS, UCITS *Investmentaktiengesellschaft* with variable capital or EU-UCITS, the Company must prepare an interim report at the transfer date that meets annual report requirements as set out in sub-section 1 above.

## **Section 24 Sub-fund termination and winding up by the Company**

1. The Company may terminate the management of the sub-fund by publishing a notice in the *Bundesanzeiger* and, in addition, in the annual report or interim report. Investors shall be immediately informed of termination pursuant to clause 1 via a durable data medium. Upon notification of its termination in accordance with sentence 1, the Company is obliged to liquidate the sub-fund and distribute the proceeds to the investors.

2. Investment limits no longer need to be observed during liquidation. The obligation to manage the sub-fund only ends once the Company has liquidated the sub-fund.

On the day on which it liquidates the sub-fund, the Company must prepare a liquidation report that meets the requirements for an annual report pursuant to section 23 paragraph 1.

### **Section 25 Winding up the sub-fund by the custodian in cases other than termination by the Company**

1. In the event of the winding up and distribution of the sub-fund by the custodian in accordance with the interests of investors pursuant to § 100 (2) KAGB, the custodian shall be entitled to remuneration for its winding-up activities and to reimbursement of its expenses necessary for the winding up. Investment limits no longer have to be observed in the context of liquidation. With the approval of BaFin, the custodian may refrain from liquidation and distribution and transfer the management of the sub-fund concerned to another capital management company in accordance with the previous investment conditions.
2. If the sub-fund is liquidated by the custodian, the custodian must prepare a liquidation report annually and on the date on which the liquidation is completed, which meets the requirements for an annual report in accordance with section 23 paragraph 1.

### **Section 26 Change of investment management company and custodian**

1. The Company can transfer the management and right of disposal over the UCITS to another investment management company. Transfer will require the prior approval of BaFin.
2. The approved transfer will be published in the *Bundesanzeiger* and also in the annual or interim report as well as in the electronic information media designated in the Prospectus. Transfer will come into effect no earlier than three months after its publication in the *Bundesanzeiger*.
3. The Company can replace the custodian of the UCITS. Replacement will require BaFin approval.

### **Section 27 Amendment of the Investment Terms**

1. The Company can amend the Investment Terms.
2. The amendment of the Investment Terms requires the prior approval of BaFin.
3. All planned amendments will be published in the *Bundesanzeiger* and also in a business or daily newspaper with sufficient circulation or in the electronic information media specified in the Prospectus. Any publication pursuant to clause 1 shall state the envisaged amendments and the date of their entry into force. In the case of cost changes that are detrimental to investors pursuant to § 162(2)(11) KAGB or changes to material investor rights that are detrimental to investors and in the case of amendments to sub-fund investment principles pursuant to § 163(3) KAGB, investors must be informed at the same time together with the publication pursuant to clause 1 of the material content of the planned amendments to the Investment Terms and their background in a comprehensible manner by means of a durable data medium. In the case of changes of previous Investment Terms, investors must additionally be informed of their rights pursuant to § 163(3) KAGB.
4. The changes will come into effect no earlier than the day after their publication in the *Bundesanzeiger* or in the case of changes to costs and investment principles no earlier than four weeks after publication. With the approval of BaFin, an earlier date may be set if the change in costs is to the investor's advantage.

## **Section 28 Place of performance**

The place of performance is the Company's registered office.

## **Section 29 Dispute resolution procedure**

The Company undertakes to participate in dispute resolution procedures before a consumer arbitration board. In the event of disputes, consumers may contact the official consumer arbitration board at the Federal Financial Supervisory Authority (Schlichtungsstelle bei der BaFin, Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, [www.bafin.de/schlichtungsstelle](http://www.bafin.de/schlichtungsstelle)).

## **30 Special Investment Terms - Amundi DAX 50 ESG II UCITS ETF**

# **Special Investment Terms for the UCITS-special sub-fund Amundi DAX 50 ESG II UCITS ETF**

Special Investment Terms (SIT) regulating the legal relationship between the investors and Amundi Luxembourg S.A. registered in Luxembourg (the “Company”) concerning the securities index special sub-fund under German law managed by the Company in accordance with the UCITS Directive Amundi DAX 50 ESG II UCITS ETF (the “sub-fund”),

These Special Investment Terms are invalid unless taken in conjunction with the Company’s General Investment Terms (GIT).

## Investment principles and investment limits:

### Section 1 Assets

1. The Company may purchase the following assets for the sub-fund:
  - a) Securities pursuant to section 6 of the GIT,
  - b) Money market instruments pursuant to section 7 of the GIT,
  - c) Bank deposits pursuant to section 8 of the GIT,
  - d) Units in other funds pursuant to section 9 of the GIT,
  - e) Derivatives pursuant to section 10 of the GIT,
  - f) Other investment instruments pursuant to section 11 of the GIT.
2. The selection of equities, participating certificates, index certificates and individual security certificates aims, subject to appropriate distribution of risk, to track the DAX<sup>®</sup> 50 ESG+ Net Return EUR Index (net performance index) (the “underlying index”).

The underlying index tracks the performance of the 50 companies with the highest ESG ranking, selected from the 75 largest companies by free float market capitalisation of the HDAX<sup>®</sup> index, using ESG exclusion filters and scoring methodologies from the ESG section of data provider International Shareholder Services Inc (“ISS-ESG”) and taking into account the exclusions set out in the current version of Article 12 (1) (a) to g) of the Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (“Delegated Regulation (EU) 2020/1818”).

The following assessment methods and exclusion criteria apply to the companies:

- **ESG Ratings:** The rating for companies is based on a best-in-class approach that assesses the sustainability performance of companies, including their ESG risks, ESG opportunities and ESG impacts along a company's value chain. The assessment as sustainable is based on general as well as sector specific indicators with regard to environmental, social and good governance (ESG issues).

A standard set of indicators for overarching ESG issues is applied to all companies (e.g. energy management, climate strategy, equal opportunities, employee affairs, corporate ethics, corporate governance, etc.). In addition, a predominant number of sector specific indicators are used to assess the key sector specific ESG issues (e.g. for the automotive sector: strategy regarding new mobility concepts, CO2 emissions, alternative drives and fuels, etc.) in order to distinguish best practices from worst practices at sector level.

Differentiated weighting scenarios, in which four to five key issues are identified for each industry that account for more than 50 percent of the total weight in the company assessment, are designed to ensure that the sustainability issues that are most important for a particular industry are taken into account.

The result of this company analysis culminates in an overall rating, the ESG rating, which consists of a multi-level rating system from A+ to D-. Companies with the worst ESG rating of D- are excluded.

The data for the ESG company ratings is obtained, for example, from publicly available information such as the company's own disclosure and reporting documents, public publications, governmental and international institutions, recognised international or local non-governmental organisations.

- **Norms Based Screening:** Companies are assessed against their adherence to international norms on human rights, labour standards, environmental protection and anti-corruption established in the UN Global Compact and the OECD Guidelines. Companies identified as ‘Red’ are excluded. ISS-ESG

identifies companies are 'Red', if they are failing to respect established norms and where the issue remains unaddressed.

• **Controversial Weapons:** Companies must not be involved in Controversial Weapons activities, as identified by ISS-ESG. The following weapons are considered controversial: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium programme, white phosphorus weapons and nuclear weapons (including weapons subject to the Nuclear Non Proliferation Treaty). ISS-ESG's controversial weapons research is designed to identify all companies in a corporate structure that have control over the relevant business activities, i.e., all immediate parent companies up to the ultimate parent. Companies identified as 'Red' are excluded.

• **Business Activities:** Companies that do not meet certain criteria related to tobacco, thermal coal mining, thermal coal mining expansion, thermal coal power generation and expansion, fossil fuels, oil sands, arctic oil and gas exploration, hydraulic fracking, nuclear power service, nuclear power production, nuclear power uranium, civilian firearms and military equipment will be excluded. Companies are excluded that have, according to ISS-ESG:

**Tobacco:**

- more than 0% of revenues from involvement in the production of tobacco products.
- more than 5% of revenues from the wholesale or retail distribution of tobacco products.
- more than 5% of revenues from services related to tobacco products.

**Thermal Coal Mining:**

- more than 1% of their revenues from coal exploration and mining, processing of coke, coal-to-liquids operations, coal gasification (syngas for thermal use), and the marketing of coal.

**Thermal Coal Mining Expansion:**

- any involvement in thermal coal mine development, operation or planning.

**Thermal Coal Power Generation:**

- more than 5% of revenues from coal-fired electric power generation. The values used for the maximum percentage of revenues are based on the best available data. This may include reported revenues, reported revenue percentages or revenue estimates based on available information.

**Thermal Coal Power Generation Expansion:**

- any involvement in coal power expansion or plans to expand.

**Fossil Fuel:**

- more than 10% of their revenues from the extraction of oil (including crude oil, condensate, shale oil, bitumen, synthetic crude oil from oil/tar sands, and heavy oils), refining of oil (including liquefied petroleum gas, naphtha, gasoline, kerosene, diesel, fuel oil, and other combusive oil products), and the distribution of fossil fuels.
- more than 50% of their revenues from the extraction of natural gas (including coalbed/coal seam methane), natural gas processing and gas-to-liquids operations, and the distribution of fossil fuels.
- more than 50% of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh (coal, oil, natural gas, and biomass).

**Oil Sands:**

- more than 5% of revenues from the extraction and processing of oil sands in the most recent fiscal year.

**Arctic Oil & Gas Exploration:**

- more than 5% of revenues from Arctic oil and gas extraction ("Arctic drilling") in the most recent fiscal year.

**Hydraulic Fracturing:**

- more than 5% of revenues from hydraulic fracturing in the most recent fiscal year.

**Nuclear Power Service:**

- more than 1% of revenues from the provision of services to the nuclear power industry, including the supply of key components, technical support, maintenance, and the management of nuclear waste management.

**Nuclear Power Production:**

- more than 1% of revenues from the generation of electric power from nuclear fission.

**Nuclear Power Uranium:**

- more than 1% of revenues from involvement in uranium exploration, extraction, and processing.

**Civilian Firearms:**

- more than 0% of revenues from involvement in the production of civilian firearms and/or the provision of related services.

- more than 5% of revenues from involvement in the distribution of civilian firearms.

**Military Equipment:**

- more than 5% of revenues from involvement in the production of military equipment and/or the provision of related services.

- more than 10% of revenues from involvement in military equipment and services.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818, as amended, shall apply to the companies listed.

From the remaining companies, the top 50 companies in terms of ESG score, sourced from ISS-ESG ESG Performance Score, are then selected into the index. In case less than 50 companies are eligible for inclusion, no additional company will be added and the index will be constituted by less than 50 companies. In case the ESG Score is identical for two companies, the larger company in terms of free float market capitalization is selected.

Further details to the index rules and selection criteria are described in the prospectus. In the prospectus is also mentioned the website of the index provider where the description of the method to calculate the underlying index can be found.

**Section 2 Securities lending and repos**

1. Securities lending pursuant to section 14 of the GIT is prohibited.
2. Repos pursuant to section 15 of the GIT are prohibited.

**Section 3 Investment limits**

1. Section 12 of the GIT applies to investment limits.
2. Derivatives pursuant to section 10 of the GIT may be used only in the following special circumstances in investors' interests and the value of the derivative financial instruments used may not exceed 10% of the sub-fund:
  - a) Liquidity squeezes for particular securities,
  - b) special capital measures,
  - c) more efficient cash management,
  - d) more accurate mapping of the underlying index or similar actions.
3. The sub-fund may in total invest up to 10% of its assets in units of other German or foreign undertakings for collective investment in transferable securities (UCITS) or undertakings for collective investment (UCI). The sub-fund is therefore an eligible target fund for umbrella funds.

4. Subject to the investment limits set at sub-sections 1 to 3 above, at least 92% of the value of the sub-fund will be put into equity investments pursuant to §2(8) InvStG. For these purposes, equity investments are:
  - a) units in corporations that are admitted to official trading on a stock market or that are admitted to, or included in, another organised market;
  - b) units in corporations registered in a Member State of the European Union or in another country which is a signatory to the Agreement on the European Economic Area and that are in that country subject to, and not exempt from, corporation tax;
  - c) shares in corporations registered in a third country that are in that country subject to, and not exempt from, at least 15% corporation tax;
  - d) units in other investment funds, either to the value of the proportion of their value, as published each valuation day, that is actually invested in said corporate units or to the value of the minimum investment specified in the other investment fund's Investment Terms.

#### **Unit classes:**

#### **Section 4 Unit classes**

1. Unit classes pursuant to section 17(1) of the GIT may be created for the sub-fund that may present a range of different features as regards application of income, entry and exit fees, flat-rate fee, minimum investment, unit currency, unit value, currency hedging transactions or a combination of all these features. Unit classes may be created at any time as the Company sees fit. The following unit classes have been created:
  - Amundi DAX 50 ESG II UCITS ETF Dist
2. All units within the same unit class carry the same rights.
3. Unit value for each unit class is calculated separately since each unit class is attributed its own launch costs, distributions (including tax attributable to fund assets), flat-rate fees and income netting.
4. Existing unit classes are individually listed in the Prospectus and in the annual and interim reports. Details of the key features of each unit class are given in the Prospectus and in the annual and interim reports.
5. The conclusion of currency hedging transactions for a single unit class is not provided for, but they are in principle permitted. Only the following currency hedging instruments are permitted: forward exchange contracts, currency futures, currency options, currency swaps and other currency hedging transactions so long as they are derivatives pursuant to § 197(1)(1)KAGB. Expenditure and revenue on currency hedging transactions must be allocated to the relevant unit class alone.
6. In addition, the creation of unit classes for the separation of illiquid assets is permitted in accordance with section 19 of the GIT.

#### **Units, entry and exit fees, unit redemption and expenses:**

#### **Section 5 Units**

1. Amundi DAX 50 ESG II UCITS ETF Dist units are bearer units.
2. Each investor is co-owner of sub-fund assets *pro rata* of the number of units he holds.

3. The Company is authorised to terminate an investor's contract for good cause. Good cause exists in particular if
  - a) the investor is a US person (i.e. a natural person resident in the USA or a partnership or corporation established under the laws of the USA or a US state, US territory or US possession) or a person subject to tax in the USA, or
  - b) the investor's name has been added to the EU Commission's Consolidated list of persons, groups and entities subject to EU financial sanctions.

Upon receipt of the notice of cancellation, the investor is obliged to return the units received to the Company without delay. The Company is obliged to redeem the units at the applicable redemption price for the account of the sub-fund.

## **Section 6 Entry and redemption fees, charges**

1. The Company charges an anti-dilution-levy payable to the sub-fund when issuing or redeeming units. A description of the possibility and conditions of an anti-dilution-levy is included in the prospectus.
2. The entry fee is 5% of unit value. The Company may apply a lower entry fee. The entry fee is for the account of the Company.
3. The exit fee is 5% of unit value. The Company may apply a lower exit fee. The exit fee is for the account of the Company. No exit fee is charged on redemption via the stock market.

## **Section 7 - Expenses**

1. The Company will be paid from Fund assets for its management of the Amundi DAX 50 ESG II UCITS ETF Dist unit class of the sub-fund a daily flat-rate fee of 1/365 (in leap years: 1/366) of up to 0.23% based on NAV determined each valuation day pursuant to section 21 of the GIT. The Company may apply a lower flat-rate fee.
2. In the Prospectus and in the annual and interim reports the Company specifies the flat-rate fee charged per unit class.
3. The flat-rate fee is payable to the Company quarterly in arrears.
4. The flat-rate fee mentioned at sub-section 1 above covers all Company and third party (e.g. custodian, auditor etc.) services unless otherwise stated under sub-section 5 et seq. below. The flat-rate fee at sub-section 1 above covers the following costs in particular:
  - a) Remuneration for the management of the sub-fund (fund management, administrative activities);
  - b) Remuneration of the custodian;
  - c) Customary bank custody account and account fees, including the customary bank costs for the safekeeping of foreign assets abroad, if applicable;
  - d) Costs of printing and dispatching the sales documents required by law for investors (annual and semi-annual reports, sales prospectus, key investor information, key information document);
  - e) Costs of publishing the annual and semi-annual reports, the issue and redemption prices and, where applicable, the distributions or reinvestments and the liquidation report;
  - f) Costs of preparing and using a durable medium provided for by contract or law, except in the case of information on mergers of investment funds and except in the case of information on measures in connection with breaches of investment limits or calculation errors in determining the unit value;
  - g) Costs for the audit of the sub-fund by the auditor of the investment fund;
  - h) Costs of publishing tax bases and certification that tax information complies with German tax law;
  - i) The fees and charges applied by government offices to the sub-fund;

- j) Legal and tax consultancy fees for the sub-fund;
  - k) Costs and fees associated with the purchase and/or use or naming of a benchmark or financial index;
  - l) Costs of organising, maintaining and terminating stock market quotation for units;
  - m) Costs of appointing proxies;
  - n) Costs of third-party analysis of sub-fund investment performance;
  - o) Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a specific sector or a specific market;
  - p) Taxes, in particular value added tax, which are incurred in connection with the expenses mentioned in letters a) to o) above and which are to be reimbursed by the sub-fund.
5. Sub-section 1 above does not apply to the cost of purchasing and selling assets (transaction costs) plus value added tax, if applicable.
  6. Sub-section 1 above does not apply to the expense of legal claims asserted and brought by the Company on behalf of the sub-fund or of defending claims brought against the Company that are detrimental to the sub-fund plus value added tax, if applicable.

These expenses can be charged to the sub-fund in addition to the flat-rate fee described at sub-section 1 above.

7. In its annual report and interim report the Company is required to publish total entry and exit fees received by the sub-fund during the reporting period on the purchase and redemption of units pursuant to § 196 KAGB. Where units are purchased that are managed directly or indirectly by the Company itself or another company with which the Company is associated via a material direct or indirect holding, the Company or the other company may not charge entry or exit fees on purchases or redemptions. In its annual and interim report, the Company is required to disclose the remuneration the sub-fund has received from the Company, other (investment) fund management companies or other companies with which the Company is associated through a material direct or indirect holding, in the form of flat-rate fees for units held in the sub-fund.

## **Application of profit and financial year:**

### **Section 8 Distributions**

1. Distributing unit classes: the Company in principle makes a distribution of the proportion of interest, dividends and other income obtained on behalf of the sub-fund during the financial year that has not been applied to cover costs – subject to the relevant netting out of earnings. Disposal gains – subject to the relevant netting out of earnings – may also be included in distributions *pro rata*.
2. Final distribution is made within four months of the close of the financial year. The Company may also make interim distributions throughout the year.
3. The Company may decide the amounts of interim distributions at its own discretion. It is not required to distribute the entirety of the distributable income collected, pursuant to sub-section 1, at the time of the interim distribution, but can carry forward the ordinary income until the next distribution date.
4. The distributable portion of income pursuant to sub-section 1 can be carried forward for distribution in subsequent financial years so long as the total income carried forward does not exceed 15% of the value of the sub-fund at the end of the financial year. Income from incomplete financial years can be carried forward in full.

5. In order to maintain intrinsic value, *pro rata* income can be in part, or in special circumstances entirely, reinvested in the sub-fund.
6. The following unit class is distributing:
  - Amundi DAX 50 ESG II UCITS ETF Dist

### **Section 9 Income reinvestment**

In the case of reinvesting unit classes the Company makes *pro rata* reinvestment in the sub-fund of the interest, dividends and other income obtained on behalf of the sub-fund during the financial year and not applied to cover costs – subject to the relevant netting out of earnings – and the gains on the disposal of reinvesting unit classes.

### **Section 10 Application of income**

If the sub-fund has no unit classes, income will be distributed. Section 8 applies accordingly.

### **Section 11 Financial year**

The financial year of the sub-fund starts on 1 July each year and ends on 30 June the following year.

### **Section 12 Redemption period and restriction of unit redemption**

The Company may temporarily restrict the redemption of units on a *pro rata* basis (redemption restriction) if the redemption requests of investors on a given valuation date reach at least 10 per cent of the net asset value (threshold). A description of the possibility and conditions for a redemption restriction is contained in the prospectus.