

# PILOTAGE SELECTION DEFENSIVE

FRENCH COMMON FUND (FCP)  
12, boulevard de la Madeleine 75009 Paris

## PROSPECTUS

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### GENERAL CHARACTERISTICS

#### LEGAL STRUCTURE:

<b>Name</b>	<b>PILOTAGE SELECTION DEFENSIVE</b>
<b>Legal structure</b>	French Common Fund (FCP).
<b>Inception date</b>	This Fund was approved by the <b>AMF</b> on 15 May 2012. It was created on 1 June 2012 for a period of 99 years.

#### FUND OVERVIEW:

Characteristics							
ISIN code	Initial NAV	Base currency	Appropriation of distributable income	Minimum investment	initial	Minimum subsequent investment	Target investors
FR0011250315	EUR 100	EUR	Accumulation	EUR 100		EUR 20	All investors

#### INFORMATION FOR SHAREHOLDERS:

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

The latest annual and semi-annual reports shall be sent to unitholders within eight business days upon written request to:

<b>Company</b>	ODDO BHF ASSET MANAGEMENT SAS
<b>Address</b>	12, Bd de la Madeleine – 75009 Paris
<b>Email</b>	<a href="mailto:information_oam@oddo.fr">information_oam@oddo.fr</a>

These documents are also available:

<b>On the website</b>	<a href="http://am.oddo-bhf.com">am.oddo-bhf.com</a>
<b>By contacting</b>	Customer Services
<b>By telephoning</b>	01 44 51 80 28

Any further information required can be obtained from the customer services department, on: 01 44 51 80 28.

#### DIRECTORY:

<b>Management Company</b>	<b>ODDO BHF ASSET MANAGEMENT SAS</b> , a <i>société par actions simplifiée</i> (simplified joint stock company) (hereinafter the “ <b>Management Company</b> ”) Portfolio Management Company approved by the AMF (number GP 99011) 12, Bd de la Madeleine – 75009 Paris.
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#### Custodian, Depository

#### **SOCIETE GENERALE**

The Custodian of the UCITS is Société Générale S.A., acting through its “Services” department. Société Générale, having its registered office at 29 Boulevard Haussmann, 75009 Paris, registered in the Paris Trade and Companies Register under number 552 120, was authorised by the *Autorité de Contrôle Prudentiel et de*

*Résolution* (ACPR) and is subject to the supervision of the *Autorité des marchés financiers* (AMF).

#### **Description of the responsibilities of the Custodian and potential conflicts of interest**

The Custodian has three types of responsibility: ensuring that the management company's decisions are lawful, monitoring the cash flows of the UCITS, and holding the assets of the UCITS.

The primary objective of the Custodian is to act in the best interests of the unitholders/investors in the UCITS.

Potential conflicts of interest may be identified, in particular if the Management Company maintains other commercial relations with Société Générale during its tenure as Custodian (this may be the case if Société Générale is appointed by the Management Company to calculate the net asset value of the UCITS for which Société Générale is the Custodian or if the Management Company and the Custodian are part of the same group).

To resolve such situations, the Custodian has implemented and shall continuously update a policy for managing conflicts of interest aimed at:

- Identifying and analysing situations that could give rise to conflicts of interest
- Recording, managing and monitoring situations that could give rise to conflicts of interest by:

- (i) Using existing permanent measures aimed at resolving conflicts of interest such as segregating tasks, separating hierarchical and operational chains of command, monitoring lists of internal insiders, dedicated IT environments;

- (ii) Implementing, on a case-by-case basis:

- (a) appropriate preventative measures such as creating ad hoc monitoring lists or new Chinese walls, or by ensuring that transactions are processed appropriately and/or by informing the clients involved;

- (b) or by refusing to manage activities that could give rise to conflicts of interest.

#### **Description of potential safekeeping activities delegated by the Custodian, list of delegates and sub-delegates and identification of conflicts of interest likely to result from such a delegation**

The Custodian is responsible for the safekeeping of assets (as defined in article 22 of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to asset custody in a broad range of countries and to enable UCITS to achieve their investment objectives, the Custodian has appointed sub-custodians in the countries in which the Custodian has no direct local presence. These entities are listed on the following website:

[http://www.securitiesservices.societegenerale.com/uploads/tx\\_bisgnews/Global\\_list\\_of\\_sub\\_custodians\\_for\\_SGSS\\_2016\\_05.pdf](http://www.securitiesservices.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf)

In accordance with article 22a(2) of the UCITS V Directive, the process for appointing and supervising sub-custodians meets the highest quality standards, including the management of potential conflicts of interest that may arise as a result of such appointments. The Custodian has established an effective policy to identify, prevent and manage conflicts of interest in accordance with national and international regulations and international standards.

Delegation of safekeeping activities by the Custodian is likely to give rise to conflicts of interest. These have been identified and are subject to monitoring. The policy implemented by the Custodian consists in a system enabling it to prevent situations giving rise to conflicts of interest from occurring, and to conduct its activities so as to ensure that it is always acting in the best interest of the UCITS. The preventative measures consist, in particular, in ensuring the confidentiality of exchanged information, physically separating the main activities likely to give rise to conflicts of interest, identifying and classifying remuneration and monetary and non-monetary benefits, and implementing systems and policies with respect to gifts and events. Up-to-date information on the points above will be sent to investors upon request.

<b>Administration and Accounting delegated to</b>	<b>SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE</b> A French public limited company ( <i>société anonyme</i> ) with a Management Board and Supervisory Board. Registered office: 10, passage de l'Arche 92081 PARIS LA DEFENSE CEDEX
<b>Establishment in charge of liabilities management delegated by the Management Company</b>	<b>SOCIETE GENERALE</b> Credit institution authorised by the French Credit Institutions and Investment Firms Committee (CECEI). Registered office: 29, boulevard Haussmann 75009 PARIS
<b>Statutory auditor</b>	<b>CONSEILS ET ASSOCIES.</b> DFK International – 50 avenue de Wagram – 75017 Paris Represented by Jean-Philippe Maugard.
<b>Promoter</b>	<b>BOURSORAMA SA.</b> 18, Quai du point du jour - 92100 Boulogne Billancourt.
<b>Assignees</b>	None
<b>Advisers</b>	None

## OPERATING AND MANAGEMENT PROCEDURES

### I. GENERAL CHARACTERISTICS OF THE UNITS:

<b>ISIN code</b>	FR0011250315
<b>Rights attached to the units</b>	<p>The rights of the Fund's co-owners 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.</p> <p>The distributable income consists of:</p> <p>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.</p> <p>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.</p> <p>The categories of income referenced in points 1° and 2° respectively may be distributed, in full or in part, independently of each other.</p>
<b>Inclusion in a register</b>	<p>Registrar: Euroclear France</p> <p>The Management Company delegates the management of liabilities to the Custodian.</p>
<b>Voting rights</b>	<p>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 <a href="http://am.oddo-bhf.com">am.oddo-bhf.com</a>, in accordance with article 314-100 of the AMF General Regulation.</p>
<b>Form of units</b>	Listed on Euroclear France.
<b>Fractions of units</b>	<p>Units are issued in bearer form. They cannot be issued in or converted into registered form.</p> <p>Subscriptions and redemptions in ten-thousandths of units.</p>
<b>Financial year-end</b>	<p>Last stock market trading day in September.</p> <p>The first financial year will end on 30 September 2013.</p>

**Tax regime**

The Fund may be used for life insurance policies.

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.

Abroad, in the countries where the Fund invests, capital gains on the sale of securities and income from foreign sources received by the Fund may be subject to tax, generally in the form of withholding tax. The amount of withholding tax due may be reduced or waived when the governments in question have signed tax treaties.

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 advisor 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.

**II. SPECIFIC PROVISIONS:****ISIN code**

FR0011250315

**Fund of funds**

Up to 100% of the net assets.

**Investment objective**

The Fund's investment objective is to outperform its benchmark, 45% EONIA + 40% JP Morgan Global Euro Hedged dividends reinvested + 15% MSCI World dividends reinvested, by investing in bond and equity markets, mainly through investment funds on global markets, over a minimum investment horizon of two years.

**Benchmark index**

45% EONIA + 40% JP Morgan Global Euro Hedged dividends reinvested + 15% MSCI World dividends reinvested.

MSCI World is composed of nearly 1,500 companies worldwide, the weighting of which is based on market capitalisation, and which account for around 85% of total capitalisation in their respective countries. The 23 countries present in the index cover all developed markets. Calculated by Morgan Stanley Capital International, this index is expressed in euro and its performance takes into account the dividends paid in respect of the shares comprising the index.

It is available on the MSCI website at the following address:  
[www.msci.com/resources/fact\\_sheet/](http://www.msci.com/resources/fact_sheet/).

The JPM Global Euro Hedged index represents government debt in developed countries. It includes fixed rate debt in local currency, with a maturity of more than one year, for 13 developed countries. Each security is weighted according to its capitalisation. Currency risk is hedged systematically. Calculated by JP Morgan, this index is expressed in euro and its performance takes into account the coupons paid in respect of the bonds comprising the index.

It is available on the JP Morgan website at the following address:

[www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/product](http://www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/product)

EONIA stands for Euro OverNight Index Average. It is calculated by the European Central Bank and represents the risk-free rate in the Euro Zone.

It is available from the European Banking Federation website at the following address:  
[www.euribor-ebf.eu/euribor-eonia-org/about-eonia.html](http://www.euribor-ebf.eu/euribor-eonia-org/about-eonia.html)

Investors are advised that the portfolio's composition may differ substantially from that of the benchmark index.

### Investment strategy

The Fund manager applies active, discretionary management aimed at achieving the investment objective by using different investment funds, diversifying investments and using derivatives so that the portfolio is more efficiently exposed to or hedged against market risks.

The investment process is built around two stages, namely:

- 1- analysis of the global macroeconomic environment, changes in the markets and expected changes in the market, which will determine the asset allocation (choice between money market instruments, government and corporate bonds, and equities);
- 2- following the decisions taken in terms of asset allocation, the portfolio is constructed based on a quantitative and qualitative fund analysis.

The fund selection is made within a broad investment universe of several thousand funds.

During the initial quantitative stage, the risk-adjusted performance ratios are calculated over a period consistent with the recommended investment horizon for the funds. The "risk" represents the volatility and maximum decline in both absolute and relative terms compared with the Fund's benchmark.

After this initial analysis, an in-depth qualitative study is conducted on funds repeatedly offering the best risk-adjusted performance ratios over the same periods. Fund managers are audited for their management processes, resources implemented and results obtained. Managers are selected at the end of this qualitative stage.

The Fund shall be exposed to global markets with the aim of offering diversification through different geographical regions, while being opportunistic in the choices made. No geographic or sector allocation will be made at this stage. However, exposure to emerging markets will be limited to 25% of the Fund's net assets.

Up to 10% of the Fund's net assets may also be exposed to commodities through funds that invest in companies belonging to this sector.

. Up to 100% of the Fund's net assets may be exposed to currency risk.

The Fund may be exposed:

- between 0% and 30% of its net assets in equity markets of all capitalisations, although only indirectly;
- between 0% and 100% of its net assets in fixed income products.

### Composition of assets

#### 1 - Assets (excluding embedded derivatives)

- **UCI shares or units:** The Fund may invest:
  - up to 100% of its assets in units or shares of French or foreign UCITS governed by Directive 2009/65/EC, which may not invest more than 10% of their assets in units or shares of other UCITS, AIFs or investment funds.
  - or up to 30% in investment funds, French AIFs or AIFs from other EU Member States or 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.

The underlying assets of fixed income investment funds may be investment grade government or corporate securities or high yield securities or unrated securities issued by issuers in any geographical region. UCITS that invest in high yield securities shall be limited to 20% of the Fund's net assets.

The investment funds will be compatible with the Fund's investment strategy.

The Fund may invest up to 10% in diversified UCITS that apply alternative strategies and bear little correlation to traditional markets.

The Fund may invest up to 25% in investment funds managed by the Management Company ODDO BHF Asset Management SAS or ODDO BHF Asset Management GmbH.

- **Equities:**

None

- **Debt securities and money market instruments:**

The Fund may invest up to 20% of its net assets in debt securities, such as negotiable debt securities, bonds or money market instruments which are rated at least BBB- (Standard & Poor's or equivalent or using the Management Company's internal rating system). These securities will be issued by governments or corporations belonging to the OECD. 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 products into account when respecting rating limits.

## 2 - Financial futures and options

The Fund may invest in financial futures or options traded on French or foreign regulated/organised/OTC markets, to gain exposure to or hedge against equity/interest rate/currency/credit risk. These transactions are limited to 100% of the Fund's net assets. However, the level of equity exposure will not exceed 30% of net assets and the overall portfolio exposure to different asset classes will be 200% of net assets.

In this regard, the manager may take positions in:

- interest rate/equity/currency futures (for hedging and/or exposure),
- interest rate/equity/currency options (for hedging and/or exposure),
- interest rate/equity swaps (for hedging and/or exposure) or currency swaps (for hedging);
- forward exchange contracts (for hedging),
- index credit default swaps (for hedging) will be limited to 10% of net assets.

## 3 - Securities with embedded derivatives

The Fund may invest in EMTNs and structured bonds for the purpose of exposing the portfolio to equity and interest rate risk.

## 4 - Deposits

The Fund may use deposits to generate a return on cash holdings, 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.

## 5 - Cash borrowing

The Fund may temporarily borrow the equivalent of up to 10% of its net 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, and;
- to exploit investment opportunities that arise from time to time.

## **6 - Temporary purchases and sales of securities**

Subject to the regulatory limits, the Fund may invest up to 100% of the net assets in reverse repurchase agreements for cash management purposes.

Repurchase agreements shall give rise to cash payments which shall be kept by the Fund as a financial guarantee in respect of these transactions.

The targeted proportion of AUM to be used for repurchase and reverse repurchase agreements will be 5%.

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.

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

Temporary purchases and sales of securities will be carried out with a European Union credit institution that has a credit rating of at least A- and may belong to the ODDO BHF group.

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

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

## **7- Collateral management**

Within the scope of OTC financial derivatives transactions and temporary purchases and sales of securities, the Fund may receive or issue financial assets as guarantees.

The purpose of receiving financial guarantees is to reduce the Fund's exposure to counterparty default risk. They will mainly consist of cash.

As an exception to the above, and only in the case of reverse repurchase operations, the Fund will receive traditional fixed income securities rated at least A- and/or securities issued by governments with a rating of at least AA- as collateral. In any case, the issue will be larger than EUR 100 million and the participation will be limited to 10%.

Transactions potentially requiring the use of financial guarantees shall be carried out with a European Union credit institution that may belong to the ODDO BHF group.

Any financial guarantees ("collateral") received shall also, in accordance with regulations, comply with the following:

- liquidity, valuation (at least daily and assets which do not offer high volatility unless adequate discounts can be obtained), issuer creditworthiness, correlation (independence vis-à-vis the counterparty) and diversification (with a maximum exposure to a given issuer of 20% of net assets) criteria;
- it shall be held by the Custodian of the Fund or any third party, in a segregated account, subject to prudential supervision and which has no connection with the provider of the financial guarantees;
- financial guarantees received must be available for full execution by the Fund at any time without consulting the counterparty or the counterparty's consent;
- financial guarantees received as cash shall only be placed as deposits with eligible institutions or invested in top-tier government bonds or used in reverse repurchase transactions (provided that such transactions are concluded with credit institutions subject to prudential supervision and on the condition that the Fund is in a position to recall the total cash amount at any time, accounting for accrued interest) or invested in short-term money market UCIs;
- the financial guarantees shall not be reused.

**Risk profile**

Your money will mainly 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 and/or a capital loss for the investor.

**Equity risk**

The Fund is invested 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.

**Risk associated with holding small and mid caps**

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.

**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 downgrading of an issuer's credit rating, or in an extreme case its default, which would have a negative impact on the price of the debt securities issued and therefore on the net asset value of the Fund, potentially resulting in loss of capital. 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.

**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 securities may therefore expose the Fund to the risk of a sharper decline in its net asset value.

**Currency risk**

This risk is linked to portfolios invested fully or partially in securities denominated in currencies other than the Fund's reference currency and corresponds to the variation in the exchange rate between these currencies and the Fund's reference currency. As such, the value of a security may be affected by a change in the value of its reference currency against the euro, even though its value in its base currency may not change, thereby causing the net asset value of the Fund to fall.

**Risks linked to the use of overexposure**

In relation to the use of derivatives, in particular, exposure to individual asset classes may not exceed 200% of the Fund's net assets. The risk therefore relates to a fall in the net asset value of the Fund if market developments are adverse. In the event of unfavourable changes in the strategies used, the net asset value may fall more significantly than the markets to which the Fund is exposed. This leverage has the effect of amplifying expected gains, but also heightens the risk of losses.

**Emerging markets risk**

This risk is linked to the operating and regulatory 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.

**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.

**Liquidity risk of underlying assets**

the Fund invests in markets which may be affected by declines in liquidity. Low volumes of market transactions may have an impact on prices at which the manager opens or closes positions.

**Risks associated with securities financing transactions and collateral management:**

Investors may be exposed to legal risk (arising from the legal documentation, the application of agreements and the limits imposed by them) and to the risk associated with the reuse of securities received as collateral, given that the net asset value of the Fund may vary depending on fluctuations in the value of the securities acquired through investment in cash received as collateral. In exceptional market conditions, investors may also be exposed to liquidity risk, making it difficult, for example, to trade certain securities.

The Fund will be exposed, to a limited extent, to the following risk:

**Risk linked to changes in commodities prices**

Commodities components may fluctuate in significantly different ways from traditional securities markets (equities, bonds). Climate and geopolitical factors may also affect supply and demand of the underlying commodity in question; in other words, these factors may alter the expected scarcity of the underlying commodity on the market. Nevertheless, within a single commodity market out of the three main commodity markets represented (energy, metals and agricultural products), the movements of components may be more strongly correlated with one another. Consequently, these exposures may prove unfavourable, particularly in the case of a downturn in the sector in question, in the absence of liquidity on this market, if the manager's forecasts prove misguided or if the economic, and in particular geopolitical, climate becomes unfavourable to commodities. They may therefore negatively impact the Fund's net asset value.

**Guarantee or protection**

None (neither the capital nor the performance are guaranteed).

## INVESTORS AND UNITS

### Target investors

All 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 CEO). 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 CEO. 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”. Person” status. 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.

### Typical investor profile

This Fund is suitable for investors seeking exposure through a tactical allocation mainly to fixed income markets, and to equity markets subject to a maximum of 30%, over a recommended investment horizon of two years and who are willing to accept the risks arising from such exposure.

The amount that is appropriate to invest in this Fund depends on your personal wealth. To determine this amount, investors should consider their personal wealth/assets, their current financial needs and those in 2 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.

<b>Recommended horizon</b>	<b>investment</b>	2 years.
<b>Distribution of income</b>		Accumulation.
<b>Base currency</b>		Euro (€).
<b>Form of units</b>		Bearer.
<b>Fractions of units</b>		Ten-thousandths of a unit

### Subscription and redemption procedures

**Terms and conditions of subscriptions and redemptions** of Subscription and redemption orders are centralised by the Custodian on each net asset value calculation date until 17:45 (Paris time, CET/CEST) and executed on the basis of the net asset value of the following business day, or if this is a public holiday in France, on the basis of the net asset value of the next business day.

The Fund's promoters must send subscription and/or redemption orders no later than the centralisation cut-off time. Any order received by the Custodian after this time will be executed at the following net asset value.

**Initial value of the unit** EUR 100.

**Minimum initial investment** EUR 100

**Minimum subsequent investment** EUR 20

**Centralisation agent for subscription and redemption requests delegated by the Management Company** SOCIETE GENERALE - 32, rue du Champ de Tir 44000 Nantes

**Date and frequency of calculation of net asset value** Daily, according to the Euronext Paris calendar, with the exception of public holidays on the French Stock Exchange.

**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 "Asset valuation and accounting rules" section.

**Place and methods of publication or communication of net asset value** This information is available daily from the Management Company (ODDO BHF Asset Management SAS) at 12, Bd de la Madeleine, 75009 Paris, and from the Promoter's website: [www.Boursorama.fr](http://www.Boursorama.fr)

**Notification of portfolio structure** The Management Company may, upon request, notify professional investors subject to the obligations resulting from Directive 2009/138/EC (the Solvency II Directive) of the structure of the Fund's portfolio at the earliest 48 hours from the last publication of the net asset value. The information provided shall be treated with the utmost confidentiality and shall only be used for the calculation of prudential requirements. This information cannot, under any circumstances, be used for illegal activities such as market timing or late trading by unitholders in possession of such information.

## INFORMATION ON FEES, EXPENSES AND TAXATION

**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
Subscription fee not payable to the Fund	NAV per unit x number of units	5% maximum
Subscription fee payable to the Fund	NAV per unit x number of units	None
Redemption fee not payable to the Fund	NAV per unit x number of units	None
Redemption fee payable to the Fund	NAV per unit x number of units	None

#### Management and administration fees:

Fees charged to the Fund	Basis	Maximum rate
Financial management fees and administrative fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	1% inclusive of tax
Maximum indirect fees Indirect management fees	Net assets	1.5% inclusive of tax
Performance fees	N/A	None
Transaction fees charged by service providers: - Custodian: 100%	Payable on each transaction	Securities and money market products between EUR 8 and EUR 80 excl. tax UCITS: between EUR 6 and EUR 18 excl. tax Money market instruments and derivatives between EUR 5 and 10 excl. tax

#### 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.

For temporary sales of securities, the Fund uses a credit institution whose registered office is located in a Member State of the European Union. This service provider shall act independently from the Fund systematically as a counterparty to market transactions. This service provider may be part of the Odo group. For more 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.

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

### COMMERCIAL INFORMATION

**Distributor** BOURSORAMA SA.

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

**Information about the Fund is provided by ODDO BHF Asset Management SAS and Boursorama SA:**

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

**By contacting** Customer Services  
**By telephoning** 01 44 51 80 28

Boursorama SA

**Company** BOURSORAMA SA.  
**Address** 18, Quai du point du jour - 92100 Boulogne Billancourt.

Information is also available:

**On the website** [www.boursorama.fr](http://www.boursorama.fr)

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

**Publication date of the prospectus** 09/11/2017.

## INVESTMENT RULES

**Regulatory ratios applicable to the Fund:** The legal investment rules applicable to the Fund are those that govern UCITS investing over 10% of their assets in other UCIs.

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

## 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 those obtained from financial information providers and available on the following day at 09:00 (Paris time): 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.
- Financial guarantees: for the purposes of optimal counterparty risk management while also factoring in operational constraints, the Management Company applies a daily margin call system, per fund and per counterparty, with an activation threshold set at a maximum of EUR 100,000, based on an evaluation of the mark-to-market price.

The prices used for the valuation of futures or options are consistent with those of the underlying securities. They may vary depending on where they are listed:

European markets:	Settlement price on the net asset value calculation day if different from last price
Asian markets:	Last market price on the net asset value calculation day if different from last price
North and South American markets:	Last market price on the net asset value calculation day if different from last 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 are 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.

## **REMUNERATION**

The management body in charge of the Management Company is responsible for drawing up, approving and monitoring the remuneration policy. It must ensure that the remuneration policy encourages employees to take risks in line with the risks taken by the funds managed by the Management Company, the investors having placed their assets in these funds and the Management Company itself. Each year, the Management Company shall identify those persons who may be qualified as risk takers in accordance with the regulations in force. The list of employees thus identified as risk takers shall then be submitted to the Remuneration Committee and passed on to the relevant management body. With regard to the variable remuneration component, the Management Company has set a significant threshold triggering payment of a deferred variable remuneration amount. In this way, an employee designated as being a risk taker and entitled to significant variable remuneration will receive a portion of this variable remuneration on a deferred basis. This deferred remuneration shall consist of 40% of the entire variable remuneration amount, from the first euro. Provisions relating to the deferred part of variable remuneration shall be calculated using a tool created by the Management Company. This tool consists of a basket of funds that represent each of the Management Company's management strategies, and each fund is weighted in proportion to the assets under management of the Management Company within each of its strategies. Detailed information on the remuneration policy is available on the Management Company's website ([am.oddo-bhf.com](http://am.oddo-bhf.com)). Investors may also request a hard copy of this information from the Management Company.

## REGULATIONS

# PILOTAGE SELECTION DEFENSIVE

### 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 (or, if applicable, the sub-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 shares 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 Management Company's CEO, units may be sub-divided into ten-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 Management Company's CEO 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; in this event, and unless the value of the assets rises above this threshold, the management company shall take the necessary steps to liquidate the relevant Fund, or shall proceed with one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the Fund).

#### 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 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 Fund's 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.

A minimum subscription amount may be applied according to the procedures set out in the prospectus.

In application of the second paragraph of article L.214-8-7 of the French Monetary and Financial Code, the Fund may stop issuing units in objective situations leading to the closure of subscriptions, such as a maximum number of units or shares issued, a maximum amount of assets reached or the expiry of a fixed subscription period. These objective situations are described in the Fund's prospectus.

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 on behalf 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 which are eligible to form part of the Fund's assets as well as the investment rules are described in the 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 portfolio 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 AMF.

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

A statutory auditor is appointed by the CEO of the Management Company for a term of six financial years, subject to the approval of the *Autorité des marchés financiers*.

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 auditor and the CEO of the Management Company on the basis of an agenda indicating all duties deemed necessary.

In the event of liquidation, the auditor shall value the amount of the assets and establish a report on the conditions of such liquidation.

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 assets at least twice yearly and under the supervision of the custodian. All of the above documents are reviewed by the statutory auditor.

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 to them at the office of the management company.

### TITLE 3 - APPROPRIATION OF 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 (and/or of each sub-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 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 Fund may pay interim dividends.

The portfolio 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 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 under its management.

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 *Autorité des marchés financiers* 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 three 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 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 management company or the custodian, shall be subject to the jurisdiction of the competent courts.

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