



ASSET MANAGEMENT

UCITS under Directive 2009/65/EC
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# **ODDO CONVERTIBLES TAUX**

FCP

12, boulevard de la Madeleine 75009 PARIS

## **PROSPECTUS**



## ODDO CONVERTIBLES TAUX

**I - GENERAL CHARACTERISTICS****I.1 - Structure of the Fund**

- **Name:** ODDO CONVERTIBLES TAUX (hereinafter the “Fund”)
- **Legal form and Member State in which the Fund was established:** French Common Fund (FCP).
- **Inception date and intended lifetime:** This Fund was approved by the AMF on 8 September 2000. It was created on 14 September 2000 for a period of 99 years.
- **Fund overview:**

Units	CHARACTERISTICS				
	ISIN code	Allocation of distributable income	Base currency	Minimum initial investment	Target investors
CR-EUR	FR0000980989	accumulation	Euro (€)	None	All subscribers, and particularly natural persons
CI-EUR	FR0011294586	accumulation	Euro (€)	250,000*	All subscribers, and particularly institutional investors
GC	FR0011605518	accumulation	Euro (€)	EUR 100	GC units are reserved for (i) insurance companies approved by Oddo AM, to represent unit-linked products subscribed as part of “advisory management” contracts in their range and for (ii) Oddo et Cie clients also having signed an advisory agreement with an Oddo et Cie financial investment advisory partner.
CR CHF Hedged	FR0012244184	accumulation	Swiss franc (CHF)	CHF 100	All subscribers, and particularly natural persons
CI CHF Hedged	FR0012243996	accumulation	Swiss franc (CHF)	CHF 250,000*	All subscribers, and particularly institutional investors

\* With the exception of the Management Company, companies in the Management Company's group and UCIs and mandates managed by the Management Company, from which no minimum subscription is required.

CR CHF Hedged and CI CHF Hedged units are hedged against CHF/EUR currency risk in order to limit differences in performance relative to euro-denominated units, though residual currency risk of maximum 3% remains.

## INFORMATION FOR UNITHOLDERS:

### Address at which the latest annual and semi-annual reports are available:

**Company** ODDO ASSET MANAGEMENT  
**Address** 12, Bd de la Madeleine – 75009 Paris  
**Email** [information\\_oam@oddo.fr](mailto:information_oam@oddo.fr)

These documents are also available:

**On the website** <http://www.oddoam.com/>  
**By contacting** Marketing Department  
**By telephoning** 01 44 51 84 14

Any further information required can be obtained from the Marketing Department, Tel: 01 44 51 84 14.

## I.2 - Directory

**Management Company** ODDO ASSET MANAGEMENT, *société anonyme* (public limited company) (hereinafter the “**Management Company**”)  
Portfolio Management Company approved by the AMF (number GP 99011)  
12, Bd de la Madeleine – 75009 Paris

**Custodian, Depository,** ODDO ET CIE, a *société en commandite par actions* (general partnership limited by shares)  
(hereinafter the “**Custodian**”)

**Establishment in charge of liabilities management delegated by the Management Company** Bank approved by the French Prudential Control and Resolution Authority  
12, Bd de la Madeleine – 75009 Paris

**Administration and Accounting delegated to** European Fund Administration France SAS (EFA France)  
17 rue de la Banque  
75002 Paris

**Statutory auditor** DELOITTE ET ASSOCIÉS  
185, avenue Charles de Gaulle B.P. 136 92203 NEUILLY-sur-SEINE Cedex  
Authorised signatory: Mr Jean-Pierre VERCAMER

**Promoter** Oddo Asset Management, *société anonyme* (public limited company)  
Portfolio Management Company approved by the AMF (number GP 99011)  
12, Bd de la Madeleine – 75009 Paris

**Assignees** None.

**Advisers** None.

**Agent for receiving subscription and redemption orders** Oddo et Cie, *société en commandite par actions* (general partnership limited by shares)  
Bank approved by the French Prudential Control and Resolution Authority  
12, Bd de la Madeleine – 75009 Paris

**Other agent for receiving subscription and redemption orders** CACEIS BANK LUXEMBOURG (prior to centralising)  
5, allée Scheffer  
L-2520 Luxembourg

## **II - OPERATING AND MANAGEMENT PROCEDURES**

### II.1 - General characteristics

**Rights attributed to the class of units:** The co-owners’ rights are represented by units, with each unit corresponding to the same fraction of the Fund’s assets. Each unitholder has a co-ownership right in the assets of the Fund proportional to the number of units they hold. The distributable income consists of:

1° The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.

2° The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been subject to distribution or accumulation, plus or minus the balance of the capital gains equalisation accounts (for financial years beginning after 1 January 2013).

The categories of income referenced in points 1° and 2° respectively may be distributed, in full or in part, independently of each other.

**Inclusion in a register:** The Management Company delegates the management of liabilities to the Custodian.

**Voting rights:** No voting rights are attributed to the ownership of units. Decisions concerning the Fund are taken by the Management Company. The voting rights attached to the securities held by the Fund are exercised by the Management Company, which has the sole power to take decisions, pursuant to regulations in force. The Management Company's voting policy may be consulted at its registered office or online at [www.oddoam.com](http://www.oddoam.com), in accordance with article 314-100 of the AMF General Regulation. Unitholders can obtain a report of the Management Company's voting activities from the Management Company.

**Form of units:** Listed on Euroclear France.  
Bearer.

**Possible fractions of units:** Subscriptions and redemptions are carried out in thousandths of units.

- **Financial year-end:** Last stock market trading day in June.
- **End of first financial year:** 28 June 2001.
- **Tax regime:**  
As of 1 July 2014, the Fund shall be governed by the provisions of appendix II, point II. B. of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations at an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units.

These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation.

We advise you to consult a tax adviser in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the Management Company nor the Promoters shall accept any responsibility whatsoever for the tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

#### Redemption of units followed by a subscription

As the Fund is made up of several unit classes, a conversion from one class of units by means of a redemption followed by a subscription of another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

## **II.2 - Specific provisions**

**ISIN Code CR-EUR units:** FR0000980989

**ISIN Code CI-EUR units:** FR0011294586

**ISIN Code GC units:** FR0011605518

**ISIN Code CR CHF Hedged units:** FR0012244184

**ISIN Code CI CHF Hedged units:** FR0012243996

- **Fund of funds:** Less than 10% of the net assets.
- **Classification:** "Diversified" UCITS.
- **Investment objective:** The Fund's investment objective is to outperform the benchmark index, the *Thomson Reuters Europe Focus Hedged Convertible Bond Index*, over a minimum investment horizon of two years.
- **Benchmark index:** *Thomson Reuters Europe Focus Hedged Convertible Bond Index*.  
This index is calculated by MACE Advisers, a company in the Thomson Reuters group. It includes European convertible bonds that meet the minimum liquidity and risk profile balancing (equities/bonds) criteria. It is available at <http://thomsonreuters.com/> and via Bloomberg  
Investors are advised that the benchmark index does not constitute a limitation on the Fund's investment universe. It allows the investor to assess the Fund's risk profile. The Fund's performance may differ substantially from that of its benchmark index.

## 1) Investment strategy:

The Fund is managed on an active, discretionary basis and using a fundamental approach that comprises several stages:

1. Analysis of the economic climate and markets allowing investment themes to be selected and objectives for market sensitivity ranges to be established.
2. Qualitative analysis of each security, which includes:
  - an assessment of the potential of issuing companies and underlying companies, based on a financial analysis including in particular an assessment of prospects for growth, profitability and solvency,
  - an analysis of the securities' technical characteristics based on the bond issuance contract and market price.
3. Portfolio construction: weighting of securities in line with range objectives:
  - geographic and sectoral exposure, etc.
  - average sensitivity to equity risk, credit risk, interest rate risk and volatility.

To outperform the benchmark index, the management team will aim to select securities with the greatest potential and to weight them in accordance with overall sensitivity targets.

The Fund is permanently exposed to fixed income instruments denominated in euro and issued by entities with their registered office in the European Economic Area (EEA) or a European OECD member state (70% minimum), and shall invest:

- between 50% and 100% in convertible bonds of all types;
- up to 50% of the net assets in other debt securities, thus allowing synthetic convertible bonds to be created by combining a listed call option and a traditional bond.

The Fund is managed within a modified duration range of 0 to 5.

The Fund is managed within an equity sensitivity range of 0% to 40%.

## 2) Principal categories of assets used (excluding embedded derivatives):

### o Debt securities, money market instruments and bonds:

The Fund invests:

- between 50% and 100% in convertible bonds of all types;
- up to 50% of the net assets in other debt securities.

### Type of issuer and geographical breakdown:

The Fund invests:

- between 70% and 100% of the Fund's net assets in (public and/or private) issuers with their registered office in the European Economic Area or in a European member country of the OECD;
- up to 30% of the Fund's net assets in issuers with their registered office outside the EEA or not in a European member country of the OECD and no more than 10% in issuers with their registered office in an emerging (non-OECD) country;
- there is no predefined allocation between private and public debt.

### Rating:

The manager may invest in rated and unrated debt securities.

High yield securities with a rating of lower than BBB- (from an official agency, Standard & Poor's or deemed equivalent by the Management Company, or using the Management Company's internal rating) shall be limited to 35% of the net assets. The Management Company does not use the ratings issued by ratings agencies automatically or in isolation, as it also applies its own internal analysis. In the event of a downgrade, the Management Company will take the interests of unitholders, market conditions and its own analysis of these fixed income products into account when respecting rating limits.

Unrated securities shall not be included in the 35% limit. Unrated securities may represent the same risks as securities rated high yield by the ratings agencies.

### o Equities:

The Fund may invest up to 10% of its net assets in shares resulting from the conversion of bonds. These shares will be held for a transitional period until such time as the Management Company deems the sale price to be favourable. There is no predefined geographical or sector allocation.

### o Shares or units of other UCIs or investment funds:

Up to 10% of the Fund may be invested in units or shares:

- of French or foreign UCITS that may not invest more than 10% of their assets in units or shares of other UCITS, AIFs or investment funds;
- of French AIFs or AIFs from other EU Member States;
- of investment funds established under foreign law.
  
- The units or shares of these AIFs and investment funds must meet the four criteria under article R214-13 of the French Monetary and Financial Code, namely: (i) that they are subject to regulations equivalent to those applicable to UCITS and that there is cooperation between the AMF and the regulatory body of the AIF; (ii) that the level of protection granted to unitholders is equivalent to that of UCITS; (iii) that they issue semi-annual and annual reports explaining their activities; and (iv) that they must not themselves invest over 10% of their assets in units or shares of other UCITS, AIFs or foreign investment funds.

Investments in UCIs shall be carried out in order to achieve the investment objective. Such investments may also be carried out in order to generate income from cash or for diversification purposes. These UCIs may be managed by Oddo Asset Management.

### 3) Derivatives:

The Fund may use futures or options traded on French or foreign regulated markets in order to hedge against or gain exposure to interest rate or equity risk, including on equity indices, especially in order to create synthetic bonds. Forward financial instruments shall be used without seeking overexposure.

The Fund may also use index credit default swaps (CDS) up to a limit of 5% and only to hedge against credit risk.

All of these transactions are used for the sole purpose of achieving the Fund's investment objective.

### 4) Securities with embedded derivatives:

The manager will seek to address interest rate risk and equity risk.

It may take positions with a view to hedge or gain exposure for the portfolio up to a limit of 100% of net assets.

The Fund may hold any instruments with embedded derivatives that give either immediate or differed access to a company's capital.

All of these transactions are used for the sole purpose of achieving the investment objective.

### 5) Deposits:

The Fund may use deposits to optimise the return on the Fund's cash holdings and manage the different subscription/redemption value dates of the underlying funds, up to the limit of 20% of its net assets. Used as part of day-to-day management of the Fund's cash assets, these will contribute to achieving the investment objective based on their level of return.

### 6) Cash borrowings:

The Fund may borrow the equivalent of up to 10% of its assets in cash in order to cover a temporary delay between incoming and outgoing funds relating to purchases and sales of securities issued on the market, or to cover large redemptions;

### 7) Temporary purchases and sales of securities:

Subject to regulatory limits, the Fund may, for cash management purposes, investment of the guarantees obtained in the context of securities lending or to maximise Fund income, use:

- repurchase and reverse repurchase agreements
- securities lending.

These transactions are not intended to generate leverage. Securities received under repurchase agreements are not temporarily transferred back.

Securities lending and repurchase transactions shall give rise to cash payments which shall be kept by the Fund as a financial guarantee in respect of these transactions.

Within the scope of reverse repurchase transactions, the Fund shall receive financial instruments rated at least investment grade by Standard and Poor's (or equivalent) as a financial guarantee and in exchange for available cash assets held by the Fund.

Temporary purchases and sales of securities shall be carried out with a European Union credit institution that may belong to the Oddo group.

Additional information can be found under the heading "Fees and expenses"

For further information, please refer to the Fund's annual report.

### • Risk profile:

Your money will be invested in financial instruments selected by the Management Company. These instruments are subject to the market's movements and fluctuations.

The risks identified by the Management Company and presented below are not exhaustive. Investors are responsible for assessing the risk of any investments they make, with the assistance of a financial investment adviser where applicable, and for ensuring that the investment envisaged is suited to their financial situation and ability to assume financial risks.

Please refer to the Key Investor Information Document for information on the risk category to which this Fund belongs.

In particular, the Fund will be exposed to the following risks:

- Risk of capital loss: The Fund is not guaranteed or protected; investors may not get back their initial investment in full.
- Risk associated with discretionary management: This risk is linked to the investment style, which is based on expectations regarding the performance of the various markets. There is a risk that the Fund may not be invested in the best-performing markets or securities at all times. The Fund's performance therefore depends on the manager's ability to anticipate movements in the markets or in individual securities. This risk may result in a fall in the net asset value of the Fund and/or a capital loss for the investor.

- Risk associated with convertible bonds: Convertible bonds represent a halfway house between bonds and shares, with the particularity of introducing an element of equity risk into a fixed-income instrument that already features interest rate and credit risk. Since equity markets are more volatile than fixed-income markets, holding these instruments results in an increase in portfolio risk. The value of convertible bonds depends on several factors: the level of interest rates, changes in the price of the underlying equities, changes in the price of the derivative embedded in the convertible bond. These various factors may result in a fall in the Fund's net asset value.
- Interest rate risk: This corresponds to the risk linked to a rise in bond market interest rates, which causes bond prices and therefore the net asset value of the Fund to fall.
- Credit risk: This is the risk of a potential downgrading of an issuer's credit rating or, in an extreme case, of its collapse, which would have a negative impact on the price of the debt securities issued and therefore on the net asset value of the Fund. This could result in a capital loss for holders. Credit risk varies according to expectations, bond maturities and the level of confidence in each issuer. This may restrict the liquidity of the securities of a particular issuer and have a negative impact on the net asset value of the Fund, especially if the Fund liquidates its positions in a market where transaction volumes are low.
- Counterparty risk: This is the risk of a counterparty's collapse, causing it to default on payment. The Fund may be exposed to the counterparty risk caused by the use of forward financial instruments contracted over-the-counter with credit institutions. The Fund is therefore exposed to the risk that one of these credit institutions may not be able to honour its commitments in connection with such instruments and this may lead to a fall in the net asset value of the Fund.
- Risk associated with high-yield bonds: The Fund must be viewed as partly speculative and as intended in particular for investors aware of the risks inherent in investments in securities with a low rating, or none at all, and restricted liquidity. The use of high yield or unrated securities may therefore expose the Fund to the risk of a sharper decline in the net asset value.
- Volatility risk: This risk is linked to an asset's propensity to fluctuate substantially, either for a particular reason or in line with the market's general movements. The more an asset fluctuates over the short term, the more it is regarded as volatile and therefore more risky. Changes in the volatility of the underlying share directly affect the value of a convertible bond's conversion option. A reduction in volatility may cause convertible bond prices to fall and consequently lead to a fall in the Fund's net asset value.
- Risk associated with commitments on forward financial instruments: The Fund may use derivatives alongside securities in the portfolio, with an overall commitment of up to 100% of the net assets. These instruments may be used only within the agreed sensitivity range. The Fund's net asset value could fall if markets move unfavourably.
- Liquidity risk of underlying assets:  
Weak liquidity on a market makes it sensitive to significant purchase/sale transaction volumes. This increases the volatility of the Fund, the assets of which are traded or listed on this market, and may impact the valuation of these assets and, where applicable, the prices at which the Fund may be obliged to liquidate its positions. The lack of liquidity is particularly associated with certain geographic (emerging countries) and sector (small and mid caps, commodities) characteristics and with certain classes of securities in which the Fund may invest, such as high yield bonds. In such cases, the net asset value of the Fund may therefore fall sharply.

A significant proportion of assets are invested in financial instruments that are sufficiently liquid but nevertheless liable, under certain circumstances, to have relatively weak liquidity, to the extent that this impacts on the liquidity of the Fund as a whole.

- Risk associated with holding small and medium capitalisations:  
the Fund may be exposed to small and medium capitalisations. Price fluctuations, both upward and downward, are more acute and more abrupt than for large capitalisations and may therefore result in sharp variations in the Fund's net asset value. Furthermore, the low volumes traded on these markets may result in liquidity risk. This type of investment may affect the Fund's valuation and the prices at which the Fund may be obliged to liquidate its positions, particularly in the case of large redemptions, and may even make it impossible for the Fund to sell its holdings, as a result of which the Fund's net asset value may fall.
- o and, to a limited extent, to other types of risk:
  - Equity risk:  
The Fund is invested directly or indirectly in one or more equity markets that may experience significant fluctuations. The Fund's net asset value could fall during periods in which the equity market is falling.
  - Emerging markets risk:  
This risk is linked to the operating and monitoring conditions on emerging markets to which the Fund is exposed, which may deviate from the standards that exist on the large international markets and may be affected by various disruptions (such as changes in taxation or political stability, or a temporary lack of liquidity on these securities). These disruptions may trigger settlement/delivery problems likely to have an impact on the prices at which the Fund may be obliged to liquidate its positions, which may then result in a sharp fall in the Fund's net asset value.

- **Guarantee or protection**: None (neither the capital nor the performance are guaranteed)

- **Target investors:**

The units have not been, and shall not be, registered under the 1933 US Securities Act (hereinafter “the Act of 1933”), or under any law applicable in a US State, and the units may not be directly or indirectly assigned, offered or sold in the United States of America (including its territories and possessions) for the benefit of any US persons (hereinafter “US Persons”), as defined by US “Regulation S” under the Act of 1933 adopted by the Securities and Exchange Commission or SEC, except if (i) the units are registered or (ii) an exemption is applicable (with the prior consent of the Fund Management Company’s Board of Directors). The Fund is not, and shall not, be registered under the US Investment Company Act of 1940. Any resale or assigning of units in the United States of America or to a “US Person” may constitute a violation of US law and require the prior written consent of the Fund Management Company’s Board of Directors. Persons wishing to purchase or subscribe units shall be required to certify in writing that they are not “US Persons”.

All unitholders must immediately inform the Fund if they become a “US Person”. Any unitholder that becomes a US Person shall no longer be authorised to purchase new units and may be requested to dispose of their units at any time for the benefit of persons who do not have “US Person” status.

The term “US Person” has the same meaning in the Prospectus as the definition given in SEC Regulation S (Part 230 - 17 CFR 230.903). This definition of a “US Person” is available at <http://www.sec.gov/about/laws/secrulesregs.htm>.

In accordance with the provisions of the Foreign Account Tax Compliance Act (“FATCA”), applicable as of 1 July 2014, if the Fund directly or indirectly invests in US assets, the income from these investments may be subject to 30% withholding tax. To avoid the payment of this 30% withholding tax, France and the United States have concluded an intergovernmental agreement whereby non-US financial institutions (“foreign financial institutions”) undertake to set up a procedure to identify direct or indirect investors with US taxpayer status and transmit certain information about these investors to the French tax authorities, which will communicate it to the US tax authorities (“Internal Revenue Service”).

In its capacity as a foreign financial institution, the Fund undertakes to comply with FATCA and to take any measures required by the aforementioned intergovernmental agreement.

Except for these restrictions, the Fund is open to all investors, while bearing the following in mind.

CR-EUR units are primarily aimed at retail investors.

CI-EUR units are primarily aimed at institutional investors.

GC units are reserved for (i) insurance companies approved by ODDO AM, to represent unit-linked products subscribed as part of “advisory management” contracts in their range and for (ii) Oddo et Cie clients also having signed an advisory agreement with an ODDO et Cie financial investment advisory partner.

CR CHF Hedged units are primarily aimed at retail investors. These units are hedged against CHF/EUR currency risk in order to limit differences in performance relative to euro-denominated units, though residual currency risk of maximum 3% remains.

CI CHF Hedged units are primarily aimed at institutional investors. These units are hedged against CHF/EUR currency risk in order to limit differences in performance relative to euro-denominated units, though residual currency risk of maximum 3% remains.

- **Recommended investment horizon:** 2 years.

- **Typical investor profile**

The Fund is intended for anyone seeking exposure to fixed income markets by means of convertible bonds and synthetic convertible bonds in particular and who is able to bear any losses associated with this exposure.

The recommended minimum investment period is more than two years.

The amount that is appropriate to invest in this Fund depends on your personal situation. To determine this amount, investors should consider their personal wealth/assets, their current financial needs and those in more than two years, as well as their willingness to accept risks or their preference for a more prudent investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

- **Distribution of income and capital gains:**

Distributable income:

Distributable income	CR-EUR, CI-EUR, GC, CI CHF Hedged and CR CHF Hedged Accumulation units
Allocation of net income	Accumulation
Allocation of net realised capital gains or losses	Accumulation

- **Base currency:**



CR-EUR, CI-EUR and GC units are denominated in euro (€).

CR CHF Hedged and CI CHF Hedged units are denominated in Swiss franc (CHF). CR CHF Hedged and CI CHF Hedged units are hedged against CHF/EUR currency risk in order to limit differences in performance relative to euro-denominated units, though residual currency risk of maximum 3% remains.

**Form of units:** Bearer.

- **Fractions of units:** subscriptions and redemptions in thousandths of units.
- **Terms and conditions of subscriptions and redemptions:**  
Subscription and redemption requests are centralised by the Custodian every trading day until 11:15 (Paris time) and executed on the basis of the net asset value of the same day. The resulting settlements shall be carried out on the second trading day following the NAV date, except in the case of CR CHF Hedged and CI CHF Hedged units, for which settlements shall be carried out at the latest on the fifth trading day following the NAV date.  
Subscriptions and redemptions are carried out in thousandths of units.
- **Initial value of the unit**  
CR-EUR units: EUR 100  
CI-EUR units: EUR 1,000  
GC units: EUR 100  
CR CHF Hedged units: CHF 100  
CI CHF Hedged units: CHF 1,000
- **Minimum initial investment**  
CR-EUR units: None  
CI-EUR units: EUR 250,000 \*  
GC units: EUR 100  
CR CHF Hedged units: CHF 100  
CI CHF Hedged units: CHF 250,000\*  
*\*With the exception of the Management Company, companies in the Management Company's group and UCIs and mandates managed by the Management Company, from which no minimum subscription is required.*
- **Minimum subsequent investment**  
CR-EUR units: 1 thousandth of a unit  
CI-EUR units: 1 thousandth of a unit  
GC units: 1 thousandth of a unit  
CR CHF Hedged units: 1 thousandth of a unit  
CI CHF Hedged units: 1 thousandth of a unit
- **Centralisation of subscription and redemption requests delegated by the Management Company:**  
**ODDO ET CIE**  
12, Bd de la Madeleine – 75009 Paris.  
The Fund's promoters must send subscription and/or redemption orders to the Centralising Agent no later than the centralisation cut-off time. Any order received by the Centralising Agent after this time will be executed at the following net asset value.  
Promoters may apply their own cut-off time, which may be earlier than the cut-off time mentioned above, in order to take into account the time required to transmit orders to the centralising agent.
- **Date and frequency of NAV calculation:**  
The net asset value is calculated daily, with the exception of French public holidays and days on which the French markets are closed (official calendar of Euronext Paris S.A.).
- **NAV calculation method:**  
Subscriptions and redemptions are processed on the basis of an unknown net asset value. The rules for calculating the net asset value are described in the section "Asset valuation and accounting rules".
- **Place and methods of publication or communication of net asset value:**  
The Fund's net asset value is available from the Management Company and the Custodian at 12, boulevard de la Madeleine – 75009 Paris, and online at <http://www.oddoam.com>.

- **Fees and expenses:**

- Subscription and redemption fees:

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are paid to the Management Company, the promoter, etc.

Fees payable by the investor on subscriptions and redemptions	Basis	Rate CR-EUR, CI-EUR, GC, CI CHF Hedged and CR CHF Hedged units
Subscription fee not payable to the Fund	NAV per unit × number of units	Maximum 4% inclusive of tax
Subscription fee payable to the Fund	NAV per unit × number of units	None
Redemption fee not payable to the Fund	NAV per unit × number of units	None
Redemption fee payable to the Fund	NAV per unit × number of units	None

- Management and administration fees:

Fees charged to the Fund	Basis	Rate
Management fees and management fees not payable to the management company (statutory auditor, custodian, distributors, lawyers)	Net assets	CR-EUR and CR CHF Hedged units: Maximum 1% inclusive of tax
		CI-EUR, GC and CI CHF Hedged units: Maximum 0.65% inclusive of tax
Performance fees	Net assets	None
Transaction fees charged by the service provider: - Custodian: 100%	Taken on each transaction	- Equities: depending on the markets, with a maximum of 0.15% exclusive of tax - Convertible bonds: 0.30% exclusive of tax - Bonds: 0.03% exclusive of tax - Money market instruments and derivatives: None

### **Methods of calculating and sharing the return on temporary purchases and sales of securities**

The remuneration received from temporary sales of securities (lending and repurchase of securities) is repaid to the Fund, less operating costs invoiced by the counterparty, potentially amounting to up to 50% of this remuneration. With respect to temporary purchases of securities (reverse repurchase transactions), the Fund is the direct counterparty in such transactions and receives the full amount of the remuneration.

The Management Company does not receive any remuneration in respect of temporary purchases and sales of securities.

In the context of temporary sales of securities, the service provider used by the Fund shall be a credit institution with its registered office located within a European Union member state. This service provider shall act independently of the Fund and shall systematically act as the counterparty in market transactions. This service provider may belong to the Oddo group. For further information, please refer to the Fund's annual report.

All of these charges are quoted inclusive of tax.

For further information, please refer to the Fund's annual report.

**Procedure for the selection of intermediaries:** Intermediaries and counterparties are selected by management staff using a competitive tendering procedure from a predefined list. This list is drawn up using precise selection criteria laid down in the market intermediary selection policy which may be consulted on the Management Company's website.

## **III - COMMERCIAL INFORMATION**

**Subscription and redemption of units:** Subscription and redemption procedures are presented in the section "Subscription and redemption procedures".

**Information relating to the Fund is provided by:**

**Company** Oddo Asset Management  
**Address** 12, Bd de la Madeleine 75009 Paris.  
**Email** information\_oam@oddo.fr

**Information is also available:**

**On the website** <http://www.oddoam.com>  
**By contacting** Marketing Department  
**By telephoning** 01 44 51 84 14

The AMF website ([www.amf-france.org](http://www.amf-france.org)) provides additional information on the list of regulatory documents and all the provisions relating to investor protection.

**Publication date:** 17/12/2014

## **IV - INVESTMENT RULES**

**Regulatory ratios applicable to the Fund:** The legal investment rules applicable to the Fund are those that govern UCITS investing no more than 10% of their assets in other UCIs, as well as those applicable to the AMF's "Diversified UCITS" classification.

The Fund's overall risk is calculated using the commitment method.

### **Information on environmental, social and governance (ESG) criteria:**

Additional information on the application of ESG criteria by the Management Company shall be available in the Fund's annual report and on the Management Company's website: [www.oddoam.com](http://www.oddoam.com).

## **V - ASSET VALUATION AND ACCOUNTING RULES**

### **Asset valuation rules:**

The calculation of the net asset value per unit is subject to the following valuation rules:

- Financial instruments and transferable securities traded on regulated markets are valued at their market price using the following principles:
- The valuation is based on the last official market price.

The market price used depends on the market on which the instrument is listed:

European markets:	Last market price on the net asset value calculation day
Asian markets:	Last market price on the net asset value calculation day
North and South American markets:	Last market price on the net asset value calculation day

The prices used are collected from financial information providers: Fininfo or Bloomberg.

In the event that no price is available for a security, the last known price is used.

However, the following instruments are valued using the following specific valuation methods:

- financial instruments that are not traded on a regulated market are valued under the Management Company's responsibility at their foreseeable sale prices.

In particular, transferable debt securities and similar securities that are not traded in large volumes are valued by means of an actuarial method; the reference rate used is that applied to issues of equivalent securities plus or minus, where applicable, a differential reflecting the issuer's specific characteristics. Nevertheless, transferable debt securities with low sensitivity and a residual maturity of less than or equal to three months may be valued using the straight-line method.

- contracts (futures, options or swap transactions concluded on over-the-counter markets) are valued at their market value or at a value estimated according to the terms and conditions determined by the Management Company.

The method for valuing off-balance sheet commitments consists in valuing futures contracts at their market price and in converting options into the equivalent value of the underlying.

Forwards or options are valued at the previous day's settlement price.

In the event that no price is available for a future or option contract, the last known price is used.

Securities subject to a temporary acquisition or sale agreement are valued in accordance with the regulations in force. Securities received under repurchase agreements are recorded on their acquisition date under the heading "Receivables on securities received under a repurchase agreement (pension)" at the value fixed in the contract by the counterparty of the liquidity account concerned. For as long as they are held they are recognised at that value plus the accrued interest from the securities in custody.

Securities transferred under repurchase agreements are withdrawn from their account on the date of the transaction and the corresponding receivable is booked under the heading "Securities transferred under a repurchase agreement (pension)"; they are valued at their market value. Payables on securities transferred under repurchase agreements is recorded under the heading "Payables on securities transferred under a repurchase agreement (pension)" by the counterparty of the liquidity account concerned. It is maintained at the value determined in the contract plus any accrued interest on the debt.

- Other instruments: units or shares of UCITS are valued at their last known net asset value.
- Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their foreseeable sale prices. These valuations and their justification are communicated to the statutory auditor at the time of the audit.

**Accounting methods:**

**Income accounting:**

The interest on bonds and debt securities is calculated using the accrued interest method.

**Transaction cost accounting:** Transactions are recorded excluding fees.



## INFORMATION FOR INVESTORS IN GERMANY

State Street Bank GmbH, Solmsstraße 83, 60486 Frankfurt am Main acts as German paying and information agent for the Company in the Federal Republic of Germany (the “German Paying and Information Agent”).

Requests for the redemption of units may be submitted to the German Paying and Information Agent. Payment of redemption proceeds and dividends, if any, as well as any other payments may be made to unitholders upon their request through the German Paying and Information Agent.

The prospectus the Key Investor Information Documents, the Regulations and the annual and semi-annual reports, each in paper form, as well as the issue and redemption prices are available and may be obtained free of charge from the German Paying and Information Agent.

The issue and redemption prices of the Shares will be published on [www.fundinfo.com](http://www.fundinfo.com).

Any notices to German unitholders will be published on [www.fundinfo.com](http://www.fundinfo.com) and may also be obtained free of charge from the German Paying and Information Agent. Moreover, registered investors will be notified by way of permanent data media in the following instances: suspension of the redemption of units; liquidation of the Fund; changes to the Regulations that are inconsistent with the existing investment principles, affect significant investor rights, or relate to remuneration or compensation of expenses (stating the background and the investors' rights), the merger of the Fund or the possible conversion of the Fund into a feeder fund.

Special risks resulting from tax publication requirements in Germany:

The Management Company must provide documentation to the German fiscal authorities upon request in order for such authorities to, e.g. verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and it cannot be guaranteed that the German fiscal authorities will accept or agree with the Management Company's calculation methodology in every material aspect. In addition, investors should be aware that, if it transpires that the published tax information is incorrect, any subsequent correction will, as a general rule, not have retrospective effect, but will only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current financial year.

## REGULATIONS

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### TITLE 1 - ASSETS AND UNITS

#### Article 1 - Co-ownership units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder has a co-ownership right in the assets of the Fund proportional to the number of units they hold.

The term of the Fund is 99 years starting from its inception date, except in the event of early dissolution or extension as set forth in the present regulations.

Unit classes:

The characteristics of the various classes of units and their eligibility requirements are described in the Fund's prospectus.

The different classes of units may:

- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be charged different management fees;
- bear different subscription and redemption fees;
- have a different nominal value;
- be automatically hedged against currency risk, in full or in part, as defined in the Fund's prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the Fund's other unit classes.
- be reserved for one or several distribution networks.

The units may be merged or split.

Following the decision of the Board of Directors of the Management Company, units may be sub-divided into thousandths, referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end.

Lastly, the Board of Directors of the Management Company may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

#### Article 2 - Minimum assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the fund in question, or to carry out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the UCITS).

#### Article 3 - Issue and redemption of units

Units are issued at any time following receipt of subscription requests from unitholders, on the basis of their net asset value plus a subscription fee, where applicable.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the Fund's prospectus.

Units of the Fund may be listed on a stock exchange in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They may be made in cash and/or by a contribution in kind in the form of financial instruments. The management company is entitled to refuse any securities offered and, for that purpose, must communicate its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind are valued according to the rules laid down in article 4 and the subscription is based on the first net asset value following acceptance of the relevant securities.

Redemptions are made exclusively in cash, except in the event of liquidation of the Fund when unitholders have agreed to be reimbursed in kind. They are settled by the registrar within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.

With the exception of a succession or an inter vivos gift, the sale or transfer of units between unitholders, or between unitholders and third parties, is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to at least reach the minimum subscription amount stipulated by the prospectus.

In application of article L.214-8-7 of the French Monetary and Financial Code the redemption of units by the Fund as well as the issue of new units may be suspended on a temporary basis by the management company in exceptional circumstances and if this is deemed necessary to protect the interests of unitholders.

If the net assets of the Fund have fallen below the minimum threshold set by the regulations, no redemptions can be carried out.

The Management Company may prevent:

- the holding of units by any individual or legal entity not entitled to hold Fund units under the terms of the “target investors” section (hereinafter “Non-Eligible Persons”), and/or
- the registering in the Fund’s unitholder register or the Transfer Agent’s register of any “Non-Eligible Intermediaries”, in accordance with the stipulations of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations on an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

Within this context, the Management Company may:

- refuse to issue any units if it appears that such an issuance would or could result in said units being held by a “Non-Eligible Person” or registered in the Fund’s unitholder register or the Transfer Agent’s register;
- request that all information which it deems necessary in order to determine whether or not the beneficial owner of the units in question is a “Non-Eligible Person” be provided at any time from any intermediary whose name appears in the Registers of unitholders, accompanied by a solemn declaration;
- if it appears that the beneficial owner of the units is a “Non-Eligible Person” and is registered in the Fund’s Registers of unitholders, immediately proceed with the compulsory redemption of the units held by the Non-Eligible Person. The compulsory redemption shall be carried out using the last known net asset value, increased if applicable by the applicable charges, fees and commissions, which shall be borne by the unitholders concerned by the redemption.

#### **Article 4 - Calculation of the net asset value**

The net asset value of the units is calculated in accordance with the valuation rules specified in the Fund’s prospectus.

Contributions in kind may comprise only stocks, securities, or contracts admissible as assets of UCITS; they are valued according to valuation rules governing the calculation of the net asset value.

## **TITLE 2 - OPERATION OF THE FUND**

#### **Article 5 - The management company**

The Fund is managed by the management company in accordance with the Fund’s investment objectives.

The management company shall act in all circumstances in the exclusive interests of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5a - Operating rules**

The instruments and deposits eligible to form part of the Fund’s assets as well as the investment rules are described in the Fund’s prospectus.

#### **Article 6 - The custodian**

The custodian carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those to which it has contractually agreed with the management company. In particular, it must ensure that decisions taken by the portfolio management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it shall inform the *Autorité des marchés financiers*.

#### **Article 7 - The statutory auditor**

A statutory auditor is appointed by the governing body of the management company for a term of six financial years, subject to the approval of the *Autorité des marchés financiers*.

The statutory auditor certifies the accuracy and consistency of the financial statements.

The statutory auditor may be re-appointed.

The statutory auditor is obliged to notify the *Autorité des marchés financiers* promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the undertaking for collective investment in transferable securities which is liable to:

1. Constitute a breach of the legal and regulatory provisions governing this undertaking and is likely to have significant consequences for its financial position, income or assets;
2. Impair its continued operation or the conditions thereof;
3. Lead to the expression of reservations or a refusal to certify the financial statements.

Assets will be valued and exchange ratios will be determined for the purpose of any conversion, merger or split under the statutory auditor's supervision.

The statutory auditor shall assess all contributions in kind under its responsibility.

The statutory auditor shall check the composition of the assets and other information before any publication.

The statutory auditor’s fees are determined by mutual agreement between the statutory auditor and the Board of Directors or the management board of the management company on the basis of an agenda indicating all duties deemed necessary.

The statutory auditor certifies the financial statements serving as the basis for the payment of interim dividends.

#### **Article 8 - The financial statements and the management report**

At the end of each financial year, the management company prepares the financial statements and a report on the management of the Fund during the last financial year.

The management company shall prepare an inventory of the Fund's assets at least twice yearly and under the supervision of the custodian.

The management company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents shall be sent by post if expressly requested by the unitholders, or made available by the management company.

### **TITLE 3 - APPROPRIATION OF DISTRIBUTABLE INCOME**

#### **Article 9 - Appropriation of distributable income**

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, and directors' fees as well as all income generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

The distributable income consists of:

1° The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.

2° The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been subject to distribution or accumulation, plus or minus the balance of the capital gains equalisation accounts (for financial years beginning after 1 January 2013).

The categories of income referenced in points 1° and 2° respectively may be distributed, in full or in part, independently of each other.

The management company decides on the allocation of net income.

For each unit class, where applicable, the Fund may adopt one of the following methods:

- Pure accumulation: distributable income shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;
- Pure distribution: income shall be fully distributed, rounded off to the nearest figure; the Fund may pay interim dividends;
- For funds that wish to choose whether to accumulate and/or distribute income: the management company decides on the allocation of income each year.

The Management Company decides on the allocation of net income according to the distribution of income provided for in the prospectus and may pay interim dividends where applicable.

### **TITLE 4 - MERGER - SPLIT - DISSOLUTION – LIQUIDATION**

#### **Article 10 - Merger – Split**

The portfolio management company may either merge all or part of the Fund's assets with another fund under its management, or split the Fund into two or more common funds.

Such mergers or splits may only be carried out one month after unitholders have been notified.

They give rise to the issue of a new certificate indicating the number of units held by each unitholder.

#### **Article 11 – Dissolution – Extension**

If the assets of the Fund remain below the amount set in article 2 above for thirty days, the management company shall inform the AMF and shall dissolve the Fund, except in the event of a merger with another fund.

The management company may dissolve the Fund before term. It shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.

The management company shall also dissolve the Fund if a request is made for the redemption of all of the units, if the custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the Fund's term, unless such term is extended.

The management company shall inform the AMF by post of the dissolution date and procedure. It shall send the statutory auditor's report to the AMF.

The management company may decide to extend the Fund's term, subject to the agreement of the custodian. Its decision must be taken at least 3 months prior to the expiry of the Fund's term and must be communicated to the unitholders and the *Autorité des marchés financiers*.

#### **Article 12 – Liquidation**

In the event of dissolution, the portfolio management company or the custodian shall act as liquidator; otherwise, the liquidator shall be appointed by the court at the request of any interested party. To this end, they shall be granted the broadest powers to realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the custodian shall continue to carry out their duties until the end of the liquidation proceedings.



## **TITLE 5 – DISPUTES**

### **Article 13 - Competent courts - Jurisdiction**

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 portfolio management company or the custodian, shall be subject to the jurisdiction of the competent courts.