

## **ODDO BHF ALGO MIN VAR**

French Common Fund (FCP)  
12, boulevard de la Madeleine 75009 Paris

### **PROSPECTUS**

# ODDO BHF ALGO MIN VAR

## PROSPECTUS

### GENERAL CHARACTERISTICS

#### LEGAL STRUCTURE:

**Name** ODDO BHF Algo Min Var (hereinafter the “Fund”)

**Legal form and Member State in which the Fund was established** French Common Fund (FCP).

**Inception date** This Fund was approved by the **AMF** on 20 September 2013.  
It was created on 4 October 2013 for a period of 99 years.

#### FUND OVERVIEW:

Unit classes	Characteristics					
	ISIN code	Base currency:	Appropriation of distributable income	Minimum initial investment	Minimum subsequent investment	Target investors
CR-EUR	FR0011570613	EUR	Income: Accumulation Capital gains or losses: accumulation	EUR 100	1 thousandth of a unit	All subscribers, and particularly natural persons.
CRw-EUR	FR0013391414	EUR	Income: Accumulation Capital gains or losses: accumulation	EUR 100	1 thousandth of a unit	All subscribers, and particularly natural persons.
CI-EUR	FR0011570621	EUR	Income: Accumulation Capital gains or losses: accumulation	EUR 250,000	1 thousandth of a unit	Units only accessible to eligible counterparties and professional investors per se according to Directive 2014/65/EU (or “MiFID II”).
Clw-EUR	FR0013391422	EUR	Income: Accumulation Capital gains or losses: accumulation	EUR 250,000	1 thousandth of a unit	Units only accessible to eligible counterparties and professional investors per se according to Directive 2014/65/EU (or “MiFID II”).
GC-EUR	FR0012419513	EUR	Income: Accumulation Capital gains or losses: accumulation	EUR 100	1 thousandth of a unit	GC-EUR units are reserved for (i) insurance companies approved by ODDO BHF Asset Management SAS, to represent unit-linked products subscribed as part of “advisory management” contracts in their range and for (ii) ODDO BHF SCA clients also having signed an advisory agreement with an ODDO BHF SCA financial investment advisory partner.
CN-EUR	FR0013280161	Euro	Income: Accumulation	EUR 100	1 thousandth of a unit	CN units are available solely at the discretion of the Management Company and will not pay any distribution fees or rebates. Units reserved for (i) investors subscribing via an intermediary providing

			Capital gains or losses: accumulation			the service of investment advice on an independent basis pursuant to MiFID II, (ii) investors subscribing via a financial intermediary on the basis of a fee agreement concluded between the investor and the intermediary and mentioning that the intermediary is exclusively paid by the investor, (iii) companies providing the service of portfolio management pursuant to MiFID II, (iv) UCIs managed by ODDO BHF Group entities, and (v) ODDO BHF SCA when providing the service of investment advice on the basis of a written fee agreement concluded with its client.
CNw-EUR	FR0013391430	Euro	Income: Accumulation Capital gains or losses: accumulation	EUR 100	1 thousandth of a unit	CN units are available solely at the discretion of the Management Company and will not pay any distribution fees or rebates. Units reserved for (i) investors subscribing via an intermediary providing the service of investment advice on an independent basis pursuant to MiFID II, (ii) investors subscribing via a financial intermediary on the basis of a fee agreement concluded between the investor and the intermediary and mentioning that the intermediary is exclusively paid by the investor, (iii) companies providing the service of portfolio management pursuant to MiFID II, (iv) UCIs managed by ODDO BHF Group entities, and (v) ODDO BHF SCA when providing the service of investment advice on the basis of a written fee agreement concluded with its client.

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

#### INFORMATION FOR UNITHOLDERS:

#### 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 one week upon written request to:

**Company** ODDO BHF ASSET MANAGEMENT SAS  
**Address** 12, Bd de la Madeleine – 75009 Paris  
**Email** information\_oam@oddo-bhf.com

These documents are also available:

**On the website** <http://am.oddo-bhf.com>  
**By contacting** Customer services  
**By telephoning** 01 44 51 80 28

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

**Company** ODDO BHF ASSET MANAGEMENT SAS  
**Address** 12, Bd de la Madeleine – 75009 Paris  
**Email** information\_oam@oddo-bhf.com

These documents are also available:

**On the website** <http://am.oddo-bhf.com>  
**By contacting** customer services department  
**By telephoning** 01 44 51 80 28

**DIRECTORY:**

**Management Company** ODDO BHF ASSET MANAGEMENT SAS, a *société par actions simplifiée* (simplified joint stock company) (hereinafter the “**Management Company**”)  
Portfolio Management Company approved by the AMF (number GP 99011)  
12, Bd de la Madeleine – 75009 Paris

**Investment management delegated to:** ODDO BHF ASSET MANAGEMENT GMBH  
Portfolio Management Company approved by the BaFin  
Herzogstraße, 15  
D – 40217 Düsseldorf, Germany

**Custodian, Depository, Establishment in charge of liabilities management delegated by the Management Company** ODDO BHF SCA, a *société en commandite par actions* (general partnership limited by shares) (hereinafter the “**Custodian**”)  
Bank approved by the French Prudential Control and Resolution Authority  
12, Bd de la Madeleine – 75009 Paris  
ODDO BHF SCA acts as custodian for the Fund.

The Custodian carries out the following duties, as defined in the applicable regulations: holding the portfolio assets in safekeeping, overseeing the Management Company’s decisions and monitoring the Fund’s cash flow.

By virtue of delegation by the Management Company, the Custodian is also responsible for the management of Fund liabilities, which includes centralising subscription and redemption orders for Fund units, as well as keeping an account of Fund units issued.

In certain countries, the Custodian delegates its safekeeping activities. A description of the safekeeping activities delegated, the list of delegates and sub-delegates of ODDO BHF SCA and information on the conflicts of interest liable to result from such delegation are available on the ODDO BHF Asset Management SAS website: <http://am.oddo-bhf.com>. Investors may also request up-to-date information on this from ODDO BHF Asset Management SAS. As an entity, the Custodian is independent of the Management Company.

**Administration and Accounting delegated to** EUROPEAN FUND ADMINISTRATION FRANCE S.A.S (EFA FRANCE)  
17, rue de la Banque  
75002 Paris

The role of EFA is to calculate the net asset value of the Fund and provide other services listed in the agreement. Any conflicts of interest arising as a result of this delegation will be handled in accordance with the policy for managing conflicts of interest, available on the Management Company’s website at <http://am.oddo-bhf.com>

**Statutory auditor** Deloitte & Associés  
6 place de la Pyramide - 92 908 Paris - La Défense Cedex  
Authorised signatory: Olivier Galienne

**Promoter** ODDO BHF ASSET MANAGEMENT SAS, *société par actions simplifiée* (simplified joint stock company)  
Portfolio Management Company approved by the AMF (number GP 99011)  
12, Bd de la Madeleine – 75009 Paris

The list of promoters is not exhaustive mainly due to the fact that the Fund is listed on Euroclear. Thus, some promoters may not be mandated by or known to the Management Company.

**Advisers** None

**Agent for receiving subscription and redemption orders** ODDO BHF SCA, 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

## OPERATING AND MANAGEMENT PROCEDURES

### I. GENERAL CHARACTERISTICS OF THE UNITS:

**Rights attached to the units** 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.  
The Management Company decides on the allocation of net income. It has opted for accumulation.

**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 being 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 <http://am.oddo-bhf.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  
Units are issued in bearer form. They cannot be issued in or converted into registered form.

**Fractions of units** Subscriptions and redemptions in thousandths of units.

**Financial year-end** Last stock market trading day in December.  
End of first financial year: Last stock market trading day in December 2014.

**Tax regime** The Fund may be used for life insurance policies.  
The Fund is eligible for the French Equity Savings Plan (*Plan d'Epargne en Actions* or PEA).

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.

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 unit 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. SPECIFIC PROVISIONS:

### ISIN codes

CR-EUR units: FR0011570613  
CI-EUR units: FR0011570621  
GC-EUR units: FR0012419513  
CN-EUR units: FR0013280161  
CNw-EUR units: FR0013391430  
Clw-EUR units: FR0013391422  
CRw-EUR units: FR0013391414

### Classification

“International equities” fund  
The Fund's minimum exposure to international equities: 75%

### Fund of funds

Less than 10% of the net assets.

### Investment objective

The Fund's investment objective is to outperform its benchmark, the MSCI Europe (Net Return), net dividends reinvested, over an investment period of more than five years while seeking to maintain a level of volatility lower than that of the MSCI Europe (net dividends reinvested) over the same investment period.

### Benchmark index

The benchmark is the MSCI Europe (Net Return) valued at the closing price. The administrator of this benchmark is MSCI Limited.

The MSCI Europe (Net Return), dividends reinvested, is an equity index that represents the stocks with the highest liquidity and market capitalisation in the following 16 developed countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Additional information on the benchmark indicator is available on the MSCI website ([www.msci.com](http://www.msci.com)).

The latter is registered in the register of administrators and benchmarks maintained by the ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used, setting out the actions to be taken in the event that a benchmark materially changes or ceases to be provided.

Investors are advised that the portfolio's composition and performance may differ substantially from that of the benchmark index. The latter allows the investor to assess the Fund's risk profile.

### Investment strategy

The Fund is managed actively through a purely quantitative approach.

The Fund's investment universe is composed of shares of mid and large cap companies having their registered office located in Europe, with a maximum of 10% of shares in small caps.

The Fund seeks to select the least volatile and least correlated stocks within its investment universe with a view to building a portfolio with low overall volatility. To this end, the fund manager makes use of a portfolio building tool for selecting stocks that have experienced a consistently low level of volatility and correlation with other stocks in the past.

The investment process is split into two stages:

**First stage:** The investment universe is filtered using indicators based on financial solidity, valuation, market sentiment and dynamics.

**Second stage:** Portfolio building (using a portfolio building tool to minimise overall volatility). The management builds a portfolio with minimal volatility by selecting stocks that have experienced a consistently low level of volatility and correlation with other stocks in the past.

Each stock will therefore be weighted according to its volatility, its correlation with other stocks in the investment universe, and its sector.

The Fund is not hedged against currency risk.

The portfolio construction and risk management tool analyses equity risk according to various factors (sector, country, style).

Several risk indicators are then established for the portfolio to identify sources of risk.

The Fund's maximum exposure to all instruments (equity, debt securities, investment funds) may not exceed 100% of the Fund's net assets, given that the maximum exposure is the sum of the net exposures to each market (equity, rates, monetary) to which the Fund is exposed (sum of the buying positions and the hedging positions).

## Composition of assets

### 1 - Assets (excluding embedded derivatives)

- **Equities:**

The Fund will invest a minimum of 75% of its assets in shares of listed issuers from any sector with their registered office located in Europe (European Union, Iceland and Norway) and that are traded on regulated or organised markets.

These will be shares of mid and large caps. However, the Fund may invest in shares of small caps on an ancillary basis.

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

The Fund may invest up to 25% of its assets in bonds and debt securities from issuers with their registered office located in Europe. These instruments will be rated investment grade by Standard and Poor's or equivalent, or according to the Management Company's internal rating.

The Management Company does not use the ratings issued by rating 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.

The Fund's investments are not subject to any conditions regarding the nature of the planned market of issue (primary or secondary market) or the quality of the issuer: the debt securities and money market instruments targeted can come from both corporate and government issuers. The allocation between corporate and government debt is left to the manager to decide. Depending on market conditions, the Fund may invest opportunistically in longer or shorter maturities.

- **UCI shares or units:**

Up to 10% of the Fund's assets 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.

These UCIs may be managed by ODDO BHF Asset Management SAS and/or ODDO BHF Asset Management GmbH and will be compatible with the Fund's investment strategy.

## **2 - Financial futures and options**

None.

## **3 - Securities with embedded derivatives**

None.

## **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 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**

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.

Any temporary sales or purchases of securities shall be conducted under market conditions and up to a maximum of 25% of the Fund's net assets for reverse repurchase agreements and up to 25% for repurchase agreements and securities lending transactions.

These operations shall be performed on the equities, debt securities and money market instruments referred to in the "Assets (excluding embedded derivatives)" section.

The targeted proportion of AUM used for reverse repurchase agreements is 5%.

The targeted proportion of AUM to be used for repurchase agreements and securities lending is 5%.

Within the scope of these transactions, the Fund may receive or issue financial guarantees (collateral). Their operation and characteristics are presented under "Collateral management".



Temporary purchases and sales of securities may be carried out with ODDO BHF SCA or with EU or United Kingdom banks that have a minimum credit rating of A-. 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 of the security received as collateral must be larger than EUR 100 million and the Fund's participation will be limited to 10%.

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

Any financial guarantees or 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,
- risks connected with collateral management, such as operational risks and legal risks must be identified, managed and reduced using the risk management process;
- 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.

## **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 forming their own opinion independently from that of the Management Company, 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.

The Management Team currently does not consider sustainability risks or adverse effects of investment decisions on sustainability factors in the investment decision making process, as they are not part of the strategy for the Fund. However, the Management Company considers minimum sustainability safeguards across its funds through its own coal exclusion policy and through the exclusion of companies that do not respect the Principles of the United Nations Global Compact.

The Management Company has signed the United Nations Principles for Responsible Investment (PRI) and also the CDP (previously named *Carbon Disclosure Project*). Finally, the Management Company exercises the voting rights when equities are held by the Fund. Information relating to the Management Company's policies can be found at "am.oddo-bhf.com".

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.

**Equity risk:**

The Fund invests, either directly or indirectly and up to a maximum of 100%, 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. Up to 100% of the Fund is exposed to the equity markets.

**Modelling risk:**

The Fund's stock selection process makes particular use of a portfolio building tool designed by the management company. There is a risk that the data processing tool will not be efficient, as there is no guarantee that previous situations will repeat themselves.

**Risk associated with holding medium capitalisations:**

The Fund may be exposed to 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 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 potential 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. This could result in a capital loss. 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 contracts for the temporary purchase or sale of securities negotiated 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.

Certain contracts exposing the Fund to counterparty risk may be concluded with a company belonging to the ODDO BHF group.

**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 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.

**Sustainability risk** : refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by this Fund.

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

**Risk associated with holding small caps:**

The Fund may be exposed to small caps. 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 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.

**Guarantee or protection**

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

## INVESTORS AND UNITS

**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 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". 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 reserved for eligible counterparties and professional investors as per Directive 2014/65/EU (“MiFID II”).

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

CN units are available solely at the discretion of the Management Company and will not pay any distribution fees or rebates. Units reserved for (i) investors subscribing via an intermediary providing the service of investment advice on an independent basis pursuant to MiFID II, (ii) investors subscribing via a financial intermediary on the basis of a fee agreement concluded between the investor and the intermediary and mentioning that the intermediary is exclusively paid by the investor, (iii) companies providing the service of portfolio management pursuant to MiFID II, (iv) UCIs managed by ODDO BHF Group entities, and (v) ODDO BHF SCA when providing the service of investment advice on the basis of a written fee agreement concluded with its client.

#### Typical investor profile

The Fund is intended for investors seeking exposure to European equity markets over a period of five years, 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 five 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.

#### Recommended investment horizon

5 years

#### Allocation of distributable income (income and capital gains)

#### Distributable income:

Distributable income	CR-EUR, CI-EUR, CN-EUR, GC-EUR, CNw-EUR, Clw-EUR and CRw-EUR units. Accumulation units
Net income allocation	Accumulation
Allocation of net realised capital gains or losses	Accumulation

#### Base currency

CR-EUR/CI-EUR/GC-EUR/CN-EUR/CNw-EUR/Clw-EUR/CRw-EUR units: Euro (€)

#### Form of units

CR-EUR/CI-EUR/GC-EUR/CN-EUR/CNw-EUR/Clw-EUR/CRw-EUR units: Bearer

#### Fractions of units

CR-EUR/CI-EUR/GC-EUR/CN-EUR/CNw-EUR/Clw-EUR/CRw-EUR units: Subscriptions and redemptions in thousandths of units

## SUBSCRIPTION AND REDEMPTION PROCEDURES

**Terms and conditions of subscriptions and redemptions:** Subscription and redemption requests are centralised by the Custodian every net asset value calculation day until 11:15 (Paris time, CET/CEST) 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.

Orders are executed as set out in the table below:

D - 1 business day	D: net asset value calculation day	D + 1 business day	D + 2 business days
Centralization until 11:15 a.m. (CET/CEST) of subscription and redemption orders	Execution of the order no latter than on D	Publication of the net asset value	Payment of subscriptions and redemptions

**Initial value of the unit**

CR-EUR units: EUR 100  
 CI-EUR units: EUR 1,000  
 GC-EUR units: EUR 100  
 CN-EUR units: EUR 100  
 CRw-EUR units: EUR 100  
 CIw-EUR units: EUR 1,000  
 CNw-EUR units: EUR 100

**Minimum initial investment\***

CR-EUR units: EUR 100  
 CI-EUR units: EUR 250,000  
 GC-EUR units: EUR 100  
 CN-EUR units: EUR 100  
 CRw-EUR units: EUR 100  
 CIw-EUR units: EUR 250,000  
 CNw-EUR units: EUR 100

**Minimum subsequent investment**

*\* 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-EUR units: 1 thousandth of a unit  
 CI-EUR units: 1 thousandth of a unit  
 GC-EUR units: 1 thousandth of a unit  
 CN-EUR units: 1 thousandth of a unit  
 CRw-EUR units: 1 thousandth of a unit  
 CIw-EUR units: 1 thousandth of a unit  
 CNw-EUR units: 1 thousandth of a unit

**Centralisation agent for subscription and redemption requests delegated by the Management Company:**

ODDO BHF SCA  
 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. It is the investor's responsibility to obtain information on the time at which his order has been received by the promoter for processing.

<b>Date and frequency of calculation of net asset value</b>	Daily, according to the Euronext Paris calendar, with the exception of public holidays on the French Stock Exchange.
<b>NAV calculation method</b>	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.
<b>Place and methods of publication or communication of net asset value</b>	This information can be obtained on a daily basis from the Management Company (ODDO BHF Asset Management SAS) and the Custodian (ODDO BHF SCA) at 12, Boulevard de la Madeleine, 75009 Paris, and from the website <a href="http://am.oddo-bhf.com">http://am.oddo-bhf.com</a> .
<b>Notification of portfolio structure</b>	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 CR-EUR/CI-EUR/CN-EUR/GC-EUR/CNw-EUR/CIw-EUR and CRw-EUR units.
Subscription fee not payable to the Fund	NAV per unit x number of units	4% 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	Rate CR-EUR/CI-EUR/CN-EUR/GC-EUR/CNw-EUR/CIw-EUR and CRw-EUR units
Financial and administrative management fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	CR-EUR units: Maximum 1.50%, inclusive of tax
		CRw-EUR units: Maximum 1.75%, inclusive of tax
		CI-EUR units: Maximum 0.75%, inclusive of tax
		CIw-EUR units: Maximum 0.85%, inclusive of tax

		GC-EUR units: Maximum 0.75%, inclusive of tax CN-EUR units: Maximum 0.9%, inclusive of tax CNw-EUR units: Maximum 1.05%, inclusive of tax
Performance fees*	Net assets	CR-EUR, CI-EUR, CN-EUR and GC-EUR units: A maximum of 10% of the Fund's outperformance relative to the benchmark index – the MSCI Europe (Net Return), dividends reinvested – provided that the Fund's performance is positive. CRw-EUR, Clw-EUR and CNw-EUR units: none
Transaction fees charged by different parties: -Management Company: 100%	Payable on each transaction	Equities: Maximum 0.15%, inclusive of tax Bonds: Maximum 0.04%, inclusive of tax

\* **Performance fee:** a performance fee based on a comparison between the Fund's performance and that of the benchmark index over the reference period.

- The performance fee calculation method seeks to determine the "value created by the manager" in absolute terms: this means comparing sums received (i.e. subscriptions) with sums returned (i.e. redemptions) + assets under management (i.e. the total net asset value).

- Sums received are represented by the "indexed NAV" (or fictitious fund), which is the point of comparison. The indexed NAV is calculated in the same manner as a meter: each time the net asset value is calculated, subscriptions from T-1 are indexed using the performance of the comparison index from T-1 to T. This gives us a theoretical NAV, on the basis of which each subscription is immediately invested in the comparison index. The performance fee provision amount is not linked to the amount of subscriptions: for example, if the book NAV rises by EUR 1 million (following a subscription), the indexed NAV will rise by the same amount, meaning the performance fee provision amount is unaltered.

In the event of redemption, the outperformance linked with redemptions shall be subject to a specific provision, separate from the provision for outperformance on assets under management. The outperformance linked to redemptions is defined as a proportion (i.e. the number of units redeemed divided by the total number of units) of the outperformance on assets under management. This is calculated in the same manner as a meter and allows for the "crystallization" of the provision for the outperformance corresponding to the redeemed shares. The indexed NAV is also adjusted by the redemption ratio. Hence, in the case of redemptions, the provision corresponding to the outperformance of the total NAV is transferred to the provision corresponding to the outperformance of the redeemed shares. However, the total provision is not linked to the amount of redemptions. The outperformance provision linked to redemptions is definitively allocated to the management company and deducted at the end of the financial year.

The Fund's performance is determined on the basis of its book value after taking into account fixed management fees and before deduction of the performance fee.

Once the Fund records a positive performance that exceeds that of its benchmark index in a given reference period, a provision of a maximum of 10% of this outperformance is established upon each NAV calculation.

In the event the Fund underperforms its benchmark index between two net asset values, any previously accumulated provision shall be reduced accordingly. The amounts deducted from the provision cannot exceed the amount previously accumulated.

This variable fee will only be definitively transferred to the Management Company at the end of the reference period and only if, over the reference period, the Fund's performance is positive and exceeds that of its benchmark index. It is deducted from the last NAV calculation of the financial year and paid annually to the Management Company, provided that on that date the reference period is at least equal to one year.

A detailed description of the method used to calculate the performance fee may be obtained from the Management Company.

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

In the event of temporary sales of securities (security lending and repurchase agreements), the resulting payment is allocated as follows : 60% to the Fund and 40% to the counterparty. No other direct fee shall be charged to the Fund. The Management Company shall not receive any payment resulting from these operations. The Fund's sole counterparty is ODDO BHF SCA as principal agent.

In the event of temporary purchases of securities (reverse repurchase agreements), the Fund shall select counterparties according

to the best selection and best execution policies as defined by the Management Company and receives the entire payment resulting from these operations. No other direct fee shall be charged to the Fund. The Management Company shall not receive any payment resulting from these operations.

For the purpose of these operations, the service provider of the Fund is a credit institution whose registered office is located in a member state of the European Union or in the United Kingdom. The service provider will act independently of the Fund and serve systematically as counterparty to market transactions. The service provider may be part of the ODDO BHF Group.

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.

#### **Investment research funding :**

The Fund shall bear the fees related to investment research in equities through a commission allocated to market intermediaries conducting the aforementioned research.

The Management Company decided to bear the fees related to investment research in debt securities. For this purpose, the Management Company exclusively resorts to its own funds.

## **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:**

<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-bhf.com">information_oam@oddo-bhf.com</a>

Information is also available:

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

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.

#### **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 FCP's annual report and on the Management Company's website: <http://am.oddo-bhf.com>.

<b>Publication date of the prospectus</b>	February 16, 2021
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## **INVESTMENT RULES**

**Regulatory ratios applicable to the Fund:** The legal investment rules applicable to the Fund are those that govern UCITS under Directive 2009/65/EC investing no more than 10% of their assets in other UCIs, as well as those applicable to the AMF's "International Equities" classification.



## GLOBAL RISK

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.

Negotiable debt securities and similar securities that are not the subject of significant transactions are valued using an actuarial method, with the rate used being compounded :

- A risk-free rate obtained by linear interpolation of the OIS curve discounted on a daily basis ;
- A credit spread obtained at issue and kept constant throughout the life of the security.

However, negotiable debt securities with a residual maturity of less than or equal to three months will 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.

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 NAV calculation day, if different from the last price.
Asian markets:	Last market price on the NAV calculation day, if different from the last price.
North and South American markets:	Last market price on the NAV calculation day, if different from the 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. The debt represented by 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 UCIs 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 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.

In order to satisfy the obligation to pay 50% of the variable remuneration in instruments form or indexation portfolio's form, the Management Company will pay 50% of the variable remuneration defined for the ending year in February of the following year, based on the statement made to employees in December. As for the remaining 50%, 10% of the variable remuneration defined will be payed in July after these assets have been invested in the indexation portfolio, for the period from beginning of January to end of June (see below), the remaining 40% of the variable remuneration remains concerned by the deferred payment for a period of 3 years as part of the indexing tool.

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 (<https://am.oddo-bhf.com>). Investors may also request a hard copy of this information from the Management Company.

## **INFORMATION FOR INVESTORS IN GERMANY**

ODDO BHF Asset Management GmbH, Herzogstraße 15, 40217 Düsseldorf acts as German information agent for the Fund in the Federal Republic of Germany (the “German Information Agent”).

Applications for the redemptions and conversion of units may be sent to ODDO BHF SCA, 12, Bd de la Madeleine – 75009 Paris (hereinafter the “Depository”).

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through the Depository.

The attention of Investors and prospective investors is drawn to the fact that only some of the units are registered for distribution in Germany, as follows:

- Unit classes registered for distribution in Germany: CRw-EUR, Clw-EUR, CNw-EUR.
- Unit classes which are currently not registered, and cannot be marketed, in Germany: CR-EUR, CI-EUR, GC-EUR, CN-EUR.

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 of the units registered in Germany are available and may be obtained free of charge from the German Information Agent.

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

Any notices to German unitholders will be published on [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) and may also be obtained free of charge from the German Information Agent. Moreover, registered investors will be notified by way of durable media, and notices to German unitholders will be published on [www.fundinfo.com](http://www.fundinfo.com), 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**

### **ODDO BHF ALGO MIN VAR**

#### TITLE I - 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 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 risk, in part or in full, as defined in the 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 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; 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 411-17 of the AMF General Regulation (transfer of the UCI).

##### 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.

Units are issued in bearer form. They cannot be issued in or converted into registered form.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the Key Investor Information Document and 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 transferable securities. 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.

A minimum subscription amount may be applied according to the procedures set out in the UCI's Prospectus.

In application of article L.214-8-7 of the French Monetary and Financial Code, the Fund may stop issuing units:

- The Fund is intended for a maximum of 20 unitholders or for a category of investors whose characteristics are defined precisely in the UCI's prospectus;
- The Prospectus sets out objective situations leading to the temporary or definitive closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a fixed subscription period.

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" registered either 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.

## 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 Fund's Prospectus.

#### Article 5b - Admission to trading on a regulated market and/or a Multilateral Trading Facility

Units may be admitted to trading on a regulated market and/or a multilateral trading facility in accordance with the regulations in force. In the event that the FCP whose units are admitted to trading on a regulated market has an index-based investment objective, the fund must have implemented a mechanism for ensuring that the price of its units does not significantly deviate from its net asset value.

#### 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 portfolio management company, it shall inform the *Autorité des marchés financiers*.

#### Article 7 – The statutory auditor

A statutory auditor is appointed by the CEO of the portfolio 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 auditor and the CEO of the portfolio 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.

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 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 DISTRIBUTABLE INCOME

#### Article 9

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 distributable 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 partially or 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 distributable income each year.

The Management Company decides on the allocation of distributable 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 *Autorité des marchés financiers* 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 custodian or the Management Company 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.