

AMUNDI ETF SHORT GOVT BOND EUROMTS BROAD

Key Investor Information Document and Prospectus

Amundi ETF

Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this UCITS. You are advised to read it so you can make an informed decision about whether to invest.

AMUNDI ETF SHORT GOVT BOND EUROMTS BROAD

ISIN code: (C) FR0010821850

This Fund is managed by Amundi Investment Solutions, an Amundi Group company

Objectives and Investment Policy

Classification by the French Market Regulator (AMF): Diversified.

By subscribing to AMUNDI ETF SHORT GOVT BOND EUROMTS BROAD, you are investing in a strategy index-tracking UCITS, the objective of which is to replicate, as closely as possible, the value of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, whether the Short EuroMTS Investment Grade Broad All Maturities Strategy Index rises or falls. The target for maximum tracking error between changes in the Fund's NAV and that of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index is 2%.

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index, coupons reinvested, denominated in euro, is calculated and published in real time by the index supplier EuroMTS.

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index tracks the performance of a strategy which consists of inverting exposure to the EuroMTS Investment Grade Broad All Maturities index (net return) through the combination of a short position on the EuroMTS Investment Grade Broad All Maturities index and exposure to a risk-free financial instrument. It accordingly offers inverse exposure to the upward and downward trend of the EuroMTS Investment Grade Broad All Maturities index. Bonds making up the EuroMTS Investment Grade Broad All Maturities Index are drawn from government bonds of Eurozone member countries with maturities in the following six ranges: 1-3 years, 3-5 years, 5-7 years, 7-10 years, 10-15 years and 15 years and more with at least two Investment Grade ratings by the rating agencies S&P, Moody's and Fitch.

More information about the composition of the index and its operating rules is available at euromtsindex.com.

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index is available in real time via Reuters (EM2SIGO=) and Bloomberg (EM2SIGO). The UCITS will employ a forward exchange contract to replicate the performance of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

Net revenues of the fund are fully reinvested.

You may resell your units during the opening hours of the various listing markets, provided the Market Makers can stimulate the market.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

Risk and Reward Profile



This Fund's risk category reflects the market risk of the Eurozone bonds in which it is invested and the index inverse performance strategy.

The initial capital invested is not guaranteed.

The risk category shown is not guaranteed and may shift over time.

The lowest category does not mean 'risk free'.

Major risks for the fund not included in the indicator are:

- Credit risk: this is the risk of sudden deterioration in the creditworthiness of an issuer or that of its default.
- Counterparty risk: this is the risk of default of a market participant preventing it from honouring its commitments in respect of your portfolio.
- Operational risk: this is the risk of default or error within the different service providers involved in managing and valuing your portfolio.
- Complex products such as derivatives are used to obtain a daily performance opposite to that of the EuroMTS Investment Grade Broad All Maturities index.

The occurrence of any of these risks may lower the net asset value of your portfolio.

Costs

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
The percentage indicated is the maximum that can be deducted from your capital before it is invested (entry) or redeemed (exit).	
Charges taken from the fund over a year	
Ongoing charges	0.14% of average net assets
Charges taken from the fund under certain specific conditions	
Performance fee	None

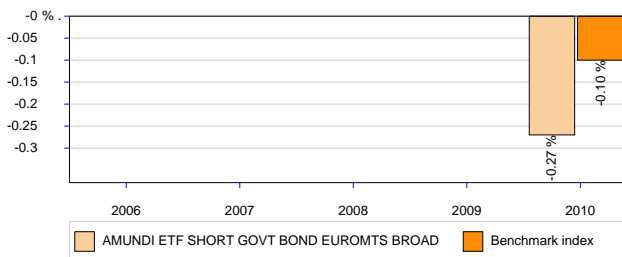
Purchases and sales on the secondary market do not incur any entry or exit fees. However, you may be billed, in addition to the fees shown, other fees such as intermediation fees or stock exchange fees, over which the Fund Manager has no control.

Current **charges** are based on the figures for the prior year ended 31 March 2011. This percentage may vary year on year. It excludes:

- Outperformance fees,
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information about charges, please refer to the relevant section of the Fund's prospectus, which is available at www.amundiETF.com.

Past Performance



Performance is not constant over time and is no guarantee of future performance.

The year-on-year performances presented on this chart are calculated after deduction of all fees charged by the Fund.

The Fund was launched on 15 December 2009.

The reference currency is the euro.

The benchmark index is: Short EuroMTS Investment Grade Broad All Maturities.

Practical Information

- Name of the depositary: CACEIS BANK.
- Name of the market maker: Société Générale Corporate and Investment Banking.
- Market of primary listing of the units of the fund: NYSE Euronext.
- The latest prospectus and most recent periodic disclosure documents, and all other useful information, are available free of charge from the Fund Manager.
- The net asset value of the Fund is available on request to the fund manager and on its website www.amundiETF.com.
- The indicative NAV is published in real time by the listing markets during listing hours.
- Depending upon your tax arrangements, capital gains and income potentially associated with holding securities in the fund may be subject to taxation. We advise you to seek information about this from your usual investment advisor.
- Amundi Investment Solutions may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This UCITS is approved in France and regulated by the French Market Regulator (AMF).

Amundi Investment Solutions is authorised in France and regulated by the French Market Regulator (AMF).

This key investor information is accurate as at 30 August 2011.

DETAILED MEMORANDUM

Fund compliant with European standards

I. OVERALL FEATURES

I.1 Fund structure

- **Name:** **AMUNDI ETF SHORT GOVT BOND EUROMTS BROAD** (the “Fund”)
- **Legal form and Member State in which the UCITS has been set up:** Unincorporated collective investment scheme under French law (Fonds Commun de Placement - FCP)
- **Launch date and scheduled duration:** The Fund was approved by the French Market Regulator (AMF) on 18 November 2009 and launched on 15 December 2009 for an anticipated duration of 99 years.
- **Summary of the management offer:**

ISIN code	Appropriation of earnings	Base currency	Frequency of NAV calculation	Initial net asset value	Minimum initial subscription	Minimum subsequent subscription	Eligible subscribers
FR0010821850	Accumulation	euro	Daily	112.86 euros	<u>Primary Market</u> 18000 share(s) <u>Secondary Market</u> 1 share(s)	<u>Primary Market</u> 18000 share(s) <u>Secondary Market</u> 1 share(s)	All investors

► **Address from which the latest annual or Interim Report and Accounts may be procured:**

The latest annual or interim Report and Accounts will be sent to investors within one week upon written application by the bearer to:

Amundi Investment Solutions

Amundi ETF
90 boulevard Pasteur
CS 21564
75730 Paris Cedex 15
Tel.: 01 76 32 47 74
Email: info@amundiETF.com

Further details are available from Amundi Investment Solutions and its website www.amundiETF.com.

The AMF website (amf-france.org) contains further details on the list of regulatory documents and investor protection arrangements.

I.2 Service providers

► **Fund manager :**

Amundi Investment Solutions (the “Fund Manager”),
Public company (Société Anonyme - SA),
Licensed by the French Market Regulator (AMF) as a portfolio management company, reg. No. GP 05000025,
Registered office: 91-93 boulevard Pasteur, 75710 Paris Cedex 15

► **Depository and Registrar:**

CACEIS BANK (the "Depository"),
Public Company,

Main business: Banking institution, investment services provider, licensed by the French banking and investment enterprises committee (Comité des Etablissements de Crédits et des Entreprises d'Investissement - CECEI) on 1 April 2005,

Registered office: 1-3 place Valhubert, 75013 Paris

► **Institution in charge of centralising subscription and redemption orders:**

CACEIS BANK,
Public Company,

Bank and investment services provider approved by the CECEI on 1 April 2005,

Head Office: 1-3 place Valhubert, 75013 Paris

► **Independent auditor:**

CABINET SELLAM, represented by Mr Patrick Sellam.

Registered Office: 49-53 avenue des Champs Elysées, 75008 Paris

► **Delegated financial manager:**

Amundi (the "Delegated Fund Manager"),
Public company (Société Anonyme - SA),

Portfolio Manager operating under AMF approval no. GP 04000036

Registered office: 90, Boulevard Pasteur - 75015 Paris

The delegation of the Fund's financial management covers all the Fund's assets.

► **Delegated Accounting Manager:**

CACEIS FASTNET,
Public company (Société Anonyme - SA),
Registered office: 1-3, Place Valhubert - 75013 Paris

CACEIS FASTNET is a company in the Crédit Agricole group specialising in the administrative and accounting management of UCITS on behalf of clients inside and outside the Group.

CACEIS FASTNET has accordingly been appointed by the Fund Manager as Delegated Fund Accountant for the Fund's valuation and accounting. CACEIS FASTNET is responsible for valuing the assets, establishing the Fund's NAV and drawing up its regular accounts.

► **Market-makers:**

On 15 January 2010, the financial institution acting as "Market-makers" was as follows:

Société Générale Corporate and Investment Banking, Tour Société Générale, 17 cours Valmy, 92987 Paris La Défense, France.

II. ADMINISTRATION AND MANAGEMENT

II.1 Overall features

► **Characteristics of the units:**

ISIN code: FR0010821850

- **Nature of the right attached to the category of units:** each unit-holder is entitled to joint-ownership of the mutual fund's assets, proportional to the number of units held.
- **Registration or other arrangements for maintaining unit-holder records:** The Depositary is responsible for liability accounting. Units can be cleared through Euroclear France, Clearstream Banking S.A. and Euroclear Bank.
- **Voting rights:** no voting rights are attached to the units: decisions are made by the Fund Manager. Note: investors will be notified of changes to the Fund's operating arrangements either individually, through the press or any other means in accordance with current regulations.
- **Form of units:** bearer units.
- **Decimalisation stipulated where appropriate (fractioning):** subscriptions and redemptions are made in full units.

► **Admission of the units to the NYSE Euronext NextTrack market:**

Under Article D.214-1 of the French Monetary and Financial Code (the "CMF"), shares or units of collective investment organisations may be listed for trading, provided that these organisations have set up arrangements ensuring the listed market price of the shares or units does not diverge significantly from their net asset value. The following operating rules developed by Euronext apply accordingly to the listing of the Fund's units:

- reservation thresholds are set with a percentage margin of 1.5% either side of the Fund's Indicative Net Asset Value or "iNAV" (see "Indicative Net Asset Value" section), published by NYSE Euronext Paris SA and provisionally updated during the session according to the variation of the Short EuroMTS Investment Grade Broad All Maturities;
- trading of the Fund's units on the NYSE Euronext NextTrack market will be suspended in the following cases:
 - if listing or calculation of the Short EuroMTS Investment Grade Broad All Maturities Index is halted;
 - if the listed price of the Short EuroMTS Investment Grade Broad All Maturities Index is unavailable to NYSE Euronext;
 - if NYSE Euronext cannot obtain the Fund's NAV for the day and/or publish the "iNAV";
 - if stock market disturbances or difficulties render normal market-making impossible.

if stock market disturbances or difficulties render normal market-making impossible.

Market-makers likewise ensure that the listed market price of the Fund units does not diverge by more than 1.5% either side of the Fund's Indicative Net Asset Value, so as to remain within the reservation thresholds set by NYSE Euronext Paris SA (see "Indicative Net Asset Value" section).

► **Financial year end:** Last trading day in March of each year.

► **First financial year end:** Last trading day of March 2011.

► **Tax regime:**

The Fund is eligible for life insurance policies. The Fund may provide a basis for life insurance policies denominated in units of account.

The Fund is not, by nature, subject to taxation. However, unit-holders may be taxed on any income distributed by the Fund or when they sell Fund units. The tax regime applicable to amounts distributed by the Fund or unrealised or realised capital gains or losses will depend on the individual unit-holder's tax situation, residence for tax purposes and/or the investment jurisdiction of the Fund. If an investor is uncertain of his tax position, he

should consult a financial advisor or a professional investment consultant to determine the tax rules applicable to his particular situation before any investment. Some income distributed by the Fund to unit-holders residing outside France may, where applicable, be subject to a withholding tax in France.

II.2 Special provisions

► Classification:

Diversified.

The Fund is a strategy index-tracking fund.

► Financial management delegation: Amundi (the " Delegated Fund Manager")

► Management objective:

The Fund's investment objective is to track as closely as possible the value of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index (see section "Benchmark index"), whether the Short EuroMTS Investment Grade Broad All Maturities Strategy Index rises or falls.

The Fund is managed so as to achieve a gap between changes in its NAV and changes in the value of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index (referred to below as the "Short EuroMTS Investment Grade Broad All Maturities Strategy Index") as small as possible. The target for maximum tracking error between changes in the Fund's NAV and those in the Short EuroMTS Investment Grade Broad All Maturities Strategy Index is 2%.

If the "tracking error" exceeds 2%, the aim would nevertheless be to remain below 10% of the volatility shown by the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

► Benchmark index:

The Fund's benchmark index is the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, a euro-denominated total return index (i.e. reinvesting the coupons of the components).

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index is calculated and published by the international index provider EuroMTS Limited ("EuroMTS").

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index tracks the performance of a strategy which consists of inverting exposure to the EuroMTS Investment Grade Broad All Maturities index (net return) through the combination of a short position on the EuroMTS Investment Grade Broad All Maturities index and exposure to a risk-free financial instrument. It accordingly offers inverse exposure to the upward and downward trend of the EuroMTS Investment Grade Broad All Maturities index.

The inverse performance effect is daily. The performance of the short index over a period longer than 1 day can therefore differ by -1 time the performance of the long index over the same period (see example below). This example is deliberately simplified and does not take into account the cost of short sale reported to a day in the basket of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index (costs measured by the "repo" variable).

	Level D	Performance D+1/D	Level D+1	Performance D+2/D+1	Level D+2	Performance D+2/D
Index	100	- 5%	95	+ 10%	104.5	+ 4.5%
Short strategy index	100	+ 5%	105	- 10%	94.5	- 5.5%

This illustrative and theoretical example is not in any way a prediction of future scenarios and does not guarantee future output.

Bonds making up the EuroMTS Investment Grade Broad All Maturities Index are drawn from government bonds of Eurozone member countries with maturities in the following six ranges: 1-3 years, 3-5 years, 5-7 years 7-10 years, 10-15 years et 15 years and more with at least two Investment Grade ratings by the rating agencies S&P, Moody's and Fitch, i.e. greater or equal to BBB- by S&P and Fitch, Baa3 by Moody's.

A component's weighting in the Short EuroMTS Investment Grade Broad All Maturities Index is equal to the product (i) its weighting in the maturity range in which it falls and (ii) the weighting of that maturity range

(calculated based on the size of its issuances compared to the eligible universe).

The eligibility criteria for the bonds making up the EuroMTS Investment Grade Broad All Maturities Index are as follows:

- nominal value and coupons denominated in euros, with no options and no convertibility;
- fixed on the MTS platform;
- issued by a sovereign government of one of the following Eurozone countries: Germany, Austria, Belgium, Spain, Finland, France, Greece, Ireland, Italy, the Netherlands and Portugal;
- having at least two Investment Grade ratings by the rating agencies S&P, Moody's et Fitch;
- issued in a total amount of at least €2bn;
- maturity of over one year.

The MTS platform is pan-European electronic platform for the listing and trading of bonds in euros. EuroMTS indices use real-time prices offered for instant trades in the market, from the MTS platform.

EuroMTS methodology and calculation methods mean that the number of securities making up the EuroMTS Investment Grade Broad All Maturities index (and therefore the EuroMTS Investment Grade Broad All Maturities Index) varies. On 30 June 2011* the EuroMTS Investment Grade Broad All Maturities index had 242 component securities.

* Source EuroMTS

The full methodology of the construction of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index is available on the EuroMTS website: euromtsindex.com.

The performance tracked is that of the 11:00 (Paris time) fixing of the EuroMTS Investment Grade Broad All Maturities Strategy Index.

• **Short EuroMTS Investment Grade Broad All Maturities Strategy Index publication**

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index undergoes two calculations and official fixings during the day: at 11:00 and 16:00 (Paris time).

For each of these fixings of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, EuroMTS uses the official fixings of its component securities.

The Fund uses the 11:00 (Paris time) fixing of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, which corresponds to the period considered to be the "most liquid" in the bond market (in terms of securities listed, participants present, and bid and ask trades).

The 11:00 (Paris time) fixing of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index is available on the EuroMTS website: euromtsindex.com.

The EuroMTS Investment Grade Broad All Maturities Index is also calculated in real time on each Trading Day. The Short EuroMTS Investment Grade Broad All Maturities Strategy Index is available in real time via Reuters and Bloomberg.

Via Reuters: EM2SIGO=

Via Bloomberg: EM2SIGO

• **Short EuroMTS Investment Grade Broad All Maturities Strategy Index revision**

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index composition is revised monthly.

The Short EuroMTS Investment Grade Broad All Maturities Strategy Index revision rules are published by EuroMTS and available on the EuroMTS website: euromtsindex.com.

► **Investment strategy:**

The Fund is managed by "index tracking".

1. Strategy used:

The Fund is managed by a technique known as "index-tracking" whose aim is to reproduce changes in the Short EuroMTS Investment Grade Broad All Maturities Strategy Index by a swap-based replication method.

In order to strive for the closest possible correlation with the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, the Fund will buy a basket of securities and an OTC hedge on bonds and indices which turns the assets securities exposure held by the Fund into an exposure to the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

Geographic area of the stock issuers	Eurozone countries: Germany, Austria, Belgium, Spain, Finland, France, Greece, Ireland, Italy, the Netherlands and Portugal.
Spread of sensitivity to interest rates	Between -1 and -22
Spread of sensitivity to credit spread	Not applicable
Currency in which the components of the index are denominated	Euro (EUR)
Level of exposure to currency exchange risk	None

The Fund's risk diversification will be evaluated against its corresponding rules by only taking into consideration the securities underlying the derivative instruments, including securities incorporating derivatives. The Fund's assets will thus be able to be invested in non-diversified balance sheet assets, as long as, after the underlying derivative financial instruments are taken into account, net exposure on the underlying items complies with the diversification rules.

The Fund will comply with the investment rules laid down by European Directive 2009/65/EC dated 13 July 2009.

2. Assets used (except embedded derivatives):

- Securities:

The Fund will be continuously exposed to one or more Eurozone rate markets.

The securities held by the Fund will be chosen so as to limit the costs associated with reproducing the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

They will mostly be fixed interest securities from OECD countries, including government stock, Treasury Bills, Deposit Certificates, commercial paper, bonds issued by firms registered in OECD countries, BMTN (negotiable medium-term notes) and EMTN (Euro Medium Term Notes).

- Interest-rate instruments: Up to 100% of the Fund's net assets may be invested in any kind of monetary and/or bond instrument from OECD countries.

Retained issuers may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may account for up to 100% of all the debt instruments.

Up to 35% of the assets may be held in guaranteed bonds from a single issuer and up to 100% of assets if the Fund holds at least six issues and none of these exceeds 30% of its assets. Qualifying securities are instruments issued or guaranteed by an OECD member state or by a local government in a country belonging to the European Union or party to the EEA agreement.

The Fund's sensitivity to interest rates will range from -1 to -22.

- Units or shares in UCITS: The Fund may hold up to 10% of its assets in shares or units of the following UCITS or investment funds:

- European UCITS, including French UCITS, complying with the directive:
 - UCITS that may invest up to 10% of their assets in UCITS or investment funds
 - UCITS that may invest more than 10% of their assets in UCITS or investment funds

- French UCITS not complying with the directive:
 - UCITS that may invest up to 10% of their assets in UCITS or investment funds
 - UCITS that may invest more than 10% of their assets in UCITS or investment funds
 - Feeder UCITS
 - UCITS with simplified procedure
 - Contractual UCITS
 - UCITS with simplified investment rules without leverage effect
 - UCITS with simplified investment rules with leverage effect
 - UCITS of alternative funds
 - venture capital funds (Fonds Communs de Placement à Risque – FCPR), including innovation funds (Fonds Communs de Placement dans l'Innovation - FCPI), lightly regulated venture capital funds, local investment funds (Fonds d'Investissement de Proximité – FIP)
 - FCIMTs
- Foreign UCITS not complying with the directive:
 - Investment funds covered by a bilateral agreement with the French Market Regulator (AMF) and their market regulator
 - Investment funds which meet the criteria of Article 415-74 of the AMF General Regulations.

UCITS or investment funds invested in by the Feeder will mainly be those managed by the Fund Manager or an associate company. The investment strategies of these UCITS and investment funds will be compatible with those of the Fund.

3. Derivatives:

The Fund will resort to derivatives, including Total Return Swaps, traded OTC and exchanging the value of securities in the Fund's assets for the value of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

The Delegated Fund Manager may, at its discretion and for the sake of the Fund's optimal future performance, decide to use other derivatives so as to meet its management objective.

Off-Balance Sheet commitments are calculated with a linear method.

The Fund may take positions in the following derivatives:

- Market nature:
 - regulated
 - organised
 - over-the-counter
- Categories of risk in which the Fund intends to take a position:
 - Equities
 - interest rate
 - currency
 - credit
 - other risks

- Nature of positions to be taken, which must be limited to those required to meet the management objective:
 - hedging
 - exposure
 - arbitrage
 - other

- Kinds of instruments used:
 - futures: on bonds and indices
 - options: on bonds and indices
 - swaps: on bonds and indices
 - forward exchange rates
 - credit derivatives: credit default swaps
 - other

- Strategies for using derivatives to meet the investment objective:
 - reconstitution of a synthetic exposure to a security, a business sector and/or to the Short EuroMTS Investment Grade Broad All Maturities Strategy Index through the use of swaps.
 - management of transient flows of money (dividends, subscriptions/redemptions, etc.) to reach the desired degree of exposure to a particular stock and/or sector and/or to the Short EuroMTS Investment Grade Broad All Maturities Strategy Index via the use of futures.
 - management of transient flows of money (dividends, subscriptions/redemptions, etc.) to reach the desired degree of exposure to a particular stock and/or sector and/or to the Short EuroMTS Investment Grade Broad All Maturities Strategy Index via the use of options.

These instruments may be used to hedge up to 100% of the Fund's NAV.

4. Securities incorporating derivatives (“embedded derivatives”):

The Delegated Fund Manager may, at its discretion and for the sake of the Fund's optimal future performance, decide to use other instruments to meet its management objective such as, for example, embedded derivatives.

- Categories of risk in which the Fund may take a position:
 - Equities
 - interest rate
 - currency
 - credit
 - other risks

- Nature of positions to be taken and description of all operations which must be limited to the achievement of the management objective:
 - hedging
 - exposure
 - arbitrage
 - other

- Kinds of instruments used:
 - Euro Medium Term Notes (EMTN)
 - BMTN (negotiable medium-term notes)
 - Credit derivatives
 - Structured bonds
 - Certificates
 - Warrants
- Using embedded derivatives to meet the management objective:
 - hedging the overall portfolio, particular risks, particular securities, etc.
 - constructing a synthetic exposure to particular assets or particular risks.
 - other strategy: following redemptions, keeping the hedge in place as opposed to liquidating it.

The Fund's commitments arising from embedded derivatives must not exceed 100% of assets.

The Fund will not overexpose its assets: all its commitments on derivatives and embedded derivatives may not exceed 100% of the Fund's NAV.

5. Deposits and liquid assets:

The Fund may hold up to 20% of its net assets in deposits on terms not exceeding twelve months, negotiated with banks registered in a member state of the European Union or in another state part of the European Economic Area (EEA). Such deposits will be governed by a framework agreement approved by the French Market Regulator (AMF). They will help meet the Fund's management objective by enabling it to obtain some or all of the funds used for swaps, and/or facilitating its own cash flow management.

6. Borrowing:

The Fund may, exceptionally and temporarily, borrow up to 10% of its net assets in order to optimize its cash flow management.

7. Transactions involving temporary acquisition/disposal of securities:

- Nature of transactions used:
 - buy/sellback deals or vice versa, as defined in the CMF
 - lending and borrowing of securities as defined in the CMF
 - other
- Nature of transactions and description of all operations that must be limited to the achievement of the management objective:
 - cash management
 - optimisation of the Fund's income
 - other
- Over-exposure of the assets: No

All its commitments on derivatives and embedded derivatives may not exceed 100% of the Fund's NAV.

► Risk profile:

Your money will be invested primarily in financial instruments selected by the Delegated Fund Manager. These financial instruments are subject to market fluctuations.

Investors are warned that their initial capital invested is not guaranteed.

The main risks investors may be exposed to by investing in the Fund are as follows:

- Inverse performance risk:

The Fund is 100% exposed to the Short EuroMTS Investment Grade Broad All Maturities Strategy Index. The Fund is therefore 100% exposed to the market risks related to fluctuations in the value of the securities that make up the Short EuroMTS Investment Grade Broad All Maturities Strategy Index. The investor is exposed to the upward trend of the securities making up the EuroMTS Investment Grade Broad All Maturities index and therefore to the downward trend of the Short EuroMTS Investment Grade Broad All Maturities strategy Index (inverse performance effect). Rises and falls in stock markets can lead to major changes in net assets which can adversely affect the Fund's NAV. Since the Fund's degree of exposure to bond risk is 100%, the Fund's NAV may plummet. The Fund accordingly has a high degree of bond risk.

- Capital risk:

Investors are warned that they may suffer capital losses which cannot be quantified in advance since investments are subject to normal market fluctuations and to the risks inherent to any investment in securities. Recovery of the initial outlay is not guaranteed in any way. Only people who would be able to bear the loss of their investment should invest.

- Risk that the Fund's management objective may only be partially met:

There is no guarantee that the Fund's management objective will be met. No financial instrument tracks the Short EuroMTS Investment Grade Broad All Maturities Strategy Index perfectly, instantly and continuously because:

- when the Fund reproduces the re-weightings of the Short EuroMTS Investment Grade Broad All Maturities Index, this can, among other things, generate transaction and/or frictional costs;
- some securities may be temporarily unavailable in the Short EuroMTS Investment Grade Broad All Maturities Index or exceptional circumstances may cause distortions in the Short EuroMTS Investment Grade Broad All Maturities Index weightings, including cases of suspension or temporary disruption in the listing of securities in the Short EuroMTS Investment Grade Broad All Maturities Index.

- Interest rate risk:

The value of interest-rate instruments may vary due to changes in interest rates. It is measured by volatility. The net asset value may change significantly at times of rising rates (positive sensitivity) or falling rates (negative sensitivity).

- Credit risk:

This is the risk that the quality of an issuer's credit might fall or that the issuer might default. Depending on the sign of the Fund's trades, a fall (in case of a purchase) or a rise (in case of a sale) in the value of the debt securities which the Fund is exposed to can lead to a fall in the Fund's net asset value.

- Counterparty risk:

To meet its management objective the Fund will resort to OTC hedges (including Total Return Swaps) negotiated with banks. The Fund will be exposed to the counterparty risk that results from the use of hedges agreed with a bank. The Fund is accordingly exposed to the risk that the bank concerned will not be able to honour its undertakings as embodied in these instruments. Default by the counterparty of a swap (or by any other issuer) may adversely affect the Fund's NAV. Under the current rules, however, the counterparty risk resulting from the use of swaps will be limited to 10% of the Fund's NAV per counterparty at any given time.

- Operational risk:

This is the risk of default or error within the different service providers involved in managing and valuing your portfolio.

► **Overview of the procedure for choosing intermediaries and comments:**

The Delegated Fund Manager generally puts out business by inviting offers. In this case such a procedure has not been required. The Delegated Fund Manager will therefore not undertake a formal procedure that might be tracked and monitored, so as to ensure competition among potential counterparties of OTC swaps it enters into, or among the vendors it buys embedded derivatives from.

The Fund may conduct these transactions with Société Générale Corporate and Investment Banking or any

other company in the Société Générale or Crédit Agricole groups as counterparties or intermediaries.

▶ **Guarantee or protection:** None

▶ **Eligible subscribers and standard investor profile:**

• **Eligible subscribers:**

All investors

• **Standard investor profile:**

This Fund is for investors who seek long-term capital growth and inverse exposure to the markets in bonds, issued by governments of Eurozone member states, while offering opportunities for short-term arbitrage. The Fund is indeed continuously listed in at least one listing market and its units may be traded at all times in the same way as securities. It therefore combines the advantages of a listed security and those of a mutual fund.

The amount that might be reasonably invested in this Fund depends on the investor's personal situation. To determine this amount, investors should consider their personal assets, their current financial needs and the recommended investment period as well as their willingness to accept risks or their wish to invest cautiously. It is also strongly recommended that investors sufficiently diversify their investments so as to avoid exposing themselves entirely to the contingencies affecting this Fund's performance.

All investors are therefore invited to consult their own financial advisers about their individual situations.

▶ **Recommended investment horizon:**

The minimum recommended investment period is 5 years.

▶ **Determination and allocation of revenues:**

Accumulation.

Distributions will be made by encashment of coupons.

▶ **Denomination currency:** euro

▶ **Characteristics of the units:**

• **Currency of the units:** euro

• **Initial NAV:**

112.86 euros per Fund unit.

The initial net asset value is equal to the 11:00 (Paris time) fixing on 15 December 2009 of the Short EuroMTS Eurozone Government Broad All Maturities Index.

▶ **Subscription and redemption:**

As indicated above, the Fund's activity revolves around two markets, one "**primary**" and the other "**secondary**".

• **Subscription and redemption in the primary market:**

On the primary market, new Fund units are subscribed and/or redeemed in return for (i) cash or (ii) in-kind contribution/withdrawal of a basket of bonds representative of the composition of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index complete with a "cash adjustment".

In this market, subscriptions and redemptions are only allowed in minimum quantities of 18000 units or multiples thereof.

Orders for subscription and redemption of Fund units are centralised by the Depositary between 09:00 and 17:30 (Paris time) on every day when the Paris Stock Exchange is open ("trading day" - "**Jour de Bourse**"). Subscription and redemption applications sent after 17:30 (Paris time) on a Trading Day will be processed as

orders received between 09:00 and 17:30 (Paris time) on the next trading day.

A trading day is a working day on which the Fund's NAV can be calculated and published.

The Fund's NAV on a given Trading Day is calculated using the 11:00 fixing (Paris time) of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index on that day.

Subscriptions/redemptions for cash only

Orders for cash only centralised by CACEIS BANK between 09:00 and 17:00 (Paris time) on a given trading day will be executed on the basis of the net asset value of the following day.

In-kind subscriptions / redemptions by contribution / withdrawal of a basket of bonds representative of the composition of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index

Orders centralised by CACEIS BANK between 09:00 and 17:30 (Paris time) on a given trading day will be executed on the basis of the terms set by the Delegated Fund Manager at 17:30 (Paris time) on that day, as follows:

(1) by contribution of a number of bonds making up the Short EuroMTS Investment Grade Broad All Maturities Strategy Index corresponding to 18000 times the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, which the subscriber must deliver (rounded down to the nearest whole number), and if necessary,

(2) payment of a cash amount in euros to or from the Fund ("cash adjustment") where a subscription/redemption order is for an exact multiple of 18000 Fund units. The cash adjustment will be equal to the difference in euros between the net asset value of the Fund units on that date and the value in euros of the bonds to be delivered on the next day.

The Delegated Fund Manager reserves the right to reject a proposed contribution/withdrawal of securities for any in-kind subscription/redemption request and shall notify the requester of its decision within seven days from the filing of such request.

Subscriptions/redemptions must be paid for/delivered, at the latest, five trading days after the calculation and publication of the net asset value.

Subscription and redemption orders must be for a whole number of units.

• **Institutions appointed to receive subscriptions and make redemptions:**

CACEIS BANK

Registered office: 1-3 Place Valhubert, 75013 Paris

Investors should note that orders sent to distributors other than the aforementioned institution should take into account the fact that the cut-off time for the centralisation of orders applies to those distributors with CACEIS BANK.

As a result, these distributors may apply their own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline with CACEIS BANK.

• **Listing and trading Fund units in the secondary market:**

The secondary market is where existing Fund units are traded. It consists of all those stock markets the Fund has been or will be admitted to for regular trading.

Purchases and sales in the secondary market generate no subscription or redemption fees. Orders for the purchase or sale of units may be placed in any market where the Fund is (or will be) traded, through an approved broker. Placing of a stock market order will trigger costs over which the Fund Manager has no influence.

There is no minimum amount for purchase/sale orders placed in the secondary market, except those that might be imposed by the stock market where Fund units are listed.

The price of a unit traded in the secondary market depends on supply and demand and roughly matches the indicative NAV (see section "Indicative Net Asset Value").

The secondary market is provided by "market-makers" acting as market counterparties (see section

“Market-makers”). They contract with concerned market companies so as to maintain the difference between the highest bid and lowest offer prices within a set range. Their activities ensure that trading in Fund units remains liquid. They also ensure, through arbitrage between the primary and secondary markets, that the Fund’s listed market price does not diverge significantly from its Indicative NAV.

If the Short EuroMTS Investment Grade Broad All Maturities Strategy Index listing is halted or suspended, the Fund’s listing is suspended at the same time. As soon as listing of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index resumes, the Fund’s listing resumes likewise, taking account of any change in the Fund’s NAV and iNAV since the interruption. .

Fund units will be listed on the NYSE Euronext market.

The Fund Manager may apply for them to be listed on other markets.

On NYSE Euronext, Fund units will be listed and traded in the product segment dedicated to Trackers: NextTrack.

- **Market-makers:**

On 15 January 2010, the financial institution acting as "Market-makers" was as follows:

Société Générale Corporate and Investment Banking, Tour Société Générale, 17 cours Valmy, 92987 Paris La Défense, France.

Market-makers will provide the Fund units with market-making services from the date of their first listing in the market where the Fund is admitted for trading. They will mainly act as market-makers through their continuous presence on the market, maintaining a bid/offer range and ensuring adequate liquidity.

Specifically, the financial institutions acting as market-makers have entered into a market-making contract for the Fund with NYSE Euronext Paris SA, under which they are bound to meet the following conditions for the Fund:

- a maximum overall spread of 2% between offer price and bid price in the centralised order book
- a minimum nominal amount on both offer and bid sides corresponding to the value in euros of 18,000 Fund units.

The obligations of the "Market-makers" will immediately be suspended if the value of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index becomes unavailable or if one of its component securities is suspended. Market-makers’ obligations will be generally suspended in case of unusual disturbances or difficulties in the concerned stock market preventing standard market-making operations (e.g. disturbances in listing, etc.).

Market-makers must also ensure that the Fund unit’s listed market price does not differ by more than 1.5% either side of the Indicative NAV (see section “Indicative Net Asset Value”).

The Fund Manager may ask market-makers to halt their trading in Fund units should exceptional circumstances arise or should investor interest require so.

- ▶ **Date and frequency of calculation of the net asset value:**

Daily

- ▶ **Place and methods of publication or communication of the net asset value:**

The net asset value is calculated and published each day as soon as the stock market where the Fund units are listed is open, provided the orders given in the primary and secondary markets can be covered.

The net asset value of the Fund is available on request to the Fund Manager and on its website www.amundiETF.com.

Furthermore, on days the NAV is published, an Indicative Net Asset Value (see section “Indicative Net Asset Value”) in euros will be published by NYSE Euronext.

► **Costs and fees:**

• **Subscription and redemption fees:**

Subscription and redemption fees increase the subscription price paid by the investor, or reduce the redemption price. Fees are retained by the Fund to compensate for its costs incurred in investing or liquidating the amounts involved. Fees, which are not paid to the Fund, revert to the Fund Manager, the distributor, etc.

- On the primary market:

Fees incurred by the investor levied on subscriptions and redemptions	Basis	Emerging
Subscription fee not retained by the Fund	Net asset value x number of units	3% on each cash subscription
Subscription fee retained by the Fund	Net asset value x number of units	N/A
Redemption fee not retained by the Fund	Net asset value x number of units	3% on each cash redemption
Redemption fee retained by the Fund	Net asset value x number of units	N/A

Exemptions:

The Fund Manager and Société Générale Corporate and Investment Banking are exempt from paying subscription or redemption fees.

The nature of these fees is detailed in the section describing subscription and redemption arrangements.

- On the secondary market:

Purchases and sales in the secondary market generate no subscription or redemption fees. Purchase or sale orders can be placed through an approved broker in any market where the Fund is traded. Nevertheless, placing a stock market order will trigger costs over which the Delegated Fund Manager has no influence (e.g. broker's commission on stock-market orders to buy or sell units, levied by the investor's broker).

The distribution of this Prospectus may be subject to restrictions in certain countries, as may the purchase or sale of Fund units. This Prospectus is not an offer or solicitation by any person in any country where such offer or solicitation would be illegal or where the person making it would not meet the applicable statutory conditions or directed to any person to whom it would be illegal to make such a solicitation.

• **Tax-inclusive operating and management fees:**

These fees cover all expenses billed directly to the Fund, except for transaction expenses. Transaction costs include intermediary costs (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged particularly by the Depositary and the Fund Manager.

The following fees may be charged on top of management and administration fees:

- *outperformance fees. These reward the Fund Manager when the Fund exceeds its objectives. They are therefore billed to the Fund;*
- *transaction fees billed to the Fund;*
- *a portion of the costs from temporary acquisition and disposal of securities.*

For more details of the costs actually billed to the Fund, refer to the key investor information document.

Costs billed to the Fund	Basis	Rate structure
Tax-inclusive operating and management costs (includes all the costs other than transaction costs, outperformance fees and costs in connection with investments in mutual funds or investment funds)	Net assets	Up to 0.14 % (including tax) per annum
Performance fees	Net assets	None
Transaction fees: Received by the Depositary	Deduction from each transaction	None
Charged by the Fund Manager on foreign exchange transactions and by Amundi Intermediation on any other instrument	Deduction from each transaction	None

Operating and management fees will be charged directly to the Fund's Income Statement.

- **Commission in kind:**

The Fund Manager receives no commission in kind either on its own or any other's behalf.

- **Temporary acquisitions and disposals of securities:**

Warning:

The tax regime applicable to amounts distributed by the Fund or to its accrued or realised capital gains or losses depends on the tax arrangements applicable to the individual investor's status and country of tax residence and/or on the jurisdiction in which the Fund holds particular assets.

Some revenues distributed by the Fund to individuals whose tax residence is not in France are liable to French withholding tax. We recommend that you consult your tax adviser on this issue.

Investors should also note that the Investment Income Taxation Directive specifies certain obligations on taxation for Fund representatives and agents and on certain unit-holders.

Other regulations specifying similar obligations may be introduced in jurisdictions outside the European Union. In principle, under that Directive, and potentially under comparable regulations that might be adopted elsewhere, the payment of interest (which may include the proceeds of the sale, redemption or repurchase of Fund units by certain unit-holders) may in certain circumstances be disclosed to the local tax authorities.

Investors are invited to refer to the Fund's Annual Report for further information.

III. COMMERCIAL INFORMATION

Unitholders are informed of any changes affecting the Fund in accordance with the procedures defined by the French Market Regulator (AMF): individual information or by any other method (financial notice, interim report, etc.)

The Prospectus for the Fund, the latest annual and periodic documents, and the Fund's NAV are sent within one week on request in writing from the investor to:

Amundi Investment Solutions - Amundi ETF - 90 boulevard Pasteur - CS 21.564 - 75730 PARIS cedex 15

Further information is available from the Fund Manager and at www.amundiETF.com.

► Indicative net asset value:

The indicative net asset value ("iNAV") is published by the stock exchange operator throughout trading hours on every day on which the Fund's NAV can be calculated and published.

A trading day is a working day on which the Fund's NAV can be calculated and published.

The "iNAV" is the Fund's instantaneous theoretical market value at a given moment, used as a reference price by market-makers and day traders. It is calculated for each market in which the Fund units are listed and traded.

The iNAV is calculated as follows:

- each morning the stock market has a Reference NAV which is the Fund's latest NAV (the NAV on the previous Trading Day) associated with a reference level of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index, which is its previous Trading Day's fixing (at 11:00 Paris time).
- this Reference NAV and the composition of the Short EuroMTS Investment Grade Broad All Maturities Strategy Index (perfect basket and cash adjustment) is then the calculation basis for determining the Fund's "iNAV" in real time: The "iNAV" then changes to take into account stock exchange prices for the bonds constituting the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.
- the "iNAV" is automatically and continuously updated throughout the trading day.

If several listings of securities included in the Short EuroMTS Investment Grade Broad All Maturities Strategy Index are unavailable (e.g. for a public holiday as defined in the TARGET calendar), when the Indicative Net Asset Value cannot accordingly be calculated, trading in Fund units may be suspended.

On NYSE Euronext, the "iNAV" is published every 15 seconds throughout the Paris trading session (09:00 to 17:35). The "iNAV" history is retained on the NYSE Euronext website (euronext.com) and by most financial information providers (Reuters, Bloomberg and others).

Reservation thresholds are set giving a range of 1.5% either side of the iNAV of both Fund unit categories, as published by NYSE Euronext Paris S.A. These are updated during each session on an estimate basis depending on changes in the Short EuroMTS Investment Grade Broad All Maturities Strategy Index.

IV. INVESTMENT RULES

The Fund will comply with the investment rules laid down by European Directive 2009/65/EC dated 13 July 2009.

The Fund will comply with the legal ratios decreed by the French Monetary and Financial Code - Regulatory Part.

The legal investment rules applicable to the Fund are those which govern coordinated UCITS, up to 10% of whose assets are invested in other UCITS, as well as those which are applied to its AMF classification - "Diversified".

The main financial instruments and management techniques used by the Fund are listed in chapter II.2 "Special Instructions" of the detailed memorandum. Amendments to the French Monetary and Financial Code will be considered by the Fund Manager in the Fund's management as soon as they are implemented.

Commitment calculation: Linear

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V. ASSET VALUATION AND ACCOUNTING RULES

► Principle

General accounting conventions are applied, complying with the following principles:

- continuity of trading,
- consistency of accounting methods from one year to the next,
- financial year cut-off.

The standard method for recognising assets in the accounts is the historic cost method, except for portfolio valuation.

► Asset valuation rules

The net asset value per unit is calculated in accordance with the following valuation rules:

- Securities traded in a regulated market (French or foreign), are valued at market price. Market price valuation is carried out under arrangements specified by the Delegated Fund Manager. Securities contributed to or held by the mutual fund are valued at their latest listed price.

Differences between the listed price used to recalculate the NAV and the historic cost of the securities that make up the portfolio are recognised in an account headed "Estimation Differences".

Nevertheless:

- Securities for which a listed price was not found on the valuation date or the listed price of which has been adjusted, are valued at their likely negotiable value, as estimated by the Delegated Fund Manager. The Independent Auditor is informed of these valuations and their justification when conducting his audit.
- Except in the case of major transactions, negotiable debt instruments and similar securities are actuarially valued, discounting at the interest rate of the securities themselves (or equivalent) adjusted, when necessary, by a representative difference chosen according to the intrinsic features of the security issuer. Negotiable debt instruments with three months or less to run will, however, be valued according to the linear method unless particularly volatile. The arrangements for the application of these rules are set by the Delegated Fund Manager. In line with the instructions of the French Market Regulator (AMF), negotiable debt instruments (other than Treasury Notes) are valued as indicated below:
 - securities with 3 months or less to maturity (short term): short-term securities (3 months or less): valued at cost price, with any discount or premium spread over their remaining life;
 - securities with more than 3 months but not more than one year to maturity: are valued at the Euribor rate published in the Official List, plus or minus a margin, based on the reputation of the issuer;
 - securities with over 1 year to maturity: are valued at the equivalent BTAN rate, plus or minus a margin, based on the reputation of the issuer.
- Treasury notes are valued at market rate, notified daily by Banque de France.
- UCITS units or shares are valued at the last known net asset value.
- Securities not traded in a regulated market are valued by the Delegated Fund Manager at their likely negotiable value. Their valuation is based on their assets and yield, taking into account the prices agreed in recent major transactions.
- Securities, which are part of a temporary disposal or acquisition contract, are valued in accordance with the legislation in force, the applicable methods being determined by the Delegated Fund Manager.

Securities received under buy/sellbacks are entered in the purchase portfolio under "Credits representing securities received under buy/sellbacks" at the value provided for in the relevant contract, plus receivable interest. Securities surrendered under sell/buybacks entered in the purchase portfolio are valued at their market price. Interest receivable and payable on repurchase transactions is calculated on a pro rata basis. Debts representative of securities given under repurchase agreements are recorded in the selling portfolio at the value set in the contract, plus interest payable. On settlement, the interest received and paid is shown as debt revenues.

Loaned securities are valued at market price. The consideration received for the loan is registered under "income on receivables". Accrued interest is included in the stock market value of the loaned securities.

- Hedges and options traded in organised markets (French or foreign) are valued at their market value under arrangements specified by the Delegated Fund Manager. Futures markets contracts are valued at the settlement price.
- Hedges, options and forex transactions on OTC markets as authorised under the laws and regulations governing mutual funds are valued at their market value or at an estimated value under arrangements specified by the Delegated Fund Manager. Interest rate and/or currency swaps are valued at their market value by taking the Discounted Cash Flow (principal and interest) at the market interest and/or forex rates. This price is deflated by the issuer risk.

► **Accounting method**

Securities entering or leaving the portfolio are booked excluding costs.

The option selected in order to account for the revenue is the collected revenue method.

Revenues consist of:

- income from securities,
- dividends and interest received on foreign securities, at the foreign currency rate,
- cash proceeds in foreign currency, loan income, and revenue from lending of securities and other investments.

The following deductions are made from these revenues:

- management fees,
- financial expenses and charges on the lending and borrowing of securities and other investments.

Off-Balance Sheet commitments:

Firm futures contracts are shown at the market value as an off-balance sheet commitment, at the settlement rate. Conditional forward transactions are translated to the underlying equivalent. OTC interest rate swaps are valued on the basis of the nominal value, plus or minus the corresponding estimation difference.

► **Equalisation account**

The revenue adjustment accounts have the effect of creating equality between the holders with respect to the revenues acquired, regardless of the subscription or redemption date.

Detailed Memorandum revised on: 30 August 2011

REGULATIONS

Fonds Commun de Placement

AMUNDI ETF SHORT GOVT BOND EUROMTS BROAD

SECTION 1 – ASSETS AND UNITS

Article 1- Joint ownership units

The joint ownership rights are expressed as units, each unit corresponding to an identical share of the Fund's assets. Each unitholder is entitled to joint-ownership of the mutual Fund's assets proportional to the number of units held.

The term of the Fund is 99 years from its creation, unless it is wound up early or extended pursuant to these rules.

The characteristics of the various classes of units and the eligibility rules governing them are set out in the simplified prospectus and the detailed memorandum of the Fund.

The different unit classes may:

- have different arrangements for allocating revenue (distribution or accumulation)
- be denominated in different currencies;
- incur different management fees;
- be liable for different subscription and redemption fees;
- have different nominal values.

Grouping or subdivision of units is allowed.

The Fund Manager's Board of Directors may, at its sole discretion, divide units by creating new units which are allocated to investors in exchange for the former units.

Article 2 - Minimum assets

Units may not be redeemed if the Fund's assets fall below the amount set out in the regulations; should this happen, and the asset value has not in the meantime increased above this threshold, the Fund Manager will take steps to merge or dissolve the UCITS in question within thirty days or will take one of the actions set out in Article 411-17 of the AMF General Regulations (transfer of UCITS).

Article 3 – Issue and redemption of units

Units are issued each time a subscription request is received on the basis of their NAV plus a subscription fee, where applicable.

Redemptions and subscriptions shall be carried out under the terms and arrangements set out in the Simplified Prospectus and Detailed Memorandum.

The Fund units may be listed for trading in accordance with current regulations.

Subscriptions must be fully paid up on the day that NAV is calculated. Subscriptions may be made in cash and/or via contribution in kind in the form of transferable securities. The management company has the right to refuse the securities offered, and has seven days from the time that they are deposited to make its decision known. If accepted, contributed securities shall be valued according to the rules set out in Article 4 and the subscription shall kick in based on the first net asset valuation following the acceptance of the securities concerned.

Redemptions shall be carried out in cash only, except when the Fund is to be wound up and concerned unit-holders have agreed to accept redemption in the form of securities. They shall be settled by the Depositary within five days maximum of the unit's valuation.

If however, under exceptional circumstances, the reimbursement requires the prior sale of fund assets, this period may be extended but shall not exceed 30 days.

Except in the case of an inheritance or inter vivos distribution, the sale or transfer of units between unit-holders,

or from unit-holders to third parties, is considered to be a redemption followed by a subscription; if sold or transferred to a third party, the amount involved must, where applicable, be supplemented by the beneficiary to bring it up to the minimum subscription stipulated in the prospectus and detailed memorandum.

In accordance with Article L. 214-30 of the French Monetary and Financial Code, the Fund Manager may temporarily suspend the redemption or issue of Fund units when exceptional circumstances or the interest of the unit-holders should so require.

When the net asset value of the Fund falls below the amount stipulated in the regulations, no units may be redeemed.

Minimum subscription conditions could be set according to the procedures stipulated by the detailed memorandum.

The Fund may cease to issue units, in accordance with paragraph 2 of Article L. 214-30 of the French Monetary and Financial Code, in the following circumstances:

- in objective situations entailing the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the end of a given subscription period. These objective situations are defined in the UCITS detailed memorandum,
- and other cases stipulated by the rules.

Article 4 – Calculation of the net asset value

The net asset value is calculated in accordance with the valuation rules set out in the detailed memorandum of the full prospectus.

Capital contributions in kind can only be securities, stocks or contracts that are eligible to be Fund assets and they are valued in accordance with the same rules that apply to the calculation of the net asset value.

SECTION 2 – FUND OPERATIONS

Article 5 – Investment manager

The management of the Fund is carried out by the management company in accordance with the strategy defined for the Fund.

The Fund Manager will at all times act on behalf of the unitholders and it alone is entitled to exercise the voting rights attached to the Fund units.

Article 5(a) – Rules of procedure

Eligible deposits and instruments for the Fund's assets and the investment rules are described in the detailed memorandum of the full prospectus.

Article 6 – The custodian

The Depositary shall conserve the assets included in the Fund, carry out the orders of the Fund Manager concerning purchases and sales of securities, as well as those concerning the exercise of the subscription and allocation rights attached to the securities included in the Fund. It shall carry out all deposits and payments.

The custodian oversees the compliance of the decisions of the management company. It undertakes all safekeeping measures it considers useful. It shall notify the French Market Regulator (AMF) of any disputes with the Fund Manager.

Article 7 – The auditor

An Independent Auditor is appointed by the Fund Manager's Board of Directors or Executive Committee for six financial years, subject to prior approval by the French Market Regulator (AMF).

The independent auditor will carry out all the work and audits required by law, and will specifically, as and when required, certify the accuracy and regularity of the accounts and the accounting information contained in the management report.

The independent auditor may be renewed in its mandate.

It will bring to the attention of the French Market Regulator (AMF), and the Fund Manager, any irregularities or inaccuracies it finds in the course of its work.

Asset valuations and the determination of exchange rates used in currency conversions, mergers or demergers shall be subject to inspection by the Independent Auditor.

The independent auditor shall appraise any contribution in kind and draw up a report on its valuation and remuneration.

It shall certify the accuracy of the composition of the assets and other items prior to publication.

The auditor's fees are set by mutual agreement between the auditor and the board of directors or management board of the management company, based on the programme of work considered necessary to carry out the appropriate audit. Its fees are included in the management expenses.

If the Fund is to be wound up, the independent auditor shall value the assets and draw up a report on winding up conditions.

The Independent Auditor shall certify the circumstances underlying any interim distributions.

Article 8 – The financial statements and the report of the Fund Management Company

At the end of each financial year, the investment manager prepares summary financial statements and produces a report on the management of the Fund for that financial year.

The inventory is confirmed by the Depositary and all the above-mentioned documents are checked by the independent auditor.

The management company makes these documents available to unitholders within four months after the end of the financial year and informs them of the amount of income to which each unitholder is entitled: These documents are either posted to the unitholders, should they so request, or made available to them at the premises of the Fund Manager or the Depositary.

SECTION 3 – ALLOCATION OF PROFITS

Article 9

The net profit for the financial year is equal to the amount of interest, arrears, dividends, premiums, directors' fees and all other income relating to the securities constituting the portfolio of the Fund, plus temporary distributable earnings, and minus management fees and borrowing expenses.

Distributable earnings are equal to the net profit for the year plus retained earnings brought forward, plus or minus accruals, relating to the financial year ended.

The management company determines the earnings distribution.

As applicable, one of the following options may be selected by the Fund for each unit class:

- Full accumulation: distributable sums are entirely capitalised, except for those subject to mandatory distribution under the law;
- Full distribution: the income is fully distributed, rounded to the nearest whole number; the Fund may at its discretion decide to make one or more interim distributions;
- For those funds willing to choose freely between accumulation and distribution: The management company decides each year on the allocation of income. Foresee the possibility of interim dividend distributions.

SECTION 4 – MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

Article 10 - Mergers - Splits

The management company can contribute all or part of the assets in the Fund to another fund that it manages, or split the Fund into two or more other mutual funds which it will manage.

Unitholders must be advised of future mergers or demergers one month in advance. After each transaction, new certificates will be issued stating the number of units held by each unitholder.

Article 11 - Closure- Renewal

If the Fund's assets remain below the minimum level set in article 2 for thirty days running, the Fund Manager

shall notify the French Market Regulator (AMF) and then either arrange a merger with another mutual investment Fund or wind up the Fund.

The management company can dissolve the Fund early. It must inform the unitholders of its decision and from that date, subscription or redemption requests can no longer be accepted.

The Fund Manager will wind up the Fund if it receives an application to redeem all its assets, if the Depositary ceases to operate and no other Depositary has been appointed, or on expiry of its term, if it is not extended.

The management company informs the AMF by post of the liquidation date and liquidation procedure used. It will then send the statutory auditors' report to the French Market Regulator (AMF).

An extension to the Fund's existing term may be decided by the management company in agreement with the custodian. Its decision must be made no later than three months before the expiry of the Fund's existing term and unitholders as well as the AMF must be notified thereof .

Should either party terminate the agreement between the Fund Manager and the Depositary, the Fund Manager will have three months maximum from receipt of notification of the termination in which to wind up the Fund, unless another Depositary is appointed by the Fund Manager and approved by the French Market Regulator (AMF) within this period.

Article 12 – Liquidation

If the Fund is liquidated, the Fund Manager takes charge of all liquidation operations. The liquidation proceedings may be entrusted to the Custodian, subject to its consent. To this end, the Fund Manager, or the Depositary where applicable, has the widest possible powers to sell the assets, pay any creditors and distribute the available balance between the unitholders in cash or securities.

The independent Auditor and Depositary will continue in office until all liquidation operations have been completed.

VOLUME 5 - DISPUTES

Article 13 – Jurisdiction – Address for service

Any disputes relating to the Fund that may arise during the term of the Fund or at its liquidation, either between unitholders themselves, or between the unitholders and the management company or the custodian, are subject to the jurisdiction of the competent courts.

Regulations updated on: 30 August 2011