

AMUNDI HARVEST FUNDS

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.

Capitalised terms in this notice have the same meaning as in the Explanatory Memorandum of the Fund and the Sub-Fund (as defined below) (the “**Explanatory Memorandum**”) unless otherwise specified.

**To Unitholders of
Amundi Harvest Funds**

31 December 2019

Dear Unitholders,

Re: Amundi Harvest Funds (the “Fund”) and the following sub-fund of the Fund:

- **Amundi Vietnam Opportunities Fund (the “Sub-Fund”)**

We are writing to inform you of certain changes to the Fund and the Sub-Fund. The details are set out below.

A. Amendments to Reflect Requirements under the Revised Code on Unit Trusts and Mutual Funds

The Fund 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 supplemental deed (“**Supplemental Deed**”) and the Explanatory Memorandum has been revised to reflect the requirements under the revised Code.

The following key changes (“**Changes**”) have been made to the Trust Deed and/or 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, etc.

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this notice.

The Sub-Fund will not use financial derivative instruments for any purposes.

3. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
 - (a) enhanced disclosures relating to the valuation policy of the Sub-Fund;
 - (b) enhanced disclosures relating to details of liquidity risk management of the Sub-Fund;
 - (c) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;

- (d) enhanced disclosures on the custody arrangements in respect of the assets of the Fund and the Sub-Fund;
- (e) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where the Sub-Fund is terminated;
- (f) enhanced disclosures on the Performance Fee including illustrative examples to demonstrate the charging method; and
- (g) other miscellaneous and enhancements of disclosure.

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

Save as disclosed in this notice, the Changes do not result in any material change to the investment objective and risk profile of the Sub-Fund. There will be 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 any change in the manner in which the Fund and the Sub-Fund currently operate or are being managed save as disclosed in this notice.

B. Miscellaneous updates

The following changes have also been made to the Explanatory Memorandum:

1. Updates to the disclosures under the section "TAXATION AND REGULATORY REQUIREMENTS" of the Explanatory Memorandum; and
2. Other enhancement of disclosures and miscellaneous amendments.

The latest Explanatory Memorandum, Product Key Fact Statement of the Sub-Fund, the latest financial reports of the Fund 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 KEY REVISED INVESTMENT RESTRICTIONS

The key amendments to the investment restrictions are as follows:

- (a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than government and other public securities) through the following may not exceed 10% of its latest available Net Asset Value:
 - (i) investments in securities issued by that entity;
 - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.
- (b) subject to the requirements under the revised Code, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its latest available Net Asset Value:
 - (i) investments in securities issued by those entities;
 - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.
- (c) the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of its latest available Net Asset Value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.
- (d) a Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC and disclosed in the investment policies of the Sub-Fund.
- (e) subject to the requirements under the revised Code, a Sub-Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- (f) the maximum borrowing of a Sub-Fund has been reduced to 10% of its latest available Net Asset Value. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.