

# **AMUNDI ALTERNATIVE FUNDS II PLC**

(An umbrella fund with variable capital and segregated liability between sub-funds)

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

REGISTRATION NUMBER: 520397

## AMUNDI ALTERNATIVE FUNDS II PLC

---

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
COMPANY INFORMATION	2-3
DIRECTORS' REPORT	4-6
INVESTMENT MANAGER'S REPORT	7-45
DEPOSITARY'S REPORT	46
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMUNDI ALTERNATIVE FUNDS II PLC	47-49
STATEMENT OF FINANCIAL POSITION	50-54
STATEMENT OF COMPREHENSIVE INCOME	55-66
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	57-58
STATEMENT OF CASH FLOWS	59-62
NOTES TO THE FINANCIAL STATEMENTS	63-127
SCHEDULE OF INVESTMENTS	128-146
APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED)	147-155
APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED)	156-159

**COMPANY INFORMATION**

**Directors**

Mr. Vincent Dodd\* (Irish)  
Mr. Bryan Tiernan\* (Irish)  
Mr. Moez Bousarsar (French)  
Mr. Colm Callaly (Irish)  
Mr. Declan Murray (Irish)  
Mr. John O'Toole (Irish) resigned on 21 November 2023  
Mr. Paul Weber (Irish) resigned on 21 November 2023

\*Independent Director

All Directors are non-executive Directors

**Registered Office**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Manager, Promoter and Global Distributor**

Amundi Asset Management S.A.S  
91-93, Boulevard Pasteur  
75015 Paris  
France

**Depositary**

Société Générale S.A. (Head Office)  
29 Boulevard Haussmann  
75009 Paris  
France

Société Générale S.A. (Dublin Branch)  
3rd Floor  
IFSC House  
IFSC  
Dublin 1  
Ireland

**Company Secretary**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Administrator**

SS&C Financial Services (Ireland) Limited  
*(Effective from 3 November 2023)*  
3rd Floor,  
Bishop Square,  
Redmond's Hill,  
Dublin 2,  
D02 TD99

*(Effective until 2 November 2023)*

La Touche House  
Custom House  
Dock  
IFSC  
Dublin 1  
Ireland

**Investment Manager**

Amundi Asset Management S.A.S  
91-93, Boulevard Pasteur  
75015 Paris  
France

**Registrar and Transfer Agent**

Société Générale Securities Services, SGSS (Ireland)  
Limited  
3<sup>rd</sup> Floor  
IFSC House  
IFSC  
Dublin 1  
Ireland

**Legal Adviser**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1

## AMUNDI ALTERNATIVE FUNDS II PLC

---

### COMPANY INFORMATION (continued)

**Sub-Fund**

Amundi Chenavari Credit Fund  
Lutetia Merger Arbitrage Fund  
Lyxor/Allspring Financial Credit Fund  
Amundi Marathon Emerging Markets Bond Fund  
Lyxor/Bluescale Global Equity Alpha Fund  
Amundi Sand Grove Event Driven Fund

**Sub-Investment Manager**

Chenavari Credit Partners LLP  
Lutetia Capital S.A.S.  
ECM Asset Management Limited  
Marathon Asset Management, L.P.  
The Putnam Advisory Company, LLC  
Sand Grove Capital Management LLP

The following abbreviated names for the Company's sub-funds were used in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and on the tables in the Notes to the Financial Statements and the Unaudited disclosure sections of the financial statements:

**Sub-Fund Full Name**

Amundi Chenavari Credit Fund  
Lutetia Merger Arbitrage Fund  
Lyxor/Allspring Financial Credit Fund  
Amundi Marathon Emerging Markets Bond Fund  
Lyxor/Bluescale Global Equity Alpha Fund  
Amundi Sand Grove Event Driven Fund

**Abbreviated Name**

CHENAVARI  
LUTETIA  
ALLSPRING  
MARATHON  
BLUESCALE  
SANDGROVE

### **DIRECTORS' REPORT**

**For the year ended 31 December 2023**

The Directors submit their report together with the audited financial statements of Amundi Alternative Funds II PLC (the "Company") for the year ended 31 December 2023.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with Irish law and International Financial Reporting Standards (IFRS's), as adopted by the European Union.

Irish company law requires the Directors to prepare financial statements for each financial year. Under Company law, the Directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with IFRS's as adopted by the European Union and comply with the Irish Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations" or collectively the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors, together with Amundi Asset Management S.A.S., the Investment Manager, are responsible for the maintenance and integrity of the publication of these financial statements online. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to a Depositary. Société Générale S.A. have been appointed by the Company as the Depositary.

#### **Adequate accounting records**

The measures taken by the Directors to secure compliance with section 281 to 285 of the Companies Act 2014 to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the following address: SS&C Financial Services (Ireland) Limited, 3rd Floor, Bishop Square, Redmond's Hill, Dublin 2, D02 TD99 (effective from 3 November 2023) and La Touch House, IFSC, Dublin 1, Ireland (effective until 2 November 2023).

#### **Review of the business and future developments**

The Company is an investment company with variable capital constituted as an umbrella fund with segregated liability between Sub-Funds. The Company was incorporated on 21 November 2012 under the laws of Ireland pursuant to the Companies Act 2014 and is authorised by the Central Bank of Ireland ("Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations.

There can be no assurance that the Company will achieve its investment objective.

A detailed review of the business and any future developments are included in the Investment Manager's Report.

**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2023**

**Corporate governance**

The Company has adopted in full the voluntary Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code") as published by Irish Funds, the text of which is available from the Irish Funds website, [www.irishfunds.ie](http://www.irishfunds.ie). The Company has been fully compliant with the Code for the financial year ended 31 December 2023 (31 December 2022: same).

**Companies Registration Office ("CRO")**

Investment companies are now required to file the statutory financial statements, statutory auditor's report and directors' reports with the CRO not later than 11 months after the end of each financial year which commenced on or after 1 January 2018. Such documents will be publicly available on the CRO's website.

**Risk management objectives and policies**

The main risks arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, as set out in Note 10.

**Results and dividends**

The results for the year are set out in the Statement of Comprehensive Income of the financial statements. Please see Note 12 of the financial statements for details of dividends approved during the year.

**Political donations**

No political donations were made during the year (31 December 2022: Nil).

**Significant events during the year**

Refer to Note 20 of the financial statements for the details of significant events during the year.

**Subsequent events**

Refer to Note 21 of the financial statements for the details of subsequent events.

**Directors**

The Directors of the Company who held office during the year and who were appointed during the period, are listed below:

Vincent Dodd* (Irish)	Declan Murray (Irish)
Bryan Tiernan* (Irish)	John O'Toole (Irish) resigned on 21 November 2023
Moez Bousarsar (French)	Paul Weber (Irish) resigned on 21 November 2023
Colm Callaly (Irish)	

\*Independent Directors

**Directors' and Secretary's interests**

The Directors and Secretary and their families had no interest in the shares of the Company as at 31 December 2023. No Director had, at any time during the year, a material interest in any contract of significance, subsisting during or at the end of the year, in relation to the business of the Company. All Directors' fees are borne by the Manager.

**Connected person transactions**

The Manager is satisfied that: (i) there are adequate arrangements in place, to ensure that the obligations set out in Regulation 41 (1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the year complied with the obligations set out in that paragraph.

---

**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2023**

**Directors' compliance statement**

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in Section 225 of the Companies Act 2014.

The Directors confirm that:

1. A compliance policy statement has been drawn up that sets out policies that, in our opinion, are appropriate to the Company, respecting compliance by the Company with its relevant obligations;
2. Appropriate arrangements or structures are in place that, in our opinion, are designed to secure material compliance with the Company's relevant obligations; and
3. During the financial year, the arrangements or structures referred to in (2) have been reviewed.

**Audit information**

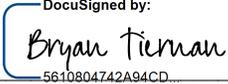
In accordance with section 330 of the Companies Act 2014, each of the Directors believes the following to be the case:

- So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

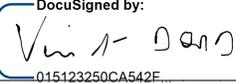
**Independent auditors**

PricewaterhouseCoopers have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Signed on behalf of the Board of Directors:

DocuSigned by:  
  
5610804742A94CD...  
Bryan Tiernan  
Director

29 April 2024

DocuSigned by:  
  
015123250CA542F...  
Vincent Dodd  
Director

29 April 2024

## INVESTMENT MANAGER'S REPORT For the year ended 31 December 2023

### Amundi Chenavari Credit Fund

Principal share class of the fund (I USD), posted a positive performance of 7.67 % .

#### January

##### MARKET COMMENTARY

After a turbulent 2022, 2023 kicked off with a powerful rally across the board, as indications of slowing inflation, China's reopening and declining energy prices helped boost investor sentiment. After signs of cooling inflation at the end of last year, CPI prints in both the U.S. and the Euro Area for December reiterated this, with annual inflation falling to 6.5% from 7.1% in the U.S. and to 9.2% from 10.1% in the Euro Area. However, once again, President Lagarde affirmed the stance that rates will still need to rise significantly to continue to bring inflation down. The key driver of cooling inflation so far has been the sharp retracement in energy prices, which has put investors' minds at ease of a potential energy crisis, especially in Europe. Specifically, Dutch TTF 1M Forwards fell to €54/MWh in January, a level not seen since September 2021. Against this backdrop, global equities surged upwards, with the STOXX Europe 600 up +6.7% and the S&P 500 up +6.2%, whilst in credit, iTraxx Xover closed the month c. 60bps tighter. Global bonds moved lower, as the U.S. 10Y Treasury tightened 37bps to 3.51% and the German 10Y Bund fell 29bps to 2.29%.

##### CORPORATE

In the Corporate space, the iBoxx € HY index posted a strong gain for the month (+2.8%), with the majority of HY participants very much in bull mode in line with the rest of the market. January also kicked off the 4Q'22 earnings season, albeit the majority will be reporting next month. We have already seen some profit warnings issued, as many Corporates have struggled with soaring energy and other input prices last year, which have eaten into margins. As such, Bloomberg analysts have forecasted that S&P 500 earnings will fall -3.1% in 4Q compared to the year before. The strategy itself posted a positive gain in January, as long names dominated performance. Notably, United Group, IAG and Abertis were the top performers. Some of the short exposures (for example, General Motors and Ford) and macro hedges (including rates) slightly offset performance. In terms of trading and portfolio construction, the strategy started off the month in the red, as credit and rates hedges (which were quickly reduced) offset positive single name performance as a result of the sharp rally. However, we continued to add long risk as the month progressed, whilst also cutting some shorts which were no longer as attractive to hold, which positively impacted performance. The strategy was also active on some new issues, despite January being a quieter month than anticipated in the primary market for Corporates. Looking forward, we will continue to operate with a long bias, whilst still keeping select short names which may be more vulnerable to significant earnings deterioration. Many tail risks still remain (most notably, macro data misses and Russia/Ukraine escalation) which we will continue to monitor closely, allowing us to adjust positioning accordingly.

##### FINANCIALS

In Financials, credit spreads have enjoyed the bull run and rallied hard. At the index level, the Markit iBoxx \$ AT1 index posted a total return of +5.5%, one of the best monthly performances post-pandemic, outperforming both the Markit iBoxx € AT1 index (+4.3%) and the Markit iBoxx € HY index (+2.8%). Higher in the cap stack and as expected in a bullish environment, spreads have compressed by tightening 29bps for € T2 and by 18bps and 6bps, respectively, for € SNP and SP. Interestingly, despite the flurry of new deals in the senior space over the month, € Senior Financials have finally started to outperform € Senior Non-Financials with the spread differential falling below the 50bps mark. In this strong environment, the primary activity has seen a record level of €85bn of issuance in Financials, the highest monthly issuance over the past 5 years, as banks took advantage of the rally to get ahead of their funding plans for the year. Of note, we had €5.2bn issued in the AT1 space with 6 deals. The strategy was particularly active on deals launched by periphery names, namely Sabadell and Ibercaja, whose order books were oversubscribed by 11x. The attractive valuations in the space and the flood of issuance have also offered investors the chance to deploy some capital. January was the 3<sup>rd</sup> consecutive month of inflows in the asset class with another €1bn, recovering 22% of the 2022 outflows already, according to our estimates. The earnings seasons kicked off in January and the first few Q4 results have pointed to another set of upbeat results. The key driver was again the net interest income ('NII'), which saw a steep acceleration in the quarter (notably in Spain and Italy – countries most geared to higher rates), while asset quality metrics remained benign with no evident signs of deterioration so far. The increase in provisions came primarily from macro overlays, providing banks with some leeway to manage any unexpected situations.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**January (continued)**

In Italy, UniCredit exceeded expectations with results coming in significantly ahead of consensus across all P&L items. In detail, the bank reported a PBT of €2.1bn, well above expectations at €1.4bn, powered by impressive NII (+10% beat), trading income (+80% beat) and lower credit provisions. The bank continued to build towards the management overlay, now worth €1.8bn or one-year of cost of risk, which has put the bank in a very comfortable position to absorb any economic downturn in Italy and/or Europe. In addition, the astonishing quarterly print allowed the bank to lift its capital distribution to €5.25bn, and for 2023 the bank guides for a €5.2bn bottom line (flat to FY22 level) which is conservative in our view. In Spain, Sabadell again surprised with a bottom line beat of +27% at €149m. NII was the bright star at €1.08bn (+7% beat) and the net interest margin ('NIM') accelerated significantly over the quarter to 1.64%. Asset quality remained mostly stable with the NPA ratio at 4.1%, whilst the fully-loaded CET1 ratio continued its upward trajectory to 12.5% resulting in an MDA buffer above 400bps. For 2023, the bank has guided for further upside with NII growing by "high teens" as >60% of the Spanish loan book will reprice. This should lead to an improving ROTE of >9% from 7.8% in 2022. In line with our "search for positive convexity" mantra in the strategy, we are overweight on low cash price UCGIM € 4.45% Call-27 (YTC 9.9% / YTM 8.3%) and SABSM 5% Call-27 (YTC 9.7% / YTM 8.7%), which provide the best upside in a spread compression environment with the bonds gradually shifting to be "priced to the call".

**February**

**MARKET COMMENTARY**

After the fierce rally in January, February saw the risk-on sentiment in the market cool off as prior beliefs that the hiking cycle may be coming to an end in the near future were quickly erased. As expected, at the very beginning of the month, the Fed, the ECB, and the Bank of England all raised rates. The Fed opted for a 25bp increase, down from the 50bp increase at the last meeting in December, whilst the ECB and BoE continued with another 50bp increase. However, resilient economic data which was released later in the month put doubts in investors' minds regarding the hiking cycle, as it became more evident that continued and perhaps stronger hikes may be needed to bring inflation closer to the Central Bank's inflation target level. In the U.S., inflation came in above expectations at 6.4% (vs. 6.2% expected), whilst retail sales jumped +3% in January, the biggest increase in nearly two years. In Europe, inflation data pushed higher in both France and Spain, and the flash Composite PMI for February reached a 9-month high at 52.3. In general, European assets fared better than their U.S. counterparts. In equities, STOXX Europe 600 ended the month up +1.7%, whilst in the U.S., the S&P 500 fell -2.6%. In credit, iTraxx Xover closed almost flat, but slightly tighter, whilst CDX HY closed +33bp wider. However, global bonds moved in tandem, with the U.S. 10Y Treasury wider +41bp to 3.92% and the German 10Y Bund higher +37bp to 2.65%.

**CORPORATE**

In the Corporate space, the iBoxx € HY index closed flat, however considering the index was +1.1% up after the first 4 days of February, there was a clear risk-off sentiment for the majority of the month as the macro environment dampened investor enthusiasm. February also saw the majority of Corporates report their 4Q'22 earnings, with the European market on-the whole showing greater resilience in terms of sales and earnings growth in comparison with the U.S. market. The strategy itself posted a positive gain in February. On single names, Lowell, BUT and Altice were the top performers, with BUT and Altice posting good results during the month which helped push the bonds higher. Furthermore, with the moves in rates during the month, the hedges in place provided significant contribution to performance. On the other hand, shorts in the U.S. automotive sector, as well as long exposures on United Group and Morrisons, were the biggest single name detractors. In terms of trading and portfolio construction, Chenavari reduced the long bias of the portfolio during the month as they cut a number of long positions, as well as through adding some select shorts. In particular, the Fund took profits on the long positions in Lottomatica (Italian gaming company), as increasing likelihood of a possible IPO in April pushed bond prices higher and culminated in an attractive exit point. Furthermore, the Fund also took profits on UK-based healthcare company Advanz Pharma, after its € bond rallied by 5pts after spread compression against peers in the sector. Looking forward, Chenavari aim to maintain a portfolio with attractive carry but one which offers downside protection should the macro environment deteriorate. They look to operate with a long bias focusing on higher quality names, avoiding those Corporates with unsustainable capital structures. At the same time, they will look to opportunistically add shorts in some of the more cyclical industries which could see continued demand softness.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**February (continued)**

FINANCIALS

In Financials, with the earnings season drawing to a close, the solid operating trends were confirmed. Net interest income accelerated by +29% year-on-year and was a +6% beat vs. consensus, while the pre-provision income (the first line of defense for banks to cope with any macro deterioration) was +44% higher year-on-year and +7% better than the market expected. Asset quality trends were benign with the NPL ratio roughly stable quarter-on-quarter at 1.8% and cost of risk coming in below expectations at 46bp. Chenavari remain comfortable on banks' fundamentals and conscious of the unique upside represented by higher rates on revenues. So far, the deposit beta (the pass-through of higher rates on deposits) has remained low with banks fully benefiting from this carry play. While Chenavari expect the beta to pick up this year, they note that this is already embedded into the higher 2023 profit guidance with banks erring on the side of caution. For instance, UniCredit is factoring an increase in deposit beta to 40% for 2023 vs. the current value of 7% faced in Italy. After the record issuance in January, primary activity slowed down, but the pipeline still remained healthy with c. €39bn issued including €6.1bn of AT1s. With this, Chenavari have noticed some bearish signals; the new issue premium ('NIP') has shrunk with some new deals pricing flat/inside secondaries, and book coverage has reduced after the record levels seen in January. This was despite February being the 4th consecutive month of positive inflows (of c. €850m) in the space according to their estimates. The strategy was selective in new deals and active in the new Bankinter €300m AT1 issued at 7.375% (books 10.8x covered) and, later in the month, in the new HSBC \$2bn AT1 at 8%; both traded 1pt above re-offer after the launch. In the Senior space, Chenavari participated in the new Senior Preferred bond launched by Cassa Centrale Banca, which traded wide for an IG name when compared to both IG and HY periphery peers. Overall, at the Fund level, they have slightly reduced the long exposure by taking profits on some bonds such as Barclays' AT1s (BACR 6.125% and BACR 7.125%) and on some Irish banks (AIB 5.25% and IPMID 13.25%).

**March**

MARKET COMMENTARY

Markets steadied at the beginning of March, after February saw most assets give back a lot of their start of year gains. However, the tone quickly changed as cracks started to appear in the banking system as a result of the aggressive rate hikes over the past year, which ended with the collapse of various U.S. regional banks and the resolution of Credit Suisse (CS) in Europe (of which further detail is provided in the "Financials" section). Against the extremely volatile backdrop, in equities, STOXX Europe 600 ended the month down -0.7% (vs. EURO STOXX Banks which was down -13.9% for the month), whilst in the U.S., the S&P 500 was more resilient and ended up +3.5%. In credit, iTraxx Xover (S38) was wider +79.3bp (until the roll), whilst CDX HY (S39) moved +55.2bp wider (until the roll). Global bonds moved in tandem, with the U.S. 10Y Treasury down -45bp to 3.47% and the German 10Y Bund lower -36bp to 2.29%.

CORPORATE

In the Corporate space, the Markit iBoxx € HY index closed slightly up (+0.18%) after a strong final week of the month but underperformed for the majority of March as investor sentiment was clearly very apprehensive following what was unfolding in the world of financials. The strategy itself posted a negative performance as many cash bonds moved lower on the back of bearishness in the market. In particular, on single names, long exposures on United Group, Wintershall and Asda were the biggest underperformers, whilst some of the strategy's macro hedges also took away from performance as we did not anticipate such a strong short squeeze towards the end of the month. Despite this, there were still some positive stories which helped offset some of this negative performance. On single names, the short on Grifols (Spanish pharma manufacturer) was the top contributor, as the unsecured notes were downgraded by Moody's one notch to Caa1 on the back of persistent elevated leverage and weaker operating performance. Longs on Iliad, Virgin Media and Elio were other top performers, with strong results from Iliad (revenue +7.7% and EBITDA +10.5%) helping push the bonds higher. Rates hedges were also very favourable during the month. In terms of trading and portfolio construction, the portfolio was long leading up until the events at the start of March. As this unfolded and the sentiment changed, we started to cut some of the long positions, whilst adding to the short portion of the book, with a preference for shorts via CDS especially in the more cyclical names. In particular, we added a short position on Stonegate (UK pub operator) who are fairly stretched from a liquidity standpoint with bond maturities in the near future, as well as on Lanxess (German specialty chemicals company) who are planning to delever but are struggling to do so.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**March (continued)**

As a result, the strategy ended the month with a fairly flat bias. Looking forward, we will operate with a conservative stance as we forecast the end of the cycle to be fast approaching while asset prices do not reflect this risk. Market volatility should, therefore, increase from here. We will continue to look at names on the short side, whilst maintaining/opportunistically adding long names which have strong cash flow dynamics to withstand worsening market conditions.

**FINANCIALS**

As outlined briefly in the market commentary, the March banking crisis started in the U.S. where the venture capitalist bank SVB collapsed in just a few days and was rescued by the FDIC, with the failure linked to the crystallisation of \$1.8bn unrealised losses on the investment portfolio and the impossibility to raise \$2.25bn to cover those losses. This collapse was the second largest failure in U.S. history. The third-largest failure occurred just two days later, as Signature Bank followed suit and was toppled with a large wave of withdrawals, and the FDIC shut down the bank. This opened a confidence crisis in the banking sector on a global scale and contagion quickly spread to Europe where the Swiss giant CS suffered a bank run after its largest shareholder, the Saudi National Bank, said that it could provide "no further assistance to the Swiss lender". CS's shares and bonds were in free-fall and despite a CHF 50bn liquidity line provided by the Swiss National Bank, CS could not stop the run. In this emergency situation, Central Banks tried to instill some confidence back into the economy and adopted a more cautious stance to the hiking cycle. The Fed and BoE raised rates by "only" 25bp, whilst the ECB hiked by 50bp, but market confidence in the banking system remained fragile. To avert broad-based deposit runs at other European banks and to prevent Switzerland's economy and financial system from collapsing, FINMA and the Swiss National Bank brokered UBS's takeover on 19th March for a CHF 3bn transaction. As part of the deal, FINMA decided to write down in full CS's AT1s (accounting for c. 14% of the \$ AT1 market) while allowing shareholders to retain some recovery value. This inversion of the normal hierarchy of claims surprised the market and triggered a harsh negative reaction (the AT1 space lost 10-15pts the following day). While we see this incident as a specificity of the Swiss banking resolutions framework on the back of the broad powers FINMA may exercise during restructuring proceedings, we don't foresee a similar risk for other European and UK banks given the clear waterfall hierarchy under the EU Banking Recovery and Resolution Directive (BRRD) and the UK Resolution framework. This was further reinforced by a joint statement by the SRB/EBA and then the BoE confirming that "CET1 instruments are junior to AT1 instruments in the loss-absorbing capacity". However, we think that FINMA's decision will have long-term consequences for the funding capabilities of Swiss banks (especially in the AT1 market) and will take some time to restore credibility with investors asking for more legal clarity on the creditor hierarchy. Having said that, CS was unique in its profile (weak corporate culture, never-ending litigation, consistent loss-making, etc.), and we believe European banks are generally in solid shape compared with the previous crisis with all key credit metrics at all-time highs (after all, the CS collapse was triggered by a confidence crisis rather than losses or shocks on the balance sheet). With the events that occurred, the Markit iBoxx \$ AT1 index was the clear underperformer, falling -16.3% during the month due to the exposure to CS's AT1. Furthermore, decompression was at play across the capital structure: € AT1 and T2 were 294bp and 36bp wider (AT1 vs T2 multiple at 3.1x, or 0.71x decompression, for the month), while SNP and SP were 24bp wider. Where do we see value? Undoubtedly, € and \$ AT1s are attractive at the current levels with a YTW of 11.5% and 11%, respectively. However, despite the fact they have retraced only 50%/60% of the spread widening since the peak in mid-March, we see the volatility in the space at levels much above the historical average, and in our view AT1s are unlikely to recover 100% of the recent underperformance due to the change of the investor base (towards more specialist investors). Since February, we have been steadily reducing our net AT1 exposure, which decreased from 12.4% in February to 6.2% in March. The recent sharp widening has cheapened other parts (i.e. safer parts) of the capital stack, and we see pockets of value in T2 and Seniors trading wide vs. Corporates. Indeed, we think Tier 2 and Seniors issued by high-quality national champions now offer the best risk-return profile. More recently, we have started to allocate capital in this space, for instance, on Barclays Senior HC € 0.877% 2028-C27, BPCE RAC Tier 2 € 1.5% 2042-C26, ING T2 € 2.125% 2031-C26, UniCredit T2 € 2% 2029-C24 and NWG Senior HC € 4.067% 2028-C27.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**April**

**MARKET COMMENTARY**

April was dominated by data releases, with both inflation and PMI readings under scrutiny. In the U.S., headline inflation came in slightly under expectations at 5.0% YoY (vs. 6.0% in February), however core CPI remained elevated at 5.6%. Meanwhile, PMIs came in stronger, with the Composite PMI moving higher to 53.5 (the highest level since May last year) with beats in both Manufacturing and Services, though the strength was concentrated in Services. In Europe, headline inflation fell sharply to 6.9% from 8.5% led by commodity disinflation, however the biggest takeaway was core inflation which moved higher to reach a record 5.7%. Further, composite PMI in the Euro Area rose unexpectedly, driven by a big jump in the Services PMI from 55.0 to 56.6 while Manufacturing remained subdued. The key decision now comes from the Central Banks. On one hand, inflation has remained stickier than first anticipated, which would point to continued rate hikes to try and bring this down to the 2% target level. However, with the events that unfolded in March in the banking sector, there is heightened risk of lending tightening, which would be a reason for a rate pause or even a cut. The most recent ECB lending survey points to both tighter credit standards and lower demand for loans. After March saw many asset classes give back some year-to-date gains, equities and credit steadied as sentiment improved across the board, with European assets generally faring better than their U.S. counterparts. In equities, STOXX Europe 600 ended the month up +1.9%, whilst in the U.S., the S&P 500 made a similar move, up +1.5%. In synthetic credit, iTraxx Xover (S39) was close to unchanged (-1.3bp tighter), whilst CDX HY (S40) moved +2.6bp wider. Within global bonds, the German 10Y Bund moved marginally higher to 2.31%, whilst the U.S. 10Y Treasury was down -5bp to 3.42%. All-in-all, market moves were fairly range bound across asset classes in April, and the VIX (volatility) index moved to its lowest level since late 2021.

**CORPORATE**

In the Corporate space, the iBoxx € HY index closed slightly up (+0.32%) for the month, but intramonth volatility was the lowest it had been for well over a year with the largest absolute daily move of only 18bp. April also saw the 1Q'23 earnings season get into full swing with better-than-expected results in Europe (looking at the Stoxx Europe 600 universe), with Consumer and Tech names posting strong sales and earnings growth YoY. On the other hand, the Materials sector on-the-whole have reported negative sales and earnings growth, with the macro uncertainties weighing in on volumes. The strategy itself posted a positive performance, driven by a mix of long and short names with the majority of movement driven by idiosyncratic news. Long positions on Wintershall, LaLiga and Cirsa were the top performers, with Wintershall (Germany oil and gas producer) posting slightly better-than-expected results despite lower oil and gas prices. Rates hedges also contributed positively during the month. On the other hand, macro hedges offset some of this positive performance, whilst the TMT sector was weaker in April resulting in our long Altice France and Virgin Media cash bonds being the biggest single name detractors. Altice France was also downgraded by S&P during the month due to continuing high leverage, however noting that asset sales and capex reduction could help reduce concerns if/when executed. In terms of trading and portfolio construction, the strategy was active in the primary market, which came into life in April as more companies began to address their refinancing needs, taking advantage of the calmer backdrop. Demand was very strong for many of the deals, with order books coming in heavily oversubscribed. We participated in names such as Benteler (German automotive and tubes supplier) and Allwyn (multi-national lottery operator) to target attractive new issue premium, whilst also participating in the new Cheplapharm (German pharma company) deal which we liked from both a fundamental and valuation perspective.

**FINANCIALS**

In Financials land, the biggest story of April was in some ways the lack of any major developments. We have seen an ongoing compression trend: Markit iBoxx € AT1 index posted a positive performance of 1.43% and was 25bp tighter in the month vs. € T2 index leaking 5bp wider, and so outperforming synthetics where Xover was broadly flat. Towards the end of the month, the decision to redeem at the first call date the AT1s issued by UniCredit and Lloyds has instilled some confidence back in the AT1 space and triggered a repricing of the extension risk in the front-end of the curves of national champions. On the back of these call decisions, we have tactically and slightly increased our AT1 exposure on some bonds issued by national champions (i.e BBVA and Barclays) with call dates within 6-months, where high call frequency after the first call would protect us against the downside scenario of extension. On a more idiosyncratic basis, during the month S&P revised Sabadell's outlook to "positive".

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**April (continued)**

We see this as credit positive, especially for the bank's SNP which are 1-notch away from being IG-eligible. Therefore, we have initiated a new position on its SNPs, and we see scope for spread compression towards domestic IG peers. At the end of the month, the European banks' earnings season kicked off and Q1 results have been good so far with more beats than misses. The positive momentum of the operating performance is also set to continue in this quarter: higher revenues, controlled costs inflation, stable/better capital, and little sign of asset quality deterioration. In addition, banks have provided a reassuring message on the front of liquidity and customer deposits, with these showing only a slight seasonal inflection quarter-on-quarter.

**May**

**MARKET COMMENTARY**

May was a month of significant monetary policy decisions. The U.S. Federal Reserve increased rates by 25 basis points, signaling a potential pause in the hiking cycle. This move was in line with market expectations and reflects the Fed's ongoing efforts to manage inflationary pressures while supporting economic recovery. Across the Atlantic, the European Central Bank (ECB) also hiked rates by 25 basis points, bringing the rate to 3.75%. This marked a reduction from the previous 50 basis points pace, indicating a potential slowdown in the rate of monetary tightening. The ECB's communication suggested that while they are nearing the end of the tightening cycle, there is still work to be done to ensure economic stability. Inflation remained a key focus in May. In Europe, while headline inflation continued to drop, core inflation is still on the rise. This divergence highlights the complex dynamics at play in the European economy. In the UK, inflation concerns were particularly pronounced as core inflation in April accelerated to 6.8% from 6.2% previously. This surge underscores the inflationary pressures facing the UK economy and the potential challenges for monetary policy. Despite the looming deadline of the U.S. debt ceiling negotiation and forecasts of the U.S. treasury running out of cash by June 1st, the market appeared to largely ignore these risks. As of the time of writing, President Biden signed the debt ceiling bill into law on June 3rd after being approved by the Senate a couple days prior, following extensive negotiations between Biden and Republican leader McCarthy to strike a deal. In terms of market performance, the U.S. market, particularly the Nasdaq (NDX), driven by AI-related names, outperformed other regions. The fear of a credit crunch due to the collapse of SVB Bank did not materialise yet, providing some relief to the market. However, it's important to remain vigilant to these and other potential risks in the market. In summary, May was a month of significant monetary policy decisions and ongoing inflationary concerns. As Chenavari navigate these complex dynamics, they remain focused on identifying opportunities and managing risks to deliver consistent returns.

**CORPORATE**

The European Credit market demonstrated resilience in May, with volatility remaining low as the market navigated the wall of worry. Fund flows were flat to positive, reflecting investors' continued comfort with the absolute high level of yields. This is indicative of the market's confidence in the robustness of the corporate sector amidst the current economic climate. Corporate results across Europe were largely positive, with the exception of the Chemicals and Paper & Packaging sectors. These sectors continue to grapple with challenges such as excessive inventory and weakening demand. However, the manager is closely monitoring these sectors for any signs of improvement. Key outperformers for the month included Morrisons (UK supermarket), Cirsa (gaming company), and United Group. Morrisons saw investors positioning for margin improvement going forward, whilst Cirsa's bonds were positively impacted by news about a potential future IPO. United Group also performed well as the long-awaited tower sale was completed above expectations. On the negative side, debt collector Intrum and Altice France underperformed. Intrum reported a weaker set of results with costs outpacing the topline revenue increase, translating to lower margins, whilst Altice France underperformed as the company reported EBITDA lower by -5% compared to flat expectation. However, Chenavari believe that market concerns for Altice France are overblown and that the bonds offer great value at these levels. Furthermore, during the month a significant development was the announcement of the Asda acquisition of the EG Group UK assets. This removed a big overhang on the Asda bonds as no new issuance will be required; the deal will be financed by an equity injection and a real estate sale and leaseback. Overall, the portfolio bias increased as the view of an imminent bank loan contraction due to the U.S. regional bank crisis did not materialise. However, PMs remain vigilant as we approach the end of the cycle.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**May (continued)**

**FINANCIALS**

In Financials, Q1-23 earnings season was in full swing during the month. Results have confirmed the solid shape of the European banking sector and mirrored last quarter's results in some capacity. Once again, NII has surprised to the upside delivering a +3% beat at sector level with the largest beats in the periphery (i.e. in Italy and Portugal). Also, the pre-provision income (the first line of defence against any macro deterioration) remained on a positive trajectory, increasing +21% QoQ and beating expectations by 13%. As seen in the previous quarter, deposits beta (i.e. pass-through of higher rates to deposits) remained contained but Chenavari forecast it to pick it up in H2-23. Indeed, according to the latest disclosure from the ECB on deposits, the blended deposit beta in the Eurozone remained very low in April at 12%, compared with the 2005-8 cycle at 33%. Despite this, on the liquidity front, banks have delivered a reassuring message with customer deposits seeing only a slight seasonal-related decrease of 0.2% QoQ. Among the banks which have surprised, they believe BCP deserves a special mention. The Portuguese national champion delivered a strong quality beat powered by higher NII (+7% beat) and lower costs (+3% beat) which led to a PBT beat of +15%. The capital position, one of the main concerns for investors, has been improving in the last quarters and in Q1-23 came up stronger than expected with a FL CET1 ratio of 13.6% (or an MDA buffer of 338bp). Of note, the bank used the positive one-off of the disposal of its 80% stake of BCP Financial Services to boost the coverage of the CHF mortgages book which increased from 47% to 56%. During the March turmoil, BCP underperformed the closest peers, and Chenavari believe BCP's complex is trading too wide, not reflecting the improved fundamentals, and most importantly, the more sustainable organic capital generation. Therefore, they have added to their exposure on the Tier 2 BCPPL 3.871% 2030-C25, trading with a YTC of 16.4% and YTM of 9.75%. In terms of performance, the compression trend continued in May with the Markit iBoxx € AT1 index gaining +2.4% and \$ AT1 index gaining +1.3%, thus outperforming synthetics where the iTraxx Xover was close to unchanged. As banks exited the blackout period, the primary activity picked up and we have seen c. €44bn of issuance across Seniors and Tier 2, but still no new AT1 deal post-CS fallout as banks' treasuries think that current valuations are too expensive. With €10bn AT1s approaching the 1st call date in H2-23, they expect the AT1 pipeline to re-open soon especially for national champions and they think BBVA, Santander and Société Générale are the most likely candidates. On the back of this, PMs have decided to increase AT1 exposure on the front-end of AT1 curves of national champions, for instance Barclays \$ 8% Call June-24 and BBVA € 5.875% Call Sept-23. In this segment of the curves, many bonds exhibit an asymmetric risk-return payoff: decent upside in a scenario of the call exercise at par and limited downside given the high call frequency after the first call date.

**June**

**MARKET COMMENTARY**

June saw the continued strength of AI-related stocks, pushing the Nasdaq and the broader U.S. market higher. A significant portion of this flow appears to be short covering, which also triggered a decent bid for the Russell 2000 and U.S. Regional Banks. However, new longs are also being put to work. U.S. ISM Manufacturing PMI for May remained little changed at 46.9, while U.S. ISM Services PMI decreased from 51.9 to 50.3. Bets for an imminent recession in the U.S. continued to be unwound, with the U.S. 2Y bond rising another 49bp to 4.9% and almost 100bp up from the lows in April, reversing the rally post SVB bank collapse. In Europe, disinflation continued with CPI YoY down from 7% to 6.1% in May, with core inflation decreasing from 5.6% to 5.3%. Despite this, ECB governors remained hawkish, stating that the job is not done yet. The ECB hiked rates by another 25bps to 3.5% (deposit facility), while the Federal Reserve skipped the meeting as previously guided but indicated there are more hikes ahead of us. The market seemed to be comfortable with the last few hikes of the central banks and more focused on the GDP growth outlook, which has proved to be more resilient than previously anticipated.

**CORPORATE**

In the European corporate credit market, the tone was quite bullish with iTraxx Xover tightening -8% to 400bp while the cash European High Yield benchmark climbed +0.45% on the month. Even though cash was up, its performance was somewhat capped by the rise in government bond yields that continued to reverse its bearish pricing. The Corporate book lagged the broader market on the month as the long cash, short CDS construction underperformed in June. The best contributors to performance were the long positions on Virgin Media, SES Hybrid, Dana Inc. € notes and short on Lanxess CDS. On the negative side, the underhedged position on interest rates translated to a big opportunity cost while synthetic shorts in Grifols and Lufthansa CDSs also dragged on performance. In cash, Intrum and Altice also underperformed. Overall, Chenavari remains confident in its positioning with a portfolio producing attractive carry with low cyclical risk.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**June (continued)**

**FINANCIALS**

In the Financials space, the month has seen credit spreads continuing their steady recovery with a positive price action across all layers of the capital structure. In spread terms, € AT1s tightened by 30-40bp, bringing the YTD total return performance further into the green at +1.72% (monthly performance of +1.24%). Moving up the capital structure, € T2 spreads were slightly tighter at -2bp, underperforming SNP and SP. The AT1 space and the overall sentiment was further supported by the reopening of the AT1 market post-CS with BBVA printing a PerpNC5.5 at 8.375% and Bank of Cyprus a PerpNC5.5 at 11.875%. This caused a repricing of the extension risk with the front-end of AT1 curves outperforming. Chenavari took profits on some short call AT1s trading close to par and rotated their allocation on some short call £ AT1s which have suffered from the volatility in the Gilt market in June, for instance BACR £ 5.875% call Sept-24 at YTC 15%+ and LLOYDS £ 5.125% Call Dec-24 at YTC 12%+. In terms of news flow, June was an eventful month. Rating agencies were busy, especially in Spain. Cajamar was upgraded by 1-notch at S&P with the SP and T2 debt ratings moving to BB+ and B+ from BB and B, respectively. The positive action mainly reflects the improvements in the earnings capacity supported by higher rates and ongoing cost measures, and the reduced gap with the closest peers. In the strategy, they are still overweight both Cajamar SP and T2 (+1.9pts and +2.4pts, respectively, in the month), still trading too wide to mid-tier Spanish banks and they remain keen to play the recovery story. Remaining in Spain, Fitch has revised Sabadell's outlook to positive from stable. Sabadell complex still trades cheap vs. its fundamentals having underperformed in March, and Chenavari think the bank will continue to benefit from the positive rating momentum as it's on a positive outlook at all agencies. However, this matters the most at S&P as a 1-notch upgrade will trigger IG index eligibility for its SNP. Regarding Polish banks, in mid-June, the ECJ ruled in favour of customers on the CHF mortgages saga (i.e. banks cannot claim the interest on the capital) with the outcome broadly in line with the Advocate General (AG) opinion released in February. The decision is marginally positive for BCP (recall that BCP owns 50.1% of the Polish Millennium Bank) as it removes some uncertainties on the future provisioning (the bank had already updated the provisioning against legal risk assuming the AG opinion would hold). They expect the Portuguese bank to make further PLN 2bn provisions over one or two years with these more than covered by organic capital generation. Chenavari continue to like BCP SP and especially its T2s which, even after a rally of +9pts since the March lows, screen wide compared to the likes of Cajamar, Unicaja, Novo Banco or Monte Paschi with the spreads not reflecting the improving profitability and the brighter outlook on the CHF mortgages saga.

**July**

**MARKET COMMENTARY**

July saw several economic data releases and policy rate decisions by major central banks as the soft landing narrative continued to gain traction among investors, evidenced by easing inflationary pressures and resilient economic growth. After its hawkish pause last month, the Fed hiked its policy rate by 25bp. Signs of disinflation were also observed as the headline U.S. YoY CPI slowed to a more than two-year low of 3.0% (vs. 4.0% in May) while core CPI came in at 4.8% (vs. 5.3% in May). Across the Atlantic, the ECB increased its main interest rate by 25bp to 3.75%, with the headline inflation rate easing to 5.5% in June (vs. 6.1% in May). However, core inflation remained sticky, ticking up slightly to 5.5% (vs. 5.3% in May). After stagnating in Q1, the Eurozone also returned to growth territory after registering +0.3% quarterly GDP growth. However, subdued business activity, as seen in weaker flash eurozone PMI prints, led to a bleaker growth outlook. Against this backdrop, in equities, the STOXX Europe 600 rose +2.04% in the month, whilst the S&P 500 and Nasdaq advanced +3.11% and +4.05%, respectively, the fifth consecutive monthly gain for both indices. In synthetic credit, the iTraxx Xover tightened -19.9bp to 380.4bp, whilst the CDX HY was -20.7bp tighter. In global bonds, the U.S. 10Y continued its upward trend, moving higher to 3.96% (+12bp), whilst the German 10Y Bund climbed for a second straight month, to 2.49% (+10bp). Corporate In the European corporate credit market, the tone continued to be bullish with the Bloomberg European High Yield benchmark pushing +1.26% higher, the fourth consecutive positive month. July also kicked off the Q2 earnings season, with the impact of inflationary pressures and demand weakness in certain sectors really starting to bite. Most notably, the Chemicals sector has been one of the weakest, with many names such as Lanxess (one of the core short positions) issuing profit warnings prior to the release of results, citing lacklustre demand and destocking as the drivers of poor performance.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**July (continued)**

**CORPORATE**

The Corporate book lagged the broader market on the month, finishing the month down as the short portion of the portfolio suffered, combined with the sharp sell-off in Altice group following news the co-founder had been detained for alleged corruption and money laundering. As a result of the negative headlines surrounding Altice, the managers decided to reduce the exposure significantly. On the other hand, the long positions rallied with the market, with Virgin Media and Asda the top single name performers, whilst rates hedges also contributed positively. Looking forward, Chenavari will continue to operate with a long bias with a focus on less cyclical names, whilst keeping a close eye on earnings in case of unexpected positive or negative surprises.

**FINANCIALS**

Financials July was another month of strong performance for credit markets and Financials credit was one of the top performing asset classes in the space. This was attributable to a number of factors among which cheap valuations, risk-on sentiment and positive technicals (dealers running with low inventory through the summer). Evidently, the main driver was the reassuring message banks provided with Q2-23 results. In terms of performance, the Markit iBoxx € AT1 index posted a positive return of +3.37% (bringing year-to-date total return to +4.68%). The space was supported by the decision to redeem AT1s issued by Barclays and Caixabank at the first call date. Upper in the capital stack, € T2 spreads were -28bp tighter, while SNP and SP tightened -23bp and -15bp, respectively. The Q2-23 earnings season kicked off in earnest and banks' results weren't dissimilar to Q1-23: profitability continued to trend upward on the back of higher NII, with a number of banks upgrading their FY23 profit guidance. However, it looks like the peak is very close, especially for Continental European banks (which will depend on the deposit beta in the next quarters), while for UK banks the peak has already been achieved. Asset quality metrics remained robust, and there was no signs of material deterioration with credit provisions coming in below expectations at the sector level. Periphery banks were again the best performers and continued to benefit from the repricing of the loan book while the deposit beta (i.e. the pass-through of higher rates to customers) has slightly picked-up but remained below expectations. Among these, UniCredit and Sabadell stood out. Sabadell reported a PBT beat of +29% at €507m on the back of stronger revenues (i.e. higher NII) and lower provisions. This led the bank to upgrade FY23 guidance, now forecasting an NII growth of >20% (vs. "high teens" previously), and RoTE of >10.5% (vs. >9% previously). Sabadell complex has performed strongly during the month, especially its SNPs (one of the core positions in the Fund) which have reduced the spread gap vs. Caixabank (rated IG) given the now very likely upgrade to IG post-results. In Italy, UniCredit posted again astonishing results with PBT coming in +23% above market consensus at €3.2bn. Profitability continued to be supported by higher margins while deposit beta remained below guidance. As a result, the bank has upgraded FY23 outlook targeting a net income of >€7.25bn from >€6.5bn thanks to higher NII and lower cost of risk. In the managers view, they believe UniCredit is one of the strongest banks in the sector right now and valuations largely discount this. They see value in the front-end of the Tier 2 curve, for instance UCGIM 2% 2029-C24 at 96 given the capital appreciation in case of the very likely call in September 2024, while in the AT1 space, they see better value in Intesa AT1, for example ISPIM 3.75% C25. Remaining in Italy, the managers have also initiated a new position on Monte dei Paschi Tier 2s (MONTE 8% 2030-C25). Here they believe valuations don't reflect much-improved fundamentals of the now cleaned bank and this was also confirmed during the 2023 Stress Test where the capital drawdown of the bank in the adverse scenario stood at 551bp vs. 996bp in the previous test, closer to mid-tier banks in the periphery. At the end of July, EBA released its EU-wide Stress Test, and the outcome was broadly in line with expectations, confirming the resilience of the European Banking sector. The ST2023 exercise included 70 banks compared to 50 banks in the previous exercise in 2021, and covered roughly 75% of the EU banking sector assets (Greek banks were the most important addition in the ST2023). Despite the shocks applied during the exercise being the most severe used in the EU-wide stress up to now, EU banks fared better than the previous exercise. The average capital depletion under the adverse scenario was 459bp vs. 485bp in the ST2021 exercise and the FL CET1 ratio declined from 14.97% to 10.38% wiping out €271bn of CET1 capital cumulatively. Overall, Core banks performed worse, notably some French banks alongside certain Benelux banks, while periphery banks performed better, notably Monte dei Paschi.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**August**

**MARKET COMMENTARY**

In the U.S., strong economic data releases were seen, with July figures for retail sales and industrial production inching higher by 0.7% and 1.0%, respectively. The labour market remained tight with the unemployment rate and average wage growth beating YoY consensus estimates at 3.5% and 4.4%, respectively. On the inflation front, July's headline inflation rate increased slightly to 3.2% (vs 3.0% in June), however core inflation drifted marginally lower to 4.7%. Robust economic data and abovetarget inflation pointed to potential rate hikes in the future, as reflected in the FOMC July meeting minutes and Jerome Powell's Jackson Hole speech. In Europe, the headline YoY figure for inflation remained flat at 5.3% (according to the preliminary August reading), with core inflation easing slightly to 5.3% (vs 5.5% in July). Meanwhile, the unemployment rate continued to be at a historic low, at 6.4% for July. In the UK, the BoE hiked its policy rate at the start of the month by 25bp to 5.25%, citing elevated inflation and stronger than-expected wage growth. Equities and credit indices declined across the board for August. In equities, the STOXX Europe 600 fell by -2.79% in the month, whilst the S&P 500 and Nasdaq fell -1.77% and -2.17%, respectively. In synthetic credit, both the iTraxx Xover (+15.9bp) and CDX HY (+16.3bp) widened, retreating from previously tighter levels. In global bonds, the U.S. 10Y continued to sell-off to 4.11% (+15bp), whilst the German 10Y Bund tightened slightly to 2.46% (-3bps).

**CORPORATE**

In the European corporate credit market, it was yet another positive month with the Bloomberg European High Yield benchmark pushing +0.32% higher, albeit activity was fairly muted due to the summer holidays. The HY primary market was very quiet for the majority of August, however this picked up slightly in the final week where Chenavari were active on both VW (hybrid bonds) and Telefónica new issues. September is set to be a very busy month for the primary market, with around €70bn of IG issuance expected, whilst the HY market is also set to pick up, with refinancing being the main motivation. Chenavari will closely monitor new deals and act accordingly when they see attractive opportunities. The Corporate book finished the month up driven primarily by long cash bonds, whilst rates hedges also contributed positively. In particular, Morrisons, SES and David Lloyd were the top performers. Luxembourg-based satellite company SES reported strong Q2 results at the start of the month, with consensus beats in both revenues and EBITDA, whilst announcing they have cleared C-band ahead of schedule with an accelerated relocation payment of around \$3bn expected in Q4 this year which is largely expected to be used for deleveraging. On the other hand, a few idiosyncratic long names moved lower (Intrum and Dana), whilst some shorts via CDS also detracted from performance. Looking forward, they will continue to operate with a long bias, whilst also looking to deploy excess cash when opportunities arise. Chenavari believe there is significant value in the credit market, and yields continue to be high. Not only are there attractive longs, they still believe select shorts offer room for significant spread widening.

**FINANCIALS**

European banks Q2'23 earnings season came to a close in August with the positive trends seen in the previous month largely confirmed – NII remained on the upward trajectory and mostly contributed to the bottom line beat with the pre-provision profit coming in 8% better than analysts' estimates. No material deterioration of the asset quality was observed in the quarter as the cost of risk came in at 35bp at the sector level, broadly stable QoQ and below expectations. Among the banks having reported in the month, Chenavari were surprised by Monte dei Paschi and UBS's Q2 results. Monte dei Paschi followed suit with other periphery banks and surprisingly has shown a material improvement on all key credit metrics, especially on the capital side, now running with a >500bp buffer over the capital requirement. The bank is well ahead of its own 2024 financial targets, and it trades wide compared to mid-size domestic banks. Chenavari topped up on their position on Monte dei Paschi Tier 2s, MONTE 8% 2030 and 8.5% 2030, as valuations do not reflect these improving fundamentals. UBS was the last bank to report Q2 results, and all the key balance sheet and operating metrics came in better than expected. Most importantly the bank has guided a faster integration of Credit Suisse, by 2026 vs. 2027 initially expected. From a credit perspective, Chenavari would highlight 2 points: the bank posted a better than expected pro-forma TLAC position and this gives some scope for tenders and reduced funding needs going forward. With regard to the AT1 stack, the bank is running with c. \$12bn shortfall post CS AT1s write-down and management made no comments on the timing and target size. They expect UBS to be active in the AT1 market in H2'23 and to act in a bondholder friendly manner given the amount to be issued. On the back of it, they have increased exposure on UBS AT1s 6.875% C25 trading cheap to the call, with a YTC of 10% and they are still invested in its Senior holdco UBS 7.75% 2029 which trades wide of other core names with the potential for liability management exercises. Italian risk was under the spotlight in August as the Italian Government announced a 40% levy on the NII growth to raise €2- 3bn for the fiscal budget.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**August (continued)**

This follows a similar move made by the Spanish Government, and, although it is unwelcome, it is limited to 2023 only and it is more an equity than a credit event, dampening slightly capital distributions this year. Italian names have underperformed (equity much more than credit) and Chenavari took advantage of this weakness topping up exposure on Intesa AT1s such as ISPIM 3.75% C25 with a YTC of over 12%. In terms of market moves, after a few months of recovery post-CS, financials credit took a pause in August. The month started on the soft side, but the decline intensified after mid-August on the back of new concerns around China's economy slowdown. Market € and \$ AT1 indices ended the month down -0.98% and -0.80%, respectively, despite the support from the redemptions of AT1s at the first call date from HSBC, Société Générale and Barclays. Surprisingly, primary market was active in August with €20bn issued, especially in the AT1 space with €3.4bn issued from Intesa, BNP, KBC and Intesa. Overall, the Financials strategy closed the month with a positive performance.

**September**

**MARKET COMMENTARY**

September was marked by a sell-off in global financial markets with major central banks signalling that the rate hiking cycle is nearing or at its peak but will likely remain higher for a prolonged period. In the U.S., the Fed kept its target range unchanged at 5.25–5.5%, delivering a hawkish pause due to resilient economic activity. Labour market conditions cooled as the unemployment rate edged higher to 3.8% (vs 3.5% in July), while the core PCE price index, the Fed's preferred inflation indicator, decreased to 3.9% in August (vs. 4.3% in July). Across the Atlantic, the ECB raised its policy rate by 25bp to an all-time high of 4%. The Eurozone similarly showed abating price pressures with headline inflation (flash reading) slowing to 4.3% in September, its lowest level since October 2021, and core inflation easing to 4.5% (vs 5.3% in August). Meanwhile, the BoE echoed the Fed's move with a split decision to hold policy rates at 5.25%. In equities, the STOXX Europe 600 fell -1.74% for the month, whilst the S&P 500 and Nasdaq suffered their worst monthly declines in 2023, at -4.87% and -5.81%, respectively. In synthetic credit, the iTraxx Xover and CDX HY both widened significantly following their respective rolls; meanwhile in global bonds, both the U.S. 10Y (+46bp) and German 10Y Bund (+37bp) reached multi-year highs of 4.57% and 2.84%, respectively.

**CORPORATE**

In the European corporate credit market, contrary to most other asset classes, it was yet another positive month with the Bloomberg European High Yield benchmark pushing +0.29% higher, rounding out a positive Q3 for the space. As expected last month, the primary market picked up in September and all-in-all, deals were well received by investors with books very well covered for the most part. For example, Bayer came with a €1.75bn dual tranche hybrid which saw combined books in excess of €10bn. In particular, Chenavari was active on the new Bayer, Worldpay and Banijay deals. The Corporate book finished the month up +13bp. In particular, Morrisons, Virgin Media O2 and Asda were the top performers, whilst rates hedges once again added positively to performance. At the start of the month, headlines came out that Morrisons and Motor Fuel Group were in talks regarding the sale of Morrisons' fuel retail forecourts in a deal which could reach up to £2.5bn, which was taken very positively by the market and bonds pushed +3.5pts higher on the news. Morrisons bonds jumped higher again later in the month when they published strong Q3 numbers, with total sales (ex. fuel) up +3.1% YoY, underlying EBITDA up £82m and management reaffirming positive FY guidance. On the other hand, some of the shorts in the book (ArcelorMittal, Marks & Spencer and Stena) suffered with the general positive market tone. Looking forward, Chenavari will continue to operate with a long bias with a continued preference for more defensive, cash generative companies as the reinforced "higher-for-longer" narrative continues posing threats to companies with the refinancing of near-term maturities. Chenavari also continues to like names in the hybrid space, as features such as high reset spreads and the threat of equity content loss, coupled with solid fundamentals of the underlying IG-rated company make for an attractive investment case. As always, Chenavari continues to remain vigilant in the current macro environment and will continue to be proactive with positioning when market conditions change.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**September (continued)**

**FINANCIALS**

Weakness in rates and Central Bank meetings weighed down on the sentiment in Financials credit in September. The Markit € and \$ AT1 indices closed the month down -0.67% and -0.39%, respectively, with most of the negative performance led by higher rates. Consequently, long-dated AT1s were those which suffered the most, losing 2-3pts in the month. With rates curves inverted, Chenavari still believes short call AT1s offer the best risk-return profile, while remaining cautious on the recent new issues which are pure beta products, and which usually trade tight on the curve viewed from a blended YTC/YTP perspective. Again this month, Italian assets were under the spotlight and came under pressure on a new raft of challenges around the draft of the next year's fiscal budget. In detail, the Italian Government has set its 2023 fiscal budget at 5.3% of GDP, up from an earlier target of 4.5%, and 4.3% in 2024 vs. 3.7% previously. This triggered a panic sentiment on Italian risk and BTP-Bund spreads briefly touched the 200bp handle, the first time since the beginning of the year. Chenavari still sees some value in Intesa's AT1s, but remains cognisant of the political uncertainties ahead (the draft budget must be submitted to the ECB by the end of October). Therefore, towards the end of the month, Chenavari decided to partially hedge this exposure through some decompression CDS trades (Sub vs. Senior/SLA) on Intesa and Mediobanca which were trading compressed historically and vs. core names. On a more idiosyncratic basis, Fitch and S&P took a positive rating action on BCP by delivering 1-notch upgrade. This made its senior preferred fully IG and IG-index eligible. However, the greatest price action was on its Tier 2 which rallied +3.5pts in the month post-announcement. As noted in our previous updates, Chenavari liked and still likes BCP Tier 2s given that the spreads are not reflecting the improving profitability, capital generation and brighter outlook on the Portuguese economy. Primary activity in September picked up with €43bn issued across the spectrum, a revamp vs. €24bn issued in August. The month saw a few more AT1s issued by BBVA and Erste Bank at 8.375% and 8.5%, respectively, acting positively to refinancing existing deals. We are still waiting for the long-awaited new AT1 at UBS but the weakness in the rates market and in the broader macro backdrop make a new AT1 issue challenging. Additionally, Chenavari notes some headlines during the month about the bank exploring investors' interest for a new AT1: UBS has \$3bn AT1s approaching the first call in the next 4 months, and the call window on SGD 500m UBS 5.875% C23 just opened at the end of the month – this will be an important test for the market.

**October**

**MARKET COMMENTARY**

October saw a decline in both equity and credit markets, as escalated conflict in the Middle East weakened the sentiment in the market, whilst in the U.S., robust economic data during the month affirmed the “higher-for-longer” narrative. The U.S. sustained its economic resilience as annualised third quarter GDP growth came in at a stronger-than-expected rate of 4.9%. Consumer spending remained the biggest driver, supported by a monthly increase of 0.7% in retail sales and the strong nonfarm payrolls report in September. Headline CPI was unchanged at 3.7% in September while core CPI decreased slightly to 4.1% (vs 4.3% in August). In Europe, the ECB held its policy rate at 4% after ten consecutive hikes, buoyed by disinflationary estimates indicating that headline inflation sharply dropped to 2.9% in October (vs 4.3% in September) and core inflation inched lower to 4.2% (vs 4.5% in September). The rate pause was also steered by the -0.1% GDP contraction recorded for the third quarter and flash PMI prints falling in both the services and manufacturing sectors. In equities, the STOXX Europe 600 decreased by -3.68% for the month, whilst the S&P 500 and Nasdaq both slumped by -2.20% and -2.78%, respectively. In synthetic credit, both the iTraxx Xover and CDX HY widened by +22.4bp and +36.3bp, respectively. In global bonds, the U.S. 10Y (+36bp) jumped higher to 4.93% and crossed the 5% handle intramonth, a yield not seen since July 2007. Meanwhile, the German 10Y Bund stayed relatively stable at 2.80% (-3bp).

**CORPORATE**

In the European corporate credit market, October ended the positive streak for the asset class as the Bloomberg European High Yield benchmark closed the month down -0.30%, just the second negative month of the year. Rates volatility and some poor third quarter earnings seemed to be the main cause for the lack of risk appetite and the move lower, however as rates somewhat stabilised towards the end of the month, cash pushed higher in quite a fierce rally in the final few days. In primary, it was an extremely quiet month for high yield with only a handful of deals placed. The Corporate book finished the month up. In particular, long Virgin Media O2, Iliad and Dana were the top performers, whilst credit hedges also added positively to performance.

**MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**October (continued)**

During the month, Dana reported robust Q3'23 numbers with sales up +5%, adjusted EBITDA up +26% and adjusted EBITDA margin up +150bp versus the prior year. Another positive contributor was Abertis, who also reported strong Q3'23 numbers. Sales were up +8% and EBITDA was up +12% driven by strong traffic growth and their ability to pass on inflation. On the other hand, some of the other long positions in the book (for example, Morrisons, PureGym and Philips DA) moved lower with the negative market tone at the start of the month and then were laggards in the recovery at the end of the month, hence detracting slightly from the strategy's performance. During the month, Chenavari progressively increased the long bias of the portfolio as the market drop created attractive entry points for many investment opportunities. Looking forward, Chenavari will continue to operate with a longer bias, whilst keeping selective shorts and adjusting hedges appropriately.

**FINANCIALS**

Again this month, rates were the main driver in Financials credit performance as it weighed on the general sentiment. In the AT1 space, € and \$ AT1s had a divergent performance as € AT1s outperformed (+0.68%) and \$ AT1 underperformed (-0.54%) on the back of the decoupling of U.S. (5Y UST +24bp) and European rates (5Y EUR Swap -15bp). Although the "higher for longer" narrative is still in play, Central Bank pauses this month would suggest that peak rates may have been reached. For several months Chenavari has liked (and still likes) short-call AT1s and the thesis has paid off so far. However, more recently Chenavari has started to gradually extend the duration of our AT1 exposure from the 2025/26 call vintage to 2027/28 where Chenavari sees the greatest capital appreciation, should rates edge lower and bonds reprice more aggressively "to the call" from "to maturity". Meanwhile, earnings season kicked off and the main theme was that periphery banks continued to post net earnings that have beaten consensus, especially CaixaBank, Sabadell and UniCredit, on the back of the continued strong NII growth, while asset quality trends have remained benign with contained credit provisions. Conversely, UK banks have shown a quite remarkable slowdown on NII and downgraded their NII outlook due to pressure on margins and higher funding costs. This triggered a sharp correction on equity with Barclays and NatWest equities down -17% and -24%, respectively, in the month. However, Chenavari thinks that key credit metrics remain robust. On a more idiosyncratic basis, Raiffeisen Bank International (RBI) called an Extraordinary General Meeting on 21st November to vote on an €0.80 per share dividend payment corresponding to 27bp of CET1 capital already accrued. Management had guided that any decision on paying a dividend would have been taken after the final decision on the Russian sale is reached. Clearly this is a positive development as the bank is confident on the capital ratio not falling below the requirements in conjunction with any scenario of the Russia disposal. The market took this very positively and RBI AT1s and T2s were one of the top performers in the space, up +3.5/4pts and +1.5/2pts, respectively. Chenavari is still playing the Russian disposal story and is comfortable on the bank metrics even in the worst case scenario of zero P/B deconsolidation. Chenavari remains invested in its AT1 and T2 as Chenavari expects the bank will announce the Russian exit early next year (it's a matter of 'when and at what price' instead of 'if') which may trigger a significant repricing.

**November**

**MARKET COMMENTARY**

November saw a strong rebound in financial markets due to decelerating economic momentum and falling inflation across the U.S. and Europe, reinforcing the view that policy rates have reached their peak. In the U.S., both headline and core inflation came in lower than expected at 3.2% (vs 3.7% in September) and 4% (vs 4.1% in September), respectively. U.S. labour market conditions slightly loosened with the unemployment rate inching higher to 3.9% and non-farm payrolls pointing to a slower pace of job creation. Retail sales also fell by -0.1% (albeit slightly above expectations), pointing to cooling consumer demand. Across the Atlantic, the Euro Area's flash CPI release reflected the same disinflationary narrative with headline CPI at 2.4% in November (vs 2.9% in October) and core CPI at 3.6% (vs 4.2% in October), with both prints coming well below estimates. In other news, OPEC+ announced at the end of the month that they would be cutting oil production by an additional 1 million barrels per day in Q1 2024, alongside the extension of Saudi Arabia's existing supply curb. Oil prices actually fell on the news, as the announcement was viewed by some investors as underwhelming. Both credit and equities rallied sharply across the board. In equities, the STOXX Europe 600 increased by +6.45%, whilst the S&P 500 and Nasdaq recorded their best monthly performance in over a year at +8.92% and +10.70%, respectively. In synthetic credit, both the iTraxx Xover and CDX HY indices tightened considerably (-77bp and -114bp, respectively). In global bonds, the U.S. 10Y Treasury (-60bp) slid to 4.33%, its biggest monthly drop since late 2008, whilst the German 10Y Bund (-36bp) also dropped significantly to 2.45%.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**November (continued)**

**CORPORATE**

In the European corporate credit market, November saw a fierce rally across the board as supportive data pointing to a pivot by Central Banks caused already bullish investor sentiment from the end of last month to intensify. Consequently, the Bloomberg European High Yield benchmark pushed higher +3.02% in the month as rates fell sharply and spreads moved tighter. November also saw the majority of companies report Q3 results, however in most cases, softer-than-expected results led to minimal negative price action and were quickly overlooked by the market. In terms of primary activity, it was once again quiet for high yield. Nonetheless, a few companies came to market to take advantage of the strong risk appetite and in particular, Chenavari was active on IDG and Lottomatica deals. The Corporate book finished the month up. In single names, long Morrisons, BT and Virgin Media (VMED) were the top performers, whilst the Corporate IG index position also added positively to performance. At the start of the month, BT reported good results with H1'24 (period ended 30 September 2023) adjusted revenue up +3% and adjusted EBITDA up +4% driven by price increases, with the average revenue per user up +4% for broadband and up +9% for postpaid mobile. Free cash flow was strong at +£456m, above consensus, driven by the EBITDA growth and lower capex, whilst they also guided towards free cash flow reaching the higher end of their previous FY guidance. VMED also reported strong results in the month, with Q3'23 revenue up +7.1% (including nexfibre construction revenue) and adjusted EBITDA up +5.6%, whilst net leverage reduced 0.2x quarter-on-quarter. On the other hand, the strategy's short positions (most notably Modulaire, Marks & Spencer and United Group) and macro hedges detracted slightly from performance. As mentioned last month, Chenavari positioned with a longer bias towards the end of October and continued with this approach through November. Chenavari continues to have a preference for less cyclical, cash generative names which are better suited to navigating economic downturns, especially with key activity indicators pointing to trouble ahead, whilst also continuing to like the hybrid space as this gives underlying exposure to IG-rated issuers with stronger fundamentals whilst still being able to pick-up decent yield. Chenavari is currently positioned with a succinct short book which Chenavari believes can provide value based on idiosyncratic risks.

**FINANCIALS**

November was an eventful month for Financials. In this new "disinflationary" environment, Financials credit has seen a complete revival delivering the best monthly performance so far this year, with the Markit iBoxx € AT1 index gaining +4.90%. Although central banks have reiterated the narrative "higher for a bit longer", the latest release of macro data suggested that the economy is slowing down at a faster-than-expected pace. As Chenavari forecasts for rates to come down next year and with this, rates volatility, Chenavari continued to rotate the portfolio by extending credit duration. Chenavari has an overweight stance on low-reset, low cash price, and long-dated AT1s as Chenavari believes these bonds will quickly shift to "in-the-money" with a steady repricing from YTP to YTC offering decent upside in terms of capital appreciation. After all, the market has already started to position on long duration AT1s as shown by the strong book-building on the 10Y AT1 deals printed from UBS and Santander during the month. The market is still pricing a huge premium for extension risk and considering the likely direction of rates in 2024, Chenavari is keen to lock in the current premium, especially for national champions. On top of this, we still see AT1s offering a more attractive yield (c. 9.4%) compared to the 12M forward dividend yield (c. 7.6%) of banks equities (SX7E index). Historically, after periods of high volatility in which AT1 yields were higher than dividend yields, AT1s have outperformed, which was evident in H2'19 and H2'20. Q3'23 earnings season reached its conclusion in November. The sector was characterised by profit beats (+4% at pre-provision profit level), further capital build-up, and benign asset quality trends. Profitability continued to edge higher and was still well supported by growing net interest income, while costs only saw a limited increase. Although the sector has shown some resiliency in the asset quality, for some idiosyncratic names the first cracks on the commercial real estate ("CRE") exposure started to materialise. In Germany, Deutsche Pfandbriefbank issued a profit warning and lowered their profit guidance for the year because of additional provisions against stage 3 U.S. office loans. But the negative headlines on CRE were not finished and later in the month, Signa Holding (a real estate developer) filed for bankruptcy in Austria. Banks in Austria had c. €2.2bn exposure to Signa Holding, including Julius Baer, Raiffeisen Bank International, UniCredit, and German Landesbanken. Although it poses further risks and continues to weigh on the sentiment of banks exposed to CRE, Chenavari thinks the overall exposure is manageable, but more provisions will be needed. November was also a busy month for rating agencies, especially in Italy. Moody's affirmed the sovereign rating and raised the outlook to stable from negative, removing a burden on Italian risk.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**November (continued)**

On the back of this, Italian AT1s rallied strongly, and the Fund's long position on Intesa 3.75% C25 was one of the top performers of the month, up +7pts. Remaining in Italy, Monte Paschi received multiple notch upgrades at Fitch and Moody's on the back of much-improved profitability and the drop of some legal cases. Consequently, Monte Paschi Tier 2 finished +6pts higher in the month.

**December**

**MARKET COMMENTARY**

December sustained the soft-landing expectations among investors, with equity and credit markets in the U.S. and Europe closing the year out strongly given anticipated rate cuts from major central banks in 2024. In the U.S., the Fed signalled a shift in its monetary stance as it expects to cut policy rates in the upcoming year with three quarter percentage point cuts reflected in its dot plot projections. On the inflation front, the Fed's favoured inflation gauge, the core personal consumption expenditures (PCE) price index, came in at 3.2% in November, below expectations. Plus, on a six-month annualised basis core PCE fell to 1.9%, below the Fed's 2% inflation target, further boosting expectations of rate cuts going into next year with inflation trending downwards. Over in Europe, the same disinflationary trend was observed as annual inflation rate in the Euro area edged lower to 2.4% in November (vs 2.9% in October) while core inflation dropped to 3.6% (vs 4.2% in October). Similarly, the U.K. also recorded lower-than-expected price growth as headline CPI decelerated sharply to 3.9% in November (vs 4.6% in October). However, ECB President Lagarde and BoE Governor Bailey were more hawkish than the Fed as they pushed back against interest rate cuts currently priced in by the market. In equities, the STOXX Europe 600 rose by +3.77%, whilst the S&P 500 and Nasdaq continued to rally closing the month up +4.42% and +5.52%, respectively, which capped off a very positive year for global equities in general. In synthetic credit, the iTraxx Xover continued its momentum, closing the year at 310bp (-163bp YoY), its tightest level all year having reached highs of 513bp in March. Similarly, the CDX HY tightened by -46bp in December and -128bp for the year, closing at 356bp. In global bonds, the U.S. 10Y (-45bp) fell below the 4% handle for the first time since August 2023 to close the year at 3.88%, whilst the German 10Y Bund also declined (-42bp) to 2.02%, its lowest level since late 2022.

**CORPORATE**

In the European corporate credit market, December continued in the same fashion as November, and there was yet another fierce rally across the board with 2024 rate cut expectations firmly in the minds of investors. Consequently, the Bloomberg European High Yield benchmark pushed higher +2.85% in the month as rates fell and spreads moved tighter. This concluded a positive year for the asset class, with the benchmark closing up +12.78% for the year, driven especially by the very strong final two months of the year, as well as the impressive January rally. In the HY primary market, despite entering the holiday period, a few issuers took advantage of the very strong market to refinance upcoming maturities. In particular, Chenavari was active on the Iliad and Loxam new deals, both of which traded well for the remainder of the month. The Corporate book finished the month up +3.60% at the allocation level and +1.90% at the Fund level. In single names, long VW (through hybrids), Virgin Media (VMED) and Ziggo were the top performers, whilst the Corporate IG index position also added positively to performance. In earnings news, David Lloyd reported impressive Q3'23 results during the month. Revenue was up +14.1%, whilst adjusted EBITDA was up +3.%. Membership numbers continued to be very strong, up +1.9% YoY and pushed above the peak membership levels of last year. Consequently, bonds finished the day c. 1pt higher as a result and was another strong performer overall in the month. On the other hand, the strategy's short positions (most notably Modulaire, Advanz and United Group) and macro hedges detracted slightly from performance.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

**December (continued)**

**FINANCIALS**

In this new macro context, Financials outperformed other credit classes. The Markit iBoxx € and \$ AT1 indices delivered a total return of +4.73% and +3.97%, respectively, and Q4 saw the 3rd best quarterly performance since the inception of the indices (+10.62% and +7.88%, respectively). In terms of spreads, a strong compression across the capital stack was at play: the AT1/T2 multiple has compressed by 0.21x from the peak in mid-October, while the T2/SNP multiple has compressed by 0.12x. In the strategy, Chenavari played some beta compression by going long high-beta AT1s and going short some core AT1s (i.e. Nordea, Rabobank and SEB). In addition, Chenavari continued to rotate the portfolio by extending credit duration and overweighting low-reset, low cash price AT1s in solid names with a good call track record like Barclays, BNP or ING which offer the better convexity. Chenavari thinks these are the sweet spots as many bonds offer double-digit yield-to-call and believes extension risk will reprice further as rates go down in 2024. On an idiosyncratic basis, Deutsche Bank received a 1-notch upgrade at S&P and its Tier 2 became IG for all agencies. On the back of this, Deutsche Bank Tier 2s tightened significantly, by 81bp in December, and Chenavari decided to take profits as Chenavari sees better value in the bank's AT1s. Furthermore, RBI deserves a special mention, one of Chenavari's credit convictions; RBI AT1s had lagged the recent rally but Chenavari saw a significant outperformance towards the end of December when the bank orchestrated a complex deal to repatriate c. €1.5bn of capital from Russia to Austria resulting in its CET1 ex-Russia improving by 120bp. In the strategy, Chenavari is overweight the name and thinks it still trades wide of other Austrian banks, with the next likely catalyst being the release of FY23 results when the bank may announce a final solution regarding the Russian subsidiary. The Financials book finished the month up +2.46% at the allocation level and +1.16% at the Fund level

**Outlook:**

Looking in to 2024, Chenavari believes the current macro environment should create an attractive opportunity set within the asset class. With the slowdown in growth and likelihood of recession in Europe next year, Chenavari has a preference for less cyclical sectors such as TMT, healthcare, and consumer staples, with a focus on cash flow generative companies to help withstand periods of stress. Furthermore, with the 2025 maturity wall upcoming, 2024 becomes a vital year for many as they look to refinance debt 12 or so months ahead of due date, which should permit for fresh opportunities with a pickup in primary activity vs. what was a quieter year this year. In financials, Chenavari continues to see value in the AT1 asset class as well as a number of relative value opportunities amongst banks.

**Annual performance per share class as at 31 December 2023:**

A EUR	A USD	AA USD	C EUR	C USD	I EUR	I NOK	I USD	IA USD
5.86%	7.26%	7.28%	5.59%	7.49%	6.37%	6.96%	7.67%	7.56%

O EUR	O USD	P EUR	SI EUR	SI GBP	SI USD	SIP EUR	SSI EUR
8.70%	10.84%	6.99%	6.56%	7.52%	7.86%	6.62%	6.58%

Chenavari Credit Partners LLP  
 Amundi Asset Management S.A.S.  
 February 2024

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Lyxor/Allspring Financial Credit Fund**

**From 1st January 2023 to 22th May 2023 (liquidation date)**

**January**

The Lyxor / Allspring Financial Credit Fund returned +3.33% during January and +4.23% per annum since the Fund's inception in September 2016. During January, the Fund's strategic Bank AT1 Coco and subordinated insurance holdings produced strongly positive returns. The Coco index posted returns of +5.28% (hedged to USD) driven by the strong performance of the bank equity sector (StoxxEurope 600 Banks index) which returned 14%, as interest rate expectations continued to be pared back on growing hopes that both the US and the eurozone are past the peak inflation point. During January, the fund manager increased AT1 Coco exposure by 3.9% NAV, taking advantage of the strong activity in primary market issuance which amounted to a total of \$8bn (see below for detail). Overall, the fund maintained a neutral exposure in terms of risk budget with AT1 exposure at 66.4% of NAV (versus 80% fund limit) and with all subordinated debt including Cocos at 77% of NAV (versus 100% fund limit). In January, issuance was strong not just in AT1 space but also in senior bank paper where a staggering €86.6bn of paper was issued. Despite this issuance, senior bank spreads managed to rally 31bps to 89bps providing evidence of the deep risk appetite in the market. AT1 spreads rallied 80 bps to end the month at 445bps. Tier 2 bank spreads also rallied 41bps to end the month at 170bps. As such, Bank spreads outperformed non-financial corporates in both senior and subordinated space. The yield-to-worst on the portfolio dropped from just below 7 percent at the start of the year to 6.14% at the end of January. Towards the end of the month, earnings season started and a few trends can be noted: net interest income remains a bright spot, with some issuers' continued bullish guidance pointing to perhaps a slower deposit beta increase than the market may be bracing for. Fees, meanwhile, are generally soft, and notably, many in the sector increased provisioning in the fourth quarter, largely driven by model changes, while underlying asset quality remains extremely firm. Capital has no directional trend with a mix of moving parts involved, but overall was rarely seen to drop meaningfully, resulting, overall, in a relatively robust start to the earnings season. Insurers Solvency II ratios also improve as yields rise.

**February**

The Lyxor / Allspring Financial Credit Fund returned -0.61% during February (I ISD share class) and +4.07% per annum since the Fund's inception in September 2016. During February, the Fund's Bank AT1 Coco and subordinated insurance holdings gave up some of the very strong gains generated during the previous 4 months. The Coco index posted returns of -2.36% (hedged to USD) driven by expectations of higher terminal interest rate expectations and concerns that both the US and the eurozone might experience elevated levels of inflation for longer. In fact, there was a big repricing of inflation expectations over February, with the 2yr US inflation breakeven up by +85bps to 3.18%, having ended January at just 2.33%. This was the second largest monthly move higher since Feb 2009 after the +87bps move in October last year. Interestingly, European bank equities escaped the sell-off in February with the Euro Stoxx 600 banks index up 6%. It is unusual for bank equity and bank AT1 paper to diverge to such an extent. There are several factors behind this outperformance. Firstly February brought further positive news on the growth side, which resulted in a relief rally as expectations of a European recession receded. Secondly, European natural gas futures closed at an 18-month low at the end of February. Lastly, in an environment of higher terminal rates, perpetual instruments such as contingent convertibles are less likely to get called, which exerts negative pressure on coco prices. Exposure to AT1 remained roughly constant over the month of February. Overall, the fund maintained a neutral exposure in terms of risk budget with AT1 exposure at 64.2% of NAV (versus 80% fund limit) and with all subordinated debt including Cocos at 78.5% of NAV (versus 100% fund limit). The yield-to-worst on the portfolio dropped from just below 7 percent at the start of the year to 5.88% at the end of February. A trade we continue to like is to reduce exposure to bullet Tier 2s and increase exposure to long callable Tier 2s. One reason for some of the widening on callables was the non-call of a number of Tier 2 bonds in 2022. However those were limited to small issuers and we expect large issuers with market access to continue to call Tier 2s, even in the absence of an economic incentive. This has been the case with for example Swedbank, Barclays and SocGen having called their bonds so far in 2023. The main technical reasons why bullets trade tighter is that insurance companies prefer bullets but the differential still looks too high in many cases with bullets Tier 2s often pricing on top of Seniors.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Lyxor/Allspring Financial Credit Fund (continued)**

**February (continued)**

From a fundamental standpoint full year 2022 bank results have shown that the benefits of higher net interest income is expected to offset the reduced demand for mortgage and personal loans and the higher default rate resulting from higher lending rates. Looking forward, we will consider the expectations for terminal rates closely as we think that higher rates for longer can represent risks for real estate valuations. This risk is most pronounced in Sweden and The Netherlands. For now, as a result of banks' underwriting standards resulting from more stringent regulation, the risks to bank balance sheets remain limited but it is an area we will continue to consider with interest, in particular for Dutch banks, where the repricing down of the housing sector has so far been smaller than in Sweden.

**March**

It was a tumultuous month for the European banking sector with the US regional banking crisis and the failure of Silicon Valley Bank (SVB) the straw that broke Credit Suisse's back and led to its shotgun wedding with UBS on Sunday March 19th. The complete wiping out of CS's \$17bn Cocos whilst paying out shareholders thus breaking the traditional creditor hierarchy shocked AT1 investors initially. Statements from Eurozone and UK regulators that they would respect creditor hierarchy helped stabilize the AT1 market and it has subsequently recovered much of its losses incurred immediately following the rescue. Investors seemed to also take some comfort that Swiss AT1s had permanent write-down language whereas most other European AT1s had temporary and partial write-down language or were convertible into shares. However, we think the AT1 new issue market will be closed for the next month or so as investors reassess their appetite for the asset class. Luckily many banks had prefunded their AT1 requirements in the first couple of months of 2023 with \$15bn of issuance versus an average annual run rate of 2023 and are in no hurry to access the market. We think that it will not be until September when there are series of calls will we get a real indication of whether major European banks' AT1 call policies have changed significantly. As a result of these events, the fund returned -5.13% during March taking year-to-date returns to -2.57%. The fund managed to outperform the Coco index by almost 5 percentage points over the month. Indeed, the Coco index posted returns of -9.94% (hedged to USD) taking year-to-date returns to -7.42%. Having said that, most of the index' losses in March were attributable to the complete write-down of the CS AT1 constituents and the negative price developments of DB AT1 which sold off on contagion concerns. It is also worth noting that the Coco index managed to stage a recovery intra-month from its trough of -16.7% which it reached on Monday 20 March immediately after the CS/UBS merger news hit the headlines. The outperformance of the fund during March was due to careful security selection. The fund was already underweight CS AT1 and sold its last exposure to CS AT1 risk on 15 March at a price of 50. In addition, the fund had no exposure to DB AT1 and Unicredit AT1, 2 names that generated meaningfully negative returns in March. Exposure to AT1 in the fund reduced by 7.7% over the month of March. Other than the CS AT1 position, no AT1 positions were sold so the bulk of this reduction in exposure is due to price reductions in the positions held. The proceeds of the sale of CS AT1 were redeployed in senior unsecured bank paper in order to manage the fund's overall volatility profile. Overall, the fund maintains a neutral exposure in terms of risk budget with AT1 exposure at 56.7% NAV (versus 80% fund limit) and with all subordinated debt including Cocos at 73.8% of NAV (versus 100% fund limit). The yield-to-worst on the portfolio moved from 5.88% at the end of February to 7.2% at the end of March, providing an attractive entry point to investors taking a medium-term view. As mentioned in a previous newsletter, a trade we continue to like is to reduce exposure to bullet Tier 2s and increase exposure to long callable Tier 2s. One reason for some of the widening on callables was the non-call of a number of Tier 2 bonds in 2022. However those were limited to small issuers and we expect large issuers with market access to continue to call Tier 2s, even in the absence of an economic incentive. This has been the case with for example Swedbank, Barclays and SocGen having called their bonds so far in 2023. The main technical reasons why bullets trade tighter is that insurance companies prefer bullets but the differential still looks too high in many cases with bullets Tier 2s often pricing close to Seniors.

In April, 2023 following outflows, the liquidation of the fund has been decided. By the end of the month the fund was fully in cash and final NAV of the fund has been determined on May 22th 2023.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund**

Over the full year 2023, the Fund posted a positive performance of 10.97 % (I USD).

**January**

In January, the fund returned 3.61% versus Index returns of 3.17%. Risk markets rallied throughout the month as US inflation data affirmed that inflation was slowing, and recession risks were pushed out as labor market data pointed to ongoing strength. At the conclusion of the FOMC meeting, which began on the final day of the month, Chairman Powell reiterated a hawkish message, noting that while inflation remains elevated, the process of disinflation has begun - a pause may be on the horizon. Chairman Powell's tone was representative of a conditional hawkishness, as opposed to the more steadfastly unconditional hawkish wording of prior speeches. Broader risk sentiment in January was constructive. The S&P 500 rallied 6.18%, as did US corporate credit (3.97% US IG, 3.75% US HY), while 10-year treasuries tightened 23 bps. Aided by improving market conditions, a weaker USD (-2.32% in January), and a strong pick-up in EM-dedicated fund inflows, EM fixed income tightened 9 bps over the course of the month. Additionally, strong credit markets and an 18% slowdown of rates volatility (measured by the ICE BofA MOVE Index) paved the way for a notable resurgence in primary market activity. In total, EM sovereigns issued \$42 billion, a January record and twice the 10-year monthly average. Marathon began 2023 by generating 44 bps of Alpha relative to the benchmark. With substantial new issue supply, they were able to leverage primary markets as a key source of Alpha for the Fund, recycling existing holdings into new on-the-run benchmarks at zero transaction cost with attractive yield concessions to outstanding curves. Concurrently, primary markets repositioning allowed the Fund to continue closing pockets of basis within the portfolio, finishing the month essentially matching our benchmark across duration, average price, spread, and ratings exposure. Top contributors this past month were Mexico (14 bps), where concentrated holdings in quasi-sovereign Pemex benefitted from government rhetoric that reaffirmed strong credit support for Pemex from the sovereign; and Romania (11 bps), where Marathon added newly issued 10-year and 30-year benchmarks that were supported by a significant Index-inclusion technical and were issued at attractive valuations. Largest detractor was China (-8 bps); a high-grade jurisdiction where the fund retained lighter credit and duration positioning amidst a broader rates rally. Argentina (-3 bps) was another detractor, where front-end issues outperformed on the back of Economy Minister Sergio Massa's announcement that they would be potential buyback targets. Marathon continues to prioritize longer-dated securities that offer the highest current yield through the sovereign's next principal payment. Within the fixed income universe, EM credit continues to trade at attractive valuations to comparable segments, and Marathon views January's rebound in both primary supply and fund inflows to be encouraging for the asset class. They enter February with highly neutral positioning relative to the benchmark, and slightly higher-than-average cash balances that they will seek to deploy as issuers continue to tap primary markets.

**February**

In February, the fund returned -2.48% (I USD share class) versus Index returns of -2.21%. The path of US inflation and monetary tightening continued to dominate market sentiment. The month began with the FOMC February 1 decision to slow down the pace of rate hikes to 25 basis points ("bps"), noting that the outlook for inflation had improved yet remained too high and too far from the 2.0% target. Following the rate decision, Chair Powell delivered a largely cautious assessment of the state of inflationary pressures and the trajectory of monetary policy. Payrolls published on February 3 delivered a large upside surprise compared to market expectations. As the month continued, three of four initial jobless claims numbers came in below expectations, indicating a stubbornly tight labor market. On the inflation front, while January CPI printed in-line with expectations, PPI and Core CPE surprised to the upside, supporting the cautious assessment shared by Chair Powell earlier in the month. US growth, as indicated by services and consumption data, surpassed market expectations as well. Such data led the markets to price in further rate hikes, and led Fed speakers to stress that further monetary tightening would be required. At the start of the month, markets were pricing in a terminal rate of 4.9% by June of 2023, with rate cuts priced in before the end of the year. By the end of February, markets were pricing in a terminal rate of 5.41% for September. Consequently, 10-year US Treasury yields widened 41 bps, the US dollar retraced all of its sell-off in January (rallying 2.72%), and the S&P 500 sold off -2.61%. Credit markets struggled primarily because of the sell-off in rates, as spread moves were fairly benign (US IG -3.05%, US HY -1.27%). EM fixed income (-2.21%) was no exception, with spreads for the benchmark widening by 3 bps on the month. The Fund closely matched Index returns through a relatively weak month for credit markets. Marathon continued to steer the portfolio towards consolidated positioning in high-coupon, high-current yield new issues wherever possible, taking advantage of primary markets in order to do so at zero transaction costs.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**February (continued)**

Adjusting for this bias has meant, in some cases, switching out of lower dollar price securities, further reducing the price differential basis relative to the benchmark. Top contributor for the month was China (4 bps), where they continued to retain a more conservative positioning amidst a broad-based sell-off in the highest quality segments of the asset class. They also generated Alpha in Pakistan (3 bps), where Marathon elected to avoid front-end positioning amidst increasing distress for the sovereign and continued curve inversion. Detractors for the month included Israel, where a combination of increasing political tensions and the broader sell-off in high quality duration led to 4 bps of negative attribution; the UAE (3 bps), where the fund held concentrated corporate positioning amidst a broad-based risk sell-off; and Ukraine (3 bps), where conflict continues unabated. Marathon remain constructive on EM fixed income as an asset class. On the growth front, EM ex. China growth is expected to outpace that of developed markets by 2% in 2023. Additionally, the reopening narrative in China led growth estimates to be revised upwards, which should feed through to other regional peers and broader EM. In terms of relative value, EM fixed income continues to trade at attractive valuations to comparable public credit markets. EMBIGD continues to trade at a 150 bps spread pick-up to a comparable basket (half-IG, half-HY) of US corporate credit, while the EM high yield segment is trading 350 bps over US high yield. The nominal yield of EM markets continues to hover close to its highest point in 10 years. Finally, projected cashflows from outstanding EM external debt will be uniquely elevated for the next several months. The reinvestment of these proceeds provides natural demand for the asset class, and thus serves as a tailwind. Risks remain with regards to the direction of rates, the uneven nature of the global economic recovery post-Covid, and the conflict in Ukraine, among others. Still, Marathon believe conditions remain highly constructive based on fundamentals, valuations, technicals and flows.

**March**

In March, the fund returned + 1.12% (I USD share class) versus Index return of 0.96%. The failure of Silicon Valley Bank and its reverberation throughout the global financial system highlighted systemic vulnerabilities, and directed risk sentiment over the month. Concerns over other mid-sized banks triggered the US Treasury, Fed, and FDIC to step in to reassure depositors with temporary measures such as waiving the FDIC deposit insurance limit and creating a Temporary Bank Funding Program. The events caused substantial volatility in financial markets, with two-year US Treasury rates falling by 110 basis points ("bps") in the three sessions after SVB's failure and front-end US treasuries experiencing their highest realized volatility ever. To begin March, the market had initially priced in a terminal rate of 5.70%, but most of the expected hikes were quickly priced out following the banking upheaval, leaving only a 25 bps hike priced-in for March FOMC, which was eventually realized unanimously. As volatility slowed into month-end, risk assets were able to rally, evidenced by the S&P 500, which finished the month up 3.51%. EM fixed income also weathered the more volatile aspects of the quarter with poise, with the benchmark's total return being flat in the week following SVB's collapse, and finishing up 0.96% to close out the first quarter, owing to an IG segment benefiting from lower rates and a HY segment affected by risk sentiment. The top contributor for the month was Chile (8 bps), a result of concentrated positioning in the sovereign portion of the Index which outperformed relative to quasi-sovereign constituents. The Fund also benefitted from selectively avoiding positioning in Bolivia (+6 bps), a small, highly illiquid, and vulnerable credit within the Latin America complex. The detractors for the month included Brazil (6 bps), where the fund holds lighter positioning in the rich sovereign curve, and where it began to take selective credit risk in higher quality, higher yielding corporates that can benefit from changing fundamental and technical dynamics in the months ahead; China (7 bps), where they continued to retain more conservative positioning amidst a broader risk rally; and Egypt (6 bps), where duration exposure was reduced across the portfolio and the fund is positioned in the new 3-year sukuk, as this positioning could be traded in a less volatile fashion while still presenting value to the portfolio. Despite continued uncertainty in global financial markets, they continue to believe EM fundamentals remain supportive for risk taking. The latest IMF forecasts project EM growth to outpace that of DM by 2.6% in 2023 and 2.8% in 2024, supported by China's reopening post-zero Covid policy. EM fixed income also continues to offer attractive spreads relative to comparable public credit markets, with the benchmark index trading at a 160 bps pick-up to comparably rated US corporate credit, and the EM HY segment trading 385 bps over US HY. Technicals remain sound, with projected cashflows from outstanding external debt uniquely elevated for the next several months, providing natural demand for the asset class. Finally, the dearth of net-supply is expected to continue for a second consecutive year, contributing to highly constructive outstanding valuations.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**April**

After the unsettled market conditions that immediately followed Silicon Valley Bank's failure, risk markets stabilized and rallied coming out of March and through the month of April. On the inflation front, surprises to the downside in CPI, Core PCE, and PPI figures continued to suggest a disinflationary trend in the US. The labor market, though still tight, began to show slight signs of softness. April's JOLTS (job openings) print surprised to the downside at the beginning of the month, and three of four initial jobless claims figures surprised to the upside, with the absolute figure trickling higher into month-end. Risk markets reacted marginally positively throughout the month, with the S&P 500 returning 1.46%, US HY returning 0.99%, and US IG returning 0.78%. The MOVE Index (measuring volatility in treasury markets) trended lower (-9.91% MoM) as did the US Dollar (-0.83% MoM), while the 10-year UST rallied 5 bps on the month. EM fixed income posted a return of 0.53% while tightening 1.3 bps over the month. The IG segment of the benchmark tightened 10 bps on the month, while pronounced weakness in the more distressed segments of the HY bucket led it to widen 21 bps overall. Technicals proved broadly constructive, as asset class outflows moderated and net issuance continued to be negative. The fund returned 0.34% in April (I USD share class) versus Index returns of 0.53%. Top performer for the month was Poland (5 bps), where they absorbed an allocation of the sovereign's first USD 30-year issuance, which came to market with a strong concession to outstanding comparable credits and was supported by a significant Index technical. Strong credit selection benefitted relative attribution in Argentina (4 bps), where Marathon continue to prioritize back-end issues with a higher horizon period return through the sovereign's next principal payment. The fund held concentrated positioning in Costa Rica (3 bps), particularly in its new 10-year bond, the issuance of which substantially increased the sovereign's weight within the benchmark, spurring buying interest into Index inclusion. Detraction was largest in Egypt (7 bps), where Fund positioning in the 10-year bucket of the curve reacted due to a weakening credit story; and Mexico (3 bps), where concentrated holdings in Pemex underperformed the sovereign curve. Arguably, financial conditions have tightened as a result of stress in the US banking system, leading to market participants pricing in a Fed pause in its June meeting and suggesting the global monetary tightening cycle may be nearing its end. The risk of a developed market recession, and heightened concerns surrounding the US debt ceiling are at the forefront for market participants. In this context, EM growth is forecasted to outpace DM growth, and EM fixed income spreads continue to exhibit relative value in spread terms in comparison to US corporate credit. Finally, projected cashflows from outstanding external debt remain elevated, and secondary market issuance is forecasted to subside into the May/June period, offering a supportive technical for the remainder of the second quarter of 2023.

**May**

At the start of the month, the FOMC hiked interest rates by 25 bps as expected. Markets initially took Powell's comments, and the removal of "the committee anticipates that some additional policy firming may be appropriate" from the post-meeting statement to be dovish; potentially signaling a pause in the rate hiking cycle. In the day following the FOMC, no further hikes were priced into front-end rates, and a full cut was priced in by November. As the month progressed, economic releases indicated that the economy was not slowing at the pace commensurate with a path of disinflation comfortable for the Fed's target of 2%. In the labor market, and for the fifth time this year, the Nonfarm Payrolls surprised with an upside move, with unemployment ticking down to 3.4%. Similarly, CPI, PCE, and PPI measures all printed at or above expectations, highlighting the continued stickiness of inflation. These elements, paired with progress on the debt ceiling front, relative calm in financial markets, and a loosening of financial conditions back to pre-SVB levels led market participants to consider the possibility of further tightening, or at the very least, a higher-for-longer rate policy. This adjustment in expectations was reflected in moderate rates weakening, with 10-year UST and 30-year UST selling-off 22 bps, and 19 bps respectively throughout the month. Risk markets reacted in neutral fashion, with the S&P 500 returning 0.25% over the month, US IG widening 5 bps, and US HY widening 2 bps. Buoyed by lower-than-expected sovereign supply, but challenged by higher rates and continued fund outflows, EM fixed income returned -0.57% in May, and traded in mixed fashion. The investment grade segment of the universe was impacted by the sell-off in treasuries, returning -1.27% over the month despite being flat in spread terms. The high yield portion of the Index traded resiliently (+0.18%, 11 bps tighter), supported by anchored valuations and a broad-based rally in the more distressed pockets of the segment to close out May. The Amundi Marathon Emerging Markets Bond Fund returned -0.56% in May (I USD share class) versus Index returns of -0.57%. The top performer in May was Egypt (+5 bps), where the Fund benefitted from significant exposure in the curve's front-end, which outperformed with headlines of continued GCC support and asset sales, strengthening the possibility of a muddle-through scenario for the credit.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**May (continued)**

The Fund also generated positive attribution in Colombia (+4 bps), owing to constructive positioning in the belly of the sovereign curve and off-benchmark positioning in Ecopetrol, which was opportunistically incorporated into the portfolio at a highly attractive yield pick-up to sovereign. In Turkey (+4 bps), the retained conservative positioning prior to the first round of the presidential election, as bond valuations deteriorated and CDS spreads widened. After it had become clear the Erdogan would safely maintain power and the possibility of moderation from an economic policy standpoint grew, the fund was positioned more neutrally, benefitting in the process from strengthening bond valuations across the curve. The largest detractors in May were South Africa (-4 bps), owing to concentrated sovereign positioning amidst allegations that South Africa supplied arms to Russia, which was received negatively by market participants; Mexico (-4 bps), where concentrated positioning in Pemex struggled amidst growing market expectations of additional supply; and Israel (-3 bps), a high quality off-benchmark position that is offset by less concentrated holdings elsewhere in the region. Uncertainty in global monetary policy, growth, and commodity prices remain. EM fixed income continues to perform resiliently in this environment, owing to broadly attractive spreads in comparison to other segments of global credit and a secularly increasing economic growth differential between EM and DM economies. The space remains highly differentiated and diverse from a credit quality standpoint, with each bucket of the Index offering distinct value propositions at the present juncture. The investment grade portion of the space offers quality and significant convexity in duration, which could significantly benefit from a Fed pause. In the higher yielding portion of the Index, performing BBs and Bs offer highly attractive current yield and relative stability, while the more distressed credits retain anchored valuations and significant optionality to the upside.

**June**

Throughout the month, despite ongoing disinflation trends, US inflation continued to show signs of stickiness, pointing to a slower than expected disinflation process, with Core PCE, CPI, and PPI all printing at or above expectations on a month over month basis. Additionally, the US labor market continued to show strength, with the change in nonfarm payrolls (NFP) surprising to the upside for the second straight month, and JOLTS Job Openings printing above expectations. These elements, paired with a loosening of financial conditions back to pre-SVB levels, led market participants to consider the possibility of further policy tightening. The June 14 FOMC rates decision was thus interpreted as a “hawkish pause”, where near-term easing was mostly ruled out, and Chair Powell emphasized a “higher for longer” outlook. This environment had a moderate effect on rates markets. 10-year US Treasuries sold-off 24 bps throughout the month while 2s10s inverted back to the lows of March. Still the continued slowdown in volatility allowed for a broader risk rally. The S&P 500 finished up 6.5%, while US IG tightened 13 bps and US HY tightened 65 bps. EM Fixed income similarly benefitted from relatively constructive market conditions, returning 2.23% for the month, and tightening 45 bps despite persistently small outflows from hard currency dedicated funds. In the more distressed bucket of the Index, indications of progress on ongoing debt restructurings, ongoing commitment from multilateral lending institutions, such as the IMF, to provide concessionary funding and the related reform commitment from sovereigns needed to secure concessionary funding, and evidence that sovereigns are pursuing non-market funding alternatives were all highly supportive. As a result, outperformance was concentrated primarily within the HY portion of the Index this month, which tightened 93 bps over the month (+4.13%). The fund returned +2.21% in June (I USD share class) versus Index returns of 2.23%. The top performer this month was Ukraine (+3 bps), owing to constructive Fund positioning in low dollar price, well-anchored securities in the belly of the sovereign curve. The Fund also generated relative attribution in Guatemala (+3 bps), where it absorbed the new 12-year maturity at a strong concession to its outstanding secondary curve, and benefitted from its tightening to fair value. The main detractors for the month were Chile (-5 bps) and Indonesia (-5 bps); investment grade curves that rallied alongside the asset class in June. In Chile, core positioning in on-the-run 10-year sovereign securities underperformed with the issuance of a new on-the-run 13-year maturity benchmark. In Indonesia, lighter positioning across the quasi-sovereign space led to underperformance. This lighter positioning allows for more concentrated positioning along curves of similar credit quality that exhibit greater value in other jurisdictions. Over the past few months, fixed income markets have benefitted from disinflation, positive growth forecasts, and further understanding of the Fed's policy trajectory. All of these factors have led rates-based volatility lower: the MOVE Index is down 44% from its YTD high. Paired with idiosyncratic tailwinds for the more distressed portion of EM, these circumstances proved highly positive for the asset class in June. Nevertheless, uncertainty remains.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**June (continued)**

A primary risk will continue to be the path of Fed hikes, dependent on the path of inflation, where divergence between the Fed's expectations and those of the market can resurface. The uncertainty on the policy front affects growth expectations as well, impacting the willingness of market participants to add risk in the near-term, and weighing on asset prices in EMs and DMs alike. Still, EM fixed income trades at attractive valuations relative to peer asset classes and remains highly differentiated. The Fund continues to see numerous opportunities for excess returns over the benchmark as we enter the second half of 2023.

**July**

In July, The Fund returned 2.18% versus Index returns of 1.91%. US rates sold-off to begin the month on the back of ADP Employment figures, which came in well above expectations and signaled to markets that labor dynamics remained tight. Though conventional inflation prints continued to either match expectations or surprise to the downside, below expectations initial jobless claims, among other employment variables, continue to exert pressure on treasury markets. Partly due to such labor dynamics, the Fed resumed its tightening cycle at the end of July with a 25 bps rate hike and a statement that was essentially unchanged from the prior month. Even though 10-year treasuries sold-off 12 bps in July, risk markets rallied strongly as US growth forecasts were revised upwards, and market participants began to price-in the possibility of a soft landing. The S&P 500 returned 3.11%, and US HY rallied 1.45% (tightening 26 bps). EM hard currency performed positively in this context, returning 1.91% for the month and tightening 35 bps, falling below 400 bps for the first time in well over a year. EM HY continued to lead the asset class, tightening 68 bps on the month and returning 3.52%, outperforming EM IG, which tightened 13 bps, and returned 0.37%. The Fund generated 38 bps of Alpha in July, owing to strategic selection within idiosyncratic jurisdictions, and balanced positioning elsewhere. The top contributor for the month was Mexico (9 bps); a result of the constructive positioning in Pemex which benefitted from the CEO's comments that the Mexican government would assist in refinancing certain short-maturity securities. The Fund also generated Alpha in Ukraine (8 bps), where it continued to hold concentrated positioning along the country sleeve as it rallied 28% over the month on the back of a reaffirmation of western military support after July's NATO summit, and a positive growth revision per IMF estimates. The largest detractor for the month was Argentina (-3 bps), where the fund continues to hold concentrated positioning in the 2041 maturity due to its high current yield. The upside on this issue was more limited amidst a strong rally in the remainder of the curve. It also experienced detractor in Turkey (-1 bps), a jurisdiction where it has comparatively less constructive positioning, but which rallied alongside its EM HY peers. Although uncertainty in the market persists, this fund has a relatively constructive view of the path forward for the asset class. First, EM fixed income trades 128 bps wide of a 50/50 IG/HY bucket of US corporate credit. Second, after tightening 68 bps over the month, EM HY continues to trade 326 bps wide of US HY, with potential for continued compression. Third, the asset class has displayed resilience from a flows standpoint, returning 6.08% YTD despite -\$6.4 billion in net outflows over the same time period. Finally, smaller sovereign supply in July paired with higher-than-average cashflows from issuers leads to positive technicals for the asset class as we continue into August.

**August**

US Treasury yields rose steadily throughout the month as growth, labor market conditions, inflation dynamics and commentary from Chair Powell at Jackson Hole provided an impetus for the market to further consider the possibility of a "higher-for-longer" rates regime. Specifically, Powell mentioned that the FOMC will "proceed carefully" in its future meetings, noting further that they are "attentive to signs that the economy may not be cooling as expected." Market participants viewed these comments as more of an affirmation that the Fed may pause once more in its hiking cycle during its September meeting, and then consider tightening in November. At the beginning of August, front-end treasuries were pricing in a 19% chance of a hike in September, followed by an 18% chance of an additional 25 bps increase in November. By month-end, probabilities were 11% and 36% respectively. These developments were broadly negative for credit markets in August. Over the course of the month, 10-year US Treasury yields sold off 15 bps, and at one point reached 4.34%, representing levels unseen since 2007. US IG returned -0.84%, underperforming US HY, which returned 0.19% for the month. After outperforming both of these segments in July, EM fixed income underperformed throughout August, returning -1.49% and widening 20 bps. EM HY widened 35 bps, while EM IG widened 7 bps.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**August (continued)**

In August, LyxMEMB unaudited gross performance measured -1.47% versus Index returns of -1.50%. The Fund outperformed its benchmark Index by 3 bps over the course of August. It generated positive attribution in Chile (4 bps), where it was underweight duration along the curve amidst a broader rates sell off; and Ecuador (3 bps), where it held concentrated positioning in the country sleeve amidst positive performance following the first round election outcome. The largest detractor for the month was Egypt (-3 bps), where concentrated positioning in the highly liquid and reactive 10-year bucket of the country sleeve allowed for subtle detractor as the Index country segment sold off -7.09% over August. Similar positioning in Turkey (-3 bps) led to detractor, as the sovereign curve steepened significantly, and belly/long-end positioning broadly underperformed. Growth expectations for EM ex-China continue to be resilient and there continue to be positive cyclical developments, with inflation moderating and EM central bank easing. From a valuation standpoint, EM continues to flag as relatively attractive in comparison to its US credit peers, with spreads trading at 157 bps over a 50/50 HY/IG bucket of US corporate credit, widening nearly 30 bps over the course of August. Hard currency funds experienced \$6.7 billion in outflows in August, greater than the totals for the previous three months combined and netting \$11.5 billion in outflows year-to-date. Positioning contributes to funds view that technicals, for the underinvested asset class, should prove supportive as sentiment improves. Finally, the fund anticipates a widening of venues for Alpha generation for the Fund into year-end, as primary markets begin to re-accelerate.

**September**

In September, LyxMEMB net performance measured -2.8% versus Index returns of -2.60%. EM Index performance in September was almost exclusively a consequence of US treasuries – EMBIGD Treasury Return was -2.58% for the month. Evidence of US labor market tightness continued to emerge in September, as initial jobless claims fell to their lowest level since February. On the inflation front, the trajectory of disinflation continued to prove sticky, especially in services and commodity sectors (ex. Food and Energy). Fears of entrenchment have been exacerbated by a reflation in oil prices this month, which were up 8.56% in September. Thus, the Fed has remained cautiously hawkish in its rhetoric surrounding the path of future tightening. FOMC paused their hiking cycle in this month's meeting, as expected, but continued to acknowledge the surprising resilience of the American economy, the robustness of the labor market, and the health of the consumer. A "higher-for-longer regime" was priced-in over the course of the month. 10-year UST yields sold-off 46 bps and 30-year UST yields sold-off 49 bps, reaching highs unseen since 2007 in both cases. Risk markets were broadly weaker given this backdrop, with the S&P 500 returning -4.87% over the month, US IG returning -2.53% (1 bp tighter in spread), and US HY returning -1.24% (widening 17 bps). EM fixed income widened 9 bps over the course of September. EM IG underperformed in price on the back of the move in rates, returning -3.43%, while outperforming on spread, widening 3 bps. EM HY traded weaker, albeit to a lesser degree, returning -1.74% and widening 9 bps. The Fund closely matched its benchmark through volatile market conditions in September. The fund generated the largest Alpha this month in the Asia IG segment of the investible universe, specifically the combination of China, Malaysia, and Indonesia (+9 bps). The Fund retains lighter positioning in the quasi-sovereign buckets of these three countries, which represent 7.88% of the total Index but trade only 100 bps over treasuries and 30 bps over their sovereign counterparts. The portfolio benefitted in these areas from lighter positioning amidst a broader sell-off in high quality credits and IG duration. It should be noted that spreads in Asia IG more broadly were unchanged in September, whereas the Treasury Return of this segment was -2.40%. The Fund also saw positive attribution in Mexico (+5 bps), where it holds more concentrated positioning in Pemex vs. lighter positioning across the sovereign. Positioning benefitted from the presentation of the Mexican budget, which outlined further support for the implicitly guaranteed quasi-sovereign while also forecasting broader fiscal deterioration in 2024. This, paired with the broader underperformance of IG led the sovereign bucket to trade heavily throughout September. Consistent with this broader theme, and given the direction of rates and the consequent performance of IG credits, it experienced most of the detractor this quarter from high quality names where it had the most concentrated positioning relative to the benchmark. Between Poland, Chile, and Panama this amounted to -9 bps of detractor. Of note, the portfolio's IG Beta and duration metrics essentially match that of the Index in aggregate. It also experienced detractor in Brazil (-4 bps) due to concentrated exposure to the sovereign curve's back-end, which the fund continues to view as relatively valuable. EM continued to weather challenging market circumstances and volatility in September.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**September (continued)**

After \$6.2 billion in fund outflows from the asset class in August, EM hard currency experienced another \$3.2 billion in outflows in September, amounting to \$14.2 billion in outflows year-to-date. Primary market activity was resurgent as summer ended but, on a seasonally adjusted basis, fairly subdued with only \$9.6 billion in gross sovereign issuance this month. The increasingly tight nature of financing conditions has led JP Morgan to revise down its sovereign issuance expectations for the year to \$131 billion for 2023 from an average of \$171 billion for the past 3 years. Tighter supply could serve as a strong technical for the asset class despite a challenged flow backdrop. More importantly, EM hard currency continues to trade at attractive valuations to US corporate credit with the asset class' spread to US corporate credit trading at 155 bps. Marathon views the confluence of these factors to be supportive for EM fixed income should the narrative on rates improve as they enter the final quarter of 2023.

**October**

In October, Amundi Marathon Emerging Markets Bond had a negative performance of -1.36% versus Index returns of -1.35%. After the Fed's pause in monetary tightening in September's FOMC, October data continued to show macroeconomic resilience and few signs of a genuine economic slowdown. On the labor front, three of four initial jobless claim prints surprised to the downside this month, nonfarm payrolls surprised significantly to the upside, and job openings rose substantially more than estimated. On the inflation front, CPI surprised higher on both a MoM and YoY basis, PPI rose above expectations, and consumer expectations of 1-year inflation rose from 3.2% last month to 3.8% in October. Finally, US GDP surprised to the upside with 4.9% growth in Q3 (annualized), signifying continued resilience in growth in spite of tighter funding conditions. All of this paired with continued market concerns over increasingly large fiscal deficits weighed heavily on rates and US Treasuries throughout the month. 10-year rates rose 36 bps, 30-year rates rose 39 bps, and the MOVE Index rose sharply, trading on average 15% higher than its average level in the trailing six months. Stress in rates markets drove underperformance across risk assets. The S&P 500 sold off -2.20% in October, while US IG returned -1.86% (7 bps wider), and US HY returned -1.21% (38 bps wider). EM fixed income performed in a similar fashion, returning -1.35% over the month and trading 5 bps wider. EM IG underperformed HY, returning -2.08% (2 bps wider). EM HY returned -0.62% (3 bps wider). Portfolio positioning over the month continued to prioritize on-the-run liquid benchmarks with high current yield. In the HY bucket, they continue to select credits that retain strong relative value to comparables. In particular, there continues to be a breadth of relevant opportunities within the LATAM segment of the Index, where they retain more concentrated positioning. On the IG side, they continue to hold lighter positioning in off-the-run credits that are 20+ year average life, a group that has struggled to retain investor sponsorship in the context of a "higher-for-longer" market environment. As geopolitical tensions in the Middle East continue to present significant uncertainty, they have also opportunistically continued to reduce exposure to corporate and quasi-sovereign securities in the region. The top performer this month was Mexico (+6 bps), where concentrated holdings in Pemex continue to outperform on the back of sovereign support. This month, another downwards revision in Pemex's dividend to sovereign was announced. They also generated 4 bps of Alpha in Argentina, where strategic positioning in the long-end substantially outperformed other issues along the curve. The top detractor this month was Panama (-7 bps), where the Fund held concentrated long-end positioning amidst continued rates weakness and court challenges surrounding the sovereign's contract with mining company First Quantum. They also saw detraction in Brazil (-4 bps), where holdings of Braskem, which trade at highly attractive spreads to investment grade and BB comparables, underperformed of late as a result of a cyclically challenging year for petrochemical spreads, which has put a strain on cash flow generation and has incrementally been priced-in to bond valuations. They have sought to strategically divest as the market allows. Finally, they saw detraction in Israel (-4 bps), and off-benchmark positioning that suffered on the back of both the conflict and higher rates more broadly. As they enter year-end, heightened uncertainty from both a geopolitical and macroeconomic standpoint will continue to drive risk-taking sentiment in EM. The takeaways from the IMF/World Bank meetings in Marrakech highlight a reasons for continued optimism within the asset class. Growth in systemically important EM countries such as Brazil, Mexico, India, and South Africa has been remarkably stable in contrast to previous financial crises, having all benefitted from proactively orthodox monetary policy. In weaker jurisdictions, they continue to see a strong commitment to pay maturities and an imperfect, but strong commitment to reform for those under existing IMF programs or with bilateral support including Kenya, Pakistan, Egypt, and Tunisia. More holistically, EM fixed income benefits at this stage from three key developments.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**October (continued)**

First, the effective duration of the asset class has fallen substantially in a “higher-for-longer” funding environment as new issuance favors shorter maturities, which leaves EM less sensitive to continued rates volatility. At 6.25 years, duration in EM is at the lows of the past few years, nearly two full years shorter than in early-2021. Second, EM benefits from low dollar prices, which represents strong dollar price convexity for high quality issuers, and well-anchored valuations for more stressed jurisdictions. EM average dollar prices are a full 22 pts lower than 10-year historical averages. Finally, on the issuance front, 2023 gross issuance will total an estimated \$131 billion by year-end; slightly higher than 2022's historic supply draught, but still well below the average for the past 5 years. Net financing, or gross issuance less amortizations, coupons, and buybacks is forecasted to end the year at \$19.4 billion; also well below historic averages, and less than the current YTD figure of \$29.6 billion, implying that cash flows will significantly outweigh issuance in the final quarter of the year. All of this serves as a supportive technical for supply in the market, and could be supportive for the valuations of outstanding issues.

**November**

In November, Amundi Marathon Emerging Markets Bond Fund gained +5.93% versus Index returns of 5.66%. After a challenging October for rates and risk assets, the market rebounded sharply in November. During the month, risk assets benefitted from reduced geopolitical fears, on the back of continued expectations that the Israel-Hamas conflict will remain localized and a successful Xi-Biden meeting; a reduced likelihood of US yields rising further and what is perceived as the final stage of the Central Bank tightening cycle; China providing more stimulus and support for the property sector; and more successful US Treasury auctions. The Fed held rates unchanged for the second straight FOMC meeting to start the month. Throughout November, Chair Powell and other Fed speakers continued to stress caution and a data driven reaction function, with the month's minutes highlighting that “further tightening of monetary policy would be appropriate if incoming information indicated that progress toward the Committee's inflation objective was insufficient”. With a subsequently weak payrolls number, a softer-than-expected CPI print of 0.0% MoM, and weaker data releases in more minor price and labor indicators, softening macro bolstered sentiment that the Fed was more likely finished with its hiking cycle and that easing could be around the corner. At the beginning of November, the market-assessed probability of a cut in March 2024 was 14.5%. By the end of November, the probability of a cut in March was 48%. 10-year UST yields fell by 60 bps, the largest calendar month rally of the decade. Risk assets reacted sharply, with the S&P 500 returning 8.92% over the month. US corporate credit spreads tightened substantially, with US HY tightening 51 bps, and US IG tightening 23 bps in November. EM fixed income reacted in-kind, tightening 31 bps with HY leading the way (58 bps) over IG (7 bps). The Fund registered 11 bps of Alpha in November. Portfolio positioning continued to favor on-the-run benchmarks, particularly new issues with high current yield. Into substantial market strength, Marathon sought to carefully reduce basis relative to the Index in buckets that had temporarily been running higher beta, harvesting positive relative attribution in the process. In particular, reanimated primary market activity in the HY bucket of the asset class spurred opportunity for significant Alpha generation. In Costa Rica (+8 bps) and Colombia (+7 bps), they participated actively in new offerings of high coupon 30-year bonds. As these were the first back-end sovereign new issues in LATAM under the current higher-for-longer rates regime, they benefitted from substantial scarcity value on top of a new issue concession. Both issues rallied significantly post-issuance, and they were able to gradually scale-down exposure into month-end strength. The fund also registered Alpha in Israel (+8 bps), which retraced October's widening after the scope of military action appeared more definitively limited to the confines of Gaza. As a high quality investment grade credit, Israel also benefitted from the substantial rally in US rates over the period. Given the strength of the asset class over the course of November, the largest detractors for the month were in jurisdictions where they tend to have lighter or more conservative positioning. This was particularly relevant in China (-13 bps), Jamaica (-6 bps), and Qatar (-5 bps), jurisdictions that offer limited liquidity and relative value appeal. They have substituted exposure in these regions with exposure in other similar and relatively attractive credits within the investment universe. In this way, underperformance resulting from these regions is offset by heightened exposures elsewhere. After a strong November, the benchmark Index is up 6.07% YTD (versus 6.18% YTD net performance for LyxMEMB). Index spreads have tightened 105 bps from the wides of the year, finishing the month at 404 bps. Marathon sees several factors that could underscore continued strength in the asset class both into year-end and through the beginning of 2024. Though EM has tightened significantly, its spread relationship with comparatively-rated US corporate credit has remained wide of historical averages.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**November (continued)**

Strong performance in the asset class has also continued in spite of \$23.6 billion in YTD fund outflows from EM hard currency. This comes on top of a historic 2022, during which EM hard currency fixed income experienced \$44 billion in outflows (historical average year sees \$20 billion in inflows). Given this, it is possible the institutional investor community is relatively underinvested in the asset class compared to historical levels. From an issuance standpoint, the asset class benefitted substantially in 2023 from historically subdued supply. Given higher costs of funding, most researchers forecast 2024 issuance levels to be very similar. When paired with elevated cashflows (in the form of coupons, amortizations, and buybacks) to investors, this phenomenon could continue providing a supportive technical for the asset class. On a broader scale, a wider EM-DM growth differential, stabilized rating trends, stable fundamentals, more synchronous EM monetary policy cycles, and limited prospects for additional sovereign defaults in 2024 provide a more benign/constructive environment for the new year.

**December**

In December, Amundi Marathon Emerging Markets Bond Fund gained +4.5% versus Index returns of 4.73%. Constructive market sentiment continued into year-end after a strong November for rates and risk assets alike. In the beginning of December, market participants digested strong treasury auctions and further indications of disinflation. At December's FOMC, the Fed held the policy rate unchanged for the third consecutive meeting. More notably, the Fed's "dots" skewed dovish, with an implied 75 bps of easing as the median expectation for 2024: a revision from 50 bps of cuts in the September FOMC meeting. Rates reacted sharply to the release. At the beginning of December, 115 bps of easing was priced-in for 2024. By the end of Chair Powell's December FOMC press conference, 145 bps of easing was priced in. By the end of the month, the market was pricing in 160 bps of cuts. Further out on the curve, 10-year and 30-year treasuries rallied significantly in December, capping off a strong quarter for both points on the curve (77 bps and 73 bps rallies, respectively: a retracement of nearly all the weakness experienced during the third quarter). Risk markets performed well against this backdrop for the month, with the S&P 500 returning 4.42%, US HY tightening 37 bps (+3.51%), and US IG tightening 5 bps (+4.07%). EM fixed income performed similarly, returning +4.73% (22 bps tighter) over the month to cap off 2023. On a total return basis, the HY and IG segments of EM were balanced, with HY returning +4.72%, and IG returning +4.75%, though HY outperformed on a spread basis (33 bps tighter) versus IG (7 bps tighter). The Fund very closely matched Index returns into year-end; reflective of the investment team's effort in the final weeks of the year to capitalize on strong performance, while reducing short-term basis relative to the benchmark in preparation for seasonally strong primary markets at the beginning of 2024. The Fund generated positive relative attribution in Mexico (+8 bps), where concentrated holdings in Pemex continued to significantly tighten versus the sovereign on the back of continued indications of government support. The portfolio's supplementary bias towards lighter positioning in Mexico sovereign also benefitted from the curve's relative underperformance this month as market participants prepared for expected supply in the new year. The Fund also generated positive attribution in Israel (+8 bps), where they continue to hold off-benchmark positioning which trades at an attractive yield pick-up to similarly rated on-benchmark issuers in the region (KSA, Qatar, UAE). In addition to benefitting from a broader rally in rates, Israel continued to outperform on spread retracement, after geopolitical concerns spurred widening earlier in the quarter. The main detractors this month were China (-8 bps) and Qatar (-8 bps), both high quality curves within the IG segment of the benchmark that rallied amidst the broader strength in US treasuries, but where the Fund retains strategically lighter positioning that is offset by holdings elsewhere in the portfolio. EM fixed income's strength in December caps off a strong 2023, returning +11.09%, and tightening 69 bps. More importantly, Marathon believes that the asset class is entering 2024 having exhibited its resilience.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

**Outlook**

After a challenging 2022, the space experienced only a single sovereign default in 2023. For less stressed sovereigns, fiscal deterioration has been limited this year, and challenging funding conditions in external markets have been increasingly supplemented by concessionary financing and local issuance: both indications of the adaptability of the asset class under tighter monetary conditions. Although, for the most part, fiscal deficits remain above pre-pandemic levels, nominal GDP growth in EM remains elevated when compared with developed markets. From a valuation standpoint, EM's spread to a comparatively rated basket of US corporate credit remains wide in relation to historical averages at 141 bps. From a technical standpoint, EM sovereign supply is expected to reach \$137 billion in the coming year; a 9% increase over last year's figure, while cashflows returning to bondholders over the same period are forecasted to be \$148 billion. This negative net financing could provide a tailwind for the asset class as managers redeploy these cashflows into outstanding securities. Simultaneously, a pick-up in primary issuance may provide for opportunities to generate Alpha and efficiently rebalance the portfolio in 2024.

**Annual performance per share class as at 31 December 2023:**

<b>A EUR HEDGED</b>	<b>A USD</b>	<b>A1 EUR</b>	<b>A1 USD</b>	<b>F USD</b>	<b>I EUR HEDGED</b>	<b>I USD</b>
7.67%	10.22%	7.88%	10.44%	11.30%	8.36%	10.97%

<b>SID-CHF</b>	<b>SID-EUR</b>	<b>SID-GBP</b>	<b>SID-USD</b>	<b>SSI EUR</b>	<b>SSI USD</b>	<b>SSID GBP</b>	<b>SSID USD</b>
6.32%	8.35%	10.24%	11.07%	8.39%	11.08%	10.38%	11.07%

Marathon Asset Management, L.P.  
 Amundi Asset Management S.A.S.  
 February 2024

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Sand Grove Event Driven Fund**

**From 1st July 2023 to 31st December 2023**

Since inception in July 2023, the Fund posted a positive performance of 3.60 % (I USD).

**July**

The Amundi Sand Grove Event Driven Fund returned -0.56% in July (I USD) The fund officially launched on Tuesday 11th July with deployment gradually ramped up over the remainder of the month. Our performance in July was supported by positive developments in the regulatory environment, most notably the US Federal Court's ruling on Activision, as well as the continued optionality upside that European M&A situations offer. These tailwinds were offset however by an unexpected and unprecedented idiosyncratic development in the MaxLinear/Silicon Motion deal. Portfolio Commentary The three biggest winners of the month were Activision Blizzard (ATVI), Toshiba Corporation (6502 JP), and Lookers Plc (LOOK). Activision - On the 12th of July, the US federal court refused a request from the Federal Trade Commission (FTC) for an injunction, in what was an overwhelming win for Microsoft. This leaves the UK's Competition and Markets Authority (CMA) as the only hurdle in Microsoft's path to completion. The CMA has re-opened their review of the deal after initially blocking it in April and has set a deadline of the 29th of August 2023 for a conclusion on that new review. Toshiba - On the 28th of July, TBJH, Inc. issued an official statement on the progress of their offer for Toshiba Corporation, which indicated strong progress in achieving the necessary foreign competition law and regulatory approvals, keeping them on track to close the deal in August. Lookers - On the 20th of July, a shareholder representing ~19% of LOOK's voting rights announced they intended to oppose the acquisition having originally supported the deal at announcement. We have been in active dialogue with both parties throughout the process and particularly focused our efforts on encouraging the board to continue the engagement with Global Auto Holdings. On 27th July, Global Auto Holdings announced it was raising its proposal by 10p to 130p per share and switching from a scheme to an offer construct to increase the deliverability of its proposal. The key shareholder has now also confirmed they will support the transaction at a higher price. The three largest detractors of the month were Silicon Motion (SIMO), Seagen (SGEN), and Horizon Therapeutics (HZNP). Silicon Motion - Early on the 26th of July, the deal received long-awaited approval from China's State Administration of Market Regulation (SAMR). As there remained an attractive upside (>10%), and MaxLinear (the acquirer) had demonstrated strong commitment throughout the process, we initiated a small position (<2% of capital) shortly after the approval. Later the same day (26th), MaxLinear unexpectedly (and without precedent) announced its intention to terminate the merger agreement, asserting principally that SIMO had experienced a Material Adverse Effect. We have been in active discussions with both parties and believe there are multiple potential paths forward from here. SIMO has announced that they intend to litigate the decision to terminate. Seagen - On the 14th of July, the FTC announced that they had sought additional information and documentary material regarding the acquisition, moving the deal to a "phase 2 review". The EU also announced they would investigate the deal. Both outcomes were in our base case scenario and do not materially alter our view on the probability of success. Horizon Therapeutics - There were no material developments in the process during the last couple of weeks of July; we continue to believe the market's implied probability of success is too low. Outlook Looking ahead, we believe activity levels will continue to pick up as they have done over the last couple of months, particularly in Europe. We expect several headwinds to European activity to ease over the next few months, including: Improving macro data leading to increased CEO and Board confidence, most notably positive inflation data, a significant drop in energy prices, and a lower risk of a deep recession Continued improvement in the financing markets that should lead to a pick-up in sponsor activity Near-record levels of activism in Europe, which had increased 60% year-on-year and is now more prominent than in the US Strong corporate and financial sponsor balance sheets Limited antitrust risk vs the US given the fragmented nature of the market We will be focusing on positioning ourselves to take advantage of this increase in activity and building out our top conviction positions further.

**August:**

In August, the fund's performance was largely driven by continued positive developments in the regulatory environment, particularly focused on the group of large, primarily US deals announced last year that are now coming to a conclusion following some stress earlier in the year. Performance was also supported by steady progress in a number of other European deals. The three biggest winners of the month were Horizon Therapeutics, Seagen, and EMIS. Horizon Therapeutics - On the 26th August, the Federal Trade Commission (FTC) announced that it was suspending its lawsuit to block Amgen's acquisition on Horizon, opening the door for the parties to reach a settlement to close the deal. Subsequently, on the 1st September, a settlement was announced.

---

**INVESTMENT MANAGER'S REPORT (continued)  
For the year ended 31 December 2023**

**Amundi Sand Grove Event Driven Fund (continued)**

**August (continued)**

Seagen - Throughout the lifecycle of the deal, given the sector overlap, any news or developments on Amgen/Horizon has typically impacted the market's view on Seagen. Therefore, the FTC effectively dropping its case against Amgen's acquisition was tightening event for Seagen spread. EMIS - On the 11th August, the UK's Competition and Markets Authority (CMA) provisionally cleared UnitedHealth Group's acquisition, which was the final remaining regulatory hurdle for the deal. Outside of these three names, the fund saw positive contributions from a number of European M&A deals, including Dechra Pharmaceuticals, Lookers, and Majorel. Just two positions cost the fund more than 10bps during the month, Silicon Motion and Forgerock. Silicon Motion - No material developments following the unexpected break post-SAMR approval last month as we continue to monitor the progress of Silicon Motion's litigation case, as well the potential for a re-cut deal. ForgeRock - The fund held a small short position on Thoma Bravo's acquisition of ForgeRock as we felt the market was implying too high of a probability of success that the US Department of Justice (DOJ) would approve the deal. However, on August 22nd, the deal was approved.

**September**

The fund backed up a positive August with a similarly strong month in September, again driven by the announced M&A strategy. There are two key themes to highlight when reviewing the month, and looking at the environment for the months ahead: 1. Regulatory Environment - This is a theme we have consistently discussed since the fund launched in July, as the group of large cap US deals announced last year move towards a conclusion, with the vast majority set to complete successfully. Last month we saw significant developments across a number of these deals, including the successful completion of the Intercontinental Exchange (ICE) / Black Knight transaction. This month we saw the Amgen / Horizon Therapeutics deal complete, along with positive developments in Seagen and VMware. Nonetheless, anti-trust agencies have succeeded in increasing the level of uncertainty on transactions and the knock-on impact of that stress in the market still persists. This results in attractive risk/return profiles in deals getting announced today and future volatility from regulatory intervention will present opportunities for fundamentally-driven managers like us. 2. European Optionality - Since September 2020, approximately 30% of deals announced in Europe have received an increase in terms as a result of either shareholder pressure around fair valuation, or a counterbid from a competitive bidder. This optionality is a key source of potential alpha in the region, and is an opportunity we are particularly focused on today. Two live situations turned competitive during the month, Applus (APPS SM) and Pendragon (PDG LN). Applus, a unique Spanish inspection/certification business, is particularly interesting with rival private equity firms competing for the asset. We have a core position in the fund and expect the competitive bidding process to come to a conclusion before the end of the year. Portfolio commentary: The three biggest winners of the month were Seagen, VMware and Horizon Therapeutics. Seagen - The company announced a multi-year strategic collaboration worth more than \$3bn during the month, improving the company's fundamental value. Progress towards completion also became clearer with the European Commission setting a deadline of October 19th for their ruling on the deal. The position contributed 24bps during the month. VMware - The position contributed 23bps during the month off the back of reports of progress in discussions with China's State Administration for Market Regulation (SAMR) over potential behavioral remedies, with the reports suggested SAMR had paused their review. This follows a similar pattern to the European Commission process, which ultimately resulted in approval last month. Horizon Therapeutics - Amgen's acquisition completed during the month, with the position contributing 13bps. On the negative side, only one position cost the fund more than 10bps, which was Albertsons (-11bps). There were no material developments during the month and we believe the risk/return profile of the position remains attractive.

**October**

Following a strong third quarter for the strategy, particularly in M&A, October was a tougher month. The move was predominantly centred around idiosyncratic developments in certain deals, rather than a structural shift in the overall M&A environment, which we continue to believe is strong. Portfolio commentary: The three biggest winners of the month were Sculptor Capital, Activision Blizzard, and NWS Holdings. Sculptor Capital - Rithm Capital increased its offer for the second time since the bid was launched. This latest increase led to a group of shareholders, including the firm's ex-founder and former executives, who hold a 15% stake in the business and had previously opposed the deal, to announce they now intended to vote in favour. The vote is scheduled for November.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Amundi Sand Grove Event Driven Fund (continued)**

**October (continued)**

The position contributed 15bps (gross). Activision Blizzard - Microsoft's acquisition completed during the month, with the position contributing 11bps. NWS Holdings - The parties confirmed shareholders would receive a dividend on top of the offer price from CTFE as part of the transaction, which cause the spread to tighten, contributing 9bps. Subsequently, approval from NWS's largest shareholder was received on Thursday 2nd Nov so we expect the deal to formally close in the coming weeks. On the negative side, the main detractor was VMware, followed by smaller moves in Albertsons and NewMed Energy. VMware - On October 30th, Broadcom (the acquirer) announced that the deal would not close as planned that day, but confirmed they expected it to close soon and "in any event prior to the expiration of the merger agreement" which is towards the end of November. The delay caused the spread to widen sharply, costing the fund 115bps. The delay was due to the Chinese regulatory approval process (SAMR). We maintain conviction in the deal receiving SAMR approval. Albertsons - The spread widened during the month, costing the fund 23bps, as reports suggested anti-trust agencies are still likely to pursue a lawsuit despite the package of divestments previously announced by the parties. NewMed Energy - NewMed is an Israeli energy company which we hold as pre-bid M&A position following announcements around a potential joint bid from BP and Abu Dhabi National Oil Company (ADNOC). The drawdown has been driven by concern over the materialisation of a formal bid following the geopolitical tension in the region, costing the fund 20bps.

**November**

The three biggest winners of the month were VMware, Instem, and NeoGames. VMware - Following a delay in October, the deal received approval from China's antitrust authority - the State Administration for Market Regulation (SAMR) - during the month, clearing the path for the deal to complete on the 22nd November. The position contributed 184bps to the fund. Instem - Archimed, the French global healthcare private equity firm, completed its take-private bid for the UK-based drug development software developer during the month, contributing 39bps to the fund. NeoGames - Both companies (NeoGames and acquiror, Aristocrat) reported during the month, with positive statements around the progress of the deal included from each. Aristocrat also provided slightly firmer guidance on timing, with their estimated completion date moving forward. The market responded positively to this news, with the position contributing 30bps to the fund. On the negative side, only two positions lost more than 10bps - Origin Energy and Capri. Origin Energy - Origin's largest shareholder continued to publicly oppose the deal despite the Brookfield consortium's efforts to reach an agreement, with the market's confidence of the offer achieving the required acceptance threshold deteriorating during the month, with the position costing the fund 93bps. Subsequently, the vote did fail to meet the required acceptance threshold on Monday 4th December. The work now is focused on ascertaining the feasibility of a re-constructed deal early next year. Capri - On the 6th November, the U.S. Federal Trade Commission (FTC) confirmed that the deal was going into a Second Request (extended anti-trust review), which is likely to delay the transaction until Q2 2024 and increases the market's uncertainty around anti-trust approval. The position cost the fund 19bps.

**December**

December capped off a strong second half of the year for M&A. European activity was particularly strong during Q4 with monthly deal volumes across October, November, and December hitting an average of \$110bn, significantly higher than the long-term average. It was a similar story in the US with activity levels strengthening after a slow start; the second half of the year ended as the 5th best half-year activity total on record. This continued momentum supports our long-held view that we are past the trough of M&A activity and expect to see a strong rebound in 2024, driven by greater clarity around interest rates, stability in capital markets, and a closing of the "value gap" between buyers and sellers. We think Europe is particularly well-positioned. Portfolio commentary: December's performance was driven by our announced M&A book, led by a competitive bidding process on a UK small-cap name, along with positive developments in a couple of longer-term US trades. Our Equity Special Situations book also contributed ~30bps to performance. The three biggest winners of the month were Kin and Carta, Seagen, and Albertsons. Kin and Carta - The UK technology consultancy firm became the subject of a competitive bidding process between two Private Equity firms, a theme we have seen play out numerous times in Europe this year as sponsors look to take advantage of challenged public valuations in the region, particularly in the mid and small-cap space. Apax Partners, a London-based private equity firm had a recommended bid of 110p per share in October and increased its original offer to 120p per share in December.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Aundi Sand Grove Event Driven Fund (continued)**

**December (continued)**

Right before the scheme meeting, Valtech (which is backed by UK-based sponsor BC Partners), announced a rival bid at 130p per share, leading to Kin and Carta's board withdrawing their recommendation for the Apax offer. Apax has yet to walk away from the deal, and as the company's largest shareholder, we are well-positioned for any further developments over the coming weeks. The position contributed 106bps to the fund during the month. Seagen - On the 14th December, Pfizer announced the successful completion of its acquisition of Seagen after receiving approval from the U.S Federal Trade Commission (FTC) a couple of days earlier, the final regulatory approval required. The position contributed 49bps to the fund during the month. Albertsons - The position contributed 24bps to the fund during the month. This move was largely driven by improving market fundamentals, as well as the deal benefitting from a rotation of arbitrage capital after the successful completion of the Pfizer/Seagen deal, amongst others, and the expected announcement from the FTC in the coming weeks. The expected deadline for the announcement from the FTC is January 17th, where they will outline their decision on whether or not to pursue a lawsuit to block the deal. On the negative side, only one position lost more than 10bps - Smart Metering Systems. Smart Metering Systems - The UK energy software solutions business cost the fund 10bps during the month as a result of the market's initial reaction to a group of shareholders (representing a stake of <20%) releasing a statement opposing KKR's \$1.6bn takeover stating that they were 'disappointed' with the offer price. Shareholder opposition to deals has been a consistent theme in Europe during the year, particularly in the UK (again linked to that gap in valuation expectations between buyers and sellers). This has led to several increases to terms or "bumps" as a result, an outcome we remain constructive on here.

**Market Outlook**

During the end of the year 2023 and as early as January 2024, there are some signs of growing demand for M&A activity, buoyed by a gradual easing of regulatory and macroeconomic headwinds. Markets participants begun to see an uptick in hostile deal flow, reinforced by the reduction in US-year treasury rates from just over 5% to under 4%. This decline bolsters CEOs' confidence that the hiking interest rate cycle is concluding, helping them to better gauge the likelihood of a recession. In Europe, the M&A deals' optionality is materializing by a large number of bumps and increased terms and that creates a tailwind for the merger arbitrage strategy.

Annual performance per share class as at 31 December 2023:

<u>EB EUR</u>	<u>EB USD</u>	<u>EB CHF</u>	<u>EB GBP</u>	<u>EB JPY</u>	<u>I CHF</u>	<u>I EUR</u>	<u>I JPY</u>	<u>I SGD</u>	<u>I USD</u>	<u>SI2 GBP</u>
3.32%	4.03%	2.33%	3.94%	1.53%	1.98%	2.94%	1.24%	2.97%	3.60%	3.58%

Sand Grove Capital Management LLP  
 Amundi Asset Management S.A.S.  
 February 2024

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**REMUNERATION DISCLOSURE**

**1. Remuneration policy and practices of the AIFM/Management company**

The remuneration policy implemented by Amundi Asset Management is compliant with the rules in terms of remuneration specified in the Directive 2011/61/UE of the European Parliament and of the Council of June 8th 2011 on Alternative Investment Fund Managers (the "AIFM Directive"), and in the Directive 2014/91/UE of July 23rd 2014 on undertakings for collective investment in transferable securities (the "UCITS V Directive"). These rules, about remuneration policies and practices, have for objective to promote sound and effective risk management of fund managers and the funds they manage.

Moreover, the remuneration policy is compliant with Regulation (EU) 2019/2088 ("SFDR"), integrating sustainability risk and ESG criteria in Amundi control framework, with responsibilities spread between the first level of controls performed by the Investment teams and second level of controls performed by the Risk teams, that can verify the compliance with ESG objectives and constraints of a fund at all time.

This policy is incorporated within the framework of the remuneration policy of Amundi reviewed each year by its Remuneration Committee. The latter checked the application of the remuneration policy in relation to the 2022 fiscal year, its compliance with the AIFM/UCITS Directives' principles and approved the policy applicable for the 2023 exercise at its meeting held on 30 January 2023.

In 2023, the implementation of the Amundi remuneration policy was subject to an internal, central and independent audit, driven by the Amundi Internal Audit.

**1.1 Amounts of remuneration paid by the Management companies to its employees**

During fiscal year 2023, the total amount of compensation paid by Amundi Asset Management (including fixed, deferred and non-deferred variable compensation) to its employees (1 923 beneficiaries) is EUR 207,362,471. This amount is split as follows:

- Total amount of fixed remuneration paid by Amundi Asset Management in 2023:
- EUR 145,346,571, which represents 70% of the total amount of compensation paid by Amundi Asset Management to its staff, were in the form of fixed remuneration.
- Total amount of variable compensation deferred and non-deferred paid by Amundi Asset Management in 2023: EUR 62,015,900, which represents 30% of the total amount of compensation paid by Amundi Asset Management to its staff, were in this form. The entire staff is eligible for variable compensation.

Additionally, some 'carried interest' was paid with respect to fiscal year 2023, and is taken into account in the total amount of bonus referred to here above.

Of the total amount of remuneration paid during the fiscal year (fixed and variable compensation deferred and non-deferred), EUR 21,370,354 were paid to the 'executives and senior managers' of Amundi Asset Management (44 beneficiaries), and EUR 15,185,244 were paid to the 'senior investment managers' whose professional activities have a material impact on Amundi Asset Management's risk profile (56 beneficiaries).

**Alignment of remuneration policy and practices with risk profile of the AIFs/UCITS**

The Amundi Group has adopted and implemented remuneration policy and practices compliant with the latest norms, rules, and guidelines issued from the regulatory authorities for its management companies (AIFM/UCITS).

The Amundi Group has also identified all of its 'Identified Staff', that include all the employees of the Amundi Group having a decision authority on the UCITS/AIFM management companies or the UCITS/AIFs managed and consequently likely to have a significant impact on the performance or the risk profile.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**REMUNERATION DISCLOSURE (continued)**

**Alignment of remuneration policy and practices with risk profile of the AIFs/UCITS (continued)**

The variable remuneration awarded to the Amundi Group staff takes into account the performance of the employee, its business unit and the Amundi Group as a whole, and is based on quantitative and qualitative criteria as well as the respect of sound risk management rules.

The criteria taken into account for performance assessment and remuneration award depends on the nature of the employee's functions :

1. Management and selection of AIFs/UCITS functions

Quantitative criteria:

- IR/Sharpe over 1, 3, 5 years
- Gross/absolute/relative performance of the investment strategies (based on GIPS composites) over 1, 3, 5 years, outlook mainly focused on 1 year, adjusted with long-term figures (3,5 years)
- Performance risk adjusted based on IR/Sharpe over 1, 3, 5 years
- Competitive positioning through Morningstar rankings
- Net inflows / Successful requests for proposals, mandates
- Performance fees generation
- ESG rating of the funds according to different providers when applicable (Morningstar, CDP...
- Respect of ESG beat the benchmark, ESG exclusion policies and climate transition index

Qualitative criteria:

- Compliance with risk policy, compliance and legal rules
- Quality of management
- Innovation/product development
- Collaboration/Sharing of best practices
- Commercial engagement – including the ESG component of commercial effort and flows
- ESG
  - o Compliance with ESG policy and participation to the ESG and net-zero offering
  - o Integration of ESG into investment processes
  - o Capacity to promote and project ESG knowledge internally and externally
  - o Extent of proposition and innovation in the ESG space
  - o Demonstrates capacity to manage well the combination of risk return and ESG (the risk and ESG adjusted return)

2. Sales and marketing functions

Quantitative criteria:

- Net inflows, notably on ESG and impact denominated products
- Revenues
- Gross Inflows
- Client base development and retention; product mix
- Number of commercial activities per year, notably prospection activities
- Number of clients approached on their net zero strategy

Qualitative criteria:

- Compliance with risk policy, compliance and legal rules
- Joint consideration of Amundi's interests and of client's interests
- Securing/developing the business
- Client satisfaction
- Quality of management
- Cross-functional approach and sharing of best practices
- Entrepreneurial spirit
- Capacity to explain and promote ESG policies and capabilities as well as solutions of the firm

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**REMUNERATION DISCLOSURE (continued)**

3. Control and support functions

For control and support functions, performance assessment and remuneration award are independent from the performance of the business they oversee.

Common criteria taken into account are:

- Mainly criteria related to the meeting of objectives linked to their functions (risk management, quality of controls, completion of projects, tools and systems improvement etc.)
- When financial criteria are used, these are mainly related to management/ optimization of expenses.

The above-mentioned performance criteria, and specifically those applicable to Identified staff in charge of the management of AIFs/UCITS, comply with the applicable regulation as well as to the AIF's/UCITS investment policy. These internal rules of Amundi Group contribute to a sound and effective risk management.

Furthermore, Amundi Group has adopted and implemented, for its entire staff, measures aiming to align remuneration with long-term performance and risks in order to avoid conflicts of interest.

In this respect, notably:

- The deferral policy has been adapted to comply with the AIFM and UCITS V Directives' requirements.
- The deferred portion of variable compensation for identified staff members is awarded at 100% in instruments indexed on the performance of a representative basket of AIFs and/or UCITS funds.
- The actual payment of the deferred portion is linked to the financial situation of Amundi Group, to the continued employment within the group and to a sound and effective risk management over the vesting period.

**CHENAVARI CREDIT PARTNERS LLP**

**Remuneration Committee**

Although the Firm does not have a formal Remuneration Committee, the Management Committee acts as a quasi-remuneration committee promoting good corporate governance and effective risk management relating to staff remuneration. Chenavari has adopted this approach due to the nature, scale and complexity of the business activities undertaken. The combined expertise and experience of the Management Committee enables it to make effective and fair decisions regarding the Firm's Remuneration Policy.

The Management Committee is responsible for;

- Reviewing the Remuneration Policy's general principles and framework on an ongoing basis, ensuring effective implementation and checking the policy is in line with the business strategy, objectives, values, and long-term interests of the Firm;
- Assessment of all staff that have a material impact on the risk profile of Chenavari;
- Formally validating the variable compensation pools applicable to the various activities within Chenavari before distribution;
- Ensuring the remuneration policy includes measures to avoid conflicts of interest;
- Conducting a risk analysis taking into account the current and potential risks in relation to the quantity of capital and liquidity required;
- Preparation of total remuneration, broken down between the Management Committee and Code Staff whose actions have a material risk impact on Chenavari; and
- Performance assessments of all Code Staff based on the performance of the individual, the business unit concerned, and the overall results of the Firm. The assessment criteria include both financial and non-financial factors.

Total remuneration is divided into two components: Fixed and Variable. These are both subject to at least an annual review and can be adjusted in accordance with the outcome of the review(s).

Variable compensation is derived from a pool of available funds computed after deduction of all other expenses and overheads including fixed compensation, capital expenditure requirements, and working capital retention. This formula is utilised to ensure that the Firm retains sufficient funds to meet its commitments and expenditure plans while maintaining the risk management policies in place.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**REMUNERATION DISCLOSURE (continued)**

Each business unit receives an allocation of funds proportionate to its contribution to overall profits, representing the aggregate total compensation available to award to relevant staff within that business unit. The total remuneration awarded by Chenavari during the financial year ending 31 December 2022 was a total of £5,119,352, comprising fixed remuneration of £1,763,333 and variable remuneration of £3,356,019.

**MARATHON ASSET MANAGEMENT, LP\*\***

**2023 Remuneration**

Outlined below is the remuneration data requested. All amounts are in USD, for the financial year 2023 ending on December 31, 2023.

\* Total remuneration paid by Marathon Asset Management, LP ("Manager") to its staff: 726,502

Number of beneficiaries: 164

Of which:

Total fixed remuneration 359,402

Total variable remuneration 367,100

Carried interest paid by the Fund : not applicable

Aggregate remuneration for senior management and material risk takers:

- Senior managers: 140,196
- Other identified staff: n/a

\*This total remuneration figure relates to the proportion of the total remuneration of Manager's staff that is attributable to the Fund.

**INVESTMENT MANAGER’S REPORT (continued)**  
**For the year ended 31 December 2023**

**Securities Financing Transactions Regulation Disclosure**

Amundi Alternative Funds II PLC (the “Company”) is subject to the Securities Financing Transactions Regulation (the “SFTR”) as at 31 December 2023. The SFTR introduces mandatory reporting for securities financing transactions (“SFTs”) and sets minimum disclosure and consent requirements on the re-use of collateral, with the aim of reforming shadow banking and improving transparency in the SFT market. The SFTR was formally adopted by the EU on 25 November 2015 and came into force on 13 January 2017. An SFT consists of any transaction that uses assets belonging to a counterparty to generate financing means and is comprised of the following:

- repurchase transactions;
- securities or commodities lending, securities or commodities borrowing;
- any transaction having an equivalent economic effect, in particular a buy/sell-back or sell/buy-back transaction; and
- margin lending transaction.

The SFTR also covers Total Return Swap (“TRS”) transactions.

Article 2 of the SFTR covers the following entities:

- Counterparties to an SFT that are established:
  - in the EU, including all of its branches irrespective of where they are located (i.e., non-EU branches); or
  - outside the EU if the SFT is concluded in the course of the operations of an EU branch of that counterparty.
- UCITS funds and their management companies irrespective of where they are established;
- AIFMs authorised or registered in accordance under AIFMD irrespective of where their AIFs are established; and
- in relation to the Re-use Obligation only, counterparties established outside the EU, in either of the following circumstances:
  - the re-use is effected in the course of the operations of an EU branch; or
  - the re-use concerns financial instruments provided as collateral by a counterparty established in the EU or an EU branch of a third country entity (i.e. a non-EU entity re-uses an EU entity’s collateral).

**Global data**

The following table reflects the amount of SFT, expressed as an absolute amount and as a proportion of total lendable assets (excluding cash and cash equivalents) of the Sub-Fund, as at 31 December 2023:

<b>Sub-Fund</b>	<b>SFT</b>	<b>Total lendable assets (excluding cash and cash equivalents) USD</b>	<b>Fair value of SFT USD</b>	<b>% of Total lendable assets</b>
CHENAVARI	TRS	493,092,943	2,806,462	0.57%

The following table reflects the amount of assets engaged in each type of SFT, expressed as an absolute amount and as a percentage of the Sub-Fund’s Net Asset Value (“NAV”), as at 31 December 2023:

<b>Sub-Fund</b>	<b>SFT</b>	<b>NAV USD</b>	<b>Fair value of SFT USD</b>	<b>% of NAV</b>
CHENAVARI	TRS	621,794,955	2,806,462	0.45%

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Securities Financing Transactions Regulation Disclosure (continued)**

**Data on re-use of collateral and Safekeeping of collateral received by the Sub-Fund as part of the SFT**

Information on amount of collateral reused, compared with maximum amount disclosed to investors or specified in the Prospectus and Supplement, and the cash collateral reinvestment returns to the Sub-Fund.

No collateral was received nor granted by the Sub-Fund in relation to the TRS transactions during the year ended 31 December 2023.

**Concentration data**

The following table reflects all the counterparties of each type of SFT and the value (volume) of outstanding transactions as at 31 December 2023 (SFTR requires disclosing the top10 counterparties):

Sub-Fund	SFT	Name of counterparty	Fair value of SFT USD
CHENAVARI	TRS	BNP Paribas	3,143,461
CHENAVARI	TRS	Goldman Sachs International	(336,999)

**Aggregate transaction data for each type of SFT**

The following table reflects the maturity tenor of SFT as at 31 December 2023:

Sub-Fund	SFT	Name of counterparty	Counterparty domicile	Fair value of SFT	Maturity tenor of the SFT
CHENAVARI	TRS	BNP Paribas	London	-	Less than one year
CHENAVARI	TRS	BNP Paribas	London	3,143,461	Above one year
CHENAVARI	TRS	Goldman Sachs International	London	(336,999)	Above one year
CHENAVARI	TRS	Bank of America Merrill Lynch	London	-	Above one year

**Data on return and cost for each type of SFTs for the year ended 31 December 2023:**

Returns and costs incurred from TRS transactions during the year ended 31 December 2023 are included in the valuation of the swap and in the realised gain/(loss) on swaps included in the Statement of Comprehensive Income.

---

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2023**

**Transparency of sustainable investments in periodic reports (Unaudited)**

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

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

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

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments of the below Sub-Funds do not take into account the European Union criteria for environmentally sustainable economic activities.

These Funds fall under Article 6 of regulation (EU) 2019/2088 (“SFDR”). They do not promote environmental and/or social characteristics, nor do they have sustainable investment as its objective.

- Amundi Chenavari Credit Fund
- Amundi Marathon Emerging Markets Bond Fund
- Amundi Sand Grove Event Driven Fund
- Lyxor/Allspring Financial Credit Fund

## **Depository's Report to the Shareholders of AMUNDI ALTERNATIVE FUNDS II PLC**

We have enquired into the conduct of the Company for the financial period ended 31 December 2023 in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland (Supervision and Enforcement) Act 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) (the 'UCITS Regulations'), as amended and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### **Responsibilities of the Depository**

Our duties and responsibilities are outlined in Part 5 (34), of SI. No. 352 of 2011 and Part 12 (114) SI. 420 of 2015. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depository must state why this is the case and outline the steps which we have taken to rectify the situation.

### **Basis of Depository Opinion**

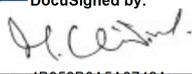
The Company has been managed, in all material respects, during the financial year in accordance with the provisions of its Memorandum and Articles of Association and the UCITS Regulations, including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the Company.

### **Opinion**

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by its Memorandum and Articles of Association and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association.

On behalf of the Depository,

DocuSigned by:  


4B953B0A5A3742A...  
Société Générale S.A. (Dublin Branch)  
29 April 2024



# ***Independent auditors' report to the members of Amundi Alternative Funds II plc***

## **Report on the audit of the financial statements**

---

### **Opinion**

In our opinion, Amundi Alternative Funds II plc's financial statements:

- give a true and fair view of the Company's and Sub-Funds' assets, liabilities and financial position as at 31 December 2023 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2023;
  - the Statement of Comprehensive Income for the year then ended;
  - the Statement of Cash Flows for the year then ended;
  - the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year then ended;
  - the Schedule of Investments for each of the Sub-Funds as at 31 December 2023; and
  - the notes to the financial statements for the Company and for each of its Sub-Funds, which include a description of the accounting policies.
- 

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the reasons why the financial statements of Lutetia Merger Arbitrage Fund, Lyxor/Allspring Financial Credit Fund, Lyxor/Bluescale Global Equity Alpha Fund have been prepared on a basis other than going concern.

---

### **Conclusions relating to going concern**

With the exception of Lutetia Merger Arbitrage Fund, Lyxor/Allspring Financial Credit Fund, Lyxor/Bluescale Global Equity Alpha Fund where a basis of accounting other than going concern has been adopted as set out in the Emphasis of matter - financial statements prepared on a basis other than going concern above, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and Sub-Funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.



With the exception of Lutetia Merger Arbitrage Fund, Lyxor/Allspring Financial Credit Fund, Lyxor/Bluescale Global Equity Alpha Fund where a basis of accounting other than going concern has been adopted as set out in the Emphasis of matter - financial statements prepared on a basis other than going concern above, in auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's and Sub-Funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

---

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and Sub-Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In



other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

## **Other required reporting**

---

### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

---

### **Companies Act 2014 exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Aoife O' Connor

Aoife O'Connor  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
29 April 2024

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON EUR	BLUESCALE <sup>(3)</sup> USD	SANDGROVE <sup>(4)</sup> USD
<b>ASSETS</b>								
Financial assets at fair value through profit or loss:	3							
Investment in securities		763,290,943	493,092,943	-	-	227,648,115	-	42,549,885
Financial derivative instruments		21,354,498	18,793,454	-	-	1,881,145	-	679,899
Cash and cash equivalents	2(i)	66,500,284	50,262,817	-	115,415	9,458,214	146,367	6,517,471
Due from brokers	7	72,159,099	71,706,402	-	-	-	-	452,697
Interest receivable	2(p)	11,369,150	7,545,797	-	-	3,823,353	-	-
Subscriptions receivable	2(k)	3,219,581	3,201,238	-	-	18,343	-	-
Other receivables		25,225	-	-	24,408	817	-	-
<b>Total assets</b>		<b>937,918,780</b>	<b>644,602,651</b>	<b>-</b>	<b>139,823</b>	<b>242,829,987</b>	<b>146,367</b>	<b>50,199,952</b>
<b>LIABILITIES</b>								
Financial liabilities at fair value through profit or loss:	3							
Financial derivative instruments		7,050,325	6,927,971	-	-	26,211	-	96,143
Bank overdraft	2(i)	429,888	22,857	-	-	17	-	407,014
Management fees payable	6	2,942,544	2,158,878	-	26,244	583,888	60	173,474
Performance fees payable	6	7,518,377	7,210,931	-	-	-	1,337	306,109
Due to brokers	7	392,121	88	-	-	-	-	392,033
Interest payable	2(p)	-	-	-	-	-	-	-
Dividend payable		1,881	-	-	-	-	-	1,881
Redemptions payable	2(k)	5,936,224	5,728,050	-	-	208,174	-	-
Administration fees payable	6	1,307,945	665,383	-	73,205	365,637	126,991	76,729
Other payables and accrued expenses	6	212,613	93,538	-	40,374	36,908	17,979	23,814
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>25,791,918</b>	<b>22,807,696</b>	<b>-</b>	<b>139,823</b>	<b>1,220,835</b>	<b>146,367</b>	<b>1,477,197</b>
<b>Net assets attribute to holders of redeemable participating shares</b>		<b>912,126,862</b>	<b>621,794,955</b>	<b>-</b>	<b>-</b>	<b>241,609,152</b>	<b>-</b>	<b>48,722,755</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorised by the Central Bank as at year end.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022 but remained authorised by the Central Bank as at year end.

<sup>(4)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

See accompanying notes to the financial statements

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2023

Share Class	CHENAVARI		LUTETIA <sup>(1)</sup>		ALLSPRING <sup>(2)</sup>		MARATHON	
	USD		USD		USD		USD	
	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
Class I (USD)	54,368.35	133.25	-	-	-	-	326,752.87	101.30
Hedged Class A (EUR)	151,065.31	115.41	-	-	-	-	24,460.97	88.31
Hedged Class I (EUR)	543,821.57	117.29	-	-	-	-	278,782.47	91.30
Class SI (USD)	96,804.34	136.29	-	-	-	-	-	-
Class A (USD)	6,496.92	126.18	-	-	-	-	7,894.65	98.41
Hedged Class SIP (EUR)	40,000.00	123.11	-	-	-	-	-	-
Hedged Class SI (EUR)	663,697.18	118.27	-	-	-	-	-	-
Class SI (GBP)	39,391.27	108.36	-	-	-	-	-	-
Class O (USD)	3,579.19	143.40	-	-	-	-	-	-
Hedged Class O (EUR)	49,128.25	128.25	-	-	-	-	-	-
Class IA (USD)	1,000.00	125.58	-	-	-	-	-	-
Class AA (USD)	100.00	122.97	-	-	-	-	-	-
Hedged Class SSI (EUR)	2,306,555.88	112.61	-	-	-	-	10,299.10	84.60
Class I (NOK)	1.00	1,057.46	-	-	-	-	-	-
Hedged Class C (EUR)	100.00	105.96	-	-	-	-	-	-
Class C (USD)	100.00	107.96	-	-	-	-	-	-
Class P (EUR)	1,027,975.00	104.80	-	-	-	-	-	-
Class F (USD)	-	-	-	-	-	-	1,091,327.41	103.14
Class A1 (EUR)	-	-	-	-	-	-	100.00	83.43
Class A1 (USD)	-	-	-	-	-	-	100.00	87.38
Class SID (CHF)	-	-	-	-	-	-	259,514.61	77.90
Class SID (EUR)	-	-	-	-	-	-	59,013.98	79.64
Class SID (GBP)	-	-	-	-	-	-	220,418.55	82.55
Class SID (USD)	-	-	-	-	-	-	94,032.59	84.81
Class SSI (USD)	-	-	-	-	-	-	3,094.89	88.58
Class SSID (GBP)	-	-	-	-	-	-	100.00	81.79
Class SSID (USD)	-	-	-	-	-	-	36,501.41	82.91

The Sub-Funds' abbreviated names as presented above are defined on page 3.

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2023

Share Class	BLUESCALE <sup>(3)</sup>		SANDGROVE <sup>(4)</sup>	
	USD		USD	
	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
Hedged Class A (EUR)	-	-	-	-
Class A (USD)	-	-	-	-
Class F (USD)	-	-	-	-
Hedged Class EB (CHF)	-	-	100.00	102.33
Hedged Class EB (EUR)	-	-	269,442.80	103.32
Hedged Class EB (GBP)	-	-	100.00	103.94
Hedged Class EB (JPY)	-	-	150.00	10,152.65
Class EB (USD)	-	-	171,886.79	104.03
Hedged Class I (CHF)	-	-	100.00	101.98
Hedged Class I (EUR)	-	-	100.00	102.94
Hedged Class I (GBP)	-	-	-	-
Hedged Class SI2 (GBP)	-	-	100.00	103.58
Hedged Class I (JPY)	-	-	150.00	10,124.00
Hedged Class I (SGD)	-	-	15.00	1,029.73
Class I (USD)	-	-	100.00	103.60

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorised by the Central Bank as at year end.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

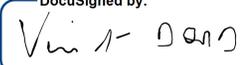
<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022 but remained authorised by the Central Bank as at year end.

<sup>(4)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

Signed on behalf of the Board of Directors:

DocuSigned by:  
  
 5610804742A94CD...  
 Bryan Tiernan  
 Director

29 April 2024

DocuSigned by:  
  
 015123250CA542F...  
 Vincent Dodd  
 Director

29 April 2024

See accompanying notes to the financial statements

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

	Notes	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING USD	MARATHON EUR	BLUESCALE <sup>(2)</sup> USD
<b>ASSETS</b>							
Financial assets at fair value through profit or loss:	3						
Investment in securities		835,088,931	594,045,679	-	23,801,728	217,241,524	-
Financial derivative instruments		79,305,003	73,583,861	-	1,692,799	4,028,343	-
Cash and cash equivalents	2(i)	99,537,000	93,570,579	-	2,024,977	3,773,521	167,923
Due from brokers	7	44,122,646	43,308,403	-	814,243	-	-
Interest receivable	2(p)	10,807,982	7,316,738	-	349,131	3,142,113	-
Subscriptions receivable	2(k)	1,036,972	1,015,540	-	-	21,432	-
Other receivables		774	-	-	-	774	-
<b>Total assets</b>		<b>1,069,899,308</b>	<b>812,840,800</b>	<b>-</b>	<b>28,682,878</b>	<b>228,207,707</b>	<b>167,923</b>
<b>LIABILITIES</b>							
Financial liabilities at fair value through profit or loss:	3						
Financial derivative instruments		22,970,030	22,156,863	-	771,428	41,739	-
Bank overdraft	2(i)	1,246,119	1,158,685	-	454	73,539	13,441
Management fees payable	6	3,622,425	3,157,707	-	120,805	317,733	26,180
Performance fees payable	6	12,752	11,442	-	-	-	1,310
Due to brokers	7	2,906,635	2,906,635	-	-	-	-
Interest payable	2(p)	1,426	-	-	1,426	-	-
Redemptions payable	2(k)	6,887,735	6,823,542	-	35,000	29,193	-
Administration fees payable	6	2,145,798	1,505,776	-	87,939	425,091	126,992
Other payables and accrued expenses	6	520,022	512,533	-	5,580	1,909	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>40,312,942</b>	<b>38,233,183</b>	<b>-</b>	<b>1,022,632</b>	<b>889,204</b>	<b>167,923</b>
<b>Net assets attribute to holders of redeemable participating shares</b>		<b>1,029,586,366</b>	<b>774,607,617</b>	<b>-</b>	<b>27,660,246</b>	<b>227,318,503</b>	<b>-</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

The hedged redeemable participating share classes held by each Sub-Fund are identified in the statement above and throughout these financial statements.

<sup>(1)</sup> Amundi Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022. Balances reflected relate to amounts outstanding as at 31 December 2022

<sup>(2)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022. Balances reflected relate to amounts outstanding as at 31 December 2022

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2022

Share Class	CHENAVARI		LUTETIA <sup>(1)</sup>		ALLSPRING		MARATHON		BLUESCALE <sup>(2)</sup>	
	USD		USD		USD		USD		USD	
	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
Class I (USD)	70,738.19	123.7494	-	-	40,764.11	126.0035	105,838.00	91.2843	-	-
Hedged Class A (EUR)	308,383.65	109.0202	-	-	7,043.58	104.7783	25,930.74	82.0122	-	-
Hedged Class I (EUR)	1,109,915.32	110.2638	-	-	174,701.80	109.5873	343,386.89	84.2573	-	-
Class SI (USD)	302,586.93	126.3496	-	-	8,000.00	111.7463	287,662.43	98.9081	-	-
Class A (USD)	19,211.83	117.6310	-	-	3,017.00	114.0150	8,867.65	89.2904	-	-
Hedged Class SIP (EUR)	80,000.00	115.4678	-	-	-	-	-	-	-	-
Hedged Class SI (EUR)	794,277.93	110.9924	-	-	-	-	-	-	-	-
Class SI (GBP)	113,733.66	100.7778	-	-	-	-	-	-	-	-
Class O (USD)	32,155.68	129.3688	-	-	-	-	-	-	-	-
Hedged Class O (EUR)	48,343.47	117.9818	-	-	-	-	-	-	-	-
Class IA (USD)	1,000.00	116.7575	-	-	-	-	-	-	-	-
Class AA (USD)	100.00	114.6255	-	-	-	-	-	-	-	-
Hedged Class SSI (EUR)	2,811,504.55	105.6524	-	-	-	-	854.20	78.0552	-	-
Class I (NOK)	39,838.65	988.6419	-	-	-	-	-	-	-	-
Hedged Class C (EUR)	100.00	100.3519	-	-	-	-	-	-	-	-
Class C (USD)	100.00	100.4397	-	-	-	-	-	-	-	-
Class P (EUR)	1,027,975.00	97.9504	-	-	-	-	-	-	-	-
Class F (USD)	-	-	-	-	-	-	1,072,565.70	92.6695	-	-
Class A1 (EUR)	-	-	-	-	-	-	100.00	77.3421	-	-
Class A1 (USD)	-	-	-	-	-	-	100.00	79.1261	-	-
Class SID (CHF)	-	-	-	-	-	-	128,243.77	76.6599	-	-
Class SID (EUR)	-	-	-	-	-	-	43,805.28	76.9026	-	-
Class SID (GBP)	-	-	-	-	-	-	253,992.55	78.3392	-	-
Class SID (USD)	-	-	-	-	-	-	175,977.96	79.8771	-	-
Class SSI (USD)	-	-	-	-	-	-	3,094.89	79.7426	-	-
Class SSID (GBP)	-	-	-	-	-	-	100.00	77.5263	-	-
Class SSID (USD)	-	-	-	-	-	-	39,358.74	78.0936	-	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

The hedged redeemable participating share classes held by each Sub-Fund are identified in the statement above and throughout these financial statements.

<sup>(1)</sup> Amundi Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022.

<sup>(2)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

Notes	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON USD	BLUESCALE <sup>(3)</sup> USD	SANDGROVE <sup>(4)</sup> USD	
<b>Investment income</b>								
Net gain/ (loss) on financial assets and liabilities at fair value through profit or loss	5	54,363,951	40,105,735	-	(657,645)	12,854,348	3	2,061,510
Net (loss)/gain on foreign exchange	5	1,701,022	1,721,637	-	(70,238)	114,610	182	(65,169)
Interest income on cash and cash equivalents	2(p)	6,440,675	5,830,635	-	47,277	314,351	5,313	243,099
Interest on financial assets at fair value through profit or loss	2(p)	51,008,951	35,680,544	-	359,685	14,423,298	-	545,424
Dividend income	2(q)	843,127	545,359	-	-	14,640	-	283,128
Other Income		24,950	-	-	17,350	7,600	-	-
<b>Total investment (loss)/income</b>		<b>114,382,676</b>	<b>83,883,910</b>	<b>-</b>	<b>(303,571)</b>	<b>27,728,847</b>	<b>5,498</b>	<b>3,067,992</b>
<b>Expenses</b>								
Management fees	6	9,317,836	7,832,638	-	53,747	1,212,069	-	219,382
Performance fees	6	7,514,940	7,209,210	-	-	-	-	305,730
Administration fees	6	2,169,520	1,554,233	-	16,924	521,635	-	76,728
Transaction costs	2(r)	186,630	154,254	-	112	-	-	32,264
Dividend expense	2(q)	40,356	-	-	-	-	-	40,356
Other expenses		885,354	762,853	-	40,727	35,186	17,980	28,608
<b>Total operating expenses</b>		<b>20,114,636</b>	<b>17,513,188</b>	<b>-</b>	<b>111,510</b>	<b>1,768,890</b>	<b>17,980</b>	<b>703,068</b>
<b>Operating (loss)/profit</b>		<b>94,268,040</b>	<b>66,370,722</b>	<b>-</b>	<b>(415,081)</b>	<b>25,959,957</b>	<b>(12,482)</b>	<b>2,364,924</b>
<b>Finance cost</b>								
Interest expense	2(p)	746,668	126,303	-	2,103	63,032	(492)	555,722
Interest on financial liabilities at fair value through profit or loss	2(p)	7,283,970	7,208,760	-	-	75,210	-	-
Dividends to holders of redeemable participating shares	12	3,495,474	-	-	-	3,495,474	-	-
<b>Loss/Profit before tax</b>		<b>82,741,928</b>	<b>59,035,659</b>	<b>-</b>	<b>(417,184)</b>	<b>22,326,241</b>	<b>(11,990)</b>	<b>1,809,202</b>
Withholding taxes		130,683	109,072	-	-	-	-	21,611
<b>(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>82,611,245</b>	<b>58,926,587</b>	<b>-</b>	<b>(417,184)</b>	<b>22,326,241</b>	<b>(11,990)</b>	<b>1,787,591</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup> Amundi Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorised by the Central Bank as at the year end.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023. Includes gains and losses relating to cash and cash equivalents and financial assets and liabilities held by the Sub-Fund during the year.

<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022 but remained authorised by the Central Bank as at the year end.

<sup>(4)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON USD	BLUESCALE <sup>(3)</sup> USD	
<b>Investment income</b>							
Net loss on financial assets and liabilities at fair value through profit or loss	5	(179,511,853)	(87,834,882)	(118,005)	(14,920,460)	(71,824,851)	(4,813,655)
Net (loss)/gain on foreign exchange	5	(6,806,565)	(6,327,633)	(636)	(349,255)	(135,047)	6,006
Interest income on cash and cash equivalents	2(p)	1,938,664	1,769,189	58	47,696	89,905	31,816
Interest on financial assets at fair value through profit or loss	2(p)	47,701,699	32,731,496	-	2,475,173	12,311,286	183,744
Dividend income	2(q)	98,893	-	739	192	8,638	89,324
Other Income		25,497	-	23,185	-	840	1,472
<b>Total investment loss</b>		<b>(136,553,665)</b>	<b>(59,661,830)</b>	<b>(94,659)</b>	<b>(12,746,654)</b>	<b>(59,549,229)</b>	<b>(4,501,293)</b>
<b>Expenses</b>							
Management fees	6	11,820,995	9,921,263	-	449,644	1,315,787	134,301
Performance fees	6	16,092	16,092	-	-	-	-
Administration fees	6	2,528,248	1,779,083	260	135,471	505,645	107,789
Transaction costs	2(r)	324,079	322,506	-	883	-	690
Dividend expense	2(q)	158,530	-	998	-	17,200	140,332
Other expenses		975,645	881,343	-	46,393	47,848	61
<b>Total operating expenses</b>		<b>15,823,589</b>	<b>12,920,287</b>	<b>1,258</b>	<b>632,391</b>	<b>1,886,480</b>	<b>383,173</b>
<b>Operating loss</b>		<b>(152,377,254)</b>	<b>(72,582,117)</b>	<b>(95,917)</b>	<b>(13,379,045)</b>	<b>(61,435,709)</b>	<b>(4,884,466)</b>
<b>Finance cost</b>							
Interest expense	2(p)	623,586	563,692	779	20,923	27,318	10,874
Interest on financial liabilities at fair value through profit or loss	2(p)	11,595,898	11,208,120	-	81,244	-	306,534
Dividends to holders of redeemable participating shares	12	2,621,995	-	-	-	2,621,995	-
<b>Loss before tax</b>		<b>(167,218,733)</b>	<b>(84,353,929)</b>	<b>(96,696)</b>	<b>(13,481,212)</b>	<b>(64,085,022)</b>	<b>(5,201,874)</b>
Withholding taxes		(2,848)	(2,848)	-	-	-	-
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(167,215,885)</b>	<b>(84,351,081)</b>	<b>(96,696)</b>	<b>(13,481,212)</b>	<b>(64,085,022)</b>	<b>(5,201,874)</b>

All amounts, except for the terminated funds, arose solely from continuing operations. There are no gains or losses other than those dealt within the Statement of Comprehensive Income.

<sup>(1)</sup> Amundi Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Amounts arose from discontinuing operations as the Board of Directors intended to liquidate the Sub-Fund in 2023.

<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

*See accompanying notes to the financial statements*

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES For the year ended 31 December 2023

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON USD	BLUESCALE <sup>(3)</sup> USD	SANDGROVE <sup>(4)</sup>
<b>Balance as at the beginning of the year/period</b>	1,029,586,366	774,607,617	-	27,660,246	227,318,503	-	-
Increase/Decrease in net assets attributable to holders of redeemable participating shares from operations	82,611,245	58,926,587	-	(417,184)	22,326,241	(11,990)	1,787,591
Issuance of redeemable participating shares	263,620,887	107,229,434	-	39,078	104,078,223	-	52,274,152
Redemption of redeemable participating shares	(463,691,636)	(318,968,683)	-	(27,282,140)	(112,113,815)	11,990	(5,338,988)
<b>Balance as at the end of the year/period</b>	<b>912,126,862</b>	<b>621,794,955</b>	-	-	<b>241,609,152</b>	-	<b>48,722,755</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorised by the Central Bank as at year end.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022 but remained authorised by the Central Bank as at year end.

<sup>(4)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

*See accompanying notes to the financial statements*

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES For the year ended 31 December 2022

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING USD	MARATHON USD	BLUESCALE <sup>(2)</sup> USD
<b>Balance as at the beginning of the year/period</b>	1,217,911,796	703,201,392	1,202,548	143,788,166	301,035,393	68,684,297
Decrease in net assets attributable to holders of redeemable participating shares from operations	(167,215,885)	(84,351,081)	(96,696)	(13,481,212)	(64,085,022)	(5,201,874)
Issuance of redeemable participating shares	584,147,311	500,733,866	-	7,047,506	75,893,680	472,259
Redemption of redeemable participating shares	(605,256,856)	(344,976,560)	(1,105,852)	(109,694,214)	(85,525,548)	(63,954,682)
<b>Balance as at the end of the year/period</b>	<b>1,029,586,366</b>	<b>774,607,617</b>	<b>-</b>	<b>27,660,246</b>	<b>227,318,503</b>	<b>-</b>

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022.

<sup>(2)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.

*See accompanying notes to the financial statements*

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CASH FLOWS For the year ended 31 December 2023

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON USD	BLUESCALE <sup>(3)</sup> USD	SANDGROVE <sup>(4)</sup> USD
<b>Cash flows from operating activities:</b>							
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	82,611,245	58,926,587	-	(417,184)	22,326,241	(11,990)	1,787,591
<b>Adjustments for:</b>							
Change in financial assets and liabilities at fair value through profit or loss	(78,442,827)	(64,729,039)	-	495,783	(11,828,027)	-	(2,381,544)
Payments on purchased investments	(2,127,226,377)	(1,619,201,743)	-	(13,110,421)	(383,750,682)	-	(111,163,531)
Proceeds from sold investments	2,277,467,192	1,784,883,518	-	36,416,366	385,172,118	-	70,995,190
<b>Changes in operating assets and liabilities:</b>							
(Increase)/Decrease in derivatives – net	42,030,800	39,561,515	-	921,371	2,131,670	-	(583,756)
(Increase)/Decrease in due from brokers	(28,036,453)	(28,397,999)	-	814,243	-	-	(452,697)
(Increase)/Decrease in interest receivable	(561,168)	(229,059)	-	349,131	(681,240)	-	-
(Increase)/Decrease in other receivables	(24,451)	-	-	(24,408)	(43)	-	-
Increase/(Decrease) in management fees payable	(679,881)	(998,829)	-	(94,561)	266,155	(26,120)	173,474
Increase/(Decrease) in performance fees payable	7,505,625	7,199,489	-	-	-	27	306,109
Increase/(Decrease) in due to brokers	(2,514,514)	(2,906,547)	-	-	-	-	392,033
Decrease in interest payable	(1,426)	-	-	(1,426)	-	-	-
Increase in dividend payable	1,881	-	-	-	-	-	1,881
Increase/(Decrease) in administration fees payable	(837,853)	(840,393)	-	( 14,734)	(59,454)	(1)	76,729
Increase/(Decrease) in other payables and accrued expenses	(307,409)	(418,995)	-	34,794	34,999	17,979	23,814
<b>Net cash (used in)/provided by operating activities</b>	<b>170,984,384</b>	<b>172,848,505</b>	<b>-</b>	<b>25,368,954</b>	<b>13,611,737</b>	<b>(20,105)</b>	<b>(40,824,707)</b>

See accompanying notes to the financial statements

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CASH FLOWS (continued) For the year ended 31 December 2023

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING <sup>(2)</sup> USD	MARATHON USD	BLUESCALE <sup>(3)</sup> USD	SANDGROVE <sup>(4)</sup> USD
<b>Cash flows from financing activities:</b>							
Net proceeds from subscriptions of redeemable participating shares	261,438,278	105,043,736	-	39,078	104,081,312	-	52,274,152
Net payments on redemptions of redeemable participating shares	(464,643,147)	(320,064,175)	-	(27,317,140)	(111,934,834)	11,990	(5,338,988)
<b>Net cash (used in)/provided by financing activities</b>	<b>(203,204,869)</b>	<b>(215,020,439)</b>	<b>-</b>	<b>(27,278,062)</b>	<b>(7,853,522)</b>	<b>11,990</b>	<b>46,935,164</b>
<b>Net change in cash and cash equivalents</b>	<b>(32,220,485)</b>	<b>(42,171,934)</b>	<b>-</b>	<b>(1,909,108)</b>	<b>5,758,215</b>	<b>(8,115)</b>	<b>6,110,457</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>98,290,881</b>	<b>92,411,894</b>	<b>-</b>	<b>2,024,523</b>	<b>3,699,982</b>	<b>154,482</b>	<b>-</b>
<b>Net cash and cash equivalents at the end of the year/period</b>	<b>66,070,396</b>	<b>50,239,960</b>	<b>-</b>	<b>115,415</b>	<b>9,458,197</b>	<b>146,367</b>	<b>6,110,457</b>
<b>Supplemental disclosure of cash flow information:</b>							
Interest received	56,888,458	41,282,120	-	756,093	14,056,409	5,313	788,523
Interest paid	(8,032,064)	(7,335,063)	-	(3,529)	(138,242)	492	(555,722)
Dividends received	843,127	545,359	-	-	14,640	-	283,128
Dividends paid	(42,237)	-	-	-	-	-	(42,237)

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorised by the Central Bank as at year end.

<sup>(2)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

<sup>(3)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022 but remained authorised by the Central Bank as at year end.

<sup>(4)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

*See accompanying notes to the financial statements*

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	COMPANY TOTAL USD	WNT <sup>(2)</sup> USD	CHENAVARI USD	LUTETIA <sup>(3)</sup> USD	EVOLUTION <sup>(1)</sup> USD	ALLSPRING USD
<b>Cash flows from operating activities:</b>						
Decrease in net assets attributable to holders of redeemable participating shares from operations	(167,215,885)	-	(84,351,081)	(96,696)	-	(13,481,212)
<b>Adjustments for:</b>						
Change in financial assets and liabilities held for trading at fair value through profit or loss	216,449,338	-	138,135,480	477	-	15,862,658
Payments on purchased investments	(2,196,237,105)	-	(1,824,090,911)	(484,032)	-	(46,243,289)
Proceeds from sold investments	2,133,474,895	-	1,600,763,661	1,848,353	-	135,627,432
<b>Changes in operating assets and liabilities:</b>						
(Increase)/Decrease in derivatives – net	(62,966,802)	-	(58,618,841)	129,430	-	(1,870,073)
Decrease in due from brokers	42,500,717	-	35,919,141	192,367	319	3,885,757
Decrease/(Increase) in interest receivable	240,387	-	(1,305,251)	-	-	1,076,249
Decrease in dividend receivable	233	-	-	233	-	-
Increase in other receivables	(774)	-	-	-	-	-
Increase/(Decrease) in management fees payable	775,408	-	1,323,174	(73,910)	-	(202,197)
Decrease in performance fees payable	(1,948,927)	-	(1,948,512)	(63)	-	-
Increase/(Decrease) in due to brokers	2,853,372	-	2,906,635	-	-	-
Increase/(Decrease) in interest payable	833	-	-	(593)	-	1,426
Decrease in dividend payable	(1,188)	-	-	-	-	-
Increase/(Decrease) in administration fees payable	1,883,841	-	1,338,854	(513)	-	57,766
Increase/(Decrease) in other payables and accrued expenses	39,708	(235,364)	437,657	(11,917)	(116,442)	5,580
<b>Net cash (used in)/provided by operating activities</b>	<b>(30,151,949)</b>	<b>(235,364)</b>	<b>(189,489,994)</b>	<b>1,503,136</b>	<b>(116,123)</b>	<b>94,720,097</b>
<b>Cash flows from financing activities:</b>						
Net proceeds from subscriptions of redeemable participating shares	587,725,359	-	503,395,757	-	-	7,047,506
Net payments on redemptions of redeemable participating shares	(605,372,458)	-	(344,331,731)	(1,655,848)	-	(109,659,214)
<b>Net cash (used in)/provided by financing activities</b>	<b>(17,647,099)</b>	<b>-</b>	<b>159,064,026</b>	<b>(1,655,848)</b>	<b>-</b>	<b>(102,611,708)</b>
<b>Net change in cash and cash equivalents</b>	<b>(47,799,048)</b>	<b>(235,364)</b>	<b>(30,425,968)</b>	<b>(152,712)</b>	<b>(116,123)</b>	<b>(7,891,611)</b>
Cash and cash equivalents at the beginning of the year/period	146,089,929	235,364	122,837,862	152,712	116,123	9,916,134
<b>Cash and cash equivalents at the end of the year/period</b>	<b>98,290,881</b>	<b>-</b>	<b>92,411,894</b>	<b>-</b>	<b>-</b>	<b>2,024,523</b>
<b>Supplemental disclosure of cash flow information:</b>						
Interest received	49,880,750	-	33,195,434	58	-	3,599,118
Interest paid	(12,218,651)	-	(11,771,812)	(1,372)	-	(100,741)
Dividends received	99,126	-	-	972	-	192
Dividends paid	(159,718)	-	-	(998)	-	-

The Sub-Funds' abbreviated names as presented above are defined on page no 3

See accompanying notes to the financial statements

## AMUNDI ALTERNATIVE FUNDS II PLC

### STATEMENT OF CASH FLOWS (continued) For the year ended 31 December 2022

	ACADEMY <sup>(4)</sup> USD	MARATHON USD	BLUESCALE <sup>(5)</sup> USD
<b>Cash flows from operating activities:</b>			
(Decrease) in net assets attributable to holders of redeemable participating shares from operations	-	(64,085,022)	(5,201,874)
<b>Adjustments for:</b>			
Change in financial assets and liabilities held for trading at fair value through profit or loss	-	62,566,381	(115,658)
Payments on purchased investments	-	(241,086,791)	(84,332,082)
Proceeds from sold investments	-	253,405,279	141,830,170
<b>Changes in operating assets and liabilities:</b>			
(Increase)/Decrease in derivatives – net	-	(2,629,137)	21,819
Decrease in due from brokers	135	1,458	2,501,540
Decrease/(Increase) in interest receivable	-	469,389	-
Decrease in dividend receivable	-	-	-
Increase in other receivables	-	(774)	-
Increase/(Decrease) in management fees payable	-	(190,272)	(81,387)
Decrease in performance fees payable	-	-	(352)
(Increase)/Decrease in due to brokers	-	-	(53,263)
(Increase)/Decrease in interest payable	-	-	-
Decrease in dividend payable	-	-	(1,188)
Increase/(Decrease) in administration fees payable	-	380,218	107,516
Increase/(Decrease) in other payables and accrued expenses	(41,715)	1,909	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(41,580)</b>	<b>8,832,638</b>	<b>54,675,241</b>
<b>Cash flows from financing activities:</b>			
Net proceeds from subscriptions of redeemable participating shares	-	76,809,837	472,259
Net payments on redemptions of redeemable participating shares	-	(85,700,244)	(64,025,421)
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>(8,890,407)</b>	<b>(63,553,162)</b>
<b>Net change in cash and cash equivalents</b>	<b>(41,580)</b>	<b>(57,769)</b>	<b>(8,877,921)</b>
Cash and cash equivalents at the beginning of the year/period	41,580	3,757,751	9,032,403
<b>Cash and cash equivalents at the end of the year/period</b>	<b>-</b>	<b>3,699,982</b>	<b>154,482</b>
<b>Supplemental disclosure of cash flow information:</b>			
Interest received	-	12,870,580	215,560
Interest paid	-	(27,318)	(317,408)
Dividend received	-	8,638	89,324
Dividend paid	-	(17,200)	(141,520)

<sup>(1)</sup> Amundi Evolution Fixed Income Fund: Terminated on 28 December 2018 but remained authorised by the Central Bank as at 31 December 2022.

<sup>(2)</sup> Amundi WNT Fund: Terminated on 19 July 2021. On 2 June 2023, the Sub-Fund's authorisation was revoked by the Central Bank of Ireland.

<sup>(3)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022.

<sup>(4)</sup> Amundi Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020.

<sup>(5)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.

*See accompanying notes to the financial statements*

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

#### 1. GENERAL INFORMATION

Amundi Alternative Funds II PLC (the “Company”) was incorporated under the laws of Ireland, pursuant to the Companies Act 2014, on 21 November 2012 with registration number 520397. It was registered as an umbrella investment company with variable capital and segregated liability between sub-funds and is authorised by the Central Bank of Ireland (“Central Bank”) as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) (“UCITS”) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (UCITS) Regulations 2019 (the “Central Bank UCITS Regulations” or collectively the “UCITS Regulations”). The Directors may establish additional sub-funds, subject to the prior approval of the Central Bank.

As at 31 December 2023, the Company has 12 Sub-Funds: 3 active, 9 terminated (31 December 2022: 11 Sub-Funds: 3 active, 8 terminated). One of the active Sub-Funds and three of the terminated Sub-Funds were not Swiss registered.

Sub-Fund	Launch date	Termination date
Amundi WNT Fund*	23 January 2013	19 July 2021
Amundi Chenavari Credit Fund	18 June 2015	-
Lutetia Merger Arbitrage Fund**	2 July 2015	28 January 2022
Amundi Evolution Fixed Income Fund*	26 July 2016	28 December 2018
Kingdon Global Long-Short Equity Fund*	8 August 2016	30 March 2020
Lyxor/Allspring Financial Credit Fund	15 September 2016	22 May 2023
Amundi Portland Hill Fund*	21 November 2017	3 July 2019
Amundi Dymon Asia Macro Fund*	10 April 2018	2 October 2019
Amundi Academy Quantitative Global UCITS Fund*	20 March 2019	13 January 2020
Amundi Marathon Emerging Markets Bond Fund	28 March 2019	-
Lyxor/Bluescale Global Equity Alpha Fund**	18 December 2019	21 October 2022
Amundi Sand Grove Event Driven Fund	11 July 2023	-

\*Authorisation from the Central Bank have been revoked as at the year end for these Sub-Funds.

\*\*These terminated Sub-Funds remained authorised by the Central Bank as at year end.

The Sub-Funds above are referred to as “Sub-Fund” or collectively “Sub-Funds” throughout these financial statements.

The investment objectives of the Sub-Funds that were active during the year are set out below:

#### Amundi Chenavari Credit Fund

The investment objective of the Sub-Fund is to (i) seek medium term capital appreciation by analysing trading and/or investment opportunities (such as market inefficiencies where current prices do not reflect fair valuation, arbitrage situations to benefit from temporary unjustified valuation difference between maturities predominantly in credit markets) and (ii) benefit from trends, price movements and price volatilities where the current market valuation does not reflect the embedded value (fundamental and structural) as perceived by the sub-investment manager.

#### Lutetia Merger Arbitrage Fund

The investment objective of the Sub-Fund is to outperform the interest rate on the overnight interbank market in euros (EONIA - *Euro Overnight Index Average*) over a recommended investment horizon of three years, by actively investing in or obtaining exposure to the equity markets (primarily recognised markets in Europe and North America and to a lesser extent in other OECD - *Organisation for Economic Co-operation and Development* countries), primarily in the context of merger and acquisition transactions.

#### Lyxor/Allspring Financial Credit Fund

The investment objective of the Sub-Fund is to seek capital appreciation with superior returns over EURIBOR. EURIBOR is based on average interest rates established by a panel of around 50 European banks that lend and borrow from each other.

#### Amundi Marathon Emerging Markets Bond Fund

The Sub-Fund’s investment objective is to outperform the J.P. Morgan EMBI Global Diversified Index, the benchmark index over the medium to long term.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**1. GENERAL INFORMATION (continued)**

**Lyxor/Bluescale Global Equity Alpha Fund**

The Sub-Fund's investment objective is to seek capital appreciation over the medium to long term.

All of the Sub-Funds may achieve their investment objectives by investing in financial derivative instruments ("FDI"), which may be complex and sophisticated in nature. The detailed investment strategies of the Sub-Funds are discussed in their respective Supplements. There can be no assurance that the Sub-Funds will achieve their investment objectives.

**Amundi Sand Grove Event Driven Fund**

The Sub-Fund's investment objective is to seek capital appreciation over the medium to long term.

The Amundi Sand Grove Event Driven Fund seeks to achieve its investment objective by gaining exposure to companies which are involved in or are undergoing event driven situations such as takeovers, mergers, exchange offers, restructurings, liquidations or other corporate events (the "Events").

**2. MATERIAL ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS as adopted by the EU. These financial statements are also prepared in accordance with the UCITS Regulations.

The accounting policies set out below have been consistently applied in preparing these financial statements for the year ended 31 December 2023. The comparative information for the year ended 31 December 2022 have been prepared on a consistent basis.

These financial statements have been prepared on a going concern basis except for the terminated Sub-Funds, as discussed below. The Company has the resources to continue in business for the foreseeable future (refer to Note 10 Liquidity risk section and Note 21 Subsequent events).

As at 31 December 2023, following the termination of Lutetia Merger Arbitrage Fund and Lyxor/Bluescale Global Equity Alpha Fund in 2022, the assets of these closed Sub-Funds were classified as current and were stated at estimated recoverable amounts and all liabilities were classified as falling due within one year and were stated at net settlement value which approximated the fair value of the assets and liabilities. The financial statements of the terminated Sub-Funds were prepared on a non-going concern basis.

On 22 May 2023, Lyxor/Allspring Financial Credit Fund terminated and as such, the financial statements for this sub-fund has also been prepared on a non-going concern basis (refer to Note 20).

**(b) Basis of aggregation**

The financial statements include the aggregated assets, liabilities, revenues and expenses of the Company and its Sub-Funds. The financial statements of the Company as a whole are presented in USD (Note 2(h) (i)).

**(c) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

**(d) Use of judgment and estimates**

The preparation of financial statements in conformity with IFRS as adopted by the EU, requires the use of certain critical accounting judgment and estimates. It also requires the Board of Directors (the "Board"), based on the advice of the Investment Manager, to exercise its judgement and make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in future years affected. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ from those estimates materially. Key estimate relates to the determination of fair values (Note 4).

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (continued)**

**(e) Standards, amendments and interpretations that are effective 1 January 2023 and have been adopted by the Company**

*Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (Effective 1 January 2023)*

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have a material impact on the Sub-Fund’s financial statement.

*Definition of Accounting Estimates – Amendments to IAS 8 (Effective 1 January 2023)*

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments did not have a material impact on the Sub-Fund’s financial statement.

There are no new standards, interpretations or amendments to existing standards that are effective that is expected to have a material impact on the Sub-Funds.

**(f) Standards, amendments and interpretations in issue that are not yet effective and have not been early adopted by the Company**

*Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (Effective 1 January 2024)*

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The above amendment is not expected to have material impact on the Sub-Funds.

**(g) Financial instruments**

*(i) Classification*

In accordance with IFRS 9, Financial Instruments, (“IFRS 9”) the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

*Financial assets*

The Company classifies its financial assets as subsequently measured at fair value through profit or loss (“FVTPL”) or measured at amortised cost on the basis of both:

- (a) The Company’s business model for managing the financial assets
- (b) The contractual cash flow characteristics of the financial asset

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (continued)**

**(g) Financial instruments (continued)**

*(i) Classification (continued)*

*Financial assets measured at FVTPL*

A financial asset is measured at FVTPL if any of the following is met:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category equity securities and debt securities which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Debt securities include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains. The collection of contractual cash flows from debt securities is only incidental to achieving the Company's business model's objective. This category also includes derivative contracts in an asset position. The equity securities, debt securities and derivative contracts are held for trading and therefore classified mandatorily at FVTPL.

*Financial assets measured at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company includes in this category cash and cash equivalents, due from brokers and other short-term receivables. Their carrying value, measured at amortised cost less any expected loss, is an approximation of fair value given their short-term nature.

*Financial liabilities*

*Financial liabilities measured at FVTPL*

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, equity securities and debt securities sold short, if any, and derivative contracts in a liability position as they are classified as held for trading. The Company also includes its redeemable participating shares in this category. The Company's accounting policy regarding the redeemable participating shares is described in Note 2(m).

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities other than those measured at fair value through profit or loss. The Company includes in this category bank overdraft, due to brokers and other short-term payables. Their carrying value, measured at amortised cost, is an approximation of fair value given their short-term nature.

*(ii) Recognition and initial measurement*

Financial assets and liabilities at fair value through profit and loss are recognised initially on the trade date at which the Company becomes a party to contracted provisions of the instruments. Other financial assets and liabilities are recognised on the date they originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the profit and loss. Financial assets or financial liabilities not at fair value through profit and loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (continued)**

**(g) Financial instruments (continued)**

*(iii) Subsequent measurement*

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value (Note 4).

Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Dividend and interest on financial assets and liabilities at FVTPL are presented separately in the Statement of Comprehensive Income.

*(iv) Derecognition*

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the contractual rights to the cash flow from the asset expire or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. A financial liability is derecognised when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired.

*(v) Impairment of financial assets measured at amortised cost*

The Company holds financial assets at amortised cost, with no financing component and which have maturities of less than 12 months and as such, has chosen to apply the simplified approach for expected credit losses (ECLs) under IFRS 9 to all its financial assets at amortised cost. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company assesses the ECLs of groups of financial assets based on days past due and similar loss patterns. Any historical observed loss rates are adjusted for forward-looking estimates and applied over the expected life of the financial assets (refer to Note 10, Credit risk section).

**(h) Foreign currencies**

*(i) Functional and presentation currency*

Items included in the Sub-Funds' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). If indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The United States Dollar ("USD") is the functional and presentation currency of the active Sub-Funds and the Company.

The investment transactions are primarily denominated in the Sub-Funds' functional currency. The expenses (including management fees, performance fees and administration fees) are denominated and paid mostly in the Sub-Funds' functional currency.

*(ii) Foreign currency transactions*

Monetary assets and liabilities denominated in currencies other than the Sub-Funds' functional currencies are translated into their functional currencies at the closing rates of exchange at each year end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses on investments are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Other foreign exchange differences on cash and cash equivalents, if any, are included within net gain/(loss) on foreign exchange in the Statement of Comprehensive Income.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (continued)**

**(h) Foreign currencies (continued)**

*(ii) Foreign currency transactions (continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated in the Sub-Funds' functional currencies using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**(i) Cash and cash equivalents/Bank overdrafts**

Cash comprises cash deposits on demand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes, with original maturities of three months or less. Bank overdrafts, if any, are shown as liabilities in the Statement of Financial Position.

**(j) Due from/to brokers**

Due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the Statement of Financial Position date. Margin accounts represent cash deposits held with brokers as collateral against open derivative contracts.

Due to brokers include margin accounts and payables for securities purchased (in a regular way transaction) that have been contracted for but not yet settled on the Statement of Financial Position date. Margin accounts represent cash from brokers for derivative contracts.

These amounts are recognised initially at fair value and subsequently measured at amortised cost less impairment for due from brokers account, if any, at year end.

**(k) Subscriptions receivable and redemptions payable**

Subscriptions receivable represents subscriptions where shares have been issued but cash has yet been received from the investor. Redemptions payable represents redemptions where shares have been redeemed but cash has not yet been paid to investor. Subscriptions receivable and redemptions payable are presented in the Statement of Financial Position.

**(l) Net asset value per redeemable participating share**

The net asset value ("NAV") per share disclosed on the Statement of Financial Position is calculated, in accordance with IFRS as adopted by the EU and the Company's Prospectus and Supplements, by dividing the net assets attributable to each share class by the number of redeemable participating shares outstanding at year end. Subscriber shares do not have a residual interest in the net assets of the Company and therefore do not affect the calculation of the NAV per redeemable participating share of the Sub-Funds.

**(m) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities in accordance with IAS 32, Financial Instruments: Presentation. Redeemable participating shares are issued and redeemed at prices based on the Sub-Funds' NAV per redeemable participating share at the time of issue or redemption.

During the year, redeemable participating shares were redeemable daily for the Lyxor/Allspring Financial Credit Fund, Amundi Marathon Emerging Markets Bond Fund and Amundi Chenavari Credit Fund. During the year, up to their termination, the redeemable participating shares were redeemable daily for Lyxor/Bluescale Global Equity Alpha Fund and weekly for Lutetia Merger Arbitrage Fund.

**(n) Distribution to shareholders**

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared. It is not intended to declare any dividends in respect of any issued share classes of the Sub-Funds.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (continued)**

**(o) Realised and unrealised gains and losses**

All realised and unrealised gains and losses from fair value changes and foreign exchange differences on investments are recognised on a first-in-first-out basis and included within net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

**(p) Interest income and expense, and interest on financial assets and liabilities at fair value through profit or loss**

Interest is recognised on a time-proportionate basis using the effective interest method.

Interest income and expense include interest from cash and cash equivalents. Interest on financial assets and liabilities at fair value through profit or loss includes interest from debt securities and derivatives.

**(q) Dividend income and expense**

Dividend income is recognised when the right to receive payment is established and presented in the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

Dividend expense on equity derivatives is disclosed separately in the Statement of Comprehensive Income.

**(r) Transaction costs**

Transaction costs are costs incurred to acquire financial assets and liabilities at fair value through profit or loss. These include broker charges and commission. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

**(s) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**(t) Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholder or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight-year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident and not ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations and;
- Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 3. FINANCIAL ASSETS AND LIABILITIES

The following table details the types of financial assets and liabilities held by the Company as at 31 December 2023:

	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING <sup>(1)</sup> USD	MARATHON USD	SANDGROVE <sup>(2)</sup> USD
<b>Financial assets at fair value through profit or loss:</b>					
<i>Investment in securities</i>					
Debt securities	740,815,221	493,092,943	-	227,648,115	20,074,163
Equity securities	22,475,722	-	-	-	22,475,722
<b>Total Investment in securities</b>	<b>763,290,943</b>	<b>493,092,943</b>	<b>-</b>	<b>227,648,115</b>	<b>42,549,885</b>
<i>Financial derivative instruments</i>					
Total return swaps	3,379,885	3,379,885	-	-	-
Credit default swaps	2,548,195	2,548,195	-	-	-
Futures contracts	1,048	1,048	-	-	-
Foreign currency forwards	15,403,651	12,864,326	-	1,881,145	658,180
Listed option	86,224	-	-	-	86,224
Equity swaps	(64,505)	-	-	-	(64,505)
<b>Total Financial derivative instruments</b>	<b>21,354,498</b>	<b>18,793,454</b>	<b>-</b>	<b>1,881,145</b>	<b>679,899</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>784,645,441</b>	<b>511,886,397</b>	<b>-</b>	<b>229,529,260</b>	<b>43,229,784</b>
<b>Financial liabilities at fair value through profit or loss:</b>					
<i>Financial derivative instruments</i>					
Credit default swaps	3,115,476	3,115,476	-	-	-
Total return swaps	573,423	573,423	-	-	-
Future contract	19,872	19,872	-	-	-
Foreign currency forwards	3,335,344	3,219,200	-	26,211	89,933
Listed option	6,210	-	-	-	6,210
<b>Total Financial derivative instruments</b>	<b>7,050,325</b>	<b>6,927,971</b>	<b>-</b>	<b>26,211</b>	<b>96,143</b>
<b>Total financial liabilities at fair value through profit or loss</b>	<b>7,050,325</b>	<b>6,927,971</b>	<b>-</b>	<b>26,211</b>	<b>96,143</b>

<sup>(1)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023 and hence, no financial assets and liabilities at fair value through profit or loss held as at the year end.

<sup>(2)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 3. FINANCIAL ASSETS AND LIABILITIES

The following table details the types of financial assets and liabilities held by the Company as at 31 December 2022:

	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	835,088,931	594,045,679	23,801,728	217,241,524
<b>Total Investment in securities</b>	<b>835,088,931</b>	<b>594,045,679</b>	<b>23,801,728</b>	<b>217,241,524</b>
<i>Financial derivative instruments</i>				
Total return swaps	1,540,684	1,540,684	-	-
Credit default swaps	4,374,007	4,374,007	-	-
Futures contracts	9,880,916	9,880,916	-	-
Foreign currency forwards	63,509,396	57,788,254	1,692,799	4,028,343
<b>Total financial derivative instruments</b>	<b>79,305,003</b>	<b>73,583,861</b>	<b>1,692,799</b>	<b>4,028,343</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>914,393,934</b>	<b>667,629,540</b>	<b>25,494,527</b>	<b>221,269,867</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Credit default swaps	11,047,453	11,047,453	-	-
Total return swaps	274,220	274,220	-	-
Foreign currency forwards	11,648,357	10,835,190	771,428	41,739
<b>Total financial derivative instruments</b>	<b>22,970,030</b>	<b>22,156,863</b>	<b>771,428</b>	<b>41,739</b>
<b>Total financial liabilities at fair value through profit or loss</b>	<b>22,970,030</b>	<b>22,156,863</b>	<b>771,428</b>	<b>41,739</b>

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**4. FAIR VALUE ESTIMATION**

The Company adopted a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The fair value hierarchy has the following levels as defined by IFRS 13, Fair Value Measurement:

**Level 1 - Quoted market price**

Quoted prices are available in active markets for identical investments from market sources as of the reporting date. When fair values of listed equity and debt securities as well as publicly traded derivatives at 31 December 2023 and 31 December 2022 are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included in Level 1 of the hierarchy.

**Level 2 - Valuation technique using observable inputs**

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices).

**Level 3 - Valuation technique with significant unobservable inputs**

Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation.

For all other financial instruments, fair value is determined using valuation techniques including the models developed internally by the independent Administrator and broker quotes. In instances where the Administrator, in the opinion of the Sub-Fund's portfolio manager, has been unable to obtain a fair value price, the Investment Manager determines the fair value of such financial instruments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities.

The Company invests in debt securities for which transactions may not occur on a regular basis. Investments in the debt securities are valued based on quoted market prices or binding dealer price quotations without any deduction for transaction costs.

Transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 4. FAIR VALUE ESTIMATION (continued)

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets and liabilities measured at fair value as at year end:

##### Amundi Chenavari Credit Fund

31 December 2023	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	493,092,943	-	493,092,943
<i>Financial derivative instruments</i>				
Credit default swaps	-	2,548,195	-	2,548,195
Total return swaps	-	3,379,885	-	3,379,885
Futures contracts	1,048	-	-	1,048
Foreign currency forwards	-	12,864,326	-	12,864,326
<b>Total financial assets at fair value through profit or loss</b>	<b>1,048</b>	<b>511,885,349</b>	<b>-</b>	<b>511,886,397</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Total return swaps	-	573,423	-	573,423
Credit default swaps	-	3,115,476	-	3,115,476
Future contracts	19,872	-	-	19,872
Foreign currency forwards	-	3,219,200	-	3,219,200
<b>Total financial liabilities at fair value through profit or loss</b>	<b>19,872</b>	<b>6,908,099</b>	<b>-</b>	<b>6,927,971</b>
<b>31 December 2022</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	108,172,669	485,873,010	-	594,045,679
<i>Financial derivative instruments</i>				
Credit default swaps	720,871	3,653,136	-	4,374,007
Total return swaps	-	1,540,684	-	1,540,684
Futures contracts	9,880,916	-	-	9,880,916
Foreign currency forwards	-	57,788,254	-	57,788,254
<b>Total financial assets at fair value through profit or loss</b>	<b>118,774,456</b>	<b>548,855,084</b>	<b>-</b>	<b>667,629,540</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Total return swaps	-	274,220	-	274,220
Credit default swaps	1,424,507	9,622,946	-	11,047,453
Foreign currency forwards	-	10,835,190	-	10,835,190
<b>Total financial liabilities at fair value through profit or loss</b>	<b>1,424,507</b>	<b>20,732,356</b>	<b>-</b>	<b>22,156,863</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 4. FAIR VALUE ESTIMATION (continued)

##### Lyxor/Allspring Financial Credit Fund

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023 and held no financial assets and liabilities at fair value through profit or loss as at 31 December 2023.

31 December 2022	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	23,801,728	-	23,801,728
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	1,692,799	-	1,692,799
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>25,494,527</b>	<b>-</b>	<b>25,494,527</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	771,428	-	771,428
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>771,428</b>	<b>-</b>	<b>771,428</b>

##### Amundi Marathon Emerging Markets Bond Fund

31 December 2023	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	193,699,324	33,948,791	-	227,648,115
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	1,881,145	-	1,881,145
<b>Total financial assets at fair value through profit or loss</b>	<b>193,699,324</b>	<b>35,829,936</b>	<b>-</b>	<b>229,529,260</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	26,211	-	26,211
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>26,211</b>	<b>-</b>	<b>26,211</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 4. FAIR VALUE ESTIMATION (continued)

##### Amundi Marathon Emerging Markets Bond Fund

31 December 2022	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	217,241,524	-	217,241,524
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	4,028,343	-	4,028,343
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>221,269,867</b>	<b>-</b>	<b>221,269,867</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	41,739	-	41,739
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>41,739</b>	<b>-</b>	<b>41,739</b>

##### Amundi Sand Grove Event Driven Fund

Amundi Sand Grove Event Driven Fund launched on 11 July 2023.

31 December 2023	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	20,074,163	-	-	20,074,163
Equity securities	22,475,722	-	-	22,475,722
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	658,180	-	658,180
Equity swaps	-	(64,505)	-	(64,505)
Equity option	86,224	-	-	86,224
<b>Total financial assets at fair value through profit or loss</b>	<b>42,636,109</b>	<b>593,675</b>	<b>-</b>	<b>43,229,784</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	89,933	-	89,933
Equity options	6,210	-	-	6,210
<b>Total financial liabilities at fair value through profit or loss</b>	<b>6,210</b>	<b>89,933</b>	<b>-</b>	<b>96,143</b>

---

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

**4. FAIR VALUE ESTIMATION (continued)**

The following tables present the movement in the Level 3 financial instruments for the year end by class of financial instruments:

**Amundi Lutetia Merger Arbitrage Fund**

**31 December 2023**

Lutetia Merger Arbitrage Fund terminated on 28 January 2022 and no financial assets and liabilities held as at the year end. The Sub-Fund remained authorised by the Central Bank as at the year end.

**31 December 2022**

	<b>Contract for differences USD</b>	<b>Total USD</b>
<b>Financial assets</b>		
<b>Fair value as of 1 January</b>	86,957	86,957
Realised loss	(86,957)	(86,957)
<b>Fair value as of 31 December</b>	-	-
<b>Unrealised gain/(loss) on Level 3 financial instruments as of 31 December</b>	-	-



## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 5. GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES (continued)

The following table details the gains and losses on financial assets and liabilities for the year ended 31 December 2022:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD
Net realised loss on investments in securities	(151,185,065)	(102,978,290)	(277)
Net change in unrealised gain/(loss) on investments in securities	(68,656,229)	(37,966,851)	(200)
Net realised gain on financial derivative instruments	64,037,627	68,420,150	11,805
Net change in unrealised gain/(loss) on financial derivative instruments	7,617,014	7,661,080	(128,969)
Net realised (loss)/gain on forward currency contracts*	(81,469,074)	(69,319,248)	98
Net change in unrealised gain/(loss) on forward currency contracts*	50,143,874	46,348,277	(462)
<b>Net loss on financial assets and liabilities at fair value through profit or loss</b>	<b>(179,511,853)</b>	<b>(87,834,882)</b>	<b>(118,005)</b>
Net realised loss on foreign exchange	(8,050,241)	(7,600,314)	(636)
Net change in unrealised gain/(loss) on foreign exchange	1,243,676	1,272,681	-
<b>Net (loss) on foreign exchange</b>	<b>(6,806,565)</b>	<b>(6,327,633)</b>	<b>(636)</b>
	ALLSPRING USD	MARATHON USD	BLUESCALE <sup>(2)</sup> USD
Net realised loss on investments in securities	(10,140,083)	(38,092,102)	25,687
Net change in unrealised gain/(loss) on investments in securities	(5,722,575)	(24,944,189)	(22,414)
Net realised gain/(loss) on financial derivative instruments	131,561	-	(4,525,889)
Net change in unrealised gain/(loss) on financial derivative instruments	100,522	-	(15,619)
Net realised loss on forward currency contracts*	(478,995)	(11,417,697)	(253,232)
Net change in unrealised gain/(loss) on forward currency contracts*	1,189,110	2,629,137	(22,188)
<b>Net loss on financial assets and liabilities at fair value through profit or loss</b>	<b>(14,920,460)</b>	<b>(71,824,851)</b>	<b>(4,813,655)</b>
Net realised (loss)/gain on foreign exchange	(337,790)	(118,807)	7,306
Net change in unrealised gain/(loss) on foreign exchange	(11,465)	(16,240)	(1,300)
<b>Net (loss)/gain on foreign exchange</b>	<b>(349,255)</b>	<b>(135,047)</b>	<b>6,006</b>

\*The above gains/(losses) on forward currency contracts includes those related to foreign exchange contracts placed for share class hedging purposes.

<sup>(1)</sup> Amundi /Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

<sup>(2)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 6. FEES AND EXPENSES PAYABLE

The following table details the fees and expenses payable as at 31 December 2023:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING USD	MARATHON USD	BLUESCALE <sup>(2)</sup> USD	SANDGROVE USD
Administration fees payable	1,307,945	665,383	-	73,205	365,637	126,991	76,729
Management fees payable	2,942,544	2,158,878	-	26,244	583,888	60	173,474
Performance fees payable	7,518,377	7,210,931	-	-	-	1,337	306,109
Other payables and accrued expenses	212,613	93,538	-	40,374	36,908	17,979	23,814
<b>Total</b>	<b>11,981,479</b>	<b>10,128,730</b>	<b>-</b>	<b>139,823</b>	<b>986,433</b>	<b>146,367</b>	<b>580,126</b>

The following table details the fees and expenses payable as at 31 December 2022:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA <sup>(1)</sup> USD	ALLSPRING USD	MARATHON USD	BLUESCALE <sup>(2)</sup> USD
Administration fees payable	2,145,798	1,505,776	-	87,939	425,091	126,992
Management fees payable	3,622,425	3,157,707	-	120,805	317,733	26,180
Performance fees payable	12,752	11,442	-	-	-	1,310
Other payables and accrued expenses	520,022	512,533	-	5,580	1,909	-
<b>Total</b>	<b>6,300,997</b>	<b>5,187,458</b>	<b>-</b>	<b>214,324</b>	<b>744,733</b>	<b>154,482</b>

<sup>(1)</sup> Amundi /Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022 but remained authorized by the Central bank as at the year end.

<sup>(2)</sup> Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.

#### Management fees

A management fee is charged in each share class of the Sub-Funds, out of which will be paid the fees and expenses of the Manager, the Investment Manager, the Distributor and each of their delegates, which may include the appointed Sub-Investment Managers, in respect of the management, investment management services and distribution services provided to the Company (collectively, the “management fee”).

The management fee will not exceed an amount equal to the net asset value of the relevant share class multiplied by the management fee rate and multiplied by the number of calendar days for the relevant period divided by 365. The management fee shall accrue on each valuation day and be payable quarterly in arrears in the Sub-Funds’ functional currency. Such management fee will be payable to the Manager regardless of the performance of the relevant share class. The Manager shall be responsible for discharging from the management fee the remuneration due to the parties mentioned above which includes the Investment Manager and the Sub-Investment Managers, as appropriate. The Manager also acts as the Distributor of the Company.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 6. FEES AND EXPENSES PAYABLE (continued)

##### Management fees (continued)

The maximum management fee rates of each share class of the Sub-Funds are presented below:

Share class	% Per annum					
	CHENAVARI	LUTETIA	ALLSPRING	SANDGROVE	MARATHON	BLUESCALE
Class I (USD)	1.40%	1.50%	0.75%	1.50%	0.70%	1.00%
Hedged Class I (EUR)	1.40%	1.50%	0.75%	1.50%	0.70%	-
Class A (USD)	2.15%	-	1.50%	-	1.40%	1.75%
Hedged Class A (EUR)	2.15%	-	1.50%	-	1.40%	-
Hedged Class I (GBP)	-	-	-	1.50%	0.70%	-
Class SI (USD)	1.20%	-	0.65%	-	0.60%	-
Class AA (USD)	2.30%	-	-	-	-	-
Class IA (USD)	1.80%	-	-	-	-	-
Hedged Class SIP (EUR)	1.20%	-	-	-	-	-
Hedged Class A (CHF)	-	-	-	-	-	-
Class O (USD)	0.30%	-	-	-	-	-
Hedged Class O (EUR)	0.30%	-	-	-	-	-
Hedged Class O (CHF)	-	-	-	-	-	-
Hedged Class SI (EUR)	1.20%	-	-	-	-	-
Hedged Class SI (GBP)	1.20%	-	-	-	-	-
Hedged Class SSI (EUR)	1.00%	-	-	-	-	-
Hedged Class I (NOK)	1.40%	-	-	-	-	-
Hedged Class P (EUR)	1.4%	-	-	-	-	-
Class C (USD)	2.15%	-	-	-	-	-
Hedged Class C (EUR)	2.15%	-	-	-	-	-
Hedged Class EB (CHF)	-	-	-	1.25%	-	-
Hedged Class EB (EUR)	-	-	-	1.25%	-	-
Hedged Class EB (GBP)	-	-	-	1.25%	-	-
Hedged Class EB (JPY)	-	-	-	1.25%	-	-
Class EB (USD)	-	-	-	1.25%	-	0.60%
Hedged Class I (CHF)	-	-	-	1.50%	-	-
Hedged Class I (JPY)	-	-	-	1.50%	-	-
Hedged Class I (SGD)	-	-	-	1.50%	-	-
Class F (USD)	-	-	-	-	0.40%	0.25%
Class A (EUR)	-	-	-	-	-	1.75%
Class SID (CHF)	-	-	-	-	0.60%	-
Class SID (EUR)	-	-	-	-	0.60%	-
Class SID (GBP)	-	-	-	-	0.60%	-
Class SID (USD)	-	-	-	-	0.60%	-
Hedged Class SI2 (GBP)	-	-	-	1.30%	-	-
Hedged Class SSI (EUR)	-	-	-	-	0.60%	-
Class SSI (USD)	-	-	-	-	0.60%	-
Hedged Class SSID (GBP)	-	-	-	-	0.60%	-
Class SSID (USD)	-	-	-	-	0.60%	-
Hedged Class A1 (EUR)	-	-	-	-	1.2%	-
Class A1 (USD)	-	-	-	-	1.2%	-

During the year, the Company recognised total management fees of USD 9,317,836 (2022: USD 11,820,995) of which USD 2,942,544 (2022: USD 3,622,425) is payable at year end.

<sup>(1)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

<sup>(2)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**6. FEES AND EXPENSES PAYABLE (continued)**

**Performance fees**

The Manager may, for one or more Sub-Funds, charge a performance fee. The detailed performance fee calculation of the Sub-Funds is set out in their respective Prospectus Supplements, a summary is presented below.

The maximum performance fee rates of the share classes of the Sub-Funds are as follows:

Sub-Fund	Performance fee rate per annum
CHENAVARI	20.00%
BLUESCALE	17.5% or 20.00% <sup>(1)</sup>
SANDGROVE	15.00% or 20.00% <sup>(2)</sup>

<sup>(1)</sup> Up to 17.5% for Class I and Class EB. No performance fee is to be recognised for Class F

<sup>(2)</sup> 15% for Class EB and 20% for other share classes.

Performance fee for the Sub-Funds is equal to the relevant performance fee rate per annum multiplied by the net realised and unrealised appreciation of the net asset value of the relevant share class (or in the case of Lutetia Merger Arbitrage Fund only, above EONIA - the “Hurdle Rate”) (but before accrual for performance fee; referred herein as the “Gross NAV”) shall be calculated in the relevant currency of each share class and payable in USD at the end of each fee period (as defined below). The performance fee should be calculated subject to the high water mark mechanism.

The performance fee is calculated on each valuation day and paid only on new net gains with respect to the relevant share class, i.e., a high water mark will be employed so that no performance fee will be paid until any decline in the Gross NAV of the relevant share class below the highest Gross NAV of the relevant share class as of the end of any fee period, adjusted for any subsequent subscriptions and redemption, is offset by subsequent net increases in such Gross NAV of the relevant share class (with a Hurdle Rate provision in the case of Lutetia Merger Arbitrage Fund). The performance fee will apply again once the highest adjusted Gross NAV of the relevant share class (increased by the Hurdle Rate in the case of Lutetia Merger Arbitrage Fund) has been reached again and is only payable on the gains in excess of the high-water mark. For the initial fee period, the Gross NAV shall initially be equal to the initial offer price of the relevant share class multiplied by the number of shares issued in that share class at the end of the initial offer period.

The performance fee is payable to the Manager yearly for all the Sub-Funds. The Manager is responsible for discharging from this fee the remuneration due to the Sub-Investment Manager.

The Sub-Funds do not perform equalisation for the purposes of determining the performance fee. The current methodology for calculating the performance fee involves accruing the performance fee on each valuation day.

No performance fee is to be recognised for any of the share classes of the Lyxor/Allspring Financial Credit Fund and Amundi Marathon Emerging Markets Bond Fund.

During the year, the Company recognised total performance fees of USD 7,514,940 (2022: USD 16,092) of which USD 7,518,377 (2022: USD 12,752) is payable at year end.

Fee periods for the active Sub-Funds are defined as follows:

Amundi Chenavari Credit Fund and Lutetia Merger Arbitrage Fund

Each calendar year ending on the last valuation day of December.

Lyxor/Bluescale Global Equity Alpha Fund

Each year ending on the last valuation day of December with the initial fee period starting at the end of the initial offer period and ending on the last valuation day of the relevant calendar year.

Amundi Sand Grove Event Driven Fund

Each calendar year ending on the last valuation day of December starting at the end of the initial offer period and ending on the last valuation day of the relevant calendar year.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 6. FEES AND EXPENSES PAYABLE (continued)

##### Administrative expenses fees

The Company charges an administrative expenses fee calculated as a percentage of the net asset value of each share class of the Sub-Funds, out of which will be paid the fees and expenses of the Administrator, the Depositary, the Registrar and Transfer Agent and each of their delegates or any other delegate of the Manager in respect of the performance of their duties on behalf of the Company.

The maximum administrative expenses fee rates of the Sub-Funds are as follows:

Sub-Fund	Administrative expenses fees rate per annum
CHENAVARI	0.35% (up to 2 July 2023) 0.24% (from 3 July 2023)
ALLSPRING	0.25%
MARATHON	0.25%
BLUESCALE	0.35%
SANDGROVE	0.35%

The administrative expenses fee accrues on each valuation day and payable quarterly in arrears.

During the year, the Company recognised total administration fees of USD 2,169,520 (2022: USD 2,528,248) of which USD 1,307,945 (2022: USD 2,145,798) is payable at year end.

##### Directors' fees

The Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors, provided that the amount of remuneration payable to the Directors in any one year in respect of the Company shall not exceed EUR 15,000 per Sub-Fund per Director or such other amount as the Directors may from time to time determine and disclose to the shareholders in the latest annual or semi-annual report. The Directors, and any alternate Directors, shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending Directors or shareholders' meetings or any other meetings in connection with the business of the Company. None of the Directors have entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company. The Directors' fees are recognised and incurred by the Manager.

During the year, the Directors received directors' fees of EUR 29,000 (2022: EUR 33,000). The Directors, Moez Bousarsar, Colm Callally, Declan Murray, John O'Toole (resigned on 21 November 2023), Paul Weber (resigned on 21 November 2023) are employees of the Manager (Note 11). They did not receive any Directors' fees.

##### Auditor's remuneration

Fees paid to statutory auditors, PricewaterhouseCoopers, in respect of the financial year are as follows:

	31 December 2023 EUR	31 December 2022 EUR
Statutory audit of financial statements	52,651	50,795
Tax advisory services	-	-
<b>Total</b>	<b>52,651</b>	<b>50,795</b>

The fees in the above table are calculated exclusive of VAT.

The fees are recognised and paid by the Manager.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 7. DUE FROM AND TO BROKERS

The following table details the amounts due from and to brokers as at 31 December 2023:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA USD	ALLSPRING USD
<b>Due from brokers</b>				
Cash collateral pledged	63,247,000	63,247,000	-	-
Margin cash	8,912,099	8,459,402	-	-
<b>Total</b>	<b>72,159,099</b>	<b>71,706,402</b>	-	-
<b>Due to brokers</b>				
Margin cash	392,121	88	-	-
<b>Total</b>	<b>392,121</b>	<b>88</b>	-	-

	MARATHON USD	BLUESCALE USD	SANDGROVE USD
<b>Due from brokers</b>			
Cash collateral pledged	-	-	-
Margin cash	-	-	452,697
<b>Total</b>	-	-	<b>452,697</b>
<b>Due to brokers</b>			
Margin cash	-	-	392,033
<b>Total</b>	-	-	<b>392,033</b>

The following table details the amounts due from and to brokers as at 31 December 2022:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD
<b>Due from brokers</b>						
Cash collateral pledged	30,011,125	29,411,125	-	600,000	-	-
Margin cash	14,111,521	13,897,278	-	214,243	-	-
<b>Total</b>	<b>44,122,646</b>	<b>43,308,403</b>	-	<b>814,243</b>	-	-
<b>Due to brokers</b>						
Margin cash	2,906,635	2,906,635	-	-	-	-
<b>Total</b>	<b>2,906,635</b>	<b>2,906,635</b>	-	-	-	-

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 8. SHARE CAPITAL

The authorised capital of the Company is 500,000,000,002 is divided into 500,000,000,000 redeemable participating shares of no par value and two subscriber shares at no par value. As only the redeemable participating shares can represent an interest in the Sub-Funds, the subscriber shares are non-participating and have no entitlement or interest in any of the Sub-Funds.

The subscriber shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

The redeemable participating shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different share classes) in the profits and assets of the Sub-Funds to which the redeemable participating shares relate.

The Company's objective is managing the redeemable participating share capital to ensure a stable and strong base to maximise returns to all investors, and to manage liquidity risk arising from redemptions. The Company is a UCITS company and the minimum capital requirement is met by taking into account the participating and non-participating shares.

At 31 December 2023 and 2022, none of the Directors or employees had an interest in the shares of the Sub-Funds.

The movement in the number of redeemable participating shares for the year ended 31 December 2023 is as follows:

	At 1 January 2023	Shares Issued	Shares Redeemed	At 31 December 2023
<b>Amundi Chenavari Credit Fund</b>				
Class I (USD)	70,738	25,279	(41,649)	54,368
Hedged Class I (EUR)	1,109,915	92,061	(658,154)	543,822
Hedged Class A (EUR)	308,384	46,141	(203,460)	151,065
Class SI (USD)	302,587	8,688	(214,471)	96,804
Class A (USD)	19,212	-	(12,715)	6,497
Hedged Class SIP (EUR)	80,000	-	(40,000)	40,000
Hedged Class SI (EUR)	794,278	132,469	(263,050)	663,697
Hedged Class SI (GBP)	113,734	6,815	(81,158)	39,391
Class O (USD)	32,156	-	(28,577)	3,579
Hedged Class O (EUR)	48,343	4,045	(3,260)	49,128
Class IA (USD)	1,000	-	-	1,000
Class AA (USD)	100	-	-	100
Hedged Class SSI (EUR)	2,811,505	437,491	(942,440)	2,306,556
Hedged Class I (NOK)	39,839	4,048	(43,886)	1
Hedged C (EUR)	100	-	-	100
Class C USD	100	-	-	100
Hedged Class P (EUR)	1,027,975	-	-	1,027,975
<b>Lyxor/Allspring Financial Credit Fund <sup>(1)</sup></b>				
Class A (USD)	3,017	-	(3,017)	-
Class I (USD)	40,764	-	(40,764)	-
Hedged Class I (EUR)	174,702	321	(175,023)	-
Hedged Class A (EUR)	7,044	-	(7,044)	-
Class SI (USD)	8,000	-	(8,000)	-

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 8. SHARE CAPITAL (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2023 is as follows:

	At 1 January 2023	Shares Issued	Shares Redeemed	At 31 December 2023
<b>Amundi Marathon Emerging Markets Bond Fund</b>				
Class F (USD)	1,072,566	34,702	(15,941)	1,091,327
Hedged Class A (EUR)	25,931	1	(1,471)	24,461
Class I (USD)	105,838	327,510	(106,595)	326,753
Hedged Class I (EUR)	343,387	3,543	(68,147)	278,783
Hedged Class I (GBP)	-	-	-	-
Class A (USD)	8,868	-	(973)	7,895
Class SI (USD)	287,662	-	(287,662)	-
Hedged Class A1 (EUR)	100	-	-	100
Class A1 (USD)	100	-	-	100
Hedged Class SID (CHF)	128,244	375,039	(243,768)	259,515
Hedged Class SID (EUR)	43,805	83,880	(68,671)	59,014
Hedged Class SID (GBP)	253,993	231,595	(265,169)	220,419
Class SID (USD)	175,978	50,028	(131,973)	94,033
Hedged Class SSI (EUR)	854	9,927	(482)	10,299
Class SSI (USD)	3,095	-	-	3,095
Hedged Class SSID (GBP)	100	-	-	100
Class SSID (USD)	39,359	-	(2,858)	36,501
<b>Amundi Sand Grove Event Driven Fund <sup>(2)</sup></b>				
Hedged Class EB (CHF)	-	100	-	100
Hedged Class EB (EUR)	-	316,984	(47,541)	269,443
Hedged Class EB (GBP)	-	100	-	100
Hedged Class EB (JPY)	-	150	-	150
Class EB (USD)	-	174,000.00	(2,113)	171,887
Hedged Class I (CHF)	-	100	-	100
Hedged Class I (EUR)	-	100	-	100
Hedged Class I (GBP)	-	-	-	-
Hedged Class I (JPY)	-	150	-	150
Hedged Class I (SGD)	-	15	-	15
Class I (USD)	-	100	-	100
Hedged Class SI2 (GBP)	-	100	-	100

<sup>(1)</sup> Lyxor/Allspring Financial Credit Fund: Terminated on 22 May 2023.

<sup>(2)</sup> Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

Lutetia Merger Arbitrage Fund terminated on 28 January 2022 and remained authorised by the Central Bank as at the year end.

Lyxor/Bluescale Global Equity Alpha Fund terminated on 21 October 2022 and remained authorised by the Central Bank as at the year end.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 8. SHARE CAPITAL (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2022 is as follows:

	At 1 January 2022	Shares Issued	Shares Redeemed	At 31 December 2022
<b>Amundi Chenavari Credit Fund</b>				
Class I (USD)	61,741	45,445	(36,448)	70,738
Hedged Class I (EUR)	1,287,298	630,124	(807,507)	1,109,915
Hedged Class A (EUR)	365,899	57,771	(115,286)	308,384
Class SI (USD)	278,768	152,091	(128,272)	302,587
Class A (USD)	65,921	16,379	(63,088)	19,212
Hedged Class SIP (EUR)	80,000	-	-	80,000
Hedged Class SI (EUR)	960,186	103,613	(269,521)	794,278
Hedged Class SI (GBP)	122,061	10,889	(19,216)	113,734
Class O (USD)	32,156	-	-	32,156
Hedged Class O (EUR)	51,583	-	(3,240)	48,343
Class IA (USD)	1,170	1,000	(1,170)	1,000
Class AA (USD)	100	100	(100)	100
Hedged Class SSI (EUR)	1,749,354	2,419,585	(1,357,434)	2,811,505
Hedged Class I (NOK)	41,009	8,013	(9,183)	39,839
Hedged C (EUR)	-	100	-	100
Class C USD	-	100	-	100
Hedged Class P (EUR)	500,000	527,975	-	1,027,975
<b>Lyxor/Allspring Financial Credit Fund</b>				
Class A (USD)	27,111	-	(24,094)	3,017
Class I (USD)	132,979	2,746	(94,961)	40,764
Hedged Class I (EUR)	648,391	33,987	(507,676)	174,702
Hedged Class A (EUR)	186,665	566	(180,187)	7,044
Class SI (USD)	40,287	-	(32,287)	8,000
<b>Lutetia Merger Arbitrage Fund</b>				
Class I (USD)	10,538	-	(10,538)	-
Hedged Class I (EUR)	562	-	(562)	-
<b>Amundi Marathon Emerging Markets Bond Fund</b>				
Class F (USD)	1,120,464	102,479	(150,377)	1,072,566
Hedged Class A (EUR)	50,075	-	(24,144)	25,931
Class I (USD)	184,738	10,742	(89,642)	105,838
Hedged Class I (EUR)	389,084	59,617	(105,314)	343,387
Hedged Class I (GBP)	4,115	-	(4,115)	-
Class A (USD)	12,843	-	(3,975)	8,868
Class SI (USD)	241,854	463,332	(417,524)	287,662
Hedged Class A1 (EUR)	100	100	(100)	100
Class A1 (USD)	100	100	(100)	100
Hedged Class SID (CHF)	111,783	28,047	(11,586)	128,244
Hedged Class SID (EUR)	49,619	6,095	(11,909)	43,805
Hedged Class SID (GBP)	282,041	26,444	(54,492)	253,993
Class SID (USD)	181,428	21,890	(27,340)	175,978
Hedged Class SSI (EUR)	100	854	(100)	854
Class SSI (USD)	100	3,095	(100)	3,095
Hedged Class SSID (GBP)	100	-	-	100
Class SSID (USD)	100	46,343	(7,084)	39,359
<b>Lyxor/Bluescale Global Equity Alpha Fund</b>				
Class I (USD)	41,274	3,757	(45,031)	-
Class F (USD)	406,100	-	(406,100)	-
Class EB (USD)	153,603	-	(153,603)	-
Hedged Class A (EUR)	90,467	1,334	(91,801)	-
Class A (USD)	27,971	72	(28,043)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

9. DERIVATIVE CONTRACTS

To the extent permitted by the investment objectives and policies of the Sub-Funds of the Company and subject to the limits set down by the Central Bank from time to time and to the provisions of the Prospectus and Supplements, utilisation of financial derivative instruments and investment techniques shall be employed for efficient portfolio management purposes by the Sub-Funds. Each Sub-Fund may use these financial derivative instruments and investment techniques to hedge against changes in interest rates, non-functional currency exchange rates or securities prices or as part of their overall investment strategies. The financial derivative instruments held at year end and the Company's derivative counterparties are disclosed below. The realised gains and losses on financial instruments used for efficient portfolio management purposes are disclosed in Note 5.

The following financial derivative instruments were included in the Company's Statement of Financial Position at fair value through profit or loss as at 31 December 2023:

	CHENAVARI USD		MARATHON USD		SANDGROVE <sup>(1)</sup> USD	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>						
Total return swaps	3,379,885	573,423	-	-	-	-
Credit default swaps	2,548,195	3,115,476	-	-	(64,505)	-
Futures contracts	1,048	19,872	-	-	-	-
Foreign currency forwards	12,864,326	3,219,200	1,881,145	26,211	658,181	89,933
Listed option	-	-	-	-	86,224	6,210
<b>Total</b>	<b>18,793,454</b>	<b>6,927,971</b>	<b>1,881,145</b>	<b>26,211</b>	<b>679,900</b>	<b>96,143</b>

<sup>(1)</sup>Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023 and held no financial assets and liabilities at fair value through profit or loss as at 31 December 2023.

The following financial derivative instruments were included in the Company's Statement of Financial Position at fair value through profit or loss as at 31 December 2022:

	CHENAVARI USD		ALLSPRING USD		MARATHON USD	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>						
Total return swaps	1,540,684	274,220	-	-	-	-
Credit default swaps	4,374,007	11,047,453	-	-	-	-
Futures contracts	9,880,916	-	-	-	-	-
Foreign currency forwards	57,788,254	10,835,190	1,692,799	771,428	4,028,343	41,739
<b>Total</b>	<b>73,583,861</b>	<b>22,156,863</b>	<b>1,692,799</b>	<b>771,428</b>	<b>4,028,343</b>	<b>41,739</b>

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**9. DERIVATIVE CONTRACTS (continued)**

*Futures contracts*

Future contracts are exchange traded derivative contracts whereby the seller agrees to make delivery at a specified future date of the respective asset or liability (e.g. a commodity or instrument) at a specified price.

During a period in which future contracts are open, changes in the value of the contracts are recognised as unrealised gains or losses by marking-to-market on a daily basis to reflect the value of the contracts at the end of each day's trading. Futures contracts are valued at the settlement price established each day by the exchange on which they are traded. Gains and losses are recognised in the Statement of Comprehensive Income and the unrealised gains or losses on open positions are included in the Statement of Financial Position. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income. Commission charges to open such contracts are expensed at the time that the contracts are opened.

*Foreign currency forwards*

Foreign currency forwards are over the counter derivative contracts whereby the seller agrees to make delivery at a specified future date certain currency at a specified rate. Foreign currency forwards are fair valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open foreign currency forwards is calculated as the difference between the forward rate for the transaction specified in the contract and the forward rate on the valuation date as reported in published sources, multiplied by the face amount of the forward contract. The unrealised gains or losses on open foreign currency forwards are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Contract for differences*

Contract for differences is a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. Contract for differences are valued on the date of valuation by reference to the underlying instrument. The unrealised gains or losses on open contract for differences are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Options*

When the Sub-Funds write or purchase put or call options, an amount equal to the premium received or paid is recorded as an asset or liability and is subsequently re-measured at fair value in the Statement of Financial Position. Premiums received or paid from writing or purchasing put or call options that expire or were unexercised are recognised on the expiration date as realised gains or losses in the Statement of Comprehensive Income. If an option is exercised, the premium received or paid is included with the proceeds or the cost of the transaction to determine whether the Sub-Funds have realised a gain or loss on the related investment transaction in the Statement of Comprehensive Income. When the Sub-Funds enter into a closing transaction, the Sub-Funds will realise a gain or loss in the Statement of Comprehensive Income depending upon whether the amount from the closing transaction is greater or less than the premium received or paid. The resulting unrealised gains and losses on open options are included in the Statement of Financial Position and the change in unrealised gains and losses for the year are included in the Statement of Comprehensive Income.

The Investment Manager considered the option positions held by the Sub-Funds to be covered option positions.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2023**

**9. DERIVATIVE CONTRACTS (continued)**

*Credit default swaps*

Credit default swaps may be centrally cleared or traded on the Over-the-counter (“OTC”) market. The fair value of credit default swaps is determined using prices from one or more pricing services, recently executed transactions, quotations (where observable) provided by one or more dealers, or an income or market approach that considers multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, current credit spreads, and the counterparty's creditworthiness. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is affected by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. The unrealised gains or losses on open credit default swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Equity swaps*

An equity swap is an exchange of future cash flows between two parties that allows each party to diversify its income for a specified period of time while still holding its original assets. An equity swap is similar to an interest rate swap, but rather than one leg being the "fixed" side, it is based on the return of an equity index. The two sets of nominally equal cash flows are exchanged as per the terms of the swap, which may involve an equity-based cash flow (such as from a stock asset, called the reference equity) that is traded for fixed-income cash flow (such as a benchmark interest rate). Equity swaps are valued on the date of valuation by reference to the underlying instrument. The unrealised gains or losses on open equity swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Swaptions*

A swaption, also known as a swap option, refers to an option to enter into an interest rate swap or some other type of swap. In exchange for an options premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date. The Sub-Funds value swaptions using a model that considers the terms of the contract (including the notional amount, strike price, and contract maturity) and multiple inputs, including interest rates, currency exchange rates, and volatility. The unrealised gains or losses on open swaptions are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Total return swaps*

Total return swap contracts involve an agreement to exchange cash flows based on the change in the value or total return on individual stocks or other financial instruments. The Sub-Funds enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equity securities to which it is otherwise not exposed. In some cases, entering into a total return swap is a more effective financing alternative than purchasing the actual underlying position outright. The unrealised gains or losses on open total return swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

As discussed, gains and losses on the above derivative instruments are recorded by the Company based upon market fluctuations and are recorded as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. The Company uses financial derivative instruments to economically hedge its risks associated, primarily, with foreign currency, equity prices and interest rate fluctuations. The Company maintains positions in a variety of derivative and non-derivative financial instruments in accordance with the investment strategy of the Sub-Funds.

All positions are valued according to the pricing policy and compared to prime broker and Investment Manager valuation. For the OTC positions, the Administrator prices the positions using its own model and reconciles the price with counterparties and Investment Manager prices.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 9. DERIVATIVE CONTRACTS (continued)

##### *Collateral pledged*

A pledged account is used by the Amundi Sand Grove Event Driven Fund where US Government T-Bills are pledged as collateral in case of default with a certain counterparty. This pledged account is opened in favour of the counterparty as segregated account at the Depository. At 31 December 2023, USD 3,976,406 (2022: USD Nil) in US Government T-Bills was pledged to Goldman Sachs International. When the US Government T-Bills come close to maturity, they are rolled by the Investment Manager to avoid any cash settlement.

The counterparties to the OTC financial derivative instruments as at 31 December 2023 are as follows:

	CHENAVARI USD	MARATHON USD	SANDGROVE <sup>(1)</sup> USD
<b>Total return swaps</b>			
BNP Paribas	3,143,461	-	-
Goldman Sachs International	(336,999)	-	-
<b>Credit default swaps</b>			
Bank of America Merrill Lynch	-	-	-
Barclays Bank PLC	(1,024,228)	-	-
Citibank N.A.	-	-	-
Goldman Sachs International	-	-	-
JP Morgan Chase Bank	456,947	-	-
Citigroup INC.	-	-	-
<b>Futures</b>			
JP Morgan Chase Bank	(18,824)	-	-
	-	-	-
<b>Listed option</b>			
GOLDMAN SACHS & CO	-	-	80,014
<b>Foreign currency forwards</b>			
BNP Paribas	-	-	-
Goldman Sachs International	-	-	(61,889)
JP Morgan Chase Bank	-	-	-
Morgan Stanley Inc.	-	-	-
MORGAN STANLEY- BL	-	-	(26)
Credit Agricole CIB	-	-	-
Societe General	12,638,746	1,854,934	630,163
Société Générale Securities Services	(2,993,620)	-	-
<b>Equity Swaps</b>	-	-	-
Morgan Stanley & Co.	-	-	(17,783)
Goldman Sachs International	-	-	(46,722)
<b>Total</b>	<b>11,865,483</b>	<b>1,854,934</b>	<b>583,757</b>

<sup>(1)</sup>Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023 and held no financial assets and liabilities at fair value through profit or loss as at 31 December 2023.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 9. DERIVATIVE CONTRACTS (continued)

The counterparties to the OTC financial derivative instruments as at 31 December 2022 are as follows:

	CHENAVARI USD	ALLSPRING USD	MARATHON USD
<b>Total return swaps</b>			
BNP Paribas	1,466,279	-	-
Goldman Sachs International	(199,815)	-	-
<b>Credit default swaps</b>			
Bank of America Merrill Lynch	34,123	-	-
Barclays Bank PLC	(8,095,075)	-	-
Citibank N.A.	(90,951)	-	-
Goldman Sachs International	152,453	-	-
JP Morgan Chase Bank	335,922	-	-
Citigroup INC.	990,082	-	-
<b>Foreign currency forwards</b>			
BNP Paribas	-	(567,773)	-
Goldman Sachs International	(685,045)	1,470,734	-
JP Morgan Chase Bank	49,019,474	18,410	3,172,232
Morgan Stanley Inc.	(1,381,460)	-	814,372
Credit Agricole CIB	95	-	-
<b>Total</b>	<b>41,546,082</b>	<b>921,371</b>	<b>3,986,604</b>

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The Sub-Funds are exposed to market risk (which can include interest rate risk, currency risk and price risk), credit risk and liquidity risk arising from the financial instruments they hold.

##### Risk mitigation

The Company and the Sub-Funds are subject to a process for assessing, controlling and periodically re-evaluating the adequacy and efficiency of the risk management policy. Investments guidelines are set up at the launch of each sub-fund to frame each risk factor in accordance with the Investment Manager's strategy, the liquidity of the Fund and the global fund risk level. Prior to any investment, the Investment Manager shall ensure the compliance with investment guidelines as agreed and is accountable for performing a pre-trade monitoring when allocating. Using the transparency of the Amundi Managed Account Platform, Amundi Risk Management also realises post trade a full second level control. A comprehensive range of portfolio limits are monitored on a daily or weekly basis including stress tests, volatility, leverage, diversification and liquidity. In case of breach, a procedure is in place to notify the Investment Manager and find a solution in the best interests of investors (cure request, one-off agreement).

##### Investment strategy

The detailed investment strategies of the Sub-Funds are documented in their respective Prospectus Supplements.

##### Market risk

Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk. Each Sub-Fund's market risk is managed on a daily basis by the Investment Manager subject to the investment objective and investment policies set out in each Sub-Fund's Prospectus Supplement.

##### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Amundi Risk team set up limits and performs stress-test of interest rate to manage interest rate risk. Stress-test scenarios include parallel shift on rate curve, interest rate steepening and interest rate flattening.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Amundi Chenavari Credit Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	-	-	85,905,267	407,187,676	-	493,092,943
Total return swaps	-	-	-	-	3,379,885	3,379,885
Credit default swaps	-	-	-	-	2,548,195	2,548,195
Futures contracts	-	-	-	-	1,048	1,048
Foreign currency forwards	-	-	-	-	12,864,326	12,864,326
Cash and cash equivalents	50,262,817	-	-	-	-	50,262,817
Due from brokers	71,706,402	-	-	-	-	71,706,402
Interest receivable	-	-	-	-	7,545,797	7,545,797
Subscription receivable	-	-	-	-	3,201,238	3,201,238
<b>Total assets</b>	<b>121,969,219</b>	<b>-</b>	<b>85,905,267</b>	<b>407,187,676</b>	<b>29,540,489</b>	<b>644,602,651</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	3,219,200	3,219,200
Futures contracts	-	-	-	-	19,872	19,872
Credit default swaps	-	-	-	-	3,115,476	3,115,476
Total return swaps	-	-	-	-	573,423	573,423
Bank overdraft	22,857	-	-	-	-	22,857
Management fees payable	-	-	-	-	2,158,878	2,158,878
Performance fees payable	-	-	-	-	7,210,931	7,210,931
Due to brokers	88	-	-	-	-	88
Redemptions payable	-	-	-	-	5,728,050	5,728,050
Administration fees payable	-	-	-	-	665,383	665,383
Other payable and accrued expense	-	-	-	-	93,538	93,538
<b>Total liabilities</b>	<b>22,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,784,751</b>	<b>22,807,696</b>
<b>Total Interest sensitivity gap</b>	<b>121,946,274</b>	<b>-</b>	<b>85,905,267</b>	<b>407,187,676</b>	<b>6,755,738</b>	<b>621,794,955</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Amundi Chenavari Credit Fund (continued)

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	-	108,172,669	164,415,660	321,457,350	-	594,045,679
Total return swaps	-	-	-	-	1,540,684	1,540,684
Credit default swaps	-	-	-	-	4,374,007	4,374,007
Futures contracts	-	-	-	-	9,880,916	9,880,916
Foreign currency forwards	-	-	-	-	57,788,254	57,788,254
Cash and cash equivalents	93,570,579	-	-	-	-	93,570,579
Due from brokers	43,308,403	-	-	-	-	43,308,403
Interest receivable	-	-	-	-	7,316,738	7,316,738
Subscription receivable	-	-	-	-	1,015,540	1,015,540
<b>Total assets</b>	<b>136,878,982</b>	<b>108,172,669</b>	<b>164,415,660</b>	<b>321,457,350</b>	<b>81,916,139</b>	<b>812,840,800</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	10,835,190	10,835,190
Credit default swaps	-	-	-	-	11,047,453	11,047,453
Total return swaps	-	-	-	-	274,220	274,220
Bank overdraft	1,158,685	-	-	-	-	1,158,685
Management fees payable	-	-	-	-	3,157,707	3,157,707
Performance fees payable	-	-	-	-	11,442	11,442
Due to brokers	2,906,635	-	-	-	-	2,906,635
Redemptions payable	-	-	-	-	6,823,542	6,823,542
Administration fees payable	-	-	-	-	1,505,776	1,505,776
Other payable and accrued expense	-	-	-	-	512,533	512,533
<b>Total liabilities</b>	<b>4,065,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,167,863</b>	<b>38,233,183</b>
<b>Total Interest sensitivity gap</b>	<b>132,813,662</b>	<b>108,172,669</b>	<b>164,415,660</b>	<b>321,457,350</b>	<b>47,748,276</b>	<b>774,607,617</b>

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2023, if interest rates had been 400 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 24,601,569 (2022: based on 400 basis points USD 29,074,374) higher/lower.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Lyxor/Allspring Financial Credit Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	115,415	-	-	-	-	115,415
Subscription receivable	-	-	-	-	24,408	24,408
<b>Total assets</b>	<b>115,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,408</b>	<b>139,823</b>
<b>Liabilities</b>						
Bank overdraft	-	-	-	-	-	-
Management fees payable	-	-	-	-	26,244	26,244
Interest payable	-	-	-	-	-	-
Administration fees payable	-	-	-	-	73,205	73,205
Other payable and accrued expense	-	-	-	-	40,374	40,374
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,823</b>	<b>139,823</b>
<b>Total Interest sensitivity gap</b>	<b>115,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(115,415)</b>	<b>-</b>

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	-	1,641,854	3,338,826	18,821,048	-	23,801,728
Foreign currency forwards	-	-	-	-	1,692,799	1,692,799
Cash and cash equivalents	2,024,977	-	-	-	-	2,024,977
Due from brokers	814,243	-	-	-	-	814,243
Interest receivable	-	-	-	-	349,131	349,131
<b>Total assets</b>	<b>2,839,220</b>	<b>1,641,854</b>	<b>3,338,826</b>	<b>18,821,048</b>	<b>2,041,930</b>	<b>28,682,878</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	771,428	771,428
Bank overdraft	454	-	-	-	-	454
Management fees payable	-	-	-	-	120,805	120,805
Interest payable	-	-	-	-	1,426	1,426
Redemptions payable	-	-	-	-	35,000	35,000
Administration fees payable	-	-	-	-	87,939	87,939
Other payable and accrued expense	-	-	-	-	5,580	5,580
<b>Total liabilities</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,022,178</b>	<b>1,022,632</b>
<b>Total Interest sensitivity gap</b>	<b>2,838,766</b>	<b>1,641,854</b>	<b>3,338,826</b>	<b>18,821,048</b>	<b>1,019,752</b>	<b>27,660,246</b>

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2023, if interest rates had been 400 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD NIL (2022: based on 400 basis points USD 1,065,620) higher/lower.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Amundi Marathon Emerging Markets Bond Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	1,013,717	-	23,785,321	202,849,077	-	227,648,115
Foreign currency forwards	-	-	-	-	1,881,145	1,881,145
Cash and cash equivalents	9,458,214	-	-	-	-	9,458,214
Interest receivable	-	-	-	-	3,823,353	3,823,353
Subscription receivable	-	-	-	-	18,343	18,343
Other receivable	-	-	-	-	817	817
<b>Total assets</b>	<b>10,471,931</b>	<b>-</b>	<b>23,785,321</b>	<b>202,849,077</b>	<b>5,723,658</b>	<b>242,829,987</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	26,211	26,211
Bank overdraft	17	-	-	-	-	17
Management fees payable	-	-	-	-	583,888	583,888
Redemptions payable	-	-	-	-	208,174	208,174
Administration fees payable	-	-	-	-	365,637	365,637
Other payable and accrued expenses	-	-	-	-	36,908	36,908
<b>Total liabilities</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,220,818</b>	<b>1,220,835</b>
<b>Total Interest sensitivity gap</b>	<b>10,471,914</b>	<b>-</b>	<b>23,785,321</b>	<b>202,849,077</b>	<b>4,502,840</b>	<b>241,609,152</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Amundi Marathon Emerging Markets Bond Fund (continued)

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	2,774,492	6,349,312	26,062,691	182,055,029	-	217,241,524
Foreign currency forwards	-	-	-	-	4,028,343	4,028,343
Cash and cash equivalents	3,773,521	-	-	-	-	3,773,521
Interest receivable	-	-	-	-	3,142,113	3,142,113
Subscription receivable	-	-	-	-	21,432	21,432
Other receivable	-	-	-	-	774	774
<b>Total assets</b>	<b>6,548,013</b>	<b>6,349,312</b>	<b>26,062,691</b>	<b>182,055,029</b>	<b>7,192,662</b>	<b>228,207,707</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	41,739	41,739
Bank overdraft	73,539	-	-	-	-	73,539
Management fees payable	-	-	-	-	317,733	317,733
Redemptions payable	-	-	-	-	29,193	29,193
Administration fees payable	-	-	-	-	425,091	425,091
Other payable and accrued expenses	-	-	-	-	1,909	1,909
<b>Total liabilities</b>	<b>73,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,665</b>	<b>889,204</b>
<b>Total Interest sensitivity gap</b>	<b>6,474,474</b>	<b>6,349,312</b>	<b>26,062,691</b>	<b>182,055,029</b>	<b>6,376,997</b>	<b>227,318,503</b>

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2023, if interest rates had been 400 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 9,484,252 (2022: based on 400 basis points USD 8,837,660) higher/lower.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Lyxor/Bluescale Global Equity Alpha Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	146,367	-	-	-	-	146,367
<b>Total assets</b>	<b>146,367</b>	-	-	-	-	<b>146,367</b>
<b>Liabilities</b>						
Bank overdraft	-	-	-	-	-	-
Management fees payable	60	-	-	-	-	60
Performance fees payable	1,337	-	-	-	-	1,337
Administration fees payable	126,991	-	-	-	-	126,991
Other fees payable	17,979	-	-	-	-	17,979
<b>Total liabilities</b>	<b>146,367</b>	-	-	-	-	<b>146,367</b>
<b>Total Interest sensitivity gap</b>	-	-	-	-	-	-

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	167,923	-	-	-	-	167,923
<b>Total assets</b>	<b>167,923</b>	-	-	-	-	<b>167,923</b>
<b>Liabilities</b>						
Bank overdraft	13,441	-	-	-	-	13,441
Management fees payable	-	-	-	-	26,180	26,180
Performance fees payable	-	-	-	-	1,310	1,310
Administration fees payable	-	-	-	-	126,992	126,992
<b>Total liabilities</b>	<b>13,441</b>	-	-	-	<b>154,482</b>	<b>167,923</b>
<b>Total Interest sensitivity gap</b>	<b>154,482</b>	-	-	-	<b>(154,482)</b>	-

##### *Sensitivity analysis*

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2023, if interest rates had been 400 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD NIL (2022: based on 400 basis points USD 6,179) higher/lower.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Interest rate risk (continued)*

##### Amundi Sand Grove Event Driven Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt Securities	-	-	20,074,163	-	-	20,074,163
Equities	-	-	-	-	22,475,722	22,475,722
Listed option	-	-	86,224	-	-	86,224
Foreign currency forwards	-	-	-	-	658,180	658,180
Equity swaps	-	-	-	-	(64,505)	(64,505)
Cash and cash equivalents	6,517,471	-	-	-	-	6,517,471
Due from broker	452,697	-	-	-	-	452,697
<b>Total assets</b>	<b>6,970,168</b>	<b>-</b>	<b>20,160,387</b>	<b>-</b>	<b>23,069,397</b>	<b>50,199,952</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Listed option	-	-	6,210	-	-	6,210
Foreign currency forwards	-	-	-	-	89,933	89,933
Bank overdraft	407,014	-	-	-	-	407,014
Due to broker	392,033	-	-	-	-	392,033
Dividends Payable	1,881	-	-	-	-	1,881
Management fees payable	-	-	-	-	173,474	173,474
Performance fees payable	-	-	-	-	306,109	306,109
Administration fees payable	-	-	-	-	76,729	76,729
Other payable and accrued expenses	-	-	-	-	23,814	23,814
<b>Total liabilities</b>	<b>800,928</b>	<b>-</b>	<b>6,210</b>	<b>-</b>	<b>670,059</b>	<b>1,477,197</b>
<b>Total Interest sensitivity gap</b>	<b>6,169,240</b>	<b>-</b>	<b>20,154,177</b>	<b>-</b>	<b>22,399,338</b>	<b>48,722,755</b>

Management has determined that a fluctuation in interest rates of 400 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2023, if interest rates had been 400 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 1,052,937 (2022: based on 400 basis points USD NIL) higher/lower.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

###### Currency risk

Each Sub-Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, each Sub-Fund is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-Fund's assets or liabilities denominated in currencies other than the functional currency. Currency risk is managed either by controlling the exposure of "unhedged currency" under the predefined limit, or by doing stress test of FX and controlling the compliance with the predefined limit.

The Sub-Funds' currency risk is managed and monitored on a daily basis by the Investment Manager.

The Sub-Funds had the following currency risk exposures:

##### Amundi Chenavari Credit Fund

31 December 2023

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	330,442,994	266,072,824	64,370,170
USD	156,226,822	(138,892,258)	295,119,080
GBP	135,126,582	(127,180,669)	262,307,251
NOK	(1,355)	103	(1,458)
Others	(88)	-	(88)
<b>Total</b>	<b>621,794,955</b>	<b>-</b>	<b>621,794,955</b>

31 December 2022

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	477,011,182	(66,301,579)	410,709,603
USD	218,067,239	65,672,732	283,739,971
GBP	82,252,468	832,539	83,085,007
JPY	(2,906,635)	-	(2,906,635)
Others	183,363	(203,692)	(20,329)
<b>Total</b>	<b>774,607,617</b>	<b>-</b>	<b>774,607,617</b>

###### Sensitivity analysis

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2023 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 16,333,794 (2022: USD +/- 24,543,382).

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Currency risk (continued)*

##### Lyxor/Allspring Financial Credit Fund

31 December 2023

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	(107,569)	-	(107,569)
USD	107,568	-	107,568
GBP	1	-	1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 December 2022

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	15,766,140	(2,414,171)	13,351,969
USD	9,371,669	2,452,926	11,824,595
GBP	2,522,437	(38,755)	2,483,682
<b>Total</b>	<b>27,660,246</b>	<b>-</b>	<b>27,660,246</b>

##### *Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2023 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- Nil (2022: USD +/- 791,783).

##### Amundi Marathon Emerging Markets Bond Fund

31 December 2023

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	240,134,322	(83,531,440)	323,665,762
EUR	615,005	36,444,562	(35,829,557)
GBP	75,352	23,166,431	(23,091,079)
CHF	784,473	23,920,447	(23,135,974)
Others	-	-	-
<b>Total</b>	<b>241,609,152</b>	<b>-</b>	<b>241,609,152</b>

31 December 2022

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	223,512,445	4,039,031	227,551,476
EUR	2,211,854	(2,339,103)	(127,249)
GBP	931,924	(1,036,547)	(104,623)
CHF	662,280	(663,381)	(1,101)
<b>Total</b>	<b>227,318,503</b>	<b>-</b>	<b>227,318,503</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Currency risk (continued)*

##### Amundi Marathon Emerging Markets Bond Fund (continued)

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2023 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- (4,102,830) (2022: USD +/- (11,649)).

##### Lyxor/Bluescale Global Equity Alpha Fund

##### 31 December 2023

	Total Exposure	Hedging	Net Exposure
Currency Monetary/Non Monetary	USD	USD	USD
USD	1,920	0	1,920
NOK	(64)	0	(64)
CAD	4	-	4
EUR	(1,859)	0	(1,859)
JPY	(1)	0	(1)
<b>Total</b>	-	-	-

##### 31 December 2022

	Total Exposure	Hedging	Net Exposure
Currency Monetary/Non Monetary	USD	USD	USD
USD	11,007	-	11,007
NOK	(63)	-	(63)
CAD	4	-	4
EUR	(10,947)	-	(10,947)
JPY	(1)	-	(1)
<b>Total</b>	-	-	-

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2023 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- Nil (2022: USD +/- Nil).

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Currency risk (continued)*

##### Amundi Sand Grove Event Driven Fund

31 December 2023

Currency Monetary/Non Monetary	Total Exposure	Hedging	Net Exposure
	USD	USD	USD
GBP	4,608,817	4,492,988	9,101,806
EUR	1,142,215	(29,630,977)	(28,488,762)
ILS	(12,817)	17,841	(30,658)
USD	42,990,723	25,234,149	68,224,872
Others	(6,183)	(114,001)	(84,503)
Total	<b>48,722,755</b>	<b>-</b>	<b>48,722,755</b>

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2023 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- (975,106) (2022: USD +/- Nil).

##### *Price risk*

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect change in net assets attributable to holders of redeemable participating shares.

The Investment Manager manages price risk in accordance with the investment objectives and policies set out in the Sub-Funds' Prospectus Supplements. This risk is managed by ensuring appropriate processes and procedures are in place to effectively manage the Sub-Funds' risks.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Market risk (continued)

*Price risk (continued)*

##### Value at risk (VaR)

Global exposure for each Sub-Fund is calculated using a Value at Risk (VaR) model. VaR will be monitored in terms of absolute VaR, as defined below:

- Absolute VaR is defined as percentage of NAV, the VaR of the Sub-Fund is limited as a percentage of NAV. The absolute VaR of each Sub-Fund cannot be greater than 20% of the NAV.
- The market risks of each Sub-Fund's financial asset and liability positions are monitored by the Investment Manager on a daily basis. VaR analysis represents the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents a statistical estimate of the potential losses from adverse changes in market factors for a specified time period and confidence level.

##### *Limitation of VaR calculation*

Whilst in the opinion of the Investment Manager VaR is a good general risk measure, it is acknowledged that it does have certain limitations, including:

- The measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk positions held at any other time.
- If a 99% confidence interval is applied, losses are not expected to exceed the calculated VaR on 99% of occasions, but on the other 1%, losses are expected to be greater and may substantially exceed the calculated VaR. VaR is a statistical estimation and therefore it is possible that there could be, in any period, a greater number of days in which losses could exceed the calculated VaR.

##### *VaR analysis (historical simulation) 2023*

Sub-Fund	Absolute VaR%	Average VaR%	Minimum VaR%	Maximum VaR%	VaR% Limit	Leverage employed during the year ended 31 December 2023 (%)
	(% of NAV)	(Limit utilisation)	(Limit utilisation)	(Limit utilisation)		
CHENAVARI	5.28%	17.86%	12.02%	26.43%	20.00%	122.61%
ALLSPRING	0.17%	35.54%	0.41%	106.24%	20.00%	4.35%
SANDGROVE	8.49%	35.53%	16.88%	45.76%	20.00%	65.03%

##### *VaR analysis (historical simulation) 2022*

Sub-Fund	Absolute VaR%	Average VaR%	Minimum VaR%	Maximum VaR%	VaR% Limit	Leverage employed during the year ended 31 December 2022 (%)
	(% of NAV)	(Limit utilisation)	(Limit utilisation)	(Limit utilisation)		
CHENAVARI	3.86%	14.38%	5.05%	31.64%	20.00%	190.00%
ALLSPRING	6.38%	39.48%	8.80%	63.20%	20.00%	15.00%
BLUESCALE	2.66%	19.87%	0.35%	38.60%	20.00%	113.00%

The Lutetia Merger Arbitrage Fund was terminated on 28 January 2022. No leverage percentage was calculated in 2022 and 2023.

The Lyxor/Bluescale Global Equity Fund was terminated on 21 October 2022. No leverage percentage was calculated in 2023.

It is not envisaged that the Amundi Marathon Emerging Markets Bond Fund will employ leverage, except as part of its currency hedging strategy for share classes that are not in the Sub-Fund's functional currency.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The below value of financial assets best represent the maximum credit risk exposure at the balance sheet date.

##### 31 December 2023

	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD	SANDGROVE USD
<i>Investment in securities</i>						
Debt securities	740,815,222	493,092,943	-	227,648,115	-	20,074,164
Listed equity securities	22,475,721	-	-	-	-	22,475,721
Mutual funds	-	-	-	-	-	-
<b>Total Investment in securities</b>	<b>763,290,943</b>	<b>493,092,943</b>	<b>-</b>	<b>227,648,115</b>	<b>-</b>	<b>42,549,885</b>
<i>Financial derivative instruments*</i>						
Listed options	86,224	-	-	-	-	86,224
Total return swaps	214,708,125	214,708,125	-	-	-	-
Credit default swaps	182,168,250	182,168,250	-	-	-	-
Equity swaps	27,749,142	157	-	-	-	27,748,985
Futures contracts	34,868,825	34,868,825	-	-	-	-
Foreign currency forwards	1,243,089,697	1,106,610,700	-	86,589,768	-	49,889,229
<b>Total Financial derivative instruments</b>	<b>1,702,670,263</b>	<b>1,538,356,057</b>	<b>-</b>	<b>86,589,768</b>	<b>-</b>	<b>77,724,438</b>
Cash and cash equivalents	66,500,284	50,262,817	115,415	9,458,214	146,367	6,517,471
Due from brokers	72,159,099	71,706,402	-	-	-	452,697
Interest receivable	11,369,150	7,545,797	-	3,823,353	-	-
Dividend receivable	-	-	-	-	-	-
Other receivables	25,225	-	24,408	817	-	-
Subscription receivable	3,219,581	3,201,238	-	18,343	-	-
<b>Total</b>	<b>2,619,234,545</b>	<b>2,164,165,254</b>	<b>139,823</b>	<b>327,538,610</b>	<b>146,367</b>	<b>127,244,491</b>

\*The financial derivative instruments are stated at their notional amounts. The other financial assets are stated at their fair value as presented in the Statement of Financial Position

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

31 December 2022

	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD
<i>Investment in securities</i>					
Debt securities	835,088,931	594,045,679	23,801,728	217,241,524	-
Total Investment in securities	<b>835,088,931</b>	<b>594,045,679</b>	<b>23,801,728</b>	<b>217,241,524</b>	-
<i>Financial derivative instruments*</i>					
Total return swaps	95,505,360	95,505,360	-	-	-
Credit default swaps	879,780,800	879,780,800	-	-	-
Futures contracts	719,308,778	719,308,778	-	-	-
Foreign currency forwards	1,686,182,402	1,565,313,123	44,568,749	76,300,530	-
Total Financial derivative instruments	<b>3,380,777,340</b>	<b>3,259,908,061</b>	<b>44,568,749</b>	<b>76,300,530</b>	-
Cash and cash equivalents	99,537,000	93,570,579	2,024,977	3,773,521	167,923
Due from brokers	44,122,646	43,308,403	814,243	-	-
Interest receivable	10,807,982	7,316,738	349,131	3,142,113	-
Other receivables	774	-	-	774	-
Subscription receivable	1,036,972	1,015,540	-	21,432	-
<b>Total</b>	<b>4,371,371,645</b>	<b>3,999,165,000</b>	<b>71,558,828</b>	<b>300,479,894</b>	<b>167,923</b>

\*The financial derivative instruments are stated at their notional amounts. The other financial assets are stated at their fair value as presented in the Statement of Financial Position.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

The following table details the name and credit rating of the financial institutions holding the net cash and cash equivalents of each Sub-Fund.

##### 31 December 2023

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD	SANDGROVE USD
Goldman Sachs & Co.	A+	3,954,295	-	-	-	3	3,954,292
JPM-J.P Morgan	A+	-	-	-	-	-	-
Barclays Capital Inc.	A+	5,802,940	5,802,940	-	-	-	-
Societe Generale	A+	8,888,435	6,842,768	75,066	360,019	-	1,610,582
Société Générale Securities Services	A	47,424,726	37,594,252	40,349	9,098,178	146,364	545,583
<b>Total</b>		<b>66,070,396</b>	<b>50,239,960</b>	<b>115,415</b>	<b>9,458,197</b>	<b>146,367</b>	<b>6,110,457</b>

##### 31 December 2022

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD
Goldman Sachs & Co.	A+	(12,838)	-	-	-	(12,838)
JPM-J.P Morgan	A+	(2)	(2)	-	-	-
Barclays Capital Inc.	A	33,693,053	33,693,053	-	-	-
Societe Generale	A+	2,754,540	2,561,905	158,773	33,862	-
Société Générale Securities Services	A	61,856,128	56,156,938	1,865,750	3,666,120	167,320
<b>Total</b>		<b>98,290,881</b>	<b>92,411,894</b>	<b>2,024,523</b>	<b>3,699,982</b>	<b>154,482</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

The following table details the name and credit rating of the financial institutions holding the net due from/to balances of each Sub-Fund.

##### 31 December 2023

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD	SANDGROVE USD
Goldman Sachs & Co.	A+	4,579,247	4,380,000	-	-	-	199,247
JP Morgan Chase	A+	31,139,314	31,139,314	-	-	-	-
Société Générale Securities Services		(221,714)	-	-	-	-	(221,714)
NewEdge	A-	-	-	-	-	-	-
Bank of America	A-	-	-	-	-	-	-
BNP Paribas	AA-	35,504,000	35,504,000	-	-	-	-
Morgan Stanley & Co	A+	83,131	-	-	-	-	83,131
MS - Morgan Stanley Int London	A+	683,000	683,000	-	-	-	-
Citigroup Global Markets Suisse AG	A+	-	-	-	-	-	-
<b>Total</b>		<b>71,766,978</b>	<b>71,706,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,664</b>

##### 31 December 2022

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	BLUESCALE USD
Goldman Sachs & Co.	A+	5,300,000	5,300,000	-	-	-
JP Morgan Chase	A+	20,590,643	20,590,643	-	-	-
NewEdge	A-	314,243	100,000	214,243	-	-
Bank of America	A-	620,125	620,125	-	-	-
BNP Paribas	AA-	10,266,000	10,266,000	-	-	-
Morgan Stanley & Co	A+	600,000	-	600,000	-	-
MS - Morgan Stanley Int London	A+	2,935,000	2,935,000	-	-	-
Citigroup Global Markets Suisse AG	A+	590,000	590,000	-	-	-
<b>Total</b>		<b>41,216,011</b>	<b>40,401,768</b>	<b>814,243</b>	<b>-</b>	<b>-</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

The following table details the name and credit rating of the OTC derivative counterparties of each Sub-Fund.

##### 31 December 2023

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD	SANDGROVE USD
Bank of America Merrill Lynch	NR					
Barclays Bank Plc	A+	(1,024,228)	(1,024,228)	-	-	-
Barclays Capital Inc.	A	-	-	-	-	-
BNP Paribas	A+	3,143,461	3,143,461	-	-	-
Citigroup Global Markets Inc.	A+	-	-	-	-	-
City bank N.A	A+	-	-	-	-	-
Credit Agricole CIB	AA-	-	-	-	-	-
Goldman Sachs International	A+	(445,610.00)	(336,999)	-	-	(108,611)
Goldman Sachs & Co.	A	80,014	-	-	-	80,014
JP Morgan Chase Bank	A+	438,123	438,123	-	-	-
Morgan Stanley Capital Services Inc.	A+	-	-	-	-	-
Morgan Stanley & Co.	A	(17,809)	-	-	-	(17,809)
Société Générale Securities Services	A	(2,993,620.00)	(2,993,620)	-	-	-
Societe General	A	15,123,843.00	12,638,746	-	1,854,934	630,163
		<b>14,304,174</b>	<b>11,865,483</b>	-	<b>1,854,934</b>	<b>583,757</b>

##### 31 December 2022

	CREDIT RATING	COMPANY TOTAL USD	CHENAVARI USD	ALLSPRING USD	MARATHON USD
Bank of America Merrill Lynch	NR	34,123	34,123	-	-
Barclays Capital Inc.	A	(8,095,075)	(8,095,075)	-	-
BNP Paribas	AA-	898,506	1,466,279	(567,773)	-
Citigroup Global Markets Inc.	A+	990,082	990,082	-	-
City bank N.A	A+	(90,951)	(90,951)	-	-
Credit Agricole CIB	AA-	95	95	-	-
Goldman Sachs International	A+	738,327	(732,407)	1,470,734	-
JP Morgan Chase Bank	A+	62,426,954	59,236,312	18,410	3,172,232
Morgan Stanley Capital Services Inc.	A+	(567,088)	(1,381,460)	-	814,372
		<b>56,334,973</b>	<b>51,426,998</b>	<b>921,371</b>	<b>3,986,604</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

##### Amundi Chenavari Credit Fund

31 December 2023

Credit rating	Debt securities	
	Fair value USD	% of NAV
AAA		
B	71,698,778	11.53%
B-	37,173,542	5.98%
B+	47,254,053	7.60%
BB	75,084,155	12.08%
BB-	76,871,498	12.36%
BB+	81,714,005	13.14%
BBB	4,695,387	0.76%
BBB-	32,678,114	5.26%
BBB+	-	-
NR	65,923,411	10.60%
<b>Total</b>	<b>493,092,943</b>	

31 December 2022

Credit rating	Debt securities	
	Fair value USD	% of NAV
AAA	108,172,669	13.96%
B	96,926,245	12.51%
B-	35,714,726	4.61%
B+	25,109,195	3.24%
BB	52,566,859	6.79%
BB-	68,523,356	8.85%
BB+	76,334,147	9.85%
BBB	11,022,272	1.42%
BBB-	17,331,320	2.24%
BBB+	14,220,206	1.84%
NR	88,124,684	11.38%
<b>Total</b>	<b>594,045,679</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Credit risk (continued)

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

## Lyxor/Allspring Financial Credit Fund

## 31 December 2023

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023 and held no financial assets and liabilities at fair value through profit or loss as at 31 December 2023.

## 31 December 2022

Credit rating	Debt securities	
	Fair value USD	% of NAV
A+	3,833,670	13.86%
A+	1,147,010	4.15%
B+	2,280,878	8.25%
BB	2,242,575	8.11%
BB-	2,157,773	7.80%
BB+	3,951,317	14.28%
BBB	1,212,126	4.38%
BBB-	3,005,614	10.86%
NR	3,970,765	14.36%
<b>Total</b>	<b>23,801,728</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Credit risk (continued)

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

## Amundi Marathon Emerging Markets Bond Fund

31 December 2023

Credit rating	Debt securities	
	Fair value USD	% of NAV
A		
A+	11,812,548	4.89%
A-	16,735,122	6.93%
AA	7,685,677	3.18%
AA-	7,227,185	2.99%
B	2,644,185	1.09%
B-	15,904,744	6.58%
B+	12,857,000	5.32%
BB	22,311,514	9.23%
BB-	16,472,138	6.82%
BB+	16,619,223	6.88%
BBB	29,579,586	12.24%
BBB-	26,273,528	10.87%
BBB+	1,748,269	0.72%
CCC-	2,076,015	0.86%
CC	112,579	0.05%
CCC+	12,313,912	5.10%
CC+	2,175,408	0.90%
CC-	-	0.00%
DD+	308,014	0.13%
DDD	4,086,999	1.69%
NR	14,356,064	5.94%
N.A.	4,348,405	1.80%
	<b>227,648,115</b>	

AMUNDI ALTERNATIVE FUNDS II PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

Amundi Marathon Emerging Markets Bond Fund (continued)

31 December 2022

Credit rating	Debt securities	
	Fair value USD	% of NAV
A	9,500,871	4.18%
A+	2,035,068	0.90%
A-	15,234,891	6.70%
AA	10,033,412	4.41%
AA-	9,190,393	4.04%
B	10,402,056	4.58%
B-	20,628,700	9.07%
B+	9,097,919	4.00%
BB	14,285,547	6.28%
BB-	30,169,068	13.27%
BB+	9,893,949	4.35%
BBB	26,382,944	11.61%
BBB-	27,928,110	12.29%
CCC-	2,479,537	1.09%
CCC	583,606	0.26%
CCC+	2,272,279	1.00%
CC+	356,472	0.16%
CC-	2,197,081	0.97%
DD+	1,392,766	0.61%
NR	13,176,855	5.80%
	<b>217,241,524</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Credit risk (continued)

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

## Amundi Sand Grove Event Driven Fund

31 December 2023

Credit rating	Debt securities	
	Fair value	% of NAV
	USD	
A	-	-
A+	-	-
A-	-	-
AA	-	-
AA-	-	-
AAA	20,074,163	41.20%
B	-	-
B-	-	-
B+	-	-
BB	-	-
BB-	-	-
BB+	-	-
BBB	-	-
BBB-	-	-
CCC-	-	-
CCC	-	-
CCC+	-	-
CC+	-	-
CC-	-	-
DD+	-	-
NR	-	-
	20,074,163	

The Depository network holds securities (i.e. bonds and equities), cash, and/or collateral for the Company. Bankruptcy, insolvency or other credit default events of the Depository or its Sub-Depository network ("Institution") may cause the Company's rights with respect to securities and other assets (including collateral) held by the Depository to be delayed or limited. In the event of the insolvency or bankruptcy of the Institution, the Company will be treated as a general creditor with respect to cash. The maximum exposure to this risk at the 31 December 2023 and 2022 is the carrying value of the relevant assets other than derivatives.

The Sub-Funds monitor their risk by periodically reviewing the credit quality of the Depository and its parent company, Société Générale S.A. At 31 December 2023, the long term senior debt credit rating of Société Générale S.A. from Standard & Poor's was A (2022: A). In respect of the cash held with any institution, including the Depository, the Company will be exposed to the credit risk of that institution.

The Company is required to disclose the impact of offsetting assets and liabilities represented in the Statement of Financial Position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting agreement or similar agreement or meet the following right of set off criteria: if the Company currently has a legally enforceable right to set off the recognised amounts; and if it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As at 31 December 2023 and 2022, the Company does not hold financial instruments and derivative instruments that are eligible for offset in the Statement of Financial Position but does hold those which are subject to a master netting arrangement or similar arrangements.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

The following tables present the Company's financial assets and liabilities subject to enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

##### Offsetting financial instruments

##### 31 December 2023

Financial assets subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Asset	Gross amount of recognised Financial Asset	Gross amount of Financial Liabilities offset in the Statement of Financial Position	Net amount of Financial Assets presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral received	
<i>Derivative financial instruments:</i>								
CHENAVARI	USD	Derivatives	18,793,456	-	18,793,456	(2,554,300)	-	16,239,156
MARATHON	USD	Derivatives	1,881,145	-	1,881,145	(26,211)	-	1,854,934
SANDGROVE	USD	Derivatives	679,900	-	679,900	(98,732)	-	581,168

Financial liabilities subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities	Gross amount of Financial Assets offset in the Statement of Financial Position	Net amount of Financial Liabilities presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral pledged	
<i>Derivative financial instruments:</i>								
CHENAVARI	USD	Derivatives	(6,927,971)	-	(6,927,971)	2,554,300	336,998	(4,036,673)
MARATHON	USD	Derivatives	(26,211)	-	(26,211)	26,211	-	-
SANDGROVE	USD	Derivatives	(96,143)	-	(96,143)	98,732	-	2,589

The cash collateral balances of the Sub-Funds are disclosed in Note 7.

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023 and held no financial assets and liabilities at fair value through profit or loss as at 31 December 2023.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

*Offsetting financial instruments (continued)*

31 December 2022

Financial assets subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Asset	Gross amount of recognised Financial Asset	Gross amount of Financial Liabilities offset in the Statement of Financial Position	Net amount of Financial Assets presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral received	
<i>Derivative financial instruments:</i>								
CHENAVARI	USD	Derivatives	73,583,861	-	73,583,861	(11,817,358)	-	61,766,503
ALLSPRING	USD	Derivatives	1,692,799	-	1,692,799	(203,655)	-	1,489,144
MARATHON	USD	Derivatives	4,028,343	-	4,028,343	(41,739)	-	3,986,604

Financial liabilities subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities	Gross amount of Financial Assets offset in the Statement of Financial Position	Net amount of Financial Liabilities presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral pledged	
<i>Derivative financial instruments:</i>								
CHENAVARI	USD	Derivatives	(22,156,863)	-	(22,156,863)	11,817,358	1,855,159	(8,484,346)
ALLSPRING	USD	Derivatives	(771,428)	-	(771,428)	203,655	567,773	-
MARATHON	USD	Derivatives	(41,739)	-	(41,739)	41,739	-	-

Lutetia Merger Arbitrage Fund terminated on 28 January 2022 and Lyxor/Bluescale Global Equity Alpha Fund terminated on 21 October 2022.

The cash collateral balances of the Sub-Funds are disclosed in Note 7.

##### *Expected credit losses*

At 31 December 2023 and 2022, the cash and cash equivalents, due from brokers and other short-term receivables are held with counterparties with a credit rating of A+ or higher and are due to be settled within one week. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Liquidity risk

##### Residual contractual maturities of assets and liabilities

The tables below analyse the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant. Note the liquidity analysis does not take account of the secondary market liquidity of investments.

If redemption applications on any dealing day exceed 10% of the redeemable participating shares in a Sub-Fund, the Company may defer the excess redemption applications to subsequent dealing days.

The period over which positions are expected to be held may differ to the actual period of holding thereby impacting the calculated VaR. Inputs are restricted to conditions or events occurring in the past 12 months. Therefore, any condition or event outside this time period will not have been included in the calculation.

##### Amundi Chenavari Credit Fund

##### 31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	4,734,533	2,193,438	-	6,927,971
Bank overdraft	22,857	-	-	-	-	22,857
Management fees payable	2,158,878	-	-	-	-	2,158,878
Performance fees payable	7,210,931	-	-	-	-	7,210,931
Due to brokers	88	-	-	-	-	88
Redemptions payable	5,728,050	-	-	-	-	5,728,050
Administration fees payable	665,383	-	-	-	-	665,383
Other payable and accrued expenses	93,538	-	-	-	-	93,538
Net assets attributable to holders of redeemable participating shares	621,794,955	-	-	-	-	621,794,955
<b>Total liabilities</b>	<b>637,674,680</b>	-	<b>4,734,533</b>	<b>2,193,438</b>	-	<b>644,602,651</b>

##### 31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	11,035,020	-	11,061,237	60,606	-	22,156,863
Bank overdraft	1,158,685	-	-	-	-	1,158,685
Management fees payable	3,157,707	-	-	-	-	3,157,707
Performance fees payable	11,442	-	-	-	-	11,442
Due to brokers	2,906,635	-	-	-	-	2,906,635
Redemptions payable	6,823,542	-	-	-	-	6,823,542
Administration fees payable	1,505,776	-	-	-	-	1,505,776
Other payable and accrued expenses	512,533	-	-	-	-	512,533
Net assets attributable to holders of redeemable participating shares	774,607,617	-	-	-	-	774,607,617
<b>Total liabilities</b>	<b>801,718,957</b>	-	<b>11,061,237</b>	<b>60,606</b>	-	<b>812,840,800</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Liquidity risk (continued)

##### Lyxor/Allspring Financial Credit Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Management fees payable	26,244	-	-	-	-	26,244
Interest payable	-	-	-	-	-	-
Redemptions payable	-	-	-	-	-	-
Administration fees payable	73,205	-	-	-	-	73,205
Other payable and accrued expenses	40,374	-	-	-	-	40,374
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	-
<b>Total liabilities</b>	<b>139,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,823</b>

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	771,428	-	-	-	-	771,428
Bank overdraft	454	-	-	-	-	454
Management fees payable	120,805	-	-	-	-	120,805
Interest payable	1,426	-	-	-	-	1,426
Redemptions payable	35,000	-	-	-	-	35,000
Administration fees payable	87,939	-	-	-	-	87,939
Other payable and accrued expenses	5,580	-	-	-	-	5,580
Net assets attributable to holders of redeemable participating shares	27,660,246	-	-	-	-	27,660,246
<b>Total liabilities</b>	<b>28,682,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,682,878</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Liquidity risk (continued)

##### Amundi Marathon Emerging Markets Bond Fund

##### 31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	26,211	-	-	26,211
Bank overdraft	17	-	-	-	-	17
Management fees payable	583,888	-	-	-	-	583,888
Redemptions payable	208,174	-	-	-	-	208,174
Administration fees payable	365,637	-	-	-	-	365,637
Other payable and accrued expenses	36,908	-	-	-	-	36,908
Net assets attributable to holders of redeemable participating shares	241,609,152	-	-	-	-	241,609,152
<b>Total liabilities</b>	<b>242,803,776</b>	<b>-</b>	<b>26,211</b>	<b>-</b>	<b>-</b>	<b>242,829,987</b>

##### 31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	41,739	-	-	-	-	41,739
Bank overdraft	73,539	-	-	-	-	73,539
Management fees payable	317,733	-	-	-	-	317,733
Redemptions payable	29,193	-	-	-	-	29,193
Administration fees payable	425,091	-	-	-	-	425,091
Other payable and accrued expenses	1,909	-	-	-	-	1,909
Net assets attributable to holders of redeemable participating shares	227,318,503	-	-	-	-	227,318,503
<b>Total liabilities</b>	<b>228,207,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,207,707</b>

AMUNDI ALTERNATIVE FUNDS II PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity risk (continued)

Lyxor/Bluescale Global Equity Alpha Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Management fees payable	60	-	-	-	-	60
Performance fees payable	1,337	-	-	-	-	1,337
Interest payable	17,979	-	-	-	-	17,979
Administration fees payable	126,991	-	-	-	-	126,991
<b>Total liabilities</b>	<b>146,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,367</b>

31 December 2022

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Bank overdraft	13,441	-	-	-	-	13,441
Management fees payable	26,180	-	-	-	-	26,180
Performance fees payable	1,310	-	-	-	-	1,310
Administration fees payable	126,992	-	-	-	-	126,992
<b>Total liabilities</b>	<b>167,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,923</b>

Amundi Sand Grove Event Driven Fund

31 December 2023

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	-	96,143	-	-	96,143
Bank overdraft	407,014	-	-	-	-	407,014
Due to brokers	392,033	-	-	-	-	392,033
Dividend payable	1,881	-	-	-	-	1,881
Management fees payable	173,474	-	-	-	-	173,474
Performance fees payable	306,109	-	-	-	-	306,109
Administration fees payable	76,729	-	-	-	-	76,729
Other payable and accrued expenses	23,814	-	-	-	-	23,814
Net Assets attributable to holders of participating redeemable shares	48,722,755	-	-	-	-	48,722,755
<b>Total liabilities</b>	<b>50,103,809</b>	<b>-</b>	<b>96,143</b>	<b>-</b>	<b>-</b>	<b>50,199,952</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2023**

**11. RELATED PARTY DISCLOSURES**

IAS 24, Related Party Disclosures – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

**Directors and dependents thereof are considered related parties.**

Mr. Moez Bousarsar is the Sales Director EMEA, Alternative Assets at Amundi Asset Management.

Mr. Colm Callaly is Head of Legal Ireland at Amundi Ireland Ltd.

Mr. Declan Murray is Director of Management Company Services at Amundi Ireland Ltd.

Mr. John O’Toole (resigned on 21 November 2023) is Global Head of Multi-Asset Fund Solutions at Amundi Ireland Ltd.

Mr. Paul Weber is Head of Fund Research & Manager Selection, Multi-Asset Fund Solutions at Amundi Ireland Ltd (resigned on 21 November 2023).

The Directors’ fees are recognised and paid by the Manager (Note 6).

None of the Directors hold shares in any of the Company’s Sub-Funds during the period ended 31 December 2023 (31 December 2022: Nil).

**Significant shareholders**

The number of significant shareholders and the percentage of their shareholdings per Sub-Fund at the financial year end date follow:

Sub-Fund	31 December 2023		31 December 2022	
	No. of shareholders	Holdings %	No. of shareholders	Holdings %
Lyxor/Allspring Financial Credit Fund <sup>(1)</sup>	-	-	2	78.68%
Amundi Marathon Emerging Markets Bond Fund	2	58.43%	1	36.38%
Amundi Chenavari Credit Fund	1	20.39%	-	-
Amundi Sand Grove Event Driven Fund <sup>(2)</sup>	2	87.54%	-	-

<sup>(1)</sup> Lyxor/Allspring Financial Credit Fund : Terminated on 22 May 2023.

<sup>(2)</sup> Amundi Sand Grove Event Driven Fund : Launched on 10 August 2023.

**Manager, Distributor and Investment Manager**

Amundi Asset Management, the Manager, is a wholly-owned subsidiary of Amundi, a credit institution authorized by the *Autorité de contrôle prudentiel et de résolution* (ACPR) and European Central Bank under n°19530. Amundi’s majority shareholder is Crédit Agricole SA. Crédit Agricole SA is controlled by SAS Rue La Boetie. The Manager and Crédit Agricole SA are related by virtue therefore, all subsidiary companies of Crédit Agricole SA are considered as related and connected party.

The Manager is responsible for the day to day management, administration and investment management of the Company. The Manager provides or procures the provision of management, administration, accounting, registration, transfer agency, distribution, investment management or advisory and shareholder services to or for the benefit of the Company.

Until 1 June 2022, date of the merger between Lyxor Asset Management and Amundi Asset Management, Lyxor Asset Management was Manager and Investment Manager of the Company. Therefore, it was entitled to management and performance fees during the period from 1st January 2022 to 31 May 2022.

The management fees recognised during the year were disclosed in Note 6.

The Manager also acts as the Distributor of the Company.

**Other related parties**

During the period, the Company recognised and paid a fee of USD 622,952 (31 December 2022: USD 776,167), relating to a trade execution platform provided by Amundi Intermediation which is owned by Amundi Asset Management (42%), by Amundi France (38.53%) and by Société Générale Gestion (19.47%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

**12. DIVIDEND AND DISTRIBUTION POLICY**

The Directors are empowered to declare and pay distributions on any class of shares in the Company.

For the Amundi Marathon Emerging Markets Bond Fund it is intended that dividends, if declared, would be declared for the SID GBP, SID CHF, SID EUR and SID USD Class on an annual basis in line with the completion of the preparation of the audited financial statements. It is not the current intention of the Directors to distribute dividends to shareholders in any of the other share classes of the Sub-Fund.

The dividends declared and paid during the year ended 31 December 2023 were as follows:

<b>Sub-Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Dividend per share</b>	<b>Gross amount</b>
Marathon Emerging Markets Bond Fund	SID CHF Class	27 January 2023	CHF 1.98	USD 276,779
Marathon Emerging Markets Bond Fund	SID EUR Class	27 January 2023	EUR 1.99	USD 95,605
Marathon Emerging Markets Bond Fund	SID GBP Class	27 January 2023	GBP 2.03	USD 632,388
Marathon Emerging Markets Bond Fund	SID USD Class	27 January 2023	USD 2.07	USD 252,983
Marathon Emerging Markets Bond Fund	SSID GBP Class	27 January 2023	GBP 2.01	USD 249
Marathon Emerging Markets Bond Fund	SSID USD Class	27 January 2023	USD 2.02	USD 79,505
Marathon Emerging Markets Bond Fund	SID GBP Class	28 July 2023	GBP 1.59	USD 805,504
Marathon Emerging Markets Bond Fund	SID CHF Class	28 July 2023	CHF 1.54	USD 861,126
Marathon Emerging Markets Bond Fund	SID EUR Class	28 July 2023	EUR 1.55	USD 182,896
Marathon Emerging Markets Bond Fund	SID USD Class	28 July 2023	USD 1.63	USD 237,458
Marathon Emerging Markets Bond Fund	SSID GBP Class	28 July 2023	GBP 1.58	USD 202
Marathon Emerging Markets Bond Fund	SSID USD Class	28 July 2023	USD 1.6	USD 62,974

**13. CROSS INVESTMENTS**

As at 31 December 2023 and 2022, the Company's Sub-Funds did not hold any cross investments.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 14. EXCHANGE RATES

The following exchange rates (against the USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at year end:

Currency	31 December 2023	31 December 2022
ARS	0.0012	0.0056
AUD	0.6815	0.6810
BRL	0.2059	0.1892
CAD	0.7547	0.7385
CHF	1.1889	1.0814
CLP	0.0011	0.0012
CNH	0.1403	0.1445
CNY	0.1408	0.1450
CZK	0.0447	0.0443
DKK	0.1481	0.1440
EUR	1.1041	1.0706
GBP	1.2748	1.2090
HKD	0.1281	0.1281
HUF	0.0029	0.0027
IDR	0.0001	0.0001
ILS	0.2762	0.2847
INR	0.0120	0.0121
JPY	0.0071	0.0076
KRW	0.0008	0.0008
MXN	0.0589	0.0513
MYR	0.2177	0.2270
NOK	0.0984	0.1021
NZD	0.6322	0.6350
PEN	0.2699	0.2627
PHP	0.0181	0.0179
PLN	0.2541	0.2283
RUB	0.0112	0.0135
SEK	0.0992	0.0958
SGD	0.7577	0.7466
TRY	0.0338	0.0534
TWD	0.0327	0.0325
ZAR	0.0547	0.0588

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

**15. SOFT COMMISSION ARRANGEMENTS AND RESEARCH FEES**

There are no soft commission arrangements that are in place as at 31 December 2023 and 31 December 2022.

*Research fees*

None of the Sub-Funds recognised research fees during the year.

**16. TOTAL NAV AND NAV PER SHARE HISTORY**

The net asset values and net asset values per redeemable participating share of each Sub-Fund for the three-year period, 31 December 2023, 2022 and 2021 follow:

	CHENAVARI			LUTETIA <sup>(1)</sup>		
	2023 USD	2022 USD	2021 USD	2023 USD	2022 USD	2021 USD
<b>Net asset value</b>	621,794,955	774,607,617	703,201,392	-	-	1,202,548
<b>NAV per redeemable participating share:</b>						
Class I (USD)	133.25	123.75	124.49	-	-	108.30
Hedged Class A (EUR)	115.41	109.02	112.79	-	-	-
Hedged Class I (EUR)	117.29	110.26	113.06	-	-	96.60
Hedged Class A (CHF)	-	-	-	-	-	-
Hedged Class I (GBP)	-	-	-	-	-	-
Class A (USD)	126.18	117.63	119.23	-	-	-
Class SI (USD)	136.29	126.35	126.80	-	-	-
Hedged Class SIP (EUR)	123.11	115.47	118.26	-	-	-
Hedged Class C (EUR)	105.96	100.35	-	-	-	-
Class C (USD)	107.96	100.44	-	-	-	-
Hedged Class SI (EUR)	118.27	110.99	113.66	-	-	-
Hedged Class SI (GBP)	108.36	100.78	101.77	-	-	-
Class O (USD)	143.40	129.37	128.68	-	-	-
Hedged Class O (EUR)	128.25	117.98	119.86	-	-	-
Class AA (USD)	122.97	114.63	116.34	-	-	-
Class IA (USD)	125.58	116.76	117.81	-	-	-
Hedged Class SSI (EUR)	112.61	105.65	108.09	-	-	-
Hedged Class I (NOK)	1,057.46	988.64	998.84	-	-	-
Hedged Class P (EUR)	104.80	97.95	100.06	-	-	-

<sup>(1)</sup> Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 16. TOTAL NAV AND NAV PER SHARE HISTORY (continued)

ALLSPRING <sup>(1)</sup>		
2023	2022	2021
USD	USD	USD

Net asset value - 27,660,246 143,788,166

## NAV per redeemable participating share:

Class SI (USD)	-	111.75	123.10
Class I (USD)	-	126.00	138.94
Hedged Class A (EUR)		104.78	119.43
Hedged Class I (EUR)	-	109.59	124.11
Class A (USD)	-	114.01	126.60

MARATHON			BLUESCALE <sup>(2)</sup>		
2023	2022	2021	2023	2022	2021
USD	USD	USD	USD	USD	USD

Net asset value 241,609,152 227,318.503 301,035,393 - - 68,684,297

## NAV per redeemable participating share:

Class I (USD)	101.30	91.28	110.73	-	-	93.4744
Class EB (USD)	-	-	-	-	-	93.91
Hedged Class I (EUR)	91.30	84.26	105.26	-	-	-
Hedged Class I (GBP)	-	-	106.51	-	-	-
Class F (USD)	103.14	92.67	112.07	-	-	97.46
Hedged Class A (EUR)	88.31	82.01	103.26	-	-	82.58
Class A (USD)	98.41	89.29	109.07	-	-	82.99
Class SI USD	-	98.91	107.25	-	-	-
Hedged Class A1 (EUR)	83.43	77.34	97.20	-	-	-
Class A1 (USD)	87.38	79.13	96.46	-	-	-
Hedged Class SID (CHF)	77.90	76.66	99.76	-	-	-
Hedged Class SID (EUR)	79.64	76.90	100.00	-	-	-
Hedged Class SID (GBP)	82.55	78.34	100.54	-	-	-
Class SID (USD)	84.81	79.88	100.81	-	-	-
Hedged Class SSI (EUR)	84.60	78.06	97.37	-	-	-
Class SSI (USD)	88.58	79.74	96.63	-	-	-
Hedged Class SSID (GBP)	81.79	77.53	97.58	-	-	-
Class SSID (USD)	82.91	78.09	96.63	-	-	-

<sup>(1)</sup>Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023

<sup>(2)</sup>Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

## 16. TOTAL NAV AND NAV PER SHARE HISTORY (continued)

	SANDGROVE <sup>(1)</sup>		
	2023 USD	2022 USD	2021 USD
Net asset value	48,722,755		
NAV per redeemable participating share:			
Hedged Class EB (CHF)	102.33	-	-
Hedged Class EB (EUR)	103.32	-	-
Hedged Class EB (GBP)	103.94	-	-
Hedged Class EB (JPY)	10,152.65	-	-
Class EB (USD)	104.03	-	-
Hedged Class I (CHF)	101.98	-	-
Hedged Class I (EUR)	102.94	-	-
Hedged Class SI2 (GBP)	103.58	-	-
Hedged Class I (JPY)	10,124.00	-	-
Hedged Class I (SGD)	1,029.73	-	-
Class I (USD)	103.60	-	-

<sup>(1)</sup>Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

## 17. PROSPECTUS CHANGES

The details of changes in the Prospectus and Supplements are disclosed in Note 20, Significant events during the year.

## 18. CHARGES OVER ASSETS

There are no liens or encumbrances on the Company's assets other than:

- (i) standard general liens that the Company, in relation to the Sub-Funds, has provided to the Depositary under the terms of the market standard agreement for the provision of certain depositary services in respect of any fees and expenses or credit exposures incurred in the performance of services under such agreement and;
- (ii) standard security interests over the assets of certain Sub-Funds of the Company that the Company has provided to relevant counterparties pursuant to the standard market terms of the relevant trading agreements in place for such Sub-Funds.

Refer to Note 7 for collateral and margin posted by each of the Sub-Funds against financial derivative instruments.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2023

**19. COMMITMENT AND CONTINGENCIES**

The Company and the Sub-Funds did not have commitments and contingencies as at 31 December 2023 (31 December 2022: Nil).

**20. SIGNIFICANT EVENTS DURING THE YEAR**

The dividends declared and paid during the period were as follows:

Sub-Fund	Share Class	Date	Dividend per share	Gross amount
Marathon Emerging Markets Bond Fund	SID CHF Class	27 January 2023	CHF 1.98	USD 276,779
Marathon Emerging Markets Bond Fund	SID EUR Class	27 January 2023	EUR 1.99	USD 95,605
Marathon Emerging Markets Bond Fund	SID GBP Class	27 January 2023	GBP 2.03	USD 632,388
Marathon Emerging Markets Bond Fund	SID USD Class	27 January 2023	USD 2.07	USD 252,983
Marathon Emerging Markets Bond Fund	SSID GBP Class	27 January 2023	GBP 2.01	USD 249
Marathon Emerging Markets Bond Fund	SSID USD Class	27 January 2023	USD 2.02	USD 79,505
Marathon Emerging Markets Bond Fund	SID GBP Class	28 July 2023	GBP 1.59	USD 805,504
Marathon Emerging Markets Bond Fund	SID CHF Class	28 July 2023	CHF 1.54	USD 861,126
Marathon Emerging Markets Bond Fund	SID EUR Class	28 July 2023	EUR 1.55	USD 182,896
Marathon Emerging Markets Bond Fund	SID USD Class	28 July 2023	USD 1.63	USD 237,458
Marathon Emerging Markets Bond Fund	SSID GBP Class	28 July 2023	GBP 1.58	USD 202
Marathon Emerging Markets Bond Fund	SSID USD Class	28 July 2023	USD 1.6	USD 62,974

On 24 March 2023, the following sub-funds were revoked by the Central Bank of Ireland:

- Amundi Evolution Fixed Income Fund
- Amundi Portland Hill Fund
- Amundi Harmonic Macro Fund
- Amundi Dymon Asia Macro Fund
- Amundi Corsair Capital Fund
- Amundi Academy Quantitative Global UCITS Fund
- Kingdon Global Long-Short Equity Fund

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023.

On 2 June 2023, the following sub-fund was revoked by the Central Bank of Ireland:

- Amundi WNT Fund

Amundi Sand Grove Event Driven Fund launched on 11 July 2023.

On 27 September 2023, the Company has changed its legal entity name to Amundi Alternative Funds II Public Limited Company as approved by the Register of Companies.

On 29 September 2023, the Company has changed its legal entity name from Lyxor Newcits IRL II PLC to Amundi Alternative Funds II PLC. In addition, funds name changed from Lyxor/Chenavari Credit Fund to Amundi Chenavari Credit Fund and from LYXOR / Marathon Emerging Markets Bond Fund to Amundi Marathon Emerging Markets Bond Fund. Consequently, supplements for both Funds were updated on 29 September 2023.

On 20 November 2023, the Administrator's registered office address changed to Bishop Square, Redmond's Hill, Dublin, D02 TD99, Ireland.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2023**

**20. SIGNIFICANT EVENTS DURING THE YEAR (continued)**

Russia's invasion of Ukraine caused a closure of the Moscow stock exchange and then the closure of the market for Global Depository Receipts replicating Russian assets and has had an impact on energy and other commodity costs. Although this has not had a material effect on the fund, we have seen bouts of volatility arising as a result. We continue to monitor developments in this crisis and its impact on the management of the fund.

Following directors resigned during the year:

<b>Name of the Director</b>	<b>Date of resignation</b>
John O'Toole (Irish)	21 November 2023
Paul Webber (Irish)	21 November 2023

There have been no other significant events during the year.

**21. SUBSEQUENT EVENTS**

There were no significant events subsequent to the financial year ended 31 December 2023 to the date of approval of the financial statements.

**22. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 29 April 2024.

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS

As at 31 December 2023

#### Amundi Chenavari Credit Fund

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferable securities traded on a regulated market</b>			
<b>Debt securities</b>			
Austria			
BAWAG Group AG , 5% , 14 November 2172	1,000,000	974,005	0.16%
Erste Group Bank AG , 3.38% , 15 October 2172	4,000,000	3,639,333	0.59%
Raiffeisen Bank International AG , 1.5% , 12 March 2030	8,700,000	8,986,997	1.45%
Raiffeisen Bank International AG , 4.5% , 15 June 2172	6,200,000	5,142,218	0.83%
Raiffeisen Bank International AG , 6% , 15 December 2172	1,000,000	1,009,606	0.16%
Raiffeisen Bank International AG , 8.66% , 15 December 2171	6,400,000	6,736,156	1.08%
Belgium			
Belfius Bank SA , 5.25% , 19 April 2033	3,000,000	3,392,371	0.55%
KBC Group NV , 4.25% , 24 October 2172	10,200,000	10,412,308	1.67%
France			
BNP Paribas SA , 4.63% , 12 July 2172	3,000,000	2,631,701	0.42%
Banijay Entertainment SASU , 7% , 01 May 2029	8,000,000	9,339,291	1.50%
Electricite de France SA , 5.38% , 29 January 2172	1,900,000	2,108,183	0.34%
La Banque Postale SA , 3% , 20 May 2172	5,000,000	4,059,446	0.65%
La Banque Postale SA , 3.88% , 20 May 2172	3,000,000	2,975,258	0.48%
Societe Generale SA , 4.75% , 26 November 2172	10,600,000	9,353,622	1.50%
Societe Generale SA , 6.75% , 06 October 2172	3,000,000	2,673,252	0.43%
Unibail-Rodamco-Westfield SE , 2.88% , 25 April 2172	1,000,000	974,398	0.16%
Germany			
Commerzbank AG , 1.38% , 29 December 2031	7,200,000	7,130,143	1.15%
Commerzbank AG , 4.25% , 09 April 2172	14,400,000	12,996,396	2.09%
Deutsche Bank AG , 4.5% , 30 April 2172	10,000,000	9,208,398	1.48%
Deutsche Bank AG , 4.79% , 30 April 2172	3,000,000	2,648,191	0.43%
Landesbank Baden-Wuerttemberg , 4% , 15 April 2172	3,200,000	2,588,636	0.42%
Ireland			
Virgin Media Vendor Financing Notes III DAC , 4.88% , 15 July 2028	8,500,000	10,009,587	1.61%
Italy			
Banca Monte dei Paschi di Siena SpA , 7.71% , 18 January 2028	4,200,000	4,629,001	0.74%
Banca Monte dei Paschi di Siena SpA , 8% , 22 January 2030	6,755,000	7,510,648	1.21%
Banca Monte dei Paschi di Siena SpA , 8.5% , 10 September 2030	2,000,000	2,221,676	0.36%
International Design Group SPA , 10% , 15 November 2028	13,000,000	14,955,896	2.41%
Intesa Sanpaolo SpA , 3.75% , 27 August 2172	6,236,000	6,512,146	1.05%
Lottomatica SpA/Roma , 7.93% , 15 December 2030	3,000,000	3,342,631	0.54%
UniCredit SpA , 2% , 23 September 2029	6,371,000	6,876,995	1.11%
UniCredit SpA , 3.88% , 03 June 2172	3,980,000	3,768,110	0.61%
Luxembourg			
Cirsa Finance International Sarl , 10.38% , 30 November 2027	7,000,000	8,440,493	1.36%
Cirsa Finance International Sarl , 4.5% , 15 March 2027	8,400,000	8,963,056	1.44%
Cirsa Finance International Sarl , 7.88% , 31 July 2028	5,000,000	5,775,926	0.93%
Dana Financing Luxembourg Sarl , 8.5% , 15 July 2031	6,500,000	7,876,642	1.27%
SES SA , 2.88% , 27 August 2172	12,000,000	12,074,328	1.94%

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Chenavari Credit Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Netherlands			
ING Groep NV , 3.88% , 16 November 2172	4,000,000	3,236,267	0.52%
Teva Pharmaceutical Finance Netherlands II BV , 7.38% , 15 September 2029	3,600,000	4,358,272	0.70%
VZ Vendor Financing II BV , 2.88% , 15 January 2029	11,950,000	11,606,654	1.87%
Volkswagen International Finance NV , 3.88% , 17 June 2172	15,300,000	15,533,363	2.50%
Volkswagen International Finance NV , 4.38% , 28 March 2172	7,000,000	7,023,203	1.13%
Volkswagen International Finance NV , 7.5% , 06 September 2172	2,500,000	3,007,522	0.48%
Volkswagen International Finance NV , 7.88% , 06 September 2172	1,000,000	1,246,059	0.20%
Norway			
Var Energi ASA , 7.86% , 15 November 2083	10,000,000	11,790,302	1.90%
Portugal			
Banco Comercial Portugues SA , 3.87% , 27 March 2030	4,700,000	5,040,856	0.81%
Spain			
Banco Santander SA , 4.38% , 14 April 2172	11,000,000	11,211,918	1.80%
Banco Santander SA , 4.75% , 19 June 2172	9,000,000	9,225,226	1.48%
Banco de Sabadell SA , 6% , 16 August 2033	4,600,000	5,159,971	0.83%
CaixaBank , 3.63% , 14 December 2172	9,000,000	7,691,533	1.24%
Unicaja Banco SA , 2.88% , 13 November 2029	3,500,000	3,753,048	0.60%
Switzerland			
UBS Group AG , 3.88% , 02 December 2172	14,000,000	12,547,850	2.02%
United Kingdom			
Allwyn Entertainment Financing UK PLC , 7.25% , 30 April 2030	5,000,000	5,825,593	0.94%
Barclays PLC , 4.38% , 15 December 2172	5,000,000	3,924,631	0.63%
Barclays PLC , 5.88% , 15 December 2171	8,000,000	9,860,738	1.59%
Bellis Acquisition Co PLC , 3.25% , 16 February 2026	12,000,000	14,221,131	2.29%
British Telecommunications PLC , 4.25% , 23 November 2081	7,000,000	6,514,668	1.05%
British Telecommunications PLC , 8.38% , 20 December 2083	12,000,000	16,187,451	2.60%
Co-Operative Bank Finance Plc/The , 6% , 06 April 2027	4,875,000	6,028,771	0.97%
Co-operative Bank Holdings Ltd/The , 9.5% , 24 May 2028	2,000,000	2,689,014	0.43%
Deuce Finco Plc , 5.5% , 15 June 2027	14,000,000	16,703,143	2.69%
Harbour Energy PLC , 5.5% , 15 October 2026	8,000,000	7,855,042	1.26%
INEOS Quattro Finance 2 Plc , 8.5% , 15 March 2029	7,000,000	8,173,369	1.31%
Market Bidco Finco PLC , 5.5% , 04 November 2027	21,000,000	23,693,630	3.81%
Pinnacle Bidco PLC , 10% , 11 October 2028	13,600,000	18,056,240	2.90%
Standard Chartered PLC , 1.2% , 23 September 2031	1,300,000	1,303,016	0.21%
Standard Chartered PLC , 4.3% , 19 February 2172	4,000,000	3,269,141	0.53%
Virgin Media Secured Finance PLC , 4.13% , 15 August 2030	8,000,000	8,785,946	1.40%
Virgin Media Secured Finance PLC , 4.25% , 15 January 2030	3,000,000	3,355,695	0.53%
Vmed O2 UK Financing I PLC , 4% , 31 January 2029	3,000,000	3,401,117	0.54%
Vodafone Group PLC , 5.13% , 04 June 2081	11,750,000	8,875,519	1.42%
<b>Total debt securities (31 December 2022: USD 594,045,679– 76.69%)</b>		<b>493,092,943</b>	<b>79.30%</b>
<b>Total transferrable securities traded on a regulated market (31 December 2022: USD 594,045,679– 76.69%)</b>		<b>493,092,943</b>	<b>79.30%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Chenavari Credit Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Financial derivative instruments (Assets)</b>			
<b>Financial derivative instruments – Dealt in on a regulated market (Assets)</b>			
<b>Futures contracts</b>			
Germany	(215)	1,048	0.00%
<b>Total futures contracts (31 December 2022: USD 9,880,916– 1.28%)</b>		<b>1,048</b>	<b>0.00%</b>
<b>Total financial derivative instruments – Dealt in on a regulated market (Assets) (31 December 2022: USD 9,880,916– 1.28%)</b>			
		<b>1,048</b>	<b>0.00%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>			
<b>Credit default swaps</b>			
United Kingdom	15,000,000	327,984	0.05%
United States of America	5,000,000	2,220,211	0.36%
<b>Total credit default swaps (31 December 2022: USD 4,374,007– 0.56%)</b>		<b>2,548,195</b>	<b>0.41%</b>
<b>Total return swaps</b>			
European Union	22	3,286,081	0.53%
United States of America	3	93,804	0.02%
<b>Total Total Return Swap (31 December 2022: USD 1,540,687 – 0.20%)</b>		<b>3,379,885</b>	<b>0.55%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Chenavari Credit Fund (continued)

				No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>						
<b>Financial derivative instruments (Assets) (continued)</b>						
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets) (continued)</b>						
<b>Foreign currency forwards</b>						
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Loss	% of Net Assets
EUR	542,408,188	USD	586,376,381	12 January 2024	12,650,410	2.03%
GBP	147,000	USD	186,874	3 January 2024	522	0.00%
GBP	9,298,879	USD	11,710,859	12 January 2024	143,635	0.02%
GBP	9,000,000	USD	11,409,164	31 January 2024	65,463	0.01%
NOK	1,050	USD	96	12 January 2024	7	0.00%
USD	406,937	EUR	366,038	2 January 2024	2,892	0.00%
USD	261,111	EUR	236,252	3 January 2024	276	0.00%
USD	847,029	EUR	766,057	12 January 2024	968	0.00%
USD	135,492	GBP	106,159	12 January 2024	153	0.00%
<b>Total foreign currency forwards (31 December 2022: USD 57,788,254– 7.46%)</b>					<b>12,864,326</b>	<b>2.06%</b>
<b>Total financial derivative instruments - Over-the-counter (OTC) (Assets) (31 December 2022: USD 63,702,945– 8.22%)</b>					<b>18,792,406</b>	<b>3.02%</b>
<b>Total financial derivative instruments (Assets) (31 December 2022: USD 73,583,861- 9.50%)</b>					<b>18,793,454</b>	<b>3.02%</b>
<b>Total financial assets at fair value through profit or loss (31 December 2022: USD 667,629,540– 86.19%)</b>					<b>511,886,397</b>	<b>82.32%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Chenavari Credit Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>			
<b>Financial derivative instruments (Liabilities)</b>			
<b>Futures</b>			
Germany	(30)	(19,872)	0.00%
<b>Total Financial derivative instruments - Dealt in on a regulated market (Liabilities)</b>		<b>(19,872)</b>	<b>0.00%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>			
<b>Credit default swaps</b>			
Germany	20,000,000	(1,801,827)	(0.29)%
Netherlands	25,000,000	(598,299)	(0.10)%
Sweden	10,000,000	(715,350)	(0.12)%
<b>Total credit default swaps (31 December 2022: USD (11,047,453) – (1.43)%)</b>		<b>(3,115,476)</b>	<b>(0.51)%</b>
<b>Total return swaps</b>			
European Union	14	(227,032)	(0.04)%
United States of America	5	(346,391)	(0.06)%
<b>Total of total return swaps (31 December 2022: USD (274,220) – (0.04)%)</b>		<b>(573,423)</b>	<b>(0.1)%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Chenavari Credit Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities (continued)</b>							
<b>Financial derivative instruments (Liabilities) (continued)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities) (continued)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date		Unrealised Loss	% of Net Assets
EUR	3,915	USD	4,352	2 January 2024		(31)	0.00%
EUR	762,142	USD	842,384	3 January 2024		(941)	0.00%
EUR	602,290	USD	668,302	12 January 2024		(3,107)	0.00%
USD	7,804,621	EUR	7,130,172	12 January 2024		(70,024)	(0.01)%
USD	325,532,421	EUR	296,510,950	31 January 2024		(2,177,799)	(0.35)%
USD	6,230,880	GBP	4,955,104	12 January 2024		(86,012)	(0.01)%
USD	144,972,452	GBP	114,399,000	31 January 2024		(881,286)	(0.14)%
<b>Total foreign currency forwards (31 December 2022: USD (10,835,190) – (1.39)%)</b>						<b>(3,219,200)</b>	<b>(0.51)%</b>
<b>Total financial derivative instruments - Over-the-counter (OTC) (Liabilities) (31 December 2022: USD (22,156,863) – (2.86)%)</b>						<b>(6,908,099)</b>	<b>(1.12)%</b>
<b>Total financial derivative instruments (Liabilities) (31 December 2022: USD (22,156,863) – (2.86)%)</b>						<b>(6,927,971)</b>	<b>(1.12)%</b>
<b>Total financial Liabilities at Fair Value Through Profit or Loss (31 December 2022: USD (22,156,863) – (2.86)%)</b>						<b>(6,927,971)</b>	<b>(1.12)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net (31 December 2022: USD 129,134,940 – 16.67%)</b>						<b>116,836,529</b>	<b>18.79%</b>
<b>Net assets attributable to holders of redeemable participating shares (31 December 2022: USD 774,607,617 – 100%)</b>						<b>621,794,955</b>	<b>100.00%</b>
<b>Analysis of Total Assets (unaudited)</b>						<b>Fair Value USD</b>	<b>% of Total Assets</b>
Transferrable securities traded on a regulated market						493,092,943	76.50%
Financial derivative instruments – Dealt in on a regulated market (Assets)						1,048	0.00%
Financial derivative instruments - Over-the-counter (OTC) (Assets)						18,792,406	2.92%
Cash and cash equivalents						50,262,817	7.80%
Other assets						82,453,437	12.79%
<b>Total Assets</b>						<b>644,602,651</b>	<b>100.00%</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Marathon Emerging Markets Bond Fund

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt securities</b>			
Angola			
Angolan Government International Bond , 8.75% , 14 April 2032	3,333,000	2,938,822	1.22%
Argentina			
Argentine Republic , 1.00% , 9 July 2029	747,616	299,257	0.12%
Argentine Republic , 3.50% ,9 July 2041	8,801,023	3,008,409	1.25%
Azerbaijan			
Republic Of Azerbaijan International Bond , 5.13% , 1 September 2029	1,346,000	1,320,499	0.55%
Bahrain			
Bahrain Kingdom Of (Government) , 4.25% , 25 January 2028	2,000,000	1,891,979	0.78%
Bahrain Kingdom Of (Government) , 5.45% , 16 September 2032	2,364,000	2,176,090	0.90%
Bahrain Kingdom Of (Government) , 7.75% , 18 April 2025	617,000	645,488	0.27%
Kingdom Of Bahrain , 3.88% , 18 May 2029	1,297,000	1,180,158	0.49%
Bermuda			
Sagicor Financial Co Ltd , 5.30% , 13 May 2028	590,000	567,813	0.24%
Bolivia			
Bolivian Government International Bond , 4.50% , 20 March 2028	828,000	395,512	0.16%
Brazil			
Federative Republic Of Brazil , 4.25% , 7 January 2025	1,830,000	1,808,664	0.75%
Federative Republic Of Brazil , 4.75% , 14 January 2050	3,222,000	2,482,132	1.03%
Federative Republic Of Brazil , 6.00% , 20 October 2033	1,412,000	1,413,258	0.58%
Federative Republic Of Brazil , 6.25% , 18 March 2031	1,469,000	1,525,550	0.63%
Cayman Islands			
DP World Crescent Ltd , 5.50% , 13 September 2033	600,000	614,291	0.25%
Gaci First Investment Co , 4.75% , 14 February 2030	1,557,000	1,558,447	0.65%
Gaci First Investment Co , 4.88% , 14 February 2035	1,289,000	1,260,880	0.52%
Gaci First Investment Co , 5.13% , 14 February 2053	2,067,000	1,875,020	0.78%
Suci Second Investment Co , 6.00% , 25 October 2028	1,360,000	1,439,792	0.60%
Chile			
Corp Nacional Del Cobre De Chile , 5.95% , 8 January 2034	1,722,000	1,748,269	0.72%
Republic Of Chile , 4.95% ,5 January 2036	6,756,245	6,682,710	2.77%
China			
China Peoples Republic Of (Government) , 0.55% , 21 October 2025	1,771,000	1,652,961	0.68%
China Peoples Republic Of (Government) , 0.75% , 26 October 2024	487,000	471,452	0.20%
China Peoples Republic Of (Government) , 1.95% , 3 December 2024	3,277,000	3,196,740	1.32%

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Colombia			
Colombia Republic Of (Government) , 7.50% , 2 February 2034	633,000	668,800	0.28%
Colombia Republic Of (Government) , 8.00% , 20 April 2033	3,508,000	3,841,038	1.59%
Colombia Republic Of (Government) , 8.75% , 14 November 2053	2,293,000	2,643,671	1.09%
Costa Rica			
Costa Rica Republic Of (Government) , 6.55% , 3 April 2034	0	23,542	0.01%
Costa Rica Republic Of (Government) , 7.30% , 13 November 2054	3,040,000	3,308,380	1.37%
Cote D'Ivoire			
Cote Divoire Republic Of (Government) , 5.75% , 31 December 2032	731,359	693,083	0.29%
Dominican Republic			
Dominican Republic (Government) , 7.05% , 3 February 2031	5,943,000	6,257,802	2.59%
Ecuador			
Republic Of Ecuador , 3.50% , 31 July 2035	3,824,205	1,374,880	0.57%
Republic Of Ecuador , 6% , 31 July 2030	3,044,186	1,423,561	0.59%
Egypt			
Egypt Arab Republic Of (Government) , 7.30% , 30 September 2033	2,504,000	1,661,818	0.69%
Egypt Arab Republic Of (Government) , 7.63% , 29 May 2032	4,690,000	3,270,611	1.35%
El Salvador			
Republic Of El Salvador , 8.25% , 10 April 2032	779,000	661,047	0.27%
Republic Of El Salvador , 9.50% , 15 July 2052	1,082,000	904,838	0.37%
Ethiopia			
Ethiopia International Bond , 6.63% , 11 December 2024	453,000	308,014	0.13%
Gabon			
Gabon Government International Bond , 7.00% , 24 November 2031	910,000	760,615	0.31%
Ghana			
Ghana Government International Bond , 10.75% , 14 October 2030	400,000	253,690	0.11%
Ghana Government International Bond , 7.88% , 11 February 2035	2,200,000	968,015	0.40%
Ghana Government International Bond , 8.63% , 7 April 2034	2,013,000	883,546	0.37%
Guatemala			
Guatemala Government Bond, 6.60% , 13 June 2036	2,231,000	2,299,924	0.95%
Guatemala Government Bond , 7.05% , 4 October 2032	1,009,000	1,074,585	0.44%
Honduras			
Republic Of Honduras , 5.63% , 24 June 2030	545,000	487,753	0.20%

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Hungary			
Hungary , 3.13% , 21 September 2051	1,405,000	954,016	0.39%
Hungary , 6.13% , 22 May 2028	4,276,000	4,456,089	1.84%
Hungary , 6.25% , 22 September 2032	294,000	314,070	0.13%
Hungary , 6.75% , 25 September 2052	843,000	942,807	0.39%
India			
Export-Import Bank Of India , 2.25% , 13 January 2031	1,678,000	1,405,420	0.58%
Indonesia			
Republic Of Indonesia , 3.55% , 31 March 2032	2,366,000	2,194,076	0.91%
Republic Of Indonesia , 4.55% , 11 January 2028	3,004,000	3,005,257	1.24%
Republic Of Indonesia , 4.85% , 11 January 2033	2,015,000	2,063,318	0.85%
Republic Of Indonesia , 5.65% , 11 January 2053	3,748,000	4,117,404	1.70%
Israel			
State Of Israel , 4.50% , 3 April 2120	863,000	676,067	0.28%
State Of Israel , 6.25% , 21 November 2027	4,187,000	4,348,405	1.80%
Jordan			
Jordan Government International Bond , 7.38% , 10 October 2047	850,000	757,126	0.31%
Jordan Government International Bond , 7.50% , 13 January 2029	1,578,000	1,600,825	0.66%
Kazakhstan			
Kazakhstan Government International Bond , 4.88% , 14 October 2044	3,297,000	3,190,212	1.32%
Kenya			
Republic Of Kenya , 7.00% , 22 May 2027	1,710,000	1,609,777	0.67%
Lebanon			
Lebanon Republic Of (Government) , 0.00% , 20 March 2028	1,579,000	98,472	0.04%
Lebanon Republic Of (Government) , 0.00% , 4 October 2022	3,743,000	231,864	0.10%
Lebanese Republic , 6.65% , 3 November 2028	4,571,000	284,636	0.12%
Malaysia			
Khazanah Capital Ltd , 4.88% , 1 June 2033	4,045,000	4,067,249	1.68%
Khazanah Global Sukuk Bhd , 4.69% , 1 June 2028	2,083,000	2,093,976	0.87%
Mexico			
Petroleos Mexicanos , 10.00% , 7 February 2033	4,744,000	4,770,092	1.97%
Petroleos Mexicanos , 6.75% , 21 September 2047	5,927,000	3,882,185	1.61%
United Mexican States , 2.66% , 24 May 2031	2,195,000	1,858,682	0.77%
Mongolia			
Mongolia Government International Bond , 7.88% , 5 June 2029	1,005,000	1,034,409	0.43%

**AMUNDI ALTERNATIVE FUNDS II PLC**
**SCHEDULE OF INVESTMENTS (continued)**
**As at 31 December 2023**
**Amundi Marathon Emerging Markets Bond Fund (continued)**

	<b>No. of shares/ Nominal value/ No. of contracts</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Morocco			
Morocco Kingdom Of (Government) , 5.95% , 8 March 2028	1,984,000	2,038,810	0.84%
Mozambique			
Mozambique International Bond , 9.00% , 15 September 2031	400,000	341,189	0.14%
Nigeria			
Nigeria Federal Republic Of (Government) , 7.38% , 28 September 2033	3,950,000	3,377,750	1.40%
Nigeria Federal Republic Of (Government) , 8.38% , 24 March 2029	1,824,000	1,753,892	0.73%
Oman			
Sultanate Of Oman , 6.75% , 28 October 2027	6,335,000	6,699,122	2.77%
Sultanate Of Oman , 7.00% , 25 January 2051	767,000	828,982	0.34%
Pakistan			
Pakistan Islamic Republic Of (Government) , 7.38% , 8 April 2031	1,913,000	1,175,742	0.49%
Pakistan Islamic Republic Of (Government) , 8.25% , 30 September 2025	631,000	539,564	0.22%
Panama			
Panama Republic Of (Government) , 6.40% , 14 February 2035	6,960,000	6,803,145	2.82%
Panama Republic Of (Government) , 6.85% , 28 March 2054	1,018,000	954,755	0.40%
Paraguay			
Paraguay Republic Of (Government) , 5.85% , 21 August 2033	2,014,000	2,054,504	0.85%
Peru			
Petroleos Del Peru Sa , 5.63% , 19 June 2047	2,719,000	1,692,498	0.70%
Republic Of Peru , 2.78% , 23 January 2031	5,027,000	4,385,493	1.82%
Philippines			
Republic Of The Philippines , 1.95% , 6 January 2032	4,204,000	3,480,975	1.44%
Republic of the Philippines , 5.00% , 17 July 2033	3,857,000	3,974,500	1.65%
Republic Of The Philippines , 5.17% , 13 October 2027	215,000	219,714	0.09%
Poland			
Republic Of Poland , 4.88% , 4 October 2033	1,311,000	1,328,411	0.55%
Republic Of Poland , 5.50% , 4 April 2053	1,475,000	1,540,563	0.64%
Republic Of Poland , 5.50% , 16 November 2027	983,000	1,022,212	0.42%
Qatar			
State Of Qatar , 4.50% , 23 April 2028	4,758,000	4,822,463	2.00%
State Of Qatar , 4.82% , 14 March 2049	2,465,000	2,404,722	1.00%

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Romania			
Romania , 5.25% , 25 November 2027	1,100,000	1,095,772	0.45%
Romania , 7.13% , 17 January 2033	1,862,000	2,010,179	0.83%
Romania , 7.63% , 17 January 2053	1,534,000	1,720,567	0.71%
Rwanda			
Rwanda International Government Bond , 5.50% , 9 August 2031	200,000	160,619	0.07%
Saudi Arabia			
Kingdom Of Saudi Arabia , 4.38% , 16 April 2029	2,651,000	2,645,627	1.10%
Kingdom Of Saudi Arabia , 4.27% , 22 May 2029	2370000	2356713	0.98%
Senegal			
Senegal Government International Bond , 6.75% , 13 March 2048	792,000	625,042	0.26%
Serbia			
Serbia Republic Of (Government) , 6.25% , 26 May 2028	458,000	470,237	0.19%
Serbia Republic Of (Government) , 6.50% , 26 September 2033	516,000	530,383	0.22%
South Africa			
Republic Of South Africa , 5.75% , 30 September 2049	3,251,000	2,602,286	1.08%
Republic Of South Africa , 5.88% , 20 April 2032	2,307,000	2,189,942	0.91%
Transnet SOC Ltd , 8.25% , 6 February 2028	2,034,000	2,052,246	0.85%
Sri Lanka			
Sri Lanka Government International Bond , 6.75% , 18 April 2028	4,412,000	2,235,438	0.93%
Trinidad And Tobago			
Trinidad And Tobago Republic Of (Government) , 5.95% , 14 January 2031	1,182,000	1,225,007	0.51%
Tunisia			
Tunisian Republic , 5.75% , 30 January 2025	439,000	360,710	0.15%
Turkey			
Republic Of Turkey , 9.13% , 13 July 2030	4,223,000	4,666,182	1.93%
Turkey Republic Of (Government) , 8.51% , 14 January 2029	4,725,000	5,029,128	2.08%
Ukraine			
Npc Ukrenergo , 6.88% , 9 November 2028	414,000	112,579	0.05%
State Agency Of Roads Of Ukraine , 6.25% , 24 June 2030	690,000	177,708	0.07%
Ukraine (Government) , 6.88% , 21 May 2031	1,638,000	380,262	0.16%
Ukraine (Government) , 7.25% , 15 March 2035	321,000	76,091	0.03%
Ukraine (Government) , 7.38% , 25 September 2034	1,164,000	276,249	0.11%
Ukraine (Government) , 7.75% , 1 September 2022	455,000	140,036	0.06%
Ukraine (Government) , 7.75% , 1 September 2029	431,000	118,853	0.05%
Ukraine (Government) , 9.75% , 1 November 2030	3,700,000	1,070,263	0.44%

**AMUNDI ALTERNATIVE FUNDS II PLC**

**SCHEDULE OF INVESTMENTS (continued)**

**As at 31 December 2023**

**Amundi Marathon Emerging Markets Bond Fund (continued)**

	<b>No. of shares/ Nominal value/ No. of contracts</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
United Arab Emirates			
Emirate Of Abu Dhabi United Arab Emirates , 1.70% , 2 March 2031	1,942,000	1,647,616	0.68%
Emirate Of Abu Dhabi United Arab Emirates , 3.00% , 15 September 2051	265,000	190,080	0.08%
Emirate Of Abu Dhabi United Arab Emirates , 3.13% , 30 September 2049	1,821,000	1,341,711	0.56%
Finance Department Government Of Sharjah , 6.50% , 23 November 2032	678,000	712,601	0.29%
Mdgh Gmtn Rsc Ltd , 5.50% , 28 April 2033	1,341,000	1,421,260	0.59%
MDGH GMTN RSC Ltd , 5.88% , 1 May 2034	2,823,000	3,085,011	1.28%
Uruguay			
Uruguay Oriental Republic Of (Government) , 4.97% , 20 April 2055	1,340,913	1,309,741	0.54%
Uruguay Oriental Republic Of (Government) , 5.10% , 18 June 2050	704,658	708,343	0.29%
Uruguay Oriental Republic Of (Government) , 5.75% , 28 October 2034	3,230,635	3,506,474	1.45%
Uzbekistan			
Republic Of Uzbekistan International Bond , 7.85% , 12 October 2028	939,000	984,281	0.41%
Venezuela			
Petroleos De Venezuela SA , 6.00% , 15 November 2026	2,634,000	301,763	0.12%
Venezuela Bolivarian Republic Of (Government) , 7.65% , 21 April 2025	993,000	150,451	0.05%
Zambia			
Zambia Government International Bond , 5.38% , 20 September 2022	1,143,000	641,818	0.26%
<b>Total debt securities (31 December 2022: USD 217,241,524 - 95.57%)</b>		<b>227,648,115</b>	<b>94.22%</b>
<b>Total transferrable securities traded on a regulated market (31 December 2022: USD 217,241,524 - 95.57%)</b>		<b>227,648,115</b>	<b>94.22%</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Marathon Emerging Markets Bond Fund (continued)

##### Financial assets (continued)

##### Transferrable securities traded on a regulated market (continued)

##### Debt securities (continued)

Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets
CHF	10,009	USD	11,736	3 January 2024	156	0.00%
CHF	20,599,250	USD	23,670,402	12 January 2024	839,119	0.35%
EUR	33,347,335	USD	36,064,166	12 January 2024	764,118	0.32%
GBP	18,590,894	USD	23,423,125	12 January 2024	277,117	0.11%
USD	6,423	CHF	5,396	4 January 2024	8	0.00%
USD	4,676	EUR	4,229	12 January 2024	5	0.00%
USD	168,589	GBP	131,752	12 January 2024	622	0.00%
<b>Total foreign currency forwards (31 December 2022: USD 4,028,343- 1.77%)</b>					<b>1,881,145</b>	<b>0.78%</b>
<b>Total financial derivative instruments - Over-the-counter (OTC) (Assets) (31 December 2022: USD 4,028,343- 1.77%)</b>					<b>1,881,145</b>	<b>0.78%</b>
<b>Total financial derivative instruments (Assets) (31 December 2022: USD 4,028,343- 1.77%)</b>					<b>1,881,145</b>	<b>0.78%</b>
<b>Total financial Assets at Fair Value Through Profit or Loss (31 December 2022: USD 221,269,867- 97.34%)</b>					<b>229,529,260</b>	<b>95%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Marathon Emerging Markets Bond Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>							
<b>Financial derivative instruments (Liabilities)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date		Unrealised Loss	% of Net Assets
CHF	5,396	USD	6,429	12 January 2024		(8)	0.00%
EUR	4,229	USD	4,674	3 January 2024		(5)	0.00%
GBP	131,752	USD	168,580	2 January 2024		(628)	0.00%
GBP	3,812	USD	4,864	12 January 2024		(4)	0.00%
USD	552,825	CHF	479,277	12 January 2024		(17,434)	(0.01)%
USD	309,296	EUR	282,679	12 January 2024		(2,898)	0.00%
USD	490,537	GBP	388,890	12 January 2024		(5,234)	0.00%
<b>Total foreign currency forwards (31 December 2022: USD (41,739) – (0.02)%)</b>						<b>(26,211)</b>	<b>(0.01)%</b>
<b>Total financial derivative instruments - Over-the-counter (OTC) (Liabilities) (31 December 2022: USD (41,739) – (0.02)%)</b>						<b>(26,211)</b>	<b>(0.01)%</b>
<b>Total financial derivative instruments (Liabilities) (31 December 2022: USD (41,739) – (0.02)%)</b>						<b>(26,211)</b>	<b>(0.01)%</b>
<b>Total financial Liabilities at Fair Value Through Profit or Loss (31 December 2022: USD (41,739) – (0.02)%)</b>						<b>(26,211)</b>	<b>(0.01)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net (31 December 2022: USD 6,090,375- 2.68%)</b>						<b>12,106,103</b>	<b>5.01%</b>
<b>Net assets attributable to holders of redeemable participating shares (31 December 2022: USD 227,318,503– 100.00%)</b>						<b>241,609,152</b>	<b>100.00%</b>
						<b>Fair Value</b>	<b>% of</b>
<b>Analysis of Total Assets (unaudited)</b>						<b>USD</b>	<b>Total</b>
Transferrable securities traded on a regulated market						227,649,000	93.75%
Financial derivative instruments - Over-the-counter (OTC) (Assets)						1,881,146	0.77%
Cash and cash equivalents						9,458,214	3.89%
Other assets						3,842,513	1.58%
<b>Total Assets</b>						<b>242,830,873</b>	<b>100.00%</b>

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Sand Grove Event Driven Fund

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt securities</b>			
United States of America			
United States of America , 0.00% , 11 January 2024	1,500,000	1,498,030	3.07%
United States of America , 0.00% , 18 January 2024	2,400,000	2,394,380	4.91%
United States of America , 0.00% , 25 January 2024	508,900	507,185	1.04%
United States of America , 0.00% , 8 February 2024	2,509,900	2,496,319	5.12%
United States of America , 0.00% , 15 February 2024	3,000,000	2,980,797	6.12%
United States of America , 0.00% , 29 February 2024	2,500,000	2,478,799	5.09%
United States of America , 0.00% , 7 March 2024	2,400,000	2,377,547	4.88%
United States of America , 0.00% , 14 March 2024	2,500,000	2,474,099	5.08%
United States of America , 0.00% , 21 March 2024	2,900,000	2,867,007	5.88%
<b>Total debt securities</b>		<b>20,074,163</b>	<b>41.19%</b>
<b>Equity securities</b>			
Belgium			
Euronav Nv	64,080	1,127,167	2.31%
British Virgin Islands			
Capri Holdings Ltd	39,946	2,006,887	4.12%
Hollysys Automation Technologies Ltd	86,346	2,275,217	4.67%
Germany			
Vitesco Technologies Group Ag	7,917	821,370	1.69%
Luxembourg			
NeoGames Sa	68,998	1,975,413	4.05%
United Kingdom			
St Ives Plc	1,655,489	2,798,413	5.74%
Smart Metering Systems Plc	151,980	1,821,195	3.74%
United States of America			
Albertsons Cos Inc	103,089	2,371,047	4.87%
Amedisys Inc	7,901	751,069	1.54%
Mirati Therapeutics Inc	17,183	1,009,501	2.07%
Rover Group Inc	183,031	1,991,378	4.09%

## AMUNDI ALTERNATIVE FUNDS II PLC

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

#### Amundi Sand Grove Event Driven Fund

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Equity securities (continued)</b>			
United States of America (continued)			
Splunk Inc	15,243	2,322,271	4.77%
United States Steel Corp	21,192	1,030,991	2.12%
Westrock Co	4,186	173,803	0.36%
<b>Total equity securities</b>		<b>22,475,722</b>	<b>46.14%</b>
<b>Total Transferable securities traded on a regulated market (Assets)</b>		<b>42,549,885</b>	<b>87.33%</b>
<b>Financial derivative instruments - Dealt in on a regulated market (Assets)</b>			
<b>Listed Equity Options</b>			
Germany			
Stoxx Europe 600 Price Index Eur Put Option, Strike Price Eur 400.0000 , Expiry 21 June 2024	377	54,109	0.11%
Stoxx Europe 600 Price Index Eur Put Option, Strike Price Eur 455.0000 , Expiry 15 March 2024	158	29,655	0.06%
United States of America			
Kroger Co(NYS) Put Option, Strike Price USD 42.0000 , Expiry 19 January 2024	410	2,460	0.01%
<b>Total Listed Equity Options</b>		<b>86,224</b>	<b>0.18%</b>
<b>Total Financial derivative instruments - Dealt in on a regulated market (Assets)</b>		<b>86,224</b>	<b>0.18%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>			
<b>Equity Swaps</b>			
Australia	434,164	(8,449)	(0.02)%
Belgium	27,401	(1,705)	0.00%
Cayman Islands	5,236	(1,437)	0.00%
Finland	80,192	(5,818)	(0.01)%
Germany	11,096	(1,949)	0.00%
Ireland	(4,186)	20	0.00%
Israel	164,793	0	0.00%
Japan	434,164	(8,449)	(0.02)%

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Sand Grove Event Driven Fund(continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets) (continued)</b>			
<b>Equity Swaps (continued)</b>			
Norway	204,047	(6,316)	(0.01)%
Spain	388,659	(14,350)	(0.03)%
Sweden	195,522	0	0.00%
United Kingdom	536,621	(32,920)	(0.08)%
United States of America	(70,405)	8,647	0.02%
<b>Total Equity Swaps</b>		<b>(64,505)</b>	<b>(0.13)%</b>

Foreign currency forwards

Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets	
CHF	20,292	USD	23,333	12 January 2024	810	0.00%	
EUR	29,035,161	USD	31,413,974	12 January 2024	652,039	1.34%	
GBP	3,610,000	USD	4,600,635	4 January 2024	1,415	0.00%	
GBP	20,475	USD	25,777	12 January 2024	327	0.00%	
JPY	2,999,895	USD	20,483	12 January 2024	812	0.00%	
SGD	15,323	USD	11,445	12 January 2024	171	0.00%	
USD	820,673	EUR	740,000	5 February 2024	2,606	0.01%	
USD	307	GBP	240	2 February 2024	0	0.00%	
<b>Total foreign currency forwards</b>					<b>658,180</b>	<b>1.35%</b>	
<b>Total financial derivative instruments - Over-the-counter (OTC) (Assets)</b>						<b>679,899</b>	<b>1.40%</b>
<b>Total financial derivative instruments (Assets)</b>						<b>679,899</b>	<b>1.40%</b>
<b>Total financial assets at fair value through profit or loss</b>						<b>43,229,784</b>	<b>88.73%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Sand Grove Event Driven Fund(continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>							
<b>Financial derivative instruments (Liabilities)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>							
<b>Listed Equity Options</b>							
United States of America							
	Albertsons Cos Inc - Class A Call Option, Strike Price USD 23.0000 , Expiry 19 January 2024				(34)	(1,700)	(0.01)%
	Kroger Co(NYS) Put Option, Strike Price USD 39.0000 , Expiry 19 January 2024				(410)	(4,510)	(0.01)%
<b>Total Listed Equity Options</b>						<b>(6,210)</b>	<b>(0.02)%</b>
<b>Total Financial derivative instruments - Dealt in on a regulated market (Liabilities)</b>						<b>(6,210)</b>	<b>(0.02)%</b>
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date		Unrealised Loss	% of Net Assets
AUD	14,179	USD	9,697	2 January 2024		(37)	0.00%
EUR	20,182	USD	22,427	2 January 2024		(149)	0.00%
EUR	740,000	USD	819,663	4 January 2024		(2,632)	(0.01)%
GBP	1,862	USD	2,377	2 January 2024		(3)	0.00%
ILS	64,633	USD	17,888	2 January 2024		(36)	(0.01)%
JPY	816,120	USD	5,790	4 January 2024		(9)	0.00%
NOK	40,809	USD	4,028	2 January 2024		(13)	0.00%
SEK	19,552	USD	1,970	2 January 2024		(31)	0.00%
USD	809,855	EUR	740,000	4 January 2024		(7,167)	(0.01)%
USD	1,586,320	EUR	1,458,094	12 January 2024		(23,996)	(0.05)%
USD	4,547,737	GBP	3,610,000	4 January 2024		(54,267)	(0.10)%
USD	4,601,249	GBP	3,610,000	5 February 2024		(1,593)	0.00%
<b>Total foreign currency forwards</b>						<b>(89,933)</b>	<b>(0.18)%</b>
<b>Total financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>						<b>(96,143)</b>	<b>(0.20)%</b>
<b>Total financial derivative instruments (Liabilities)</b>						<b>(96,143)</b>	<b>(0.20)%</b>

AMUNDI ALTERNATIVE FUNDS II PLC

SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2023

Amundi Sand Grove Event Driven Fund(continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>			
<b>Financial derivative instruments (Liabilities)</b>			
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>			
<b>Foreign currency forwards</b>			
<b>Total financial Liabilities at Fair Value Through Profit or Loss</b>		<b>(96,143)</b>	<b>(0.20)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net</b>		<b>5,589,114</b>	<b>11.47%</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>48,722,755</b>	<b>100.00%</b>
<b>Analysis of Total Assets (unaudited)</b>			
		<b>Fair Value USD</b>	<b>% of Total Assets</b>
Transferrable securities traded on a regulated market		42,549,885	84.76%
Financial derivative instruments - Over-the-counter (OTC) (Assets)		679,899	1.35%
Cash and cash equivalents		6,517,471	12.98%
Other assets		452,697	0.91%
<b>Total Assets</b>		<b>50,199,952</b>	<b>100.00%</b>

**AMUNDI ALTERNATIVE FUNDS II PLC**

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
United States Treasury Bill-B 0% 01 Aug 2023	49,209,890
United States Treasury Bill-B 0% 24 Aug 2023	48,763,285
Ishares Euro Corp 1-5Yr	45,166,042
United States Treasury Bill-B 0% 01 Feb 2024	38,934,289
Vw 3.875% Perp .	25,883,295
Cabksm 5.25% Perp	24,615,178
Dan 8.5% 15 Jul 2031 Regs	23,370,568
Mrwln 5.5% 04 Nov 2027 Regs	20,877,248
Purgym 10.0% 11 Oct 2028 Regs	17,023,541
Erstbk 5.125% Perp Emtn	16,540,961
Ispim 3.75% Perp	15,958,702
Britel 8.375% 20 Dec 2083 Emtn	15,031,929
Teva 7.375% 15 Sep 2029	14,526,902
Kbcbb 4.25% Perp	14,120,281
Intdgp 10.0% 15 Nov 2028 Regs	14,098,967
Alpha 6.875% 27 Jun 2029 Emtn	13,570,649
Ucgim 2.0% 23 Sep 2029 Emtn	13,204,615
Loarre 6.5% 15 May 2029 Regs	11,871,863
Ubs 3.875% Perp Regs	11,626,200
Bpcegp 4.5% 13 Jan 2033 Emtn	11,573,687

**AMUNDI ALTERNATIVE FUNDS II PLC**

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2023**

**Amundi Chenavari Credit Fund (continued)**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
United States Treasury Bill-B 0% 22 Jun 2023	(58,847,145)
United States Treasury Bill-B 0% 01 Aug 2023	(49,491,221)
United States Treasury Bill-B 0% 13 Apr 2023	(49,448,684)
United States Treasury Bill-B 0% 24 Aug 2023	(49,321,826)
Ishares Euro Corp 1-5Yr	(43,531,409)
United States Treasury Bill-B 0% 01 Feb 2024	(39,178,507)
Cabksm 5.25% Perp	(24,017,413)
Loarre 6.5% 15 May 2029 Regs	(21,918,253)
Db 4.0% 24 Jun 2032 Emtn	(21,756,249)
Erstbk 5.125% Perp Emtn	(16,761,740)
Dan 8.5% 15 Jul 2031 Regs	(15,969,579)
Iagln 3.75% 25 Mar 2029	(15,348,885)
Bpcegp 1.5% 13 Jan 2042 Nc5.	(15,216,129)
Alpha 6.875% 27 Jun 2029 Emtn	(13,605,881)
Adrbid 5.25% 01 Feb 2030 Regs	(13,116,573)
Ildfp 5.125% 15 Oct 2026 Regs	(12,673,050)
Bpcegp 4.5% 13 Jan 2033 Emtn	(12,012,101)
Abesm 2.625% Perp	(11,932,002)
Wntrde 3.0% Perp Nc8	(11,715,928)
Advzcn 6.25% 01 Apr 2028 Regs	(11,576,906)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)  
For the year ended 31 December 2023

Lyxor/Allspring Financial Credit Fund

MAJOR PURCHASES	PURCHASE VALUE USD
United States Treasury Bill-B 0% 29 Jun 2023	842,707
United States Treasury Bill-B 0% 03 Aug 2023	838,437
United States Treasury Bill-B 0% 08 Jun 2023	795,334
United States Treasury Bill-B 0% 18 May 2023	698,044
United States Treasury Bill-B 0% 25 May 2023	697,470
United States Treasury Bill-B 0% 15 Jun 2023	695,049
United States Treasury Bill-B 0% 22 Jun 2023	694,364
United States Treasury Bill-B 0% 06 Jul 2023	692,844
United States Treasury Bill-B 0% 13 Jul 2023	692,140
United States Treasury Bill-B 0% 20 Jul 2023	691,285
Bacr 8.407% 14 Nov 2032 Emtn	631,474
Bpcegp 2.125% 13 Oct 2046 Nc10	483,256
Rabkas 7.125% 19 Jan 2026 Emtn	437,703
Cazar 9.125% Perp	431,660
Cabksm 8.25% Perp	426,620
Monte 6.75% 02 Mar 2026 Emtn	424,060
Hsbc 8.0% Perp	400,000
Lloyds 8.0% Perp	400,000
Ndafh 6.625% Perp Regs	392,500
Eurob 7.0% 26 Jan 2029 Emtn	323,798
Bnp 4.25% 13 Apr 2031 Emtn	217,747
Bktsm 7.375% Perp	214,600
Ry Frn 29 Jul 2024	197,000

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)  
For the year ended 31 December 2023

Lyxor/Allspring Financial Credit Fund (continued)

MAJOR SALES	SALE VALUE USD
Rabobk 4.625% Perp	(1,183,257)
Pbbgr Frn Perp 3529	(1,149,930)
Kbcbb 4.25% Perp	(1,111,195)
Bgav 5.0% Perp	(1,072,395)
Lpty 7.375% Perp	(1,045,553)
Socgen 9.375% Perp Regs	(970,500)
Cmzb 6.125% Perp	(944,845)
Bnp 7.375% Perp Regs	(944,700)
Abnanv 4.75% Perp	(895,217)
Cajama 5.25% 27 Nov 2031 Emtn	(872,550)
Bfcm 0.75% 15 Jun 2023 Emtn	(862,618)
Bac Frn 24 Aug 2025 Emtn	(860,488)
United States Treasury Bill-B 0% 29 Jun 2023	(844,512)
Shbass 4.375% Perp	(842,000)
United States Treasury Bill-B 0% 03 Aug 2023	(840,142)
Ms Frn 17 Apr 2025	(802,084)
Cm Frn 07 Apr 2025	(800,000)
United States Treasury Bill-B 0% 08 Jun 2023	(797,127)
Sumibk 3.936% 16 Oct 2023	(793,032)
Acafp 7.5% Perp Regs	(779,499)
Nykre 4.125% Perp	(775,733)
Ubs 6.875% Perp	(716,500)
United States Treasury Bill-B 0% 18 May 2023	(699,163)
Nwide 5.875% Perp	(697,514)
United States Treasury Bill-B 0% 15 Jun 2023	(696,975)
United States Treasury Bill-B 0% 22 Jun 2023	(696,238)
United States Treasury Bill-B 0% 06 Jul 2023	(695,059)
United States Treasury Bill-B 0% 13 Jul 2023	(694,302)
United States Treasury Bill-B 0% 20 Jul 2023	(693,572)
Nwg 5.125% Perp	(684,139)
Bacr 8.407% 14 Nov 2032 Emtn	(640,826)
Jpm Frn 23 Jul 2024	(601,270)
United States Treasury Bill-B 0% 25 May 2023	(548,869)
Ry Frn 29 Jul 2024	(495,977)

**AMUNDI ALTERNATIVE FUNDS II PLC****APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2023****Lyxor/Allspring Financial Credit Fund (continued)**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
Bkir 6.0% Perp	(493,752)
Sabsm 5.0% Perp	(477,471)
Bpcegp 2.125% 13 Oct 2046 Nc10	(466,284)
Rabkas 7.125% 19 Jan 2026 Emtn	(435,138)
Monte 6.75% 02 Mar 2026 Emtn	(425,175)
Cazar 9.125% Perp	(407,399)
Cabksm 8.25% Perp	(403,900)
Aib 6.25% Perp	(396,718)
Hsbc 8.0% Perp	(392,350)
Lloyds 8.0% Perp	(371,540)
Ndafh 6.625% Perp Regs	(371,430)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)  
For the year ended 31 December 2023

Amundi Marathon Emerging Markets Bond Fund

MAJOR PURCHASES	PURCHASE VALUE USD
Pemex 10.0% 07 Feb 2033 Regs	11,832,285
Brazil 6.0% 20 Oct 2033	8,662,794
Chile 4.95% 05 Jan 2036	8,225,235
Turkey 9.125% 13 Jul 2030	6,826,689
Ksa 4.274% 22 May 2029 Regs	6,602,325
Domrep 7.05% 03 Feb 2031 Regs	6,524,457
Panama 6.4% 14 Feb 2035	6,477,245
Rephun 6.125% 22 May 2028 Regs	6,449,648
Pemex 10.0% 07 Feb 2033	6,182,914
Brazil 6.25% 18 Mar 2031	6,092,572
Turksk 8.5091% 14 Jan 2029 Regs	5,320,390
Pifksa 6.0% 25 Oct 2028	4,918,404
Qatar 4.5% 23 Apr 2028 Regs	4,876,929
Panama 6.853% 28 Mar 2054_Old	4,756,393
Knbzmk 4.876% 01 Jun 2033 Emtn	4,713,135
Panama 6.853% 28 Mar 2054	4,690,331
Costar 6.55% 03 Apr 2034_Old Regs	4,425,453
Guatem 6.6% 13 Jun 2036 Regs	4,370,000
Guatem 6.6% 13 Jun 2036_Old Regs	4,370,000
Ksa 4.375% 16 Apr 2029 Regs	4,298,311
Indon 5.65% 11 Jan 2053	4,236,247
Israel 6.25% 21 Nov 2027 Emtn	4,165,144
Philip 5.0% 17 Jul 2033	4,094,191
Indon 4.55% 11 Jan 2028	4,066,056
Knbzmk 4.687% 01 Jun 2028 Emtn	3,905,000
Colom 8.0% 20 Apr 2033	3,892,377
Brazil 4.75% 14 Jan 2050	3,885,214
Colom 8.75% 14 Nov 2053	3,789,876

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)  
For the year ended 31 December 2023

Amundi Marathon Emerging Markets Bond Fund (continued)

MAJOR SALES	SALE VALUE USD
Pemex 10.0% 07 Feb 2033 Regs	(11,509,886)
Chile 2.55% 27 Jul 2033	(9,465,288)
Brazil 6.0% 20 Oct 2033	(7,227,236)
Brazil 2.875% 06 Jun 2025	(6,037,697)
Pemex 6.7% 16 Feb 2032	(5,883,537)
Philip 1.95% 06 Jan 2032	(4,984,741)
Ksa 4.375% 16 Apr 2029 Regs	(4,935,735)
Brazil 6.25% 18 Mar 2031	(4,693,470)
Panama 6.853% 28 Mar 2054_Old	(4,679,960)
Colom 8.0% 20 Apr 2033	(4,643,822)
Indon 3.55% 31 Mar 2032	(4,375,143)
Guatem 6.6% 13 Jun 2036_Old Regs	(4,370,000)
Qpetro 2.25% 12 Jul 2031 Regs	(4,232,094)
Mex 2.659% 24 May 2031	(4,160,725)
Ksa 4.274% 22 May 2029 Regs	(4,093,263)
Costar 6.55% 03 Apr 2034 Regs	(3,864,861)
Bhrain 5.45% 16 Sep 2032 Regs	(3,766,197)
Domrep 6.0% 22 Feb 2033 Regs	(3,756,704)
Pifksa 6.0% 25 Oct 2028	(3,595,944)
Ecopet 8.875% 13 Jan 2033	(3,326,286)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed

## AMUNDI ALTERNATIVE FUNDS II PLC

### APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued) For the year ended 31 December 2023

#### Amundi Sand Grove Event Driven Fund

MAJOR PURCHASES	PURCHASES VALUE USD
United States Treasury Bill-B 0% 07 Sep 2023	4,578,187
United States Treasury Bill-B 0% 12 Oct 2023	4,452,693
United States Treasury Bill-B 0% 19 Oct 2023	4,448,117
Activision Blizzard Inc(Nsm)	4,321,965
Seagen Inc (Acq)	4,318,764
United States Treasury Bill-B 0% 14 Sep 2023	4,174,329
United States Treasury Bill-B 0% 21 Sep 2023	3,970,179
United States Treasury Bill-B 0% 05 Oct 2023	3,961,509
United States Treasury Bill-B 0% 26 Oct 2023	3,949,686
Kin And Carta Plc	3,754,593
United States Treasury Bill-B 0% 15 Feb 2024	3,436,042
Albertsons Cos Inc - Class A	3,349,569
United States Treasury Bill-B 0% 18 Jan 2024	3,158,372
United States Treasury Bill-B 0% 29 Feb 2024	2,950,313
United States Treasury Bill-B 0% 14 Mar 2024	2,948,945
United States Treasury Bill-B 0% 07 Dec 2023	2,874,712
United States Treasury Bill-B 0% 21 Mar 2024	2,855,925
United States Treasury Bill-B 0% 07 Mar 2024	2,841,126
Capri Holdings Ltd	2,741,998
United States Treasury Bill-B 0% 11 Jan 2024	2,469,445
United States Treasury Bill-B 0% 08 Feb 2024	2,466,390
Abcam Plc-Spon ADR	2,435,325
Splunk Inc (Nsm)	2,213,995
Hollysys Automation Technolo	2,212,317
Horizon Therapeutics Plc	2,186,663
Rover Group Inc	1,995,966
Neogames Sa	1,866,852
Smart Metering Systems Plc(Lse)	1,838,898
Heritage-Crystal Clean Inc	1,791,231
Reata Pharmaceuticals Inc-A	1,540,378
United States Steel Corp(Nys)	1,469,178
Syneos Health Inc	1,463,760
Amedisys Inc(Nsm)	1,461,495
Sculptor Capital Management	1,439,698
Dice Therapeutics Inc	1,359,274
New Relic Inc	1,222,123
Euronav Nv	1,109,503

## AMUNDI ALTERNATIVE FUNDS II PLC

### APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued) For the year ended 31 December 2023

#### Amundi Sand Grove Event Driven Fund (continued)

MAJOR SALES	SALE VALUE USD
United States Treasury Bill-B 0% 26 Oct 2023	(3,989,969)
United States Treasury Bill-B 0% 14 Sep 2023	(3,589,686)
United States Treasury Bill-B 0% 07 Sep 2023	(3,088,719)
Horizon Therapeutics Plc	(2,489,659)
Eqswap Ergomed Plc 20230904-20991231 - Moslln	(2,289,988)
Eqswap Simcorp A/S 20230711-20991231 - Goldln	(2,194,765)
Heritage-Crystal Clean Inc	(1,772,977)
Eqswap Denbury Inc 20230718-20991231 - Moslln	(1,618,798)
Sculptor Capital Management	(1,543,892)
Eqswap Gresham House Plc (Lse) 20230717-20991231 - Goldln	(1,512,240)
United States Treasury Bill-B 0% 05 Oct 2023	(1,499,439)
Eqswap Nws Holdings Ltd 20230712-20991231 - Moslln	(1,493,598)
Syneos Health Inc	(1,477,358)
Eqswap Majorel Group Luxembourg Sa 20230711-20991231 - Moslln	(1,457,089)
Eqswap Ordina Nv(Eoe) 20230711-20991231 - Moslln	(1,409,271)
Eqswap Numis Corporation Plc 20230711-20991231 - Goldln	(1,408,473)
United States Treasury Bill-B 0% 21 Sep 2023	(1,398,575)
Dice Therapeutics Inc	(1,392,768)
Kin And Carta Plc	(1,381,984)
Eqswap Lookers Plc 20230711-20991231 - Goldln	(1,376,218)
Eqswap Rovio Entertainment Oyj 20230711-20991231 - Goldln	(1,362,064)
Seagen Inc (Acq)	(1,350,099)
United States Treasury Bill-B 0% 12 Oct 2023	(1,198,130)
Abcam Plc-Spon Adr	(1,150,065)
United States Treasury Bill-B 0% 11 Jan 2024	(997,816)
Eqswap Round Hill Music Royalty Fun 20230912-20991231 - Moslln	(995,385)
Sciplay Corp-Class A	(984,555)
Greenhill & Co Inc(Nys)	(975,682)
Circor International Inc(Nys)	(969,445)
Albertsons Cos Inc - Class A	(965,331)
Eqswap Dwf Group Plc 20230728-20991231 - Goldln	(911,592)
Univar Solutions Inc	(866,914)
Reata Pharmaceuticals Inc-A	(814,862)
United States Treasury Bill-B 0% 18 Jan 2024	(795,664)
Amedisys Inc(Nsm)	(721,309)
Eqswap Pendragon Plc 20230929-20991231 - Moslln	(648,234)
Capri Holdings Ltd	(633,722)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed

## AMUNDI ALTERNATIVE FUNDS II PLC

### APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised)

For the year ended 31 December 2023

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Amundi Chenavari Credit Fund</b>					
Class I (USD)	3.64%	1.41%	0.03%	1.97%	0.23%
Hedged Class I (EUR)	2.43%	1.40%	0.02%	0.79%	0.22%
Hedged Class A (EUR)	2.87%	2.15%	0.02%	0.48%	0.22%
Class SI (USD)	2.57%	1.20%	0.02%	1.13%	0.22%
Class A (USD)	3.32%	2.16%	0.02%	0.92%	0.22%
Hedged Class SIP (EUR)	2.39%	1.20%	0.03%	0.94%	0.22%
Hedged Class SI (EUR)	3.49%	1.20%	0.03%	1.06%	1.20%
Hedged Class SI (GBP)	2.75%	1.20%	0.03%	1.30%	0.22%
Class O (USD)	0.54%	0.30%	0.02%	0.00%	0.22%
Hedged Class O (EUR)	0.56%	0.30%	0.03%	0.00%	0.23%
Class AA (USD)	3.95%	2.30%	0.03%	1.40%	0.22%
Class IA (USD)	3.57%	1.70%	0.03%	1.61%	0.23%
Hedged Class SSI (EUR)	2.38%	1.00%	0.03%	1.13%	0.22%
Class I (NOK)	1.63%	1.39%	0.02%	0.00%	0.22%
Class P (EUR)	2.12%	0.90%	0.03%	0.97%	0.22%
Class C (EUR)	3.34%	1.60%	0.03%	1.48%	0.23%
Class C (USD)	3.81%	1.60%	0.03%	1.95%	0.23%
<b>Lyxor/Allspring Financial Credit Fund</b>					
Class A (USD)	0.69%	0.59%	0.00%	0.00%	0.10%
Class I (USD)	0.40%	0.30%	0.00%	0.00%	0.10%
Hedged Class I (EUR)	0.39%	0.29%	0.00%	0.00%	0.10%
Hedged Class A (EUR)	0.69%	0.59%	0.00%	0.00%	0.10%
Class SI (USD)	0.35%	0.25%	0.00%	0.00%	0.10%

Lyxor/Allspring Financial Credit Fund terminated on 22 May 2023.

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised) (continued)

For the year ended 31 December 2023

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Amundi Marathon Emerging Markets Bond Fund</b>					
Class F (USD)	0.63%	0.40%	-	0.00%	0.23%
Hedged Class A (EUR)	1.63%	1.40%	-	0.00%	0.23%
Class I (USD)	0.94%	0.70%	-	0.00%	0.24%
Hedged Class I (EUR)	0.93%	0.70%	-	0.00%	0.23%
Class A (USD)	1.63%	1.40%	-	0.00%	0.23%
Class SI (USD)	0.82%	0.61%	-	0.00%	0.21%
Class SID (USD)	0.83%	0.60%	-	0.00%	0.23%
Class SID (CHF)	0.83%	0.60%	-	0.00%	0.23%
Class SID (EUR)	0.83%	0.60%	-	0.00%	0.23%
Class SID (GBP)	0.83%	0.60%	-	0.00%	0.23%
Class A1 (EUR)	1.42%	1.20%	-	0.00%	0.22%
Class A1 (USD)	1.43%	1.20%	-	0.00%	0.23%
Class SSI (EUR)	0.84%	0.60%	-	0.00%	0.24%
Class SSI (USD)	0.82%	0.60%	-	0.00%	0.22%
Class SSID (USD)	0.83%	0.60%	-	0.00%	0.23%
Class SSID (GBP)	0.83%	0.60%	-	0.00%	0.23%
Class F (USD)	0.63%	0.40%	-	0.00%	0.23%
<b>Amundi Sand Grove Event Driven Fund*</b>					
Hedged Class EB (CHF)	1.86%	1.00%	0.100%	0.41%	0.35%
Hedged Class EB (EUR)	2.07%	1.00%	0.100%	0.62%	0.35%
Hedged Class EB (GBP)	2.14%	1.00%	0.099%	0.69%	0.35%
Hedged Class EB (JPY)	1.72%	1.00%	0.100%	0.27%	0.35%
Class EB (USD)	2.15%	1.00%	0.100%	0.70%	0.35%
Hedged Class I (CHF)	2.44%	1.50%	0.100%	0.49%	0.35%
Hedged Class I (EUR)	2.68%	1.50%	0.100%	0.73%	0.35%
Hedged Class SI2 (GBP)	2.72%	1.38%	0.099%	0.89%	0.35%
Hedged Class I (JPY)	2.26%	1.50%	0.100%	0.31%	0.35%
Hedged Class I (SGD)	2.69%	1.50%	0.100%	0.74%	0.35%
Class I (USD)	2.85%	1.51%	0.099%	0.89%	0.35%

\*Amundi Sand Grove Event Driven Fund: Launched on 11 July 2023.

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised) (continued)

For the year ended 31 December 2022

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Amundi Chenavari Credit Fund</b>					
Class I (USD)	1.69%	1.40%	0.02%	0.06%	0.21%
Hedged Class I (EUR)	1.63%	1.40%	0.02%	0.00%	0.21%
Hedged Class A (EUR)	2.38%	2.15%	0.02%	0.00%	0.21%
Class SI (USD)	1.43%	1.20%	0.02%	0.00%	0.21%
Class A (USD)	2.38%	2.15%	0.02%	0.00%	0.21%
Hedged Class SIP (EUR)	1.43%	1.20%	0.02%	0.00%	0.21%
Hedged Class SI (EUR)	1.43%	1.20%	0.02%	0.00%	0.21%
Hedged Class SI (GBP)	1.43%	1.20%	0.02%	0.00%	0.21%
Class O (USD)	0.53%	0.30%	0.02%	0.00%	0.21%
Hedged Class O (EUR)	0.53%	0.30%	0.02%	0.00%	0.21%
Class AA (USD)	2.57%	2.30%	0.02%	0.04%	0.21%
Class IA (USD)	1.97%	1.70%	0.02%	0.04%	0.21%
Hedged Class SSI (EUR)	1.23%	1.00%	0.02%	0.00%	0.21%
Class I (NOK)	1.63%	1.40%	0.02%	0.00%	0.21%
Class P (EUR)	1.13%	0.90%	0.02%	0.00%	0.21%
Class C (EUR)	1.85%	1.60%	0.04%	0.00%	0.21%
Class C (USD)	1.85%	1.60%	0.04%	0.00%	0.21%
<b>Lyxor/Allspring Financial Credit Fund</b>					
Class A (USD)	1.75%	1.50%	0.00%	0.00%	0.25%
Class I (USD)	1.00%	0.75%	0.00%	0.00%	0.25%
Hedged Class I (EUR)	1.00%	0.75%	0.00%	0.00%	0.25%
Hedged Class A (EUR)	1.75%	1.50%	0.00%	0.00%	0.25%
Class SI (USD)	0.90%	0.65%	0.00%	0.00%	0.25%

Lutetia Merger Arbitrage Fund: Terminated on 28 January 2022.

AMUNDI ALTERNATIVE FUNDS II PLC

APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised) (continued)

For the year ended 31 December 2022

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Amundi Marathon Emerging Markets Bond Fund</b>					
Class F (USD)	0.61%	0.40%	-	0.00%	0.21%
Hedged Class A (EUR)	1.61%	1.40%	-	0.00%	0.21%
Class I (USD)	0.91%	0.70%	-	0.00%	0.21%
Hedged Class I (EUR)	0.91%	0.70%	-	0.00%	0.21%
Hedged Class I (GBP)	0.90%	0.70%	-	0.00%	0.20%
Class A (USD)	1.61%	1.40%	-	0.00%	0.21%
Class SI (USD)	0.81%	0.60%	-	0.00%	0.21%
Class SID (USD)	0.81%	0.60%	-	0.00%	0.21%
Class SID (CHF)	0.81%	0.60%	-	0.00%	0.21%
Class SID (EUR)	0.81%	0.60%	-	0.00%	0.21%
Class SID (GBP)	0.81%	0.60%	-	0.00%	0.21%
Class A1 (EUR)	1.41%	1.20%	-	0.00%	0.21%
Class A1 (USD)	1.41%	1.20%	-	0.00%	0.21%
Class SSI (EUR)	0.81%	0.60%	-	0.00%	0.21%
Class SSI (USD)	0.81%	0.60%	-	0.00%	0.21%
Class SSID (USD)	0.81%	0.60%	-	0.00%	0.21%
Class SSID (GBP)	0.81%	0.60%	-	0.00%	0.21%
Class F (USD)	0.61%	0.40%	-	0.00%	0.21%
<b>Lyxor/Bluescale Global Equity Alpha Fund*</b>					
Class I (USD)	1.33%	1.00%	-	0.00%	0.33%
Class F (USD)	0.58%	0.25%	-	0.00%	0.33%
Class EB (USD)	0.93%	0.60%	-	0.00%	0.33%
Class A (USD)	2.08%	1.75%	-	0.00%	0.33%
Hedged Class A (EUR)	2.08%	1.75%	-	0.00%	0.33%

\*Lyxor/Bluescale Global Equity Alpha Fund: Terminated on 21 October 2022.