Amundi
ASSET MANAGEMENT
東方匯理 資產管理

PRODUCT KEY FACTS

Amundi HK – Asian Bond Fixed Maturity Fund 2023 (a sub-fund of Amundi HK Portfolios)

Issuer: Amundi Hong Kong Limited

March 2022

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Explanatory Memorandum.***
- ***You should not invest in this product based on this statement alone.***

Quick Facts

Manager:	Amundi Hong Kong Limited 東方匯理資產管理香港有限公司
Sub-Investment Manager:	Amundi Singapore Limited (Singapore, internal delegation)
Trustee:	HSBC Institutional Trust Services (Asia) Limited 滙豐機構信託服務（亞洲）有限公司
Dealing Frequency:	Daily (any business day[1] or such other day or days as the Manager and the Trustee may determine from time to time).* * Amundi HK – Asian Bond Fixed Maturity Fund 2023 (the "Sub-Fund") is open for subscription from 14 April 2020 to 29 April 2020 (the "Initial Offer Period") for Class Classic. The Sub-Fund will be closed to subsequent subscriptions after the Initial Offer Period, unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund to subsequent subscriptions. Notwithstanding the above, unitholders may continue to redeem their units at any time, including after the Sub-Fund has been closed to subsequent subscription. Conversion between classes of units of the Sub-Fund and conversion of units of another fund into units of the Sub-Fund are not allowed.
Ongoing charges over a year#:	Class Classic USD – Distribution 1.10% Class Classic HKD – Distribution 1.10%
Base currency:	USD
Dividend policy :	For Distribution classes: Dividends will be declared and paid monthly (however, the rate of distribution is not guaranteed)^ ^ The Sub-Fund will not pay any distributions for the first two calendar months after the Sub-Fund's launch date. Dividend payments may, at the sole discretion of the Manager, be made out of the Sub-Fund's income and/or capital, or be paid out of gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund, in which case, the Sub-Fund is effectively paying dividends out of capital. Distributions out of capital or effectively out of capital may result in an immediate decrease of the net asset value per unit of the Sub-Fund.
Financial year end:	31 December
Min. Investment: **(in USD or equivalent in the relevant class currency)**	Initial: USD1,000 or HKD8,000 Additional: No additional subscription after the Initial Offer Period, unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund to subsequent subscriptions. In the event that a particular class or classes of units of the Sub-Fund is re-opened for subscription after the Initial Offer Period, unitholders will be notified of the minimum additional investment amount.

The ongoing charges figure is based on the expenses for the period from 1 January 2021 to 31 December 2021 and expressed as a

[1]Means a day (other than a Saturday and a Sunday) on which banks in Hong Kong and Singapore are open for normal banking business or such other day or days as the Manager and the Trustee may agree from time to time, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong and Singapore are open on any day is reduced, such day shall not be a business day unless the Manager and the Trustee determine otherwise.

percentage of the average net asset value for the corresponding period. This figures may vary from year to year.

What is this product?

Amundi HK – Asian Bond Fixed Maturity Fund 2023 is a sub-fund constituted in a form of unit trust under Amundi HK Portfolios which is an umbrella unit trust governed by the laws of Hong Kong.

The Sub-Fund will be terminated automatically at the end of the investment period, which is expected to be on or around 31 May 2023 (the "Maturity Date").

Investment Objectives

The Sub-Fund aims to generate income throughout the investment period and return the investment capital upon maturity (for the avoidance of doubt, the Sub-Fund is not a guarantee or capital-protected product). The Sub-Fund seeks to achieve its investment objective by providing unitholders with exposure to a buy-and-hold portfolio of USD denominated debt securities with active risk monitoring and investing in investment grade debt securities over a fixed investment period of approximately 3 calendar years from the close of the Initial Offer Period up to the Sub-Fund's Maturity Date.

Investment Strategy

The Sub-Fund will invest at least 70% in USD denominated debt securities issued by issuers including (i) governments, government and public agencies and supra-nationals in Asia and (ii) corporations which are incorporated in Asia or have significant operations or assets in, or derive a significant portion of revenue or profits from Asia, which may include issuers located in emerging as well as developed markets.

For the purposes of the Sub-Fund, debt securities include but are not limited to convertible, exchangeable and non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, callable and putable bonds, transferable notes, commercial papers, certificates of deposits of variable or fixed interest rates (including negotiable certificates of deposits), listed, traded or dealt in regulated markets or exchanges, capital securities with fixed income features (e.g. perpetual bonds and subordinated debts), preference shares with fixed income features, as well as short term bills and notes.

The Sub-Fund will invest:

- more than 60% of the net asset value in investment grade debt securities; and
- less than 40% of the net asset value in non-investment grade debt securities and unrated debt securities.

For the purposes of the Sub-Fund, investment grade debt securities are defined as debt securities which (or if such securities are unrated, the issuer of which) are rated at least BBB- by Standard & Poor's (or other equivalent credit ratings assigned by internationally recognised credit rating agencies). For split credit ratings, the highest rating assigned by an internationally recognised credit rating agency shall apply. Any debt securities which (or the issuer of which) are not rated by any international rating agency such as Moody's, Standard & Poor's or Fitch will be considered as "unrated".

On inception date, the Sub-Fund shall invest in a portfolio of debt securities which will have an overall average credit rating of at least BBB- by Standard & Poor's (or other equivalent credit ratings assigned by internationally recognised credit rating agencies). Following its inception date, the Manager and the Sub-Investment Manager will have no obligation to comply with the overall average credit rating set out above in respect of the portfolio of debt securities that were invested by the Sub-Fund on its inception date.

The Sub-Fund may invest in debt instruments with loss-absorption features ("LAP"), for example, contingent convertible debt securities, debt instruments that meet the qualifying criteria to be Additional Tier 1 Capital under the Banking (Capital) Rules, etc. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Sub-Fund's expected total maximum investments in LAP will be less than 10% of its net asset value.

The Sub-Fund may invest in financial derivative instruments for hedging purposes only.

The Sub-Fund will not invest in equities, collective investment schemes, asset-backed securities (including mortgage-backed securities) or asset-back commercial paper.

The Sub-Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single sovereign/government issuer (including its government, public or local authority) with a credit rating below investment grade.

The Sub-Fund will adopt a buy and hold strategy with active risk monitoring. The Manager will actively monitor and manage the risk level of the portfolio during the investment period. When the credit rating of an instrument or issuer falls below investment grade or its credit profile deteriorates in the opinion of the Manager after initial purchase, the Manager will, at its full discretion, decide whether to hold or sell such instrument after considering various factors, including but not limited to risk of default, time to maturity, liquidity and market price, and re-invest the sale proceeds in other debt securities within the scope of the above investment strategy.

The maturity or remaining investment term of at least 70% of the Sub-Fund's underlying investments will be shorter than the Sub-Fund's investment period. Proceeds received from instruments maturing before the Maturity Date shall be reinvested or held in term deposits, money market instruments, short-term debt instruments and other cash and cash equivalents at the Sub-Investment Manager's discretion. Within the six-month period immediately preceding the Maturity Date, the Sub-Fund may invest more than 30% of its net asset value in money market instruments, US Treasury bills / notes and/or other short-term debt instruments. Further, within the three-month period immediately preceding the Maturity Date, the Sub-Fund may hold up to 100% of its net asset value in cash and cash equivalents in anticipation of distributing investment proceeds to investors upon the Sub-Fund's maturity. Consequently, the investments held by the Sub-Fund may not be reflective of the Sub-Fund's investment strategy disclosed herein upon the maturity of the Sub-Fund's underlying investments in debt securities as the Maturity Date approaches.

The Sub-Fund is expected to have an investment period of approximately 3 calendar years and the Sub-Fund will be terminated automatically at the Maturity Date. Unitholders will be notified by way of a termination notice at least one month prior to the Maturity Date to confirm the termination of the Sub-Fund. Any costs associated with such termination will be borne by the Sub-Fund. All units will be compulsorily redeemed at the Maturity Date and proceeds will be distributed to unitholders (who hold units in the Sub-Fund as at the Maturity Date) according to the then net asset value of the Sub-Fund. The costs associated with such termination are estimated to be approximately USD 20,000 and shall be amortised over the period from the close of the Initial Offer Period up to the Maturity Date, and any costs in excess will be borne by the Manager.

The Manager currently does not intend to enter into any securities financing transactions in respect of the Sub-Fund.

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's latest available net asset value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. General investment risk: The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

2. Neither income, return nor capital of the Sub-Fund is guaranteed or protected: There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. Neither the income, the return nor the capital of the Sub-Fund is guaranteed. The value of investments and the income derived from such investments may fall as well as rise. There are risks that investors may not recoup the original amount invested in the Sub-Fund during the investment period as well as at the Maturity Date. Investment in the Sub-Fund may decline in value and investors should be prepared to sustain a substantial or total loss of their investment.

3. Limited duration risk: Investors should note that the duration of the Sub-Fund is limited (i.e. up to the Maturity Date). The Sub-Fund will be terminated automatically at maturity and is expected to have an investment period of approximately 3 calendar years. Although investors are entitled to redeem their holdings in the Sub-Fund during the investment period, they are advised to consider whether the expected investment period of 3 calendar years is suitable for their intended objectives before they invest in the Sub-Fund. In view of the Sub-Fund's operational features, in case investors redeem from the Sub-Fund before the Maturity Date: (a) neither the income nor the capital of the Sub-Fund is guaranteed at maturity and realisation of units prior to the Maturity Date will be subject to the value of the portfolio of instruments held by the Sub-Fund. Therefore, realisation proceeds may be lower or higher than the investors' initial investments and there is no guarantee that the investor will receive the full amount of their original investment; (b) such realisations may be subject to downward swing pricing adjustment of up to 2% of the original net asset value if the aggregate net investor(s) transactions in units of the Sub-Fund exceed a pre-determined threshold; (c) the decrease in fund size of the Sub-Fund resulting from the realisations will have an immediate impact on the ongoing charges figure (as a percentage of the Sub-Fund's net asset value), and may lead to adverse impact on investors' return; (d) the realisations by investors prior to the Maturity Date, if significant, may trigger the early termination of the Sub-Fund (details of triggering events are set out under "Early termination risk" below); and (e) deterioration in the liquidity of the Sub-Fund's underlying investments may also affect the Sub-Fund's ability to pay out realisation or termination proceeds to investors.

4. Prepayment and reinvestment risk: The issuers of debt securities (especially those issued at high interest rates) may repay principal before the maturity of the instruments. Prepayments may cause losses on instruments purchased at a premium. Unscheduled prepayments for debt securities recalled at par may result in a loss equal to any unamortised premium. Repayment of principal before the Sub-Fund's maturity as well as the re-investment of cash proceeds from the sale of debt securities where a potential deterioration of credit profiles is anticipated by the Manager or proceeds received from instruments maturity before the Maturity Date create out of market risk and the uncertainty of gaining access to debt securities delivering similar yield to maturity, thus resulting in lower interest income and returns to the Sub-Fund.

5. Substantial realisation risk: If there are substantial realisations within a short period of time, the Sub-Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Sub-Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Sub-Fund may immediately increase the ongoing charges of the Sub-Fund as a percentage of the Sub-Fund's net asset value and may have an adverse impact on investors' return. Substantial realisations may render the size of the Sub-Fund to shrink significantly and trigger the Sub-Fund to be early terminated (see "Early termination risk" below).

6. Early termination risk: The Sub-Fund may be terminated in certain circumstances, including where, in relation to the Sub-Fund, the net asset value of the units outstanding thereunder is less than USD30 million (or its equivalent in other currencies) or a class of units may be terminated where the aggregate net asset value of the units outstanding in respect of such class of units is less than USD10 million (or its equivalent in other currencies). Unitholders will be notified by way of a termination notice at least one month prior to the early termination date. In the event of early termination of the Sub-Fund, the Sub-Fund would have to distribute to the unitholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the Sub-Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the unitholders. Unitholders should note that in case of early termination of the Sub-Fund, the amount distributed to them may be less than the amount of their initial investment, and the unitholders will not be entitled to nor compensated for the distributions which would be made if the Sub-Fund were not terminated early. Moreover, any termination costs which have been amortised up to the early termination date will be utilised to pay the Sub-Fund's expenses associated with the termination and any expenses in excess will be borne by the Manager.

7. Limited subscription risk: With regard to the Sub-Fund's Initial Offer Period, in the event that (i) the minimum total subscription amount of USD50 million (or such other minimum amount as may be determined by the Manager at its sole discretion) is not received during the Initial Offer Period or (ii) the Manager is of the opinion that it is not in the commercial interests of investors or not feasible, as a result of adverse market conditions or otherwise, to proceed with the launch, the Manager may in its discretion extend the Initial Offer Period for the relevant class of units of the Sub-Fund or determine that the relevant class of units or the Sub-Fund and the class or classes of units relating to it will not be launched. In such case, investors will be informed of (i) the extension of the Initial Offer Period and any corresponding change to the Maturity Date or (ii) the decision not to proceed with the launch. In the event that the Manager decides not to proceed with the launch, any subscription monies shall be promptly returned to them in full (without any interest) less any applicable bank charges, after the close of the Initial Offer Period. In addition, the Sub-Fund will be closed to subsequent subscriptions after the Initial Offer Period and no subsequent subscription to the Sub-Fund will be accepted, unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund for subscription after the Initial Offer Period. **For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if a particular class or classes of units of the Sub-Fund is re-opened to subsequent subscriptions in the circumstance above.**

8. Risks associated with debt securities:

The Sub-Fund may invest, directly or indirectly via investments in the underlying funds, in debt securities and is thus subject to the following risks associated with debt securities:

- Credit / Counterparty risk: The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that the Sub-Fund may invest in.
- Interest rate risk: Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Downgrading risk: The credit rating of a debt security or its issuer may subsequently be downgraded. In

the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt securities that are being downgraded.

- Risk associated with debt securities rated below investment grade or unrated: The Sub-Fund may invest in debt securities rated below investment grade by an internationally recognised rating agency or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- Sovereign/government debt risk: The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign/government issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign/government debt issuers.
- Valuation risk: Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.
- Credit rating risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

9. Concentration risk: The Sub-fund's investments are concentrated in the Asian region. The value of the Sub-Fund may be more volatile than that of a sub-fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asian market.

10. Emerging market risk: The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/controls, political and economic uncertainties, policy, legal or regulatory event and taxation risks, settlement risks, custody risks and the likelihood of a higher degree of volatility.

11. Currency risk: The Sub-Fund may be invested in whole or in part in underlying assets quoted in other currencies than the Sub-Fund's base currency. The performance and the net asset value of the Sub-Fund may therefore be affected unfavourably by movements in the exchange rate between these currencies and the base currency of the Sub-Fund and by changes in exchange rate controls. As a result of the Sub-Fund's exposure to currency risk, the Sub-Fund may suffer loss.

12. Risks related to distribution policy: For distribution classes, the Manager may at its discretion determine to pay dividends out of capital and/or effectively out of capital of the Sub-Fund, amounting to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per unit of the Sub-Fund.

Investments in the distribution classes are not an alternative to a savings account or fixed-interest paying investment. The amount of distributions paid by the distribution classes is unrelated to expected or past income or returns of these unit classes or the Sub-Fund. The distribution can thus be higher or lower than the income and return that were effectively realized. The distribution classes will continue to distribute in periods that the Sub-Fund has negative returns or is making losses, which further reduces the net asset value of the Sub-Fund. In extreme circumstances, investors may not be able to get back the original investment amount.

In addition, the amount of distributions for the distribution classes will be determined at the discretion of the Manager in terms of the relevant class currency and will not take into account the fluctuations in the exchange rate between the base currency of the Sub-Fund and the relevant class currency subsequent to the determination of the amount of distributions in terms of the relevant class currency.

How has the fund performed?

- Past Performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- Class Classic USD distribution class denominated in the Sub-Fund's base currency is chosen by the manager as the representative unit class.
- These figures show by how much the unit class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2020
- Class launch date: 2020

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	What you pay
Subscription fee (Preliminary Charge)	Classic Classes: 3% of the issue price (maximum)
Switching fee	Classic Classes: 1% of the issue price of the new units (maximum)##
Redemption fee (Realisation Charge)	Classic Classes: Current is none (subject to a maximum of 2% of the realisation price prior to the Maturity Date)## ## Although the Sub-Fund does not charge a redemption fee currently, for realisations before the Maturity Date, the Manager may make price adjustments. Investors may also be subject to price adjustments when they switch out of the Sub-Fund by realisation. The rate of adjustment will be at a pre-defined rate and may vary over time but may not exceed 2% of the original net asset value per unit. As the Sub-Fund will be closed to subsequent subscriptions after the Initial Offer Period (unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund to subsequent subscriptions), in practice after the Initial Offer Period (except during the re-opened period) only downward price adjustment may be triggered for redeeming investors (including investors who switch out of the Sub-Fund by realisation), when the aggregate net realisations exceed a pre-determined threshold, and such downward price adjustment is likely to be triggered for such redeeming investors. In such case, the amount of realisation proceeds (or the number of units of the new class) received by the unitholders will decrease. For

details of the price adjustment policy, please refer to the section headed "Realisation of Units in the Sub-Fund" in Appendix 10 of the Explanatory Memorandum.

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Net Asset Value of the Sub-Fund)
Management fee	Classic Classes: 0.5% (maximum is 1%)
Trustee fee	Classic Classes: currently is 0.09%, subject to an annual minimum fee of up to USD45,000 Additional monitoring fee: USD2,500 per annum
Performance fee	Not Applicable
Administration fee	None
Registrar's Fee	An annual maintenance fee of USD4,000 for maintaining the register of unitholders for the first 30 unitholders and thereafter USD100 per annum per unitholder payable to the Trustee as registrar.

Other fees

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after HSBC Institutional Trust Services (Asia) Limited, the Trustee of the Sub-Fund, receives your request in good order on or before 5 p.m. (Hong Kong time) being the dealing cut-off time. Investors are reminded that the distributors may have different cut-off time. Please pay attention to the dealing cut-off time of the respective distributors.
- The NAV of this Sub-Fund is calculated and the price of units published each business day. They are available online at http://www.amundi.com.hk/retail* in English and http://www.amundi.com.hk/zh_retail* in Chinese.
- The past performance information of other unit classes offered to Hong Kong investors are available by the Manager on request and available in English on the website http://www.amundi.com.hk*
- The compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) are available by the Manager on request and can be found online at http://www.amundi.com.hk*.

*The above website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.