



AMUNDI FUNDS

Dynarbitrage Forex¹

Simplified Prospectus - May 2011

This simplified prospectus contains information about Amundi Funds Dynarbitrage Forex, a sub-fund (the “Sub-Fund”) of Amundi Funds (the “Fund”), an umbrella fund currently organised as a “société d’investissement à capital variable” created as an unincorporated mutual investment fund (“Fonds commun de Placement”) on July 18, 1985 under Luxembourg law and qualifying as an undertaking for collective investment in transferable securities (UCITS) under part I of the Luxembourg law of 20 December 2002. Its registered office is situated at 5 allée Scheffer, L-2520 Luxembourg. The Fund is registered under number B 68.806 at the register of commerce at the district court of Luxembourg.

The Fund contains a large number of other sub-funds, which are described in the Fund’s full prospectus. For further details, the current full prospectus of the Fund should be consulted. Terms in capitals where not defined in this document are defined in the Fund’s full prospectus.

For details about the Sub-Fund’s holdings please see the Fund’s most recent annual or semi-annual report. The full prospectus and the latest periodical reports may be obtained on request, free of charge, from Amundi Luxembourg or, as the case may be, the local Representative in the relevant country.

Subscriptions may only be based on the latest prospectus and local offering document (if applicable), as authorised by the Supervisory Authority of the relevant country.

In the event of any inconsistency, ambiguity or discrepancy in relation to the meaning of any wording or phrasing in any translation, the English version shall prevail.

¹ This Sub-Fund will be merged into Amundi Funds Absolute Forex on June 24, 2011 on the basis of the NAV dated June 22, 2011.

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PART A: GENERAL INFORMATION

■ Introduction to the Absolute Return Sub-Funds

Unless otherwise mentioned in a particular Sub-Fund's description and always subject to all applicable investment limitations (see "Further Information: Investment Powers and Limitations" of the full prospectus), the following principles will apply to the Sub-Funds:

- Each Sub-Fund may invest in financial derivative instruments for hedging purpose and for the purpose of efficient portfolio management, while following, on the level of the underlying values, the investment limit(s) laid down in the investment policy of each Sub-Fund.
- Each Sub-Fund is also authorized to employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under Chapter XX "Further Information", B "Additional Investment Restrictions", points 1.4 to 1.6 of the full prospectus.

■ Introduction to the Absolute Return Sub-Funds - Dynarbitrage Forex Sub-Funds

The Dynarbitrage Forex Sub-Funds are dynamic money market Sub-Funds.

To achieve their performance objective, the Investment Manager enters into strategic and tactical positions, as well as arbitraging, on all currency markets.

General Description of strategies used by these Sub-Funds:

The investment process is based on a balanced approach between strategic positions (horizon over six months), and tactical positions (horizon below one month), and on active management of currency market volatility.

- Long-term strategic allocation amongst the major currency blocs:

Investment allocations between the major currency blocs (as defined for each Sub-Fund) are based on a fundamental valuation model of exchange rates, coupled with the search for carry (short term interest-rate differentials). A committee of specialists within the management company enables this allocation to be refined.

- Long-term strategic allocation within the Major Currency Blocs:
- Long-term strategic allocation on all other currencies, including emerging currency markets:

These strategies are based on a fundamental evaluation model of exchange rates, coupled with the pursuit of yields (interest-rate differentials). This quantitative model is rounded out with analysis by a committee of specialists responsible for assessing the economic, financial and political risks of the various countries involved. The committee meets monthly.

- Quantitative tactical trading

Directional short-term positions on the currency markets are taken systematically based on the recommendations derived from a statistical forecasting model. Only currencies for which there is a liquid market are considered.

- Volatility management

Volatility management aims to meet a dual objective: to profit from trends in the momentum of market volatility, and to protect the Sub-Fund from extreme developments.

Volatility management is twofold:

- Currency convexity (gamma) management on relatively short-term investment horizons (under 3 months). Investment instruments include, but are not limited to, straddles and strangles.
- Arbitraging implicit volatilities at the long end of the volatility curve (beyond 6 months). Investment instruments include, but are not limited to, volatility swaps, forward volatility contracts, and correlation swaps.

Unless otherwise mentioned in a particular Sub-Fund's description and subject to all applicable investment limitations (see "Further Information: Investment Powers and Limitations") and within the overall active risk (VaR) limit:

Each Sub-Fund may invest in OECD and non OECD currencies

Each Sub-fund may invest in the following instruments:

- Money markets instruments;
- Financial derivative instruments;
- Embedded derivatives;
- Temporary acquisitions and disposals of securities.

Each Sub-Fund may invest its residual cash balances denominated in the base currency of the Sub-Fund in:

- Money market instruments: bills, negotiable government bonds, bonds nearing maturity;
- Repurchase agreements;
- Certificates of deposits.

The objective is to obtain a return on the cash balances as close as possible to daily capitalised index which is referred to in the investment objective of each Sub-Fund, without seeking to outperform it.

Each Sub-Fund may invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs.

■ Investment objective and policy

This Sub-Fund's strategy consists in being an active player on the currency markets.

The objective of this Sub-Fund is to achieve a performance in excess of 2% over the daily compounded EONIA over a minimum investment horizon of two years after taking into account charges.

On a daily basis, the fund managers aim to maintain the 95% ex-post VaR, with respect to the rolling one year performance objective, below a 6% threshold. This means that statistically, and under normal market conditions, the Sub-fund is constructed so as not to underperform its performance objective by more than 6% over one year with a confidence interval of 95%.

Risk allocation is determined via an annualised ex-ante VaR of 95%, calculated daily, which will be between 0 and 7.5%.

The currencies composing each currency bloc are as follows:

- For the "United States" bloc: the USD,
- For the "commodity-linked" bloc: CAD, AUD, NZD, ZAR (South Africa),
- For the "Europe" bloc: EUR, SEK, DKK, NOK, CHF, ISK (Iceland) and GBP,
- For the "Japan" bloc: JPY and KRW.

Investments are made within the following limits of exposure to market risks:

- Exposure to interest-rate risk: money markets only within a [0, +0.5] modified duration bracket;
- Exposure to equity markets: nil;
- Currency risk: active management of currency risk: up to 100% of Value at Risk;
- Value at Risk: 6% annually (at 95% confidence interval as exposed above).

The "Eonia" index represents the reference indicator of the Sub-Fund.

The base currency of the Sub-Fund is Euro.

■ Risk profile

Investments in Absolute Return Sub-Funds are primarily subject to interest rate, credit and prepayment risks relating to bonds. In addition, the assets of such Sub-Funds may also be affected by market fluctuations due to the investments in financial instruments and equities.

Statistical monitoring is performed for each of the Absolute Return Sub-Funds. Thus, this monitoring does, under no circumstances, guarantee a minimum performance. Investors are informed that they might not recover all or part of their initial investments.

The mainly identified risks of Equity Arbitrage Sub-funds are Exchange Risk, Interest Rate Risk, Credit Risk, Market Risk, Liquidity Risk, Risks attached to transactions into derivatives, Management and Investment Strategy Risk as well as Volatility Risk.

In general terms, none of the Absolute Return Sub-Funds seeks a leverage effect through the commitments that imply the derivatives outlined above. The fact remains that, in absolute terms, any Sub-Fund using derivative instruments for whatever use, can be considered as integrating a leverage effect to some extent. Furthermore, in accordance with the provision of the 2002 Law, the Fund is not authorised

to borrow, except the borrowing made on a temporary basis, those permitting the acquisition of immovable property essential for the direct pursuit of its business as well as back-to-back loan in relation with the acquisition of currencies.

It should be noted that Shares are neither guaranteed nor principal protected and that there can be no assurance that Shares are redeemed at the price for which they have been subscribed.

■ Typical investor profile

In the light of the Sub-Fund's investments, objectives and strategies, they are appropriate for investors who seek to protect their investments from volatile fluctuations. The aim of this Sub-Fund is to achieve a stable total return through a combination of capital appreciation and income.

An investment in the Sub-Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. The Sub-Fund is not intended to be a complete investment programme and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-Fund. An investment in the Sub-Fund is intended to be a long-term investment. The Sub-Fund should not be used as a trading vehicle.

■ Shares Classes/Allocation of earnings

Shares of the Sub-Fund are divided into several Classes available to investors according to their quality. Shares may be further subdivided into Distribution and Accumulation Shares. Accumulation Shares automatically retain, and re-invest, all attributable incomes within the Sub-Fund when Distribution Shares pay any attributable income in the form of a dividend. This can either be paid by bank transfer into your bank account, or by cheque sent to your home address, in both cases in the currency specified (please note that bank transfer and foreign exchange costs will be borne by the investor).

Accumulation Shares in non-certificated registered form may appear as the most efficient way for investors to manage their account. Indeed they enable investors to give conversion and redemption instructions by letter, fax or telex with no need to return any Share certificates.

| Share Classes | Share Categories Available * | Dividend Payment for Distribution shares | Authorised Investors | Minimum Initial Subscription | Minimum Subsequent Subscription |
|---------------|------------------------------|--|--|----------------------------------|---------------------------------|
| AE Class | A / D | In September | All Investors | None | None |
| SE Class | A | | All Investors. Shares only available through a network of distributors specifically authorised by the Board. | None | None |
| Classic H (H) | A | | All Investors. Shares only available through a networks of distributors specifically authorised by the Board. Difference with Class S : Reduced Subscription Fee | None | None |
| ME Class | A | | Italian GPF and UCITS, UCIs or mandates authorized by the Board | None | None |
| IE Class | A / D | In September | Institutional Investors investing for their own account or for individuals within the framework of a collective savings or any comparable scheme as well as UCITS. | Equivalent in EUR of USD 500,000 | None |
| OE Class | A | | Institutional Investors specifically authorized by the Board | Equivalent in EUR of USD 500,000 | None |

■ Fees and expenses

Fees charged to the investors:

| Share Classes | Maximum subscription fee | Maximum conversion fee | Maximum redemption fee |
|-----------------|--------------------------|------------------------|------------------------|
| AE Class | 4.50% | 1.00% | / |
| SE Class | 3.00% | 1.00% | / |
| Classic H Class | 1.00% | 1.00% | / |
| ME Class | 2.50% | 1.00% | / |
| IE Class | 2.50% | 1.00% | / |
| OE Class | 5.00% | 1.00% | / |

Operating expenses charged directly to the Sub-Fund and reflected in the net asset value:

| Share Classes | Maximum Management Fee | Maximum Administration Fee | Maximum Distribution Fee | « Taxe d'abonnement »* | Performance fee |
|-----------------|------------------------|----------------------------|--------------------------|------------------------|---|
| AE Class | 0.80% | 0.30% p.a. of the NAV | / | 0.05% p.a. | 30% over the Performance objective : EONIA + 2% |
| SE Class | 0.90% | 0.30% p.a. of the NAV | / | 0.05% p.a. | |
| Classic H Class | 1.10% | 0.30% p.a. of the NAV | / | 0.05% p.a. | |
| ME Class | 0.30% | 0.25% p.a. of the NAV | / | 0.01% p.a. | |
| IE Class | 0.40% | 0.10% p.a. of the NAV | / | 0.01% p.a. | |
| OE Class | / | 0.10% p.a. of the NAV | / | 0.01% p.a. | |

*see paragraph Taxation of the Fund.

As described in the above table, a performance fee has been added to the Management fee for this Sub-Fund. The structure of the Performance fee is defined as follows:

Performance of the relevant Sub-Fund is calculated on the basis of the change in Net Asset Value per Class of Share (Performance Fee excluded) multiplied by the number of Shares of the day.

The performance of each Class is compared with the Performance Base. The compounded Performance Base applies to amounts invested during the concerned period (i.e. net asset value at the beginning of the concerned period, added to net subscriptions/redemptions over the same period). Each net collection (subscriptions – redemptions on day x) shall contribute towards forming the provision for Performance fee over the year or to the amount of Performance fee due at the end of the accounting year

The period (the "Period") to be considered for the Sub-Fund corresponds to the accounting year of the Fund.

General:

- If, over the Period, the relevant Class outperforms the relevant Sub-Fund's Performance Base, the variable proportion of Management Fees shall be 30% of the difference between the cumulative performance of the relevant Class and the relevant cumulative compounded Performance.
- If, during the Period, the relevant Class outperforms the Performance Base from the start of the Period calculated over the same period, such outperformance shall be subject to a provision for Performance Fee when the redemption value (i.e. the Net Asset Value per Class of Share) is calculated.
- If, over the Period, the relevant Class underperforms the aforementioned Performance Base, the variable proportion of the Management Fees shall be nil.
- If the relevant Class underperforms the Performance Base between two redemption values, any provision previously posted shall be readjusted by way of provision adjustment, the upper limit on provision re-adjustment being the sum of prior allocations over the period from the start of the Period.
- The said variable proportion shall only be definitively due at the close of each Period if, over the Period, the relevant Class has outperformed the Performance Base.
- The above Performance fee shall be directly charged to the statement of operations of each Class of Shares of the relevant Sub-Fund.
- An independent auditor shall verify the method of calculating the Performance fee.

■ Taxation of the Fund

The Fund is not subject to any taxes in Luxembourg on income or capital gains.

The only tax to which the Fund is subject is the "Taxe d'abonnement". Such tax is payable quarterly based on the value of the net assets of the Fund at the end of the relevant calendar quarter at the rate of 0.05% per annum, decreasing to 0.01% for Institutional Classes Category, M Classes Category, O Classes Category, Money Market Sub-Funds and Reserve sub-funds.

Interest and dividend income receive by the Fund may be subject to non-recoverable withholding tax in the countries of origin.

■ Taxation of the Shareholders

Under present Luxembourg law, no tax is levied neither ordinary income nor capital gains. Only Luxembourg residents are subject to Luxembourg tax. However, in accordance with the European Union Savings Directive ("EUSD") effective from 1st July 2005, certain sub-funds are subject to a withholding tax when a Luxembourg paying agent makes distributions from and redemption of shares to investors residing in another Member State. Unless the individual investors specifically request to be brought within the EUSD exchange of

information regime, such distributions and redemptions will be subject to withholding tax at the rate of 20% until 31/12/2010 and 35% thereafter.

Prospective investors should inform themselves of, and where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, holding and redemption of units in the country of their citizenship, residence or domicile.

NAV Calculation and Prices Publication

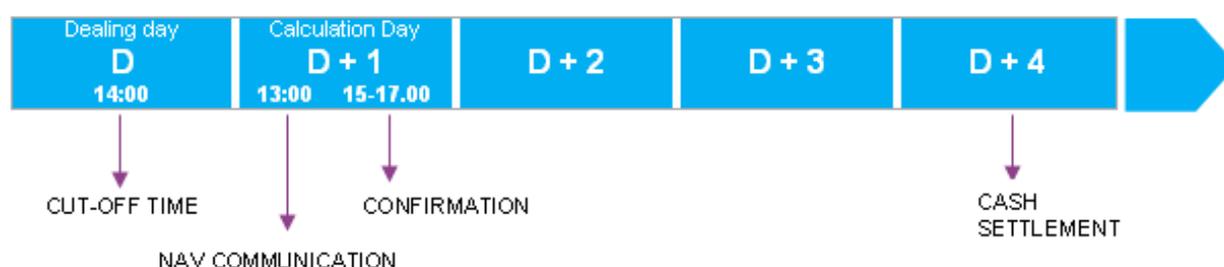
The Net Asset Value (“NAV”) per Share of the Sub-Fund is calculated in Luxembourg on any Calculation Day and is dated from the Dealing Day being Business Day preceding the Calculation Day. A Business Day is defined as being any day during which banks are opened for business in Luxembourg.

The NAV per share of each Dealing Day will be available from the Administration Agent as well as on Reuters and will also be published in any national newspaper of a country in which the Fund is authorised for public distribution, if so decided by the Board.

Subscriptions / Redemptions and Conversions of Shares

Shares may be sold or redeemed (and/or converted) on any Dealing Day, at their respective Dealing Price (Net Asset Value) in accordance with the Articles of Incorporation. To subscribe / redeem or convert shares, instructions may be given by fax, telex or by post either to the Fund or to an authorised distributor. Allotment of shares will be executed following the timing set out in the schedules below (Luxembourg time).

DEALING TIMES



Allotment of shares is conditional upon receipt by the Custodian of cleared monies within four Business Days of the relevant Dealing Day. If timely settlement is not made an application may lapse and be cancelled. All applications will be duly confirmed by contract notes. Unless otherwise or clearly specified by the investor, shares will be purchased or redeemed at the Dealing Price calculated in the base currency of the Sub-Fund. In the absence of specific instructions, Shares will be issued as non-certificated accumulation Shares of the Classic class. If on any Dealing Day, the Fund receives request for redemptions (or conversions) of Shares equalling or exceeding 10 per cent of the number of Shares or of the assets of the Sub-Fund, it may declare that such redemptions (or conversions) are deferred until a Dealing Date such as all or certain investments of the Sub-Fund have been sold. Conversions from Shares of one Class of a Sub-Fund to Shares of another Class of either the same or different Sub-Fund are not permitted except if any investor complies with all the conditions required for the Class into which the conversion is made. Except in the case of a suspension of deferral or right to redeem or purchase Shares of the relevant Sub-Funds, a request for conversion, once made, may not be withdrawn. The Fund may temporarily suspend or restrict the issue, redemption and conversion shares if necessary in order to protect the Shareholders' interest .

Prohibition of Late Trading and Market Timing

Late Trading and Market Timing practices are strictly prohibited as further detailed in the Fund's full prospectus.

Performance of the Sub-Fund

The performance of the Sub-Fund is presented in the Part B Statistics attached hereto. Performance is expressed in the Fund accounting year. (1st July to 30 June). For more recent information investors may refer to the latest periodical reports available or consult Amundi Funds web site, www.amundi-funds.com.

Additional Important Information

| | |
|------------------------|---|
| Legal structure: | The Sub-Fund is a sub-fund of Amundi Funds, an umbrella fund, organised as a “société d'investissement à capital variable” under part I of the law of 20 December 2002 on undertakings for collective investment. |
| Supervisory Authority: | Commission de Surveillance du Secteur Financier, Luxembourg (www.cssf.lu). |

| | |
|---|--|
| Management Company | Amundi Luxembourg, 5, Allée Scheffer, L-2520 Luxembourg. |
| Investment Manager: | Amundi acting through its main establishment (90, boulevard Pasteur, F-75015 Paris, France) or its London branch (41 Lothbury, London EC2R 7HF, United Kingdom). |
| Sponsor and Distributor: | Amundi, 90, boulevard Pasteur, F-75015 Paris, France. |
| Custodian, Central Administrator and Principal Paying Agent | CACEIS Bank Luxembourg, 5 allée Scheffer, L-2520 Luxembourg. |
| Independent Auditor: | PricewaterhouseCoopers s.a.r.l., 400 route d'Esch, L-1471 Luxembourg. |
| Shareholders meeting: | The annual general meeting of shareholders of the Fund will be held in Luxembourg at 11 a.m. on the last Friday of October in each year (or if such day is not a bank business day in Luxembourg, on the next following bank business day in Luxembourg) |

For further information, please contact Amundi Luxembourg, 5, Allée Scheffer, L-2520 Luxembourg.

AMUNDI FUNDS DYNARBITRAGE FOREX - C

Acc. Shares

Reference currency: EUR

CAUTION

Past performance does not guarantee future returns.

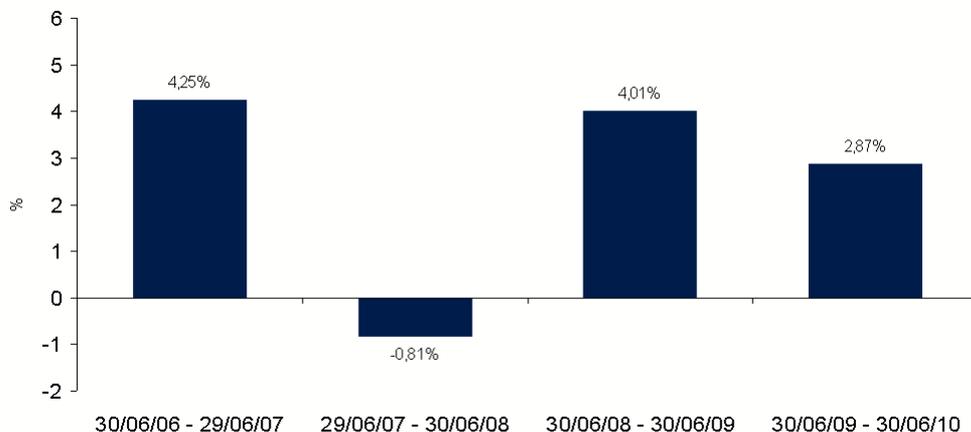
The value of an investment can rise or fall with market fluctuations, and you may lose the amount originally invested.

The TER does not include subscription and redemption fees.

Data relating to transactions have to be analysed depending on the investment strategy of the Sub-Fund.

Performance is calculated taking into consideration net returns.

■ PERFORMANCE AT 30/06/10



■ PERFORMANCE AT 30/06/10

| Performances | 1 year | 3 years | 5 years |
|--|--------|---------|---------|
| AMUNDI FUNDS DYNARBITRAGE FOREX - C | 2.87% | 6.13% | - |
| 100 % EONIA | 0.36% | 7.11% | - |

■ PRESENTATION OF THE FEES CHARGED TO THE UCITS FROM 01/07/09 TO 30/06/10

| | |
|--|------|
| Total Expense Ratio (TER) excl. performance fees | 1.15 |
| Total Expense Ratio (TER) incl. performance fees | 1.25 |

■ INFORMATION ON TRANSACTIONS FROM 01/07/09 TO 30/06/10

| | |
|-------------------------------|------|
| Portfolio Turnover Rate (PTR) | 3.66 |
|-------------------------------|------|

■ PUBLICATION DATE 21/10/10