

AMUNDI HK MPF SERIES (the “Trust”)

THIS NOTIFICATION IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE. THE MANAGER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS NOTIFICATION AS BEING ACCURATE.

**To Unitholders of
Amundi HK MPF Series:
Amundi HK – Green Planet Fund (the “Sub-Fund”)**

31 December 2019

Dear Unitholders,

Re: Amendments to reflect requirements under the revised Code on Unit Trusts and Mutual Funds and the Circular regarding Green or ESG funds and Enhancement of Disclosures on CRS

Changes pursuant to the revised Code

The Trust and the Sub-Fund are subject to the Code on Unit Trusts and Mutual Funds (“**Code**”) issued by the Securities and Futures Commission in Hong Kong (“**SFC**”). The Code has been revised. The Trust Deed has been amended by way of a third supplemental deed (“**Third Supplemental Deed**”) and the Explanatory Memorandum has been amended by way of a revised explanatory memorandum (“**Revised Explanatory Memorandum**”) to reflect the requirements under the revised Code.

The following key changes (“**Code Changes**”) have been made to the Trust Deed and the Explanatory Memorandum (where applicable) to reflect the requirements under the revised Code:

1. Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.
2. Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapter 7 of the revised Code, including but not limited to amendments in relation to the following: spread of investments, commodities, restrictions on making loans, limitations on borrowing, financial derivative instruments, securities financing transactions and collateral etc. For the avoidance of doubt, the investments by the Sub-Fund shall comply with the more stringent restrictions and requirements as applicable under the Mandatory Provident Fund Schemes (General) Regulation, the Code on MPF Investment Funds and the Code.

Currently, the Manager may acquire futures and options contracts for the account of the Sub-Fund for hedging purposes as permitted under the Mandatory Provident Fund Schemes (General) Regulation, the Code on MPF Investment Funds and the Code. The Sub-Fund’s net exposure relating to financial derivative instruments (“net derivative exposure”) may be up to 50% of its latest available Net Asset Value. The net derivative exposure of the Sub-Fund is calculated in accordance with the requirements and guidance issued by the SFC.

3. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
 - (a) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;

- (b) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where the Sub-Fund is terminated; and
- (c) additional disclosures regarding the Manager's Collateral Valuation and Management Policy.

Please refer to the Revised Explanatory Memorandum and the Third Supplemental Deed for further details.

Changes pursuant to the ESG Circular

The SFC issued a circular regarding green or ESG (i.e. environmental, social and governance) funds on 11 April 2019 ("**ESG Circular**"). The ESG Circular sets out disclosure guidelines for SFC-authorized funds with investment focus on climate, green, environmental or sustainable development. The ESG Circular applies to the Sub-Fund which adopts ESG investment focus. Consequently, the Explanatory Memorandum has been enhanced by way of the Revised Explanatory Memorandum to reflect the disclosures requirements under the ESG Circular ("**ESG Changes**"). The product key facts statement of the Sub-Fund ("**KFS**") has also been amended accordingly.

A summary of the ESG Changes is set out in Annexure A enclosed with this Notice.

A description of risks associated with the Sub-Fund's green investment theme is also added to the Explanatory Memorandum and KFS.

Please refer to the Revised Explanatory Memorandum and KFS for further details.

Enhanced Disclosures on the Automatic Exchange of Financial Account Information ("**AEOI**") and other tax-related matters

The Inland Revenue (Amendment) (No.3) Ordinance (the "**Ordinance**") establishes the legislative framework for the implementation in Hong Kong of the Standard for AEOI (also referred to as the Common Reporting Standard ("**CRS**") in Hong Kong. The Trust and the Sub-Fund are required to comply with the requirements of CRS as implemented by Hong Kong, which means that with effect from 1 January 2020, the Fund, the Sub-Fund and/or its agents shall collect the relevant tax information relating to Unitholders and prospective investors and provide such information to the Inland Revenue Department. The Trust Deed has been amended by way of the Third Supplemental Deed and the Explanatory Memorandum has been amended by way of the Revised Explanatory Memorandum to reflect the requirements under CRS ("**CRS Changes**").

In addition, the Explanatory Memorandum has been amended by way of the Revised Explanatory Memorandum to reflect the latest position with respect to US Foreign Account Tax Compliance Act (FATCA) and taxation in Hong Kong ("**Other Tax-related Changes**").

Please refer to the Revised Explanatory Memorandum and the Third Supplemental Deed for further details.

Implication of Changes

Save as disclosed in this Notice, the Code Changes, the ESG Changes, CRS Changes and Other Tax-related Changes (collectively, the "**Changes**") do not result in any material change to the investment objective and risk profile of the Sub-Fund. There is no increase in the fees payable out of the assets of the Sub-Fund as a result of the Changes. The Changes do not result in a change in the manner in which the Trust and the Sub-Fund currently operate or are being managed save as disclosed in this Notice.

Documents available for inspection

The Explanatory Memorandum, along with the Revised Explanatory Memorandum, revised KFS, and the Trust Deed (and any supplemental deeds) are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at 901-908, One Pacific Place, No.88 Queensway, Hong Kong and copies thereof may be obtained from the Manager.

Concerning enquiries on the above, please contact the Manager at (852) 2521 4231.

Yours faithfully,

Amundi Hong Kong Limited

東方匯理資產管理香港有限公司

ANNEXURE A

SUMMARY OF THE ESG CHANGES

Current	From the Effective Date
<p>Investment Objective</p> <p>The Investment Fund aims to provide investors with long term capital appreciation through well diversified investments in global equities principally by investing in companies according to (1) their environmental ratings and (2) financial performance expectations, with a view to outperforming the MSCI World Index over the medium to long term.</p>	<p>Investment Objective</p> <p>The Investment Fund aims to provide investors with long term capital appreciation through well diversified investments in global equities principally <u>(i.e. at least 70% of its latest available Net Asset Value)</u> by investing in companies according to (1) their environmental ratings and (2) financial performance expectations, with a view to outperforming the MSCI World Index over the medium to long term.</p>
<p>Investment Strategy</p> <p>The Investment Fund intends to invest fully in equity securities. Subject to the limitations required by the MPF (General) Regulation, the Investment Fund may also invest in exchange traded funds and in convertible bonds or authorized unit trust or authorized mutual fund permitted by the MPF (General) Regulation for performance management purposes.</p>	<p>Investment Strategy</p> <p>The Investment Fund intends to invest fully in equity securities <u>but, subject</u> to the limitations required by the MPF (General) Regulation, the Investment Fund may also invest <u>up to 30% of its latest available Net Asset Value in cash deposits, index-tracking collective investment schemes, convertible bonds and/or authorized unit trust(s) or authorized mutual fund(s) permitted by the MPF (General) Regulation for performance management purposes. In selecting such index-tracking collective investment schemes, convertible bonds and authorized unit trust or authorized mutual fund for investment by the Investment Fund, the Manager will not take into account the environmental criteria mentioned herein.</u></p> <p><u><i>Stock selection policy</i></u></p> <p><u>The Investment Fund aims to minimize adverse environmental impact by going overweight (i.e. purchase or increase the Investment Fund's investments) on securities of companies with a comparatively good environmental profile while going underweight (i.e. dispose of or reduce the Investment Fund's investments) on securities of companies with a comparatively poor environmental profile.</u></p> <p><u>The Manager will select the securities for investment by the Investment Fund from the constituent securities of the MSCI World</u></p>

Index (which covers all the major world stock markets including but not limited to North America, Europe, Asia and Japan) with reference to the companies' environmental profile as determined by the Manager's proprietary environmental rating which considers multiple criteria (as discussed below) as well as financial parameters.

In addition, environmental criteria and exclusion policy (as discussed below) are also taken into consideration throughout the stock selection process.

The Investment Fund may also hold non-constituent securities albeit for a short period of time due to corporate actions such as spinning-off, or index rebalancing. The Investment Fund will not invest in emerging market equities.

Proprietary environmental rating methodology

In order to assign an environmental rating to all the companies in the Investment Fund's investment universe, the Manager has developed a proprietary environmental rating methodology combining a quantitative approach with a qualitative analysis.

- Qualitative analysis involves ESG analysis based on universally recognised international texts, such as the United Nations Global Compact, the Kyoto Protocol, the Sustainable Development Goals etc.
- On the quantitative approach, the Manager's ESG research team leverages on the extra-financial data provided by suppliers, including ESG scores, ESG controversies and other ESG-related information, such as data on carbon emission, use of fossil fuels and green energy.

Exclusion policy

The Manager intends to exclude companies that attain the lowest 30% environmental rating from the Investment Fund's investment universe (i.e. the constituent securities of the MSCI World Index), and include companies with a comparatively good environmental rating in the portfolio to

achieve an overall better environmental profile relative to the MSCI World Index.

The exclusion policy is also based on the Manager's carbon exclusion policy, which is in accordance with its parent company, Crédit Agricole Group's commitments to combating climate change and managing the energy transition. The Manager applies specific sectoral exclusions to industries which the Manager considers to be controversial including coal and tobacco. By assigning an environmental rating of the lowest grade to the companies within these industries.

Environmental criteria considered

The Manager will take into account the following environmental criteria or attributes when selecting the securities to be invested by the Investment Fund: low emissions and energy use, renewable energy, green car, green chemistry, sustainable construction, responsible forest management, paper recycling, green investing, green insuring, green business, and water waste management, recycling, biodiversity and pollution control. It is expected that up to 100% of the securities invested by the Investment Fund will reflect these stated green focus.

Performance benchmark

The performance of the Investment Fund is benchmarked against the MSCI World index. The Manager does not benchmark the performance of the Investment Fund against any ESG benchmark.