

AMUNDI ETF LEVERAGED MSCI USA DAILY UCITS ETF

Prospectus and Regulations

PROSPECTUS

UCITS compliant with European standards

I. GENERAL FEATURES

- **Name:** **AMUNDI ETF LEVERAGED MSCI USA DAILY UCITS**
ETF (the "Fund")
- **Legal form and Member State in which the French Mutual Fund (FCP) UCITS has been set up:**
- **Launch date and scheduled duration:** The Fund was approved by the French Market Regulator (AMF) on 12.05.2009 and launched on 16.06.2009 for an anticipated duration of 99 years.
- **Summary of the management offer:**

Units	ISIN code	Allocation of profits	Accounting currency	Frequency of NAV calculation	Initial NAV	Minimum initial subscription	Minimum subsequent subscription	Eligible subscribers
EUR units	FR0010755611	Allocation of net profit: Accumulation and/or distribution at the discretion of the Management Company Allocation of net capital gains realised: Accumulation and/or distribution at the discretion of the Management Company	euro	Daily	124.60 euros	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	All subscribers
USD unit	FR0010871095	Allocation of net profit: Accumulation and/or distribution at the discretion of the Management Company Allocation of net capital gains realised: Accumulation and/or distribution at the discretion of the Management Company	US dollar	Daily	287.98 US dollars	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	All subscribers

► **Address from which the latest annual or periodic report and financial statements may be obtained:**

The latest annual or periodic report and financial statements will be sent to investors within one week upon written request from the holder to:

Amundi

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

Further details are available from Amundi and on its website amundiETF.com.

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

II. SERVICE PROVIDERS

► **Management Company:**

Amundi (the "Management Company")
Public company (Société Anonyme),
Portfolio Management Company operating under AMF approval no. GP 04000036
Registered office: 90, Boulevard Pasteur -75015 Paris

► **Custodian and Registrar:**

CACEIS BANK (the "Depository"),
Public company (Société Anonyme),
Main business: Banking institution, investment services provider, licensed by the French banking and investment companies committee (Comité des Etablissements de Crédits et des Entreprises d'Investissement - CECEI) on 1 April 2005,
Registered office: 1-3 place Valhubert, 75013 Paris

► **Institution responsible for clearing subscription and redemption orders by delegation of the Management Company:**

CACEIS Bank France,
Public company (Société Anonyme),
Bank and investment services provider approved by the CECEI on 1 April 2005,
Registered office: 1-3 place Valhubert, 75013 Paris

► **Independent Auditor:**

PwC Sellam, represented by Mr Patrick Sellam,
Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine

► **Delegated Accounting Manager:**

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

CACEIS Fund Administration is a company of the CRÉDIT AGRICOLE group specialising in the administrative and accounting management of UCITS on behalf of clients inside and outside the Group.
CACEIS Fund Administration has accordingly been appointed by the Management Company as Delegated

Fund Accountant for the valuation and accounting for the Fund. CACEIS Fund Administration is responsible for valuing the assets, establishing the Fund's NAV and establishing its regular financial statements.

► **Market-makers:**

On 29 November 2012, the financial institution acting as market-maker was as follows:

BNP Paribas Arbitrage

General Partnership (Société en nom collectif)

Registered office: 160-162 boulevard Mac Donald – 75019 Paris

III. OPERATING AND MANAGEMENT ARRANGEMENTS

III.1 General features

► **Features of the units:**

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

► **EUR units - Admission of the units to the Euronext NextTrack market:**

Under Article D.214-22-1 of the French Monetary and Financial Code (the "CMF"), shares or units of collective investment organisations may be listed for trading, provided that these organisations have set up arrangements ensuring the listed market price of the shares or units does not diverge significantly from their net asset value. The following operating rules developed by Euronext apply accordingly to the listing of the Fund's EUR units:

- reservation thresholds are set by applying a 3.0% variation on of the Fund's Indicative Net Asset Value or "iNAV" (see "Indicative Net Asset Value" section), published by NYSE Euronext Paris SA and provisionally updated during the session based on the change in the MSCI USA Leveraged 2x Daily Strategy Index;
- trading of the Fund's units on the NYSE Euronext NextTrack market will be suspended in the following cases:
 - suspension or halt of the listing or calculation of the MSCI USA Leveraged 2x Daily Strategy Index by the index provider;
 - suspension of the market(s) on which the securities composing the MSCI USA Leveraged 2x Daily Strategy Index are listed;
 - if the listed price of the MSCI USA Leveraged 2x Daily Strategy Index is unavailable to NYSE Euronext;
 - if NYSE Euronext cannot obtain the Fund's NAV for the day and/or publish the "iNAV";
 - violation of applicable NYSE Euronext rules by a market-maker;
 - failure of NYSE Euronext's IT or electronic systems in particular;
 - if stock market disturbances or difficulties render normal market-making impossible.
 - any other event that prevents the calculation of the Fund's iNAV or the trading of Fund units.

Market-makers likewise ensure that the market price of the Fund units does not diverge by more than 3.0% either side of the Fund's Indicative Net Asset Value, in order to comply with the reservation thresholds set by NYSE Euronext Paris SA (see "Indicative Net Asset Value" section).

► **End date of financial year:** Last trading day in June of each year.

► **End date of first financial year:** Last trading day of June 2010.

► **Tax treatment:**

The Fund is eligible for the Plan d'Epargne en Actions ("PEA" reserved for French investors) and life insurance policies. The Fund may provide a support vehicle for life insurance policies denominated in units of account.

The UCITS, by its nature, is not subject to taxation. However, unitholders may be taxed on any income distributed by the Fund or when they sell Fund units. The tax treatment applicable to amounts distributed by the Fund or unrealised or realised capital gains or losses will depend on the individual unitholder's tax situation, residence for tax purposes and/or the investment jurisdiction of the Fund. If an investor is uncertain of his or her tax position, the investor should consult a financial advisor or a professional investment consultant to determine the tax rules applicable to his or her particular situation before any investment. Some income distributed by the UCITS to unitholders residing outside France may be subject to withholding tax in France.

III.2 Special provisions

► **ISIN code:**

	EUR units	USD unit
ISIN code	FR0010755611	FR0010871095

► **Classification:**

International equities.

The Fund is a strategy index-tracking Fund.

► **Investment objective:**

The Fund's investment objective is to track the performance of the MSCI USA Leveraged 2x Daily Strategy Index (see "Benchmark index" section), as closely as possible, whether the Strategy Index rises or falls.

The Fund is managed so as to achieve a gap between changes in its NAV and changes in the value of the MSCI USA Leveraged 2x Daily Strategy Index (referred to below as the "MSCI USA Leveraged 2x Daily Strategy Index") as small as possible. The target for maximum tracking error between the Fund's NAV and the value of the MSCI USA Leveraged 2x Daily Strategy Index is 2%.

If the "tracking error" exceeds 2%, the objective would nevertheless be to remain below 15% of the volatility of the MSCI USA Leveraged 2x Daily Strategy Index.

► **Benchmark index:**

The Fund's benchmark index is the euro-denominated MSCI USA Leveraged 2x Daily Strategy Index with net dividends reinvested (net return).

The MSCI USA Leveraged 2x Daily Strategy Index is an "equities" index calculated and published by the international index supplier MSCI Inc. ("MSCI").

The MSCI USA Leveraged 2x Daily Strategy Index tracks the performance of a strategy which consists in doubling exposure to the MSCI USA Index through short-term borrowing. It accordingly offers double exposure to the upward and downward trends experienced by the MSCI USA Index. In this respect, if the MSCI USA Index rises by 1%, the Fund's net asset value will rise by 2% minor borrowing costs, and conversely if the index falls by 1% the Fund's net asset value will fall by 2% plus borrowing costs.

Basically, the performance of the MSCI USA Leveraged 2x Daily Strategy Index is equal to the algebraic sum of:

- twice the performance of the MSCI USA Index (net dividends reinvested)
- the cost of the loan used to Fund the two-fold investment in the underlying equities of the MSCI USA Index (borrowing cost measured by the interest calculated on the basis of the Eonia rate).

The MSCI methodology does not take into account the Funding spread if the actual cost of finance proves higher than the Eonia rate. This will cause the Fund to slightly under-perform compared to its benchmark index.

The leverage effect is daily. The performance of the leveraged index over a period longer than 1 day can differ by 2 times the performance of the no-leverage index over the same period (see example below). This example is deliberately simplified and does not take into account the financing costs for doubling exposure (leverage costs).

	Level D	Performance D+1/D	Level D+1	Performance D+2/D+1	Level D+2	Performance D+2/D
Index	100	- 5%	95	+ 10%	104.5	+ 4.5%
Leveraged Strategy Index	100	- 10%	90	+ 20%	108	+ 8%

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

The equities in the MSCI USA Index are leading securities traded on the US market.

The investment universe of the MSCI USA Index aims at covering approximately 85% (+/-5%) of the US market's float-adjusted market capitalisation.

For a publicly traded company, the "float" or "free-float" is the portion of stock readily available for market trading, as opposed to shares considered to be stable (treasury shares, shares held by company founders or the government, blocking shares, controlling interests, etc.).

The MSCI USA Index shares the following basic features with the MSCI indices:

- a) it belongs to MSCI's range of "investable" equity indices, which are segmented by size, style and industry;
- b) securities included in the MSCI USA Index are float-adjusted;
- c) classified by sector according to the Global Industry Classification Standard (GICS).

MSCI's methodology and calculation methods mean that the number of stocks making up the MSCI USA Index varies and therefore also in the MSCI USA Leveraged 2x Daily Strategy Index. At 31.03.2009* the MSCI USA Index had 598 components.

* Source: MSCI

The full methodology of the construction of the MSCI USA Leveraged 2x Daily Strategy Index is available on the MSCI website: mscibarra.com.

The performance tracked is the closing price of the MSCI USA Leveraged 2x Daily Strategy Index.

• **MSCI USA Leveraged 2x Daily Strategy Index publication**

MSCI official indices are those calculated by MSCI using:

- the official closing prices of the stock exchanges on which the component securities are traded
- the WM Reuters closing (16:00 GMT) exchange rates

The MSCI USA Leveraged 2x Daily Strategy Index closing price is available on the MSCI website: msci.com.

The MSCI USA Leveraged 2x Daily Strategy Index is also calculated in real time on each Trading Day.

The MSCI USA Leveraged 2x Daily Strategy Index is available in real time via Reuters and Bloomberg.

Via Reuters: .MIUS00000MEU

Via Bloomberg: M00UUS02

• **MSCI USA Leveraged 2x Daily Strategy Index revision**

MSCI indices are designed to reflect changes in equity markets as closely as possible. For this reason, they are

regularly revised to take account of changes affecting a stock's capitalisation (number of shares and float) or its sector classification.

The main revisions are as follows:

- real-time revisions of major changes in a company's capital structure (merger/acquisition, big rights issues or IPOs, etc.);
- quarterly updates (quarterly revisions (end of February, May, August and September) to take significant market events into account;
- full annual revision (end of May) of the investment universe of all the countries covered by the index.

MSCI USA Leveraged 2x Daily Strategy Index revision rules are published by MSCI and available on the MSCI website: msci.com.

► **Investment strategy:**

The Fund is managed by "index tracking".

1. Strategy employed:

The Fund is managed by a technique known as "index-tracking", and the objective is to replicate changes in the performance of MSCI USA Leveraged 2x Daily Strategy Index using a swap-based replication method.

To maintain the closest possible correlation with the performance of the MSCI USA Leveraged 2x Daily Strategy Index, the Fund will buy a portfolio of international equities (the "Portfolio") and an over-the-counter (OTC) total return swap, a financial derivative instrument which turns the exposure to the Portfolio into an exposure to the MSCI USA Leveraged 2x Daily Strategy Index.

The Management Company reserves the right to suspend exposure to the MSCI USA Leveraged 2x Daily Strategy Index as soon as the MSCI USA Index increases by more than 45% compared to the closing price for the previous Trading Day. In this case, the Fund Manager will confirm the level of the MSCI USA Leveraged 2x Daily Strategy Index retained for the calculation of the Fund's net asset value for the Trading Day during which this increase over 45% occurred.

The Fund will comply with the investment rules set forth in Articles R 214-21 and R214-22 of the French Monetary and Financial Code (CMF).

The Portfolio comprising directly held assets described in the "Assets used" section, complies with the provisions of Article R 214-21 of the French Monetary and Financial Code (CMF).

The Fund's exposure to the Index achieved through the total return swap may be eligible for exemption ratios applicable to the index-tracking funds referred to in Article R214-22 of the French Monetary and Financial Code (CMF). That Article stipulates that an index may comprise up to 20% equities or debt securities issued by the same entity; this limit may be raised to 35% maximum for a single issuing entity, when such increase is justified by special market circumstances such as the regulated markets where some marketable securities or some money-market instruments are largely dominant.

2. Assets used (except embedded derivatives):

The Fund's exposure to the Index is achieved through the total return swap.

The Portfolio consists of the Fund's directly held assets described below.

- Equities:

The Fund will constantly maintain at least 60% exposure to one or more foreign (non-French) equity markets. The Fund will have at least 60% exposure to the US stockmarket.

Up to 100% of the Fund's net assets will be invested, subject to the legal and regulatory ratios, in international

equities (any economic sector, traded on any market).

The equities in the Fund's assets will be the equities forming the MSCI USA Leveraged 2x Daily Strategy Index and other international equities, from all economic sectors, listed on all markets, including smallcap markets. The equities in the Fund's assets will be chosen to limit costs associated with reproducing the MSCI USA Leveraged 2x Daily Strategy Index.

Over 75% of the portfolio's value will, at all times, consist of stocks of companies registered in a Member State of the European Union, or in another State which is part of the European Economic Area (EEA) and has signed a tax convention with France that provides for administrative assistance to prevent fraud and tax evasion. This minimum level of equity exposure makes the Plan d'Epargne en Actions (French Stock Savings Plan - PEA).

- Interest-rate instruments: Interest-rate instruments: the Fund may hold up to 25% of its assets in of its assets in bonds of all kinds, having a minimum rating at the time of purchase of BBB- in the S&P and Moody's scale ("investment grade" rating).

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

Foreign debt instruments will be denominated in the currency of one of the OECD member countries.

In order to meet its investment objective and/or manage intermediate financial flows, the Fund may hold up to 10% of its assets in the following:

- Debt instruments and money market instruments in euros: cash flow will be managed through money market instruments. The selected issuers (with a minimum rating of AA or above in the S&P and Moody's scale) may be from the private sector or from the public sector (national or local governments, etc.), and private sector debt may represent up to 100% of the debt instruments. The average maturity of these instruments will not exceed ten years.

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

- ☒ French or foreign UCITS that comply with the Directive and may invest up to 10% of their assets in UCITS or investment funds
- ☐ French UCITS not complying with the directive
- ☐ Other investment funds

UCITS or investment Funds included in the Fund's assets will primarily be those managed by the Management Company or an affiliated company. The investment strategies of these UCITS and investment funds will be compatible with those of the Fund.

3. Derivatives:

The Fund will use derivative financial instruments, including total return equity swaps that swap the value of equities held by the Fund for the MSCI USA Leveraged 2x Daily Strategy Index value.

Off-balance sheet commitments are calculated by the accrual method of accounting.

The Fund may take positions in the following derivatives:

- Type of market:
 - ☒ regulated
 - ☒ organised
 - ☒ over-the-counter

- Categories of risk in which the Fund intends to take a position:
 - ☒ equity risk
 - ☒ interest rate risk
 - ☒ currency risk
 - ☐ credit risk
 - ☐ other risks
- Nature of positions to be taken, which must be limited to those required to meet the management objective:
 - ☒ hedging
 - ☒ exposure
 - ☐ arbitrage
 - ☐ other
- Types of instruments used:
 - ☒ futures: on equities and indices
 - ☒ options: on equities and indices
 - ☒ total return swaps: on equities and indices
 - ☒ total return swap:
 - ☐ credit derivatives: credit default swaps
 - ☐ other
- Strategies for use of incorporated derivatives to achieve the management objective:
 - ☒ constructing synthetic exposure to a particular security, sector and/or to the MSCI USA Leveraged 2x Daily Strategy Index via the use of swaps.
 - ☒ management of intermediate cash flows (dividends, subscriptions/redemptions, etc.) to reach the desired degree of exposure to a particular stock and/or sector and/or to the MSCI USA Leveraged 2x Daily Strategy Index via the use of futures.
 - ☒ management of intermediate cash flows (dividends, subscriptions/redemptions, etc.) to reach the desired degree of exposure to a particular stock and/or sector and/or to the MSCI USA Leveraged 2x Daily Strategy Index via the use of options.

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

4. Securities incorporating derivatives ("embedded derivatives"):

The Delegated Fund Manager may, at its discretion and for future optimisation of management of the Fund, use other instruments to meet its management objective such as embedded derivatives.

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

- Nature of positions to be taken and description of all transactions that must be limited to the achievement of the management objective:
 - ☒ hedging
 - ☒ exposure
 - ☐ arbitrage
 - ☐ other
- Types of instruments used:
 - ☐ Euro Medium Term Notes (EMTN)
 - ☐ Negotiable Medium Term Notes (BMTN)
 - ☐ Structured bonds
 - ☐ Certificates
 - ☒ Warrants
- Strategy for using embedded derivatives to meet the investment objective:
 - ☒ general hedging of the portfolio, particular risks, particular securities, etc.
 - ☒ constructing synthetic exposure to particular assets or particular risks,
 - ☒ other strategy: following redemptions, retaining derivatives as opposed to selling them.

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

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

5. Deposits and liquid assets:

The Fund may hold up to 20% of its net assets in deposits for a maximum term of twelve months. The deposits are used for cash management purposes and help the Fund achieve its management objectives.

6. Borrowing:

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

- Over-exposure of the assets: None

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

► Overview of the procedure for choosing intermediaries / counterparties and comments:

The Management Company generally issues a bid tender. In this case, a comprehensive Request For Proposal ("RFP") (total return swap and market making) was issued for a portion of the AMUNDI ETF Fund product line. For this reason, neither the Management Company nor the Delegated Fund Manager have undertaken or shall undertake, for this particular Fund, a formal competitive bidding procedure that can be tracked and monitored among counterparties for OTC derivative financial instruments, as the counterparty has already been selected during the comprehensive RFP. The Fund may carry out these transactions with BNP Paribas SA or any other Company of the BNP Paribas SA group as counterparties or intermediaries.

► Risk profile:

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

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

The Fund has high volatility due to its exposure to equity markets.

The main risks for investors if they invest in the Fund are as follows:

- Equity risk:

The Fund is 100% exposed to the MSCI USA Leveraged 2x Daily Strategy Index. The Fund is therefore 100% exposed to the market risks related to fluctuations in the value of stocks that make up the MSCI USA Leveraged 2x Daily Strategy Index. Fluctuations in stock markets can lead to significant changes in net assets which can adversely affect the Fund's NAV. Since the Fund's degree of exposure to equity risk is 200%, the Fund's NAV may decline significantly. The Fund accordingly has a high degree of equity risk.

- Risks of over-exposure:

As the MSCI USA Leveraged 2x Daily Strategy Index involves leveraging (double exposure), investors have two-fold exposure to the rises and falls experienced by the equities making up the MSCI USA Index. Investors' exposure to the risks associated to the MSCI USA index is therefore 200%. Fluctuations in stock markets can lead to significant changes in net assets which can adversely affect the Fund's NAV. For example, if the MSCI USA index falls by 1%, the Fund's NAV will fall by 2%. Since the Fund's exposure to equity risk is amplified, the Fund's NAV could fall very significantly.

- Capital risk:

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

- Factors that may influence the ability of the Fund to track the performance of the MSCI USA Leveraged 2x Daily Strategy Index:

The ability of the Fund to track the performance of the MSCI USA Leveraged 2x Daily Strategy Index may be affected by the following factors:

- the re-weightings of the MSCI USA Leveraged 2x Daily Strategy Index which is tracked by the Fund may generate transaction and/or trading costs;
- whether there are market fees;
- and/or due to minor valuation discrepancies that would not be such as to result in the calculation of the Fund's net asset value being suspended. These discrepancies may be due to some commodities being temporarily unavailable in the MSCI USA Leveraged 2x Daily Strategy Index or to exceptional circumstances that may have caused distortions in the MSCI USA Leveraged 2x Daily Strategy Index weightings, including cases of suspension or temporary disruption in the listing of securities in the MSCI USA Leveraged 2x Daily Strategy Index.

- Credit Risk:

EUR Units:

The Fund's EUR units have an exchange rate risk connected with its exposure to the MSCI USA Leveraged 2x Daily Strategy Index and resulting from changes in the value of the reference currency in which stocks that make up the MSCI USA Leveraged 2x Daily Strategy Index tracked by the Fund are denominated: the US dollar (USD). Investors are therefore exposed to exchange rates fluctuations of this currency against the euro.

You are exposed to the currency exchange risk between the currencies of the stocks forming the index and the currency of the Fund unit in which you are invested.

EUR units: The exchange rate risk could extend to 200% of the Fund's NAV.

USD units: The exchange rate risk could extend to 100% of the Fund's NAV.

- Credit risk:

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

- Counterparty risk related to the tracking method selected:

To meet its investment objective the Fund will use OTC derivative financial instruments (including total return swaps) negotiated with credit institutions. The Fund will be exposed to the counterparty risk that results from the use of derivative financial instruments executed with a credit institution. The Fund is accordingly exposed to the risk that the credit institution in question will not be able to honour its commitments for these instruments. Default by the counterparty of a swap (or by any other issuer) may lower the Fund's NAV. Under the current rules, however, the counterparty risk resulting from the use of swaps will be limited to 10% of the Fund's net assets per counterparty at any time

► **Guarantee or protection:** None

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

- **Eligible subscribers:**

All subscribers

- **Standard investor profile:**

The Fund is open to any subscriber, including those investing in a French PEA.

This Fund is intended for investors who seek long term capital growth and two-fold exposure to movements in equities on the US market, while offering opportunities for short-term arbitrage. The Fund is indeed continuously listed on one or more trading markets and its units may be traded in the same way as simple stocks. It therefore combines the advantages of a listed security and those of an UCITS. Furthermore, it is eligible for the French stock savings plan (PEA).

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

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

► **Recommended investment period:**

The minimum recommended investment period is 5 years.

► **Determination and allocation of revenues:**

- **Allocation of net profit:**

Accumulation and/or distribution for both unit categories (EUR and USD).

- **Allocation of net capital gains realised:**

Accumulation and/or distribution for both unit categories (EUR and USD).

► **Distribution frequency:**

If the Management Company decides to distribute some or all of the net profit and/or of the net realised capital gains one or more payments may be made in a year. Distributions will be made by encashment of coupons.

► **Accounting currency:** euro

► **Features of the units:**

Units	Characteristics							
	ISIN code	Allocation of Profits	Accounting currency	Frequency of NAV calculation	Initial Net Asset Value	Minimum initial subscription	Minimum subsequent subscription	Eligible subscribers
EUR units	FR0010755611	Allocation of net profit: Accumulation and/or distribution at the discretion of the Management Company Allocation of net capital gains realised: Accumulation and/or distribution at the discretion of the Management Company	euro	Daily	124.6 euros	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	All subscribers
USD unit	FR0010871095	Allocation of net profit: Accumulation and/or distribution at the discretion of the Management Company Allocation of net capital gains realised: Accumulation and/or distribution at the discretion of the Management Company	US dollar	Daily	287.98 US dollars	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	<u>Primary market</u> 2400 unit(s) <u>Secondary market</u> 1 unit(s)	All subscribers

- **Currency of the units:** "See table above (section "Unit features")"

- **Initial NAV:**

EUR unit: 124.6 euros per Fund EUR unit.

The initial NAV is equal to the closing value of the MSCI USA Leveraged 2x Daily Strategy Index on 16 June 2009.

USD units: 287.98 US dollars per Fund B unit.

The initial net asset value is equal to the US dollar-adjusted closing value on 17 June 2010 of the MSCI USA Leveraged 2x Daily Strategy Index (denominated in euros). The exchange rate used to convert the MSCI USA Leveraged 2x Daily Strategy Index value into US dollars is the WM Reuters reference rate at the final 16:00 GMT fixing on 17 June 2010.

► **Subscription and redemption:**

As indicated above, the Fund's activity is organised on two markets, one "**primary**" and the other "**secondary**".

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

EUR unit

In the primary market, new Fund units are subscribed and/or redeemed in return for (i) cash or (ii) in-kind

contributions/withdrawals from a portfolio of equities representative of the MSCI USA Leveraged 2x Daily Strategy Index plus a “cash adjustment”.

In this market, subscriptions and redemptions are allowed only in minimum quantities of 2400 units or multiples thereof.

Orders for subscription and redemption of Fund units are centralised by the Depositary between 09:00 and 17:00 (Paris time) on every day when the Paris Stock Exchange is open ("**Trading Day**"). Subscription and redemption requests sent after 17:00 (Paris time) on a Trading Day will be processed as orders received between 09:00 and 17:00 (Paris time) on the next Trading Day.

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

The Fund's net asset value for EUR units on a given trading day is calculated using the closing price of the MSCI USA Leveraged 2x Daily Strategy Index on that day.

Subscriptions/redemptions for cash only

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

In-kind subscriptions/redemptions by contributions/withdrawals from a portfolio of equities representative of the MSCI USA Leveraged 2x Daily .

Orders centralised by the Depositary between 9:00 and 17:00 (Paris time) on a given Trading Day will be executed on the basis of the terms set by the Management Company at 17:00 (Paris time) on the same Trading Day, as follows:

- (1) by contribution of a portfolio of equities reflecting the MSCI USA Leveraged 2x Daily Strategy Index as defined by the Management Company, to be delivered by the subscriber, and as applicable,
- (2) by payment of a cash amount in euros to or from the Fund ("cash adjustment") for a subscription/redemption order is for an exact multiple of 2,400 Fund units. The cash adjustment will be equal to the difference in euros between the net asset value of the Fund units on that date and the value in euros of the equities to be delivered on that date.

USD unit

In the primary market, new Fund units are subscribed and/or redeemed in return for (i) cash or (ii) in-kind contributions/withdrawals from a portfolio of equities representative of the MSCI USA Leveraged 2x Daily Strategy Index plus a “cash adjustment”.

In this market, subscriptions and redemptions are allowed only in minimum quantities of 2400 units or multiples thereof.

Orders for subscription and redemption of Fund units are centralised by the Depositary between 09:00 and 17:00 (Paris time) on every day when the Paris Stock Exchange is open ("**Trading Day**"). Subscription and redemption requests sent after 17:00 (Paris time) on a Trading Day will be processed as orders received between 09:00 and 17:00 (Paris time) on the next Trading Day.

A trading day is a business day on which the Fund's net asset value for USD units can be calculated and published.

The Fund's NAV for B units on a given trading day is calculated using the closing level of the USD-adjusted MSCI USA Leveraged 2x Daily Strategy Index on that day. The exchange rate used to convert the MSCI USA Leveraged 2x Daily Strategy Index value into US dollars is the WM Reuters reference rate at the final 16:00 GMT fixing on that same date.

Subscriptions/redemptions for cash only

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

In-kind subscriptions/redemptions by contributions/withdrawals from a portfolio of equities representative of the MSCI USA Leveraged 2x Daily .

Orders centralised by the Depositary between 9:00 and 17:00 (Paris time) on a given Trading Day will be executed on the basis of the terms set by the Management Company at 17:00 (Paris time) on the same Trading Day, as follows:

- (1) by contribution of a portfolio of equities reflecting the MSCI USA Leveraged 2x Daily Strategy Index as defined by the Management Company, to be delivered by the subscriber, and as applicable,
- (2) by payment of a cash amount in US dollars to or from the Fund (the "cash adjustment") where a subscription/redemption order is for an exact multiple of 2,400 Fund units. The cash adjustment will be equal to the difference in American dollars between the asset value of units in the Fund and the value in US dollars of the shares to be delivered on that date.

The Delegated Fund Manager reserves the right to refuse the securities offered/requested for all subscriptions/redemptions made by contributions/withdrawals of securities and has 7 days from the date of the deposit/request to indicate its decision.

Subscriptions/redemptions must be paid for/delivered no later than five Trading Days after the calculation and publication of the net asset value.

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

- **Institutions designated to receive subscriptions and make redemptions:**

CACEIS Bank France,
Registered office: 1-3 place Valhubert, 75013 Paris

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

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

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

The secondary market is where existing Fund units are traded. It consists of all stock markets on which the Fund is or will be listed for regular trading.

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Orders for the purchase or sale of both unit categories may be placed in any market where the Fund is (or will be) traded, through an approved broker. Nevertheless, placing a stock market order will trigger costs over which the Management Company has no influence.

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

The price per unit (EUR and USD) traded on the secondary market depends on the offer and the order and is approximately equal to the indicative NAV (see "Indicative NAV" section).

"Market makers" maintain market liquidity secondary market acting as market counterparties (see "Market-makers" section). They contract with the market companies in question to maintain a maximum difference between the highest bid and lowest offer prices within a set range. Their activities ensure that trading in each Fund unit category remains liquid. In addition, by their arbitrages between the primary and secondary markets, the "Market Makers" ensure that the stock market price of the Fund's EUR and USD units do not differ significantly from its NAV.

If the MSCI USA Leveraged 2x Daily Strategy Index listing is halted or suspended, the Fund's listing is suspended at the same time. As soon as listing of the MSCI USA Leveraged 2x Daily Benchmark Strategy Index resumes, the Fund's resumes likewise, taking account of any change in the Fund's NAV of both Fund unit

categories and iNAV since the interruption.

The units acquired in the secondary market generally cannot be resold directly in the primary market. Unitholders must buy and sell units in a secondary market, with the assistance of an intermediary (a broker, for example) and may have to pay corresponding fees. In addition, unitholders may pay more than the current NAV when they buy units; unitholders may also receive less than the current NAV when they sell them.

The Fund's EUR units will be listed on the NYSE Euronext market.

The Management Company will be able to request listing of EUR and USD units on other listing agencies.

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

- **Market-makers:**

On 29 November 2012, the financial institution acting as market-maker was as follows:

BNP Paribas Arbitrage

General Partnership (Société en nom collectif)

Registered office: 160-162 boulevard Mac Donald – 75019 Paris

The "Market-makers" will provide market-making services for Fund units from the date they are listed on the market where the Fund is traded. They will mainly act as market-makers through their continuous presence on the market, maintaining a buy/sell price range and ensuring adequate liquidity.

In particular, for listing **EUR** units, market makers who have signed a market making agreement with the Fund are committed to NYSE Euronext Paris SA to meet the following conditions for the Fund:

- a maximum total spread of 2% between offer price and bid price in the centralised order book
- a minimum nominal amount on both offer and bid sides corresponding to the value in euros of 1400 Fund units.

The obligations of the "Market-makers" will be suspended if the value of the MSCI USA Leveraged 2x Daily Strategy Index is not unavailable or if one of its component stocks is suspended. The obligations of the "Market-makers" will generally be suspended in case of unusual disturbances or difficulties on the stock market in question which prevents standard market-making operations (e.g. listing disturbances, etc.).

For EUR units, Market-makers must also ensure that the Fund's EUR units market price does not differ by more than 3.0% either side of the Indicative NAV (see "Indicative Net Asset Value" section).

The Management Company may ask market-makers to halt their trading in each Fund unit category should exceptional circumstances arise or should investor interest require this.

SECONDARY MARKET BUY AND SELL TERMS AND CONDITIONS

Fund units acquired in the secondary market generally cannot be resold directly to the Fund. Investors must buy and sell units in a secondary market, with the assistance of an intermediary (a broker, for example) and may have to pay corresponding fees. In addition, investors may have to pay more than the current net asset value when they buy units; investors may also receive less than the current net asset value when they sell them.

Investors may however be authorised to sell their units in the primary market in the event of significant discrepancy between the stock market price of the Fund's units and its indicative net asset value or in the event of long-lasting suspension of trading in the units by the stock exchange operator in the main quotation market in which the unit is listed or in the event of lasting failure of the market-makers to fulfil their market-making commitment to ensure continuous presence in the market, thereby making trading in the unit impossible in the principal quotation market in which the Fund is listed for trading.

Should any of these events occur, the Management Company will post on its website amundiETF.com the procedure to be followed by investors wishing to redeem their units in the primary market. The Management

Company will notify the operator of the stock exchange that customarily lists the units so that the operator may notify the market of the procedure in place and of the location where such procedure is available.

Accordingly, a reasonable redemption fee will be charged to cover the transaction costs incurred by the Fund.

► **Date and frequency of NAV calculation:**

Daily

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

The net asset value of each unit category is calculated and published each day when the NYSE Euronext listing market is open and if one of the markets on which the Fund is listed for trading is open (including Borsa Italiana, Deutsche Börse, London Stock Exchange and SIX Swiss Exchange), provided that the orders placed given in the primary and secondary markets can be covered.

The net asset value of each Fund unit category is available on request to the Management Company and on its website www.amundiETF.com.

Furthermore, for **EUR units**, on the days the NAV is published, an Indicative Net Asset Value (see "Indicative Net Asset Value" section) in euros will be published by NYSE Euronext.

► **Costs and Fees:**

• **Subscription and redemption fees: :**

Subscription and redemption fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. Fees are retained by the Fund to compensate for its costs incurred in investing or liquidating the assets. Fees not paid to the Fund revert to the Management Company, the distributor, etc.

- On the primary market:

Fees payable by the investor, deducted when subscriptions or redemptions are made	Basis	Rate
Subscription fee not retained by the Fund	Net asset value X number of units	For any unit category 3% on each subscription request
Subscription fee not retained by the Fund	Net asset value X number of units	For any unit category N/A
Subscription fee not retained by the Fund	Net asset value X number of units	For any unit category 3% on each subscription request
Subscription fee not retained by the Fund	Net asset value X number of units	For any unit category N/A

Exemption:

The Management Company and BNP Paribas Arbitrage and BNP Paribas SA are exempt from paying subscription or redemption fees.

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

- On the secondary market:

Purchases and sales on the secondary market do not incur any subscription or redemption fees. Purchase and sale orders for both unit categories can be placed through an approved broker in any market where the Fund is traded. Nevertheless, placing a stock market order will trigger costs over which the Management Company has no influence (e.g. broker's commission on stock-market orders to buy or sell units of each category charged by

the investor's broker).

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

- **Administrative and management fees:**

These fees cover all expenses billed directly to the Fund, except for transaction costs. These fees cover all costs directly billed to the Fund, except transaction costs which include dealing costs (brokerage...) and any turnover commission that might be received by the Depositary the Management Company.

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

- *outperformance fees, These reward the Management Company when the Fund exceeds its objectives. They are therefore billed to the Fund;*
- *transaction fees billed to the Fund.*

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

Fees charged to the Fund	Basis	Rate structure
Actual fixed rate	Net assets	For any unit category 0.35% including tax

Administrative and management fees will be charged directly to the Fund's income account.

Exceptional legal costs for the recovery of the Fund's receivables may be added to the fees invoiced to the Fund as listed above.

- **Commission in kind:**

The Management Company receives no commission in kind either for itself or for third parties.

Warning:

The tax treatment applicable to amounts distributed by the Fund or to its unrealised or realised capital gains or losses depends on the tax laws applicable to the individual investor's tax position and country of tax residence and/or on the jurisdiction in which the Fund holds assets.

Some income distributed by the Fund to unitholders residing outside France may be subject to withholding tax in France. We recommend that you consult your tax adviser on this issue.

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

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

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

IV. COMMERCIAL INFORMATION

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

The Prospectus for the Fund, Key Investor Information Document, latest annual and periodic documents, and the Fund's NAV are sent within one week on request in writing from the investor to be sent within one week upon written request from the investor to:

Amundi - Amundi ETF - 90 boulevard Pasteur - CS 21 564 - 75730 PARIS cedex 15

The Management Company provides investors with information on how the criteria for compliance with social, environmental and governance quality objectives are taken into account in its investment policy on its website at amundi.com and, in the Fund's annual report.

The transparency policy is available on request from the Management Company and on its website amundiETF.com and information about the asset composition of the Fund is available on request from the Management Company and on its website amundiETF.com where it is published with a delay of at least three stock market days.

Further details are available from the Management Company and at amundiETF.com.

► Indicative net asset value:

The indicative net asset value ("iNAV") is published by the stock exchange operator every day throughout the trading hours on which the NAV of both EUR and USD Fund unit categories can be calculated and published.

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

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

The iNAV is automatically and continuously updated throughout the days when Fund units are listed for trading.

In case of closure of one or more stock exchanges on which the securities included in the MSCI USA Leveraged 2x Daily Strategy Index are listed (e.g. for a public holiday as defined in the TARGET calendar), when the Indicative Net Asset Value cannot accordingly be calculated, trading in Fund units may be suspended.

EUR units:

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

Reservation thresholds are set giving a range of 3.0% on either side of the iNAV of both Fund unit categories, as published by NYSE Euronext Paris S.A. These are updated during each session on an estimate basis depending on changes in the MSCI USA Leveraged 2x Daily Strategy Index.

V. INVESTMENT RULES

The Fund shall comply with the investment rules set forth by European Directive 2009/65/EC dated 13 July 2009.

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

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

The main financial instruments and management techniques used by the Fund are described in Chapter II.2 "Special Provisions" of the Prospectus. Amendments to the French Monetary and Financial Code will be taken into consideration by the Management Company in managing the Fund as soon as they are implemented.

AMUNDI ETF LEVERAGED MSCI USA DAILY UCITS ETF (THE "FUND") IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDICES ARE THE EXCLUSIVE PROPERTY OF MSCI AND ARE SERVICE MARKS OF MSCI OR ITS AFFILIATES. THE MSCI INDICES HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY AMUNDI INVESTMENT SOLUTIONS. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS PARTICULAR FUND OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDICES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDICES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHERMORE, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDICES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHERMORE, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

VI. GLOBAL RISK

Commitment calculation method.

VII. ASSET VALUATION AND ACCOUNTING RULES

► Principle

General accounting conventions are applied in compliance with the following principles:

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

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

► Asset valuation rules

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

- Securities traded in a regulated market (French or foreign), are valued at market price. Market price valuation is carried out under conditions specified by the Delegated Fund Manager. Securities contributed to or held by the Fund are valued at their latest market price.
- Differences between the market prices used to calculate the NAV and the historic cost of the securities in the portfolio are recognised in an account "Estimation Differences".

However:

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

with the legislation in force, and the methods for application are determined by the Delegated Fund Manager.

Securities received under repurchase agreements are entered in the purchase portfolio as "Receivables representing securities received under repurchase agreements" at the value stipulated in the contract, plus interest receivable. Securities surrendered under repurchase agreements are entered in the purchase portfolio and valued at market price. Interest receivable and payable for repurchase transactions is calculated and prorated over time. Debts representing securities surrendered under repurchase agreements are entered in the sale portfolio at the value stipulated in the contract, plus interest payable. When these contracts are unwound, interest received or paid is recognised as interest on receivables or payables.

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

- Transactions on firm forward financial agreements or options traded in organised markets (French or foreign) are valued at market value according to procedures specified by the Delegated Fund Manager. Contracts on forward markets are valued at the settlement price.
- Firm forward transactions, options or currency transactions on OTC markets as authorised under the laws and regulations governing UCITS are valued at market value or at a value according to procedures specified by the Delegated Fund Manager. Interest rate and/or currency swaps are valued at market value by taking the Discounted Cash Flow (principal and interest) at the market interest and/or foreign exchange rates. This price is corrected for the credit risk.

► Accounting method

Securities entering or leaving the portfolio are booked excluding costs.

Revenues are accounted for when received.

Revenues consist of:

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

The following deductions are made from these revenues:

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

Off-Balance Sheet commitments:

Firm forward contracts are entered, for their market value, as Off-Balance Sheet commitments at the settlement price. Options are converted into their underlying equivalent asset. OTC interest rate swaps are valued on the basis of the nominal value, plus or minus the corresponding estimation difference.

► Equalisation account

Income Equalisation accounts ensure fair allocation of income among unit-holders, regardless of the subscription or redemption date.

Prospectus updated on: July the 1st, 2013

REGULATIONS

Fonds Commun de Placement

AMUNDI ETF LEVERAGED MSCI USA DAILY UCITS ETF

SECTION 1 – ASSETS AND UNITS

Article 1 – Joint-ownership units

The joint ownership rights are expressed as units, each unit corresponding to an identical share of the assets of the Fund (the "**Fund**"). Each unitholder is entitled to joint-ownership of the Fund's assets in proportion to the number of units held.

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

The features of the various categories of unit and their access conditions are set out in the Fund's Key Investor Information Document and Prospectus.

The different unit classes may:

- Have different arrangements for allocating revenue: (distribution or accumulation);
- Be denominated in different currencies;
- Incur different management fees;
- Be subject to different subscription and redemption fees;
- Have different nominal values;
- Be systematically hedged against risk, either partially or in full, as set out in the Prospectus. The hedging process is performed using financial instruments that reduce the impact of the hedging transactions for the Fund's other unit classes to a minimum;
- Be reserved for one or several distribution networks.

Grouping or subdivision of units is allowed.

The Management Company's governing body may, at its sole discretion, divide units by creating new units which are allocated to unitholders in exchange for existing units.

Article 2 – Minimum level of assets

Units may not be redeemed if the Fund's assets fall below the amount set out in the Regulations; should this happen, and unless the asset value has in the meantime increased above this threshold, the Management Company shall take steps to merge or unwind the relevant Fund within thirty days or it shall take one of the actions set out in Article 411-16 of the French Market Regulator 's (AMF) General Regulations (transfer of UCITS).

Article 3 – Issue and redemption of units

Units may be issued at any time at the request of the unitholders on the basis of their net asset value plus, as applicable, the subscription fee.

Redemptions and subscriptions shall be carried out under the terms and arrangements set out in the Fund's Key Investor Information Document and Prospectus.

Fund units may be listed for trading in compliance with applicable laws and regulations.

Subscriptions must be paid up in full on the day of the net asset value calculation. They may be paid in cash and/or securities. The Fund Manager may turn down the securities offered and must announce its decision within seven days. If accepted, contributed securities shall be valued according to the rules set out in Article 4

and the subscription shall take place based on the first net asset valuation following the acceptance of the securities concerned.

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

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

Except in the case of an inheritance or inter vivos distribution, the sale or transfer of units between unitholders, or from unitholders to third parties, is considered to be a redemption followed by a subscription; if sold or transferred to a third party, the amount involved must, where applicable, be supplemented by the beneficiary to bring it up to the minimum subscription stipulated in the Key Investor Information Document and the Prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the Management Company may temporarily suspend both the redemption by the Fund of its own units and the issue of new units when exceptional circumstances or the interest of the unitholders should so require.

If the net asset value of the Fund is lower than the amount specified by the Regulations, no further units may be redeemed.

Minimum subscription conditions may apply as stipulated in the Funds' prospectus.

The Fund may cease to issue units, in accordance with the second paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, in the following cases:

- in objective situations entailing the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the end of a given subscription period. These objective situations are described in the Fund's Prospectus,
- and other cases stipulated by the rules.

Article 4 – NAV calculation

The NAV of the units is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind may only consist of the securities, currencies or contracts eligible for the UCITS in question; they are valued in accordance with the same valuation rules as for the calculation of the Fund's NAV.

SECTION 2 – FUND OPERATIONS

Article 5 - The Fund Manager

The Fund is managed by the Management Company in accordance with the guidelines defined for the Fund.

The Management Company will, at all times, act on behalf of the unitholders and it alone is entitled to exercise the voting rights attached to the securities included in the Fund.

Article 5a – Operating rules

The instruments and deposits eligible to form part of the Fund's assets are described in the Prospectus, as are the investment rules.

Article 6 - Depositary

The Depositary performs the duties for which it is responsible by application of the legal and regulatory provisions in force and those contractually entrusted to it by the Management Company. It must ensure that decisions taken by the Management Company are lawful. As applicable, it shall take any prudential measures that it deems useful. It is required to notify the French Market Regulator (AMF) of any disputes with the

Management Company.

Article 7 – Independent Auditor

An Independent Auditor is appointed for six financial years by the Management Company's governing body, subject to prior approval by the French Market Regulator (AMF).

It certifies the accuracy and reliability of the accounts.

The independent auditor may be renewed in its mandate.

The Independent Auditor is required to notify, as soon as practicable, the French Market Regulator (AMF) of any fact or decision concerning the undertaking for collective investments in transferable securities of which the Independent Auditor has become aware in the performance of the audit and that might:

1° constitute violation of the legal or regulatory provisions applicable to such undertaking and that might have material effects on the financial position, results or assets;

2° adversely affect the conditions or the continuity of its operations;

3° result in the Independent Auditor expressing a qualified opinion or refusing to certify the accounts.

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

The Independent Auditor appraises any contribution in kind under its responsibility.

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

The fees of the Independent Auditor's fees are set by mutual agreement between the former and the governing body of the Management Company in accordance with a work programme specifying the measures deemed necessary.

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

Article 8 – Report and accounts

At the each financial year-end, the Management Company prepares summary accounts and a report on the management of the Fund during the year ended.

The Management Company is required to prepare at least half-yearly and under the oversight of the Depositary, the inventory of the Fund's assets. All the documents listed above are audited by the Independent Auditor.

The Management Company shall hold these documents for consultation by the unitholders for a period of four months from the financial year-end and shall notify the unitholders of the amount of income attributable to them: these documents are either sent by post at the express request of the unitholders, or made available to them at the Management Company's offices.

SECTION 3 – ALLOCATION OF PROFITS

Article 9

The distributable sums consist of:

1. The net result plus any amounts carried forward and plus/minus the balance of income accruals;
2. The realised capital gains, net of fees, less any realised capital losses, net of fees recorded during the financial year, plus any net capital gains of the same nature recorded during prior financial years which have not been distributed or accumulated and plus/minus the balance of capital gains accruals.

The sums mentioned under 1 and 2 may be distributed, in whole or in part, independently from one another.

Distributable sums are paid out within maximum 5 months following the financial year-end.

The net profit of the Fund for the period is the total amount of interest, arrears, dividends, premiums and bonuses, Directors' attendance fees and yields from the securities in the Fund's portfolio, plus the product of any amount held in cash, minus management fees and interest on loans.

The Management Company determines the allocation of the distributable sums.

For each unit class, the Fund may select for each of the sums mentioned under 1 and 2 for one of the following options:

Full accumulation: distributable sums will be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;

Full distribution: the distributable sums are distributed in full, after rounding;

For Funds seeking to preserve the option to choose freely between accumulation and distribution, the Management Company shall decide every year how to allocate each of the sums listed under 1 and 2.

If applicable, the Management Company may decide,

during the financial year, to make one or more interim distributions within the limits of the net income of each of the sums mentioned under 1 and 2 recognised as at the date of the decision. The specific terms of allocation of income are described in the Prospectus.

SECTION 4 – MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

Article 10 – Merger – Demerger

The Management Company may contribute part or all of the Fund's assets to another UCITS managed by it or may split the Fund into two or more other mutual funds which it shall then manage.

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

Article 11 – Dissolution – Extension

If the Fund's assets remain below the minimum level set in Article 2 for thirty days running, the Management Company shall notify the French Market Regulator (AMF) and then either arrange a merger with another mutual fund or wind up the Fund.

The Management Company may wind up the Fund early; it shall notify the unitholders of such decision and of the date after which subscription or redemption shall no longer be accepted.

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

The Management Company shall notify the French Market Regulator (AMF) by post of the winding-up date and procedure selected. It will then send the statutory auditors' report to the French Market Regulator (AMF).

The Management Company may decide, with the Depositary's consent, to extend the Fund's term. The decision must be taken at least three months before expiry of the Fund's anticipated term and the unitholders and the French Market Regulator (AMF) must be notified of such decision.

Article 12 – Liquidation

If the Fund is wound up, the Management Company or the Depositary shall take on the role of liquidator: failing which a liquidator shall be appointed in court at the request of any interested party. To this end, the Management Company, or the Depositary where applicable, shall have the widest possible powers to sell the assets, pay any creditors and distribute the available balance among unitholders in cash or securities.

The Independent Auditor and the Depositary shall continue in office until all liquidation transactions have been completed.

SECTION 5 - DISPUTES

Article 13 – Jurisdiction – Election of domicile

Any disputes relating to the Fund that arise during the Fund's lifetime or during its liquidation, either among the unitholders or between the unitholders and the Management Company or the Depositary, shall be brought before the competent courts.

Regulations updated on: July the 1st, 2013