

**ODDO BHF Algo Emerging Markets**  
**French Common Fund (FCP)**  
**12, boulevard de la Madeleine 75009 Paris**

**PROSPECTUS**

## ODDO BHF Algo Emerging Markets PROSPECTUS

### I - GENERAL CHARACTERISTICS

#### I.1 - Legal structure:

- **Name:** ODDO BHF Algo Emerging Markets (hereinafter the “**Fund**”). Previously named “Sélection Multi-Gérants Asie Emergente”.
- **Legal form and Member State in which the Fund was established:** French Common Fund (FCP).
- **Inception date:** This Fund was approved by the *Autorité des marchés financiers* (“**AMF**”) on 29 October 1993. It was created on 19 November 1993 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	FR0007475843	EUR	Accumulation	1 unit	1 unit	All subscribers, and particularly natural persons.
GC	FR0011606359	EUR	Accumulation	EUR 100	1 thousandth of a unit	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-EUR	FR0013280187	EUR	Accumulation	1 unit	1 unit	CN units are only available following a decision by the Management Company and yield no right to collect fees. Units reserved for (i) investors subscribing through an intermediary providing independent investment advice in accordance with MiFID II; (ii) investors subscribing through a financial intermediary on the basis of a commission agreement concluded between the investor and the intermediary stating that the intermediary is remunerated exclusively by the investor; (iii) companies providing portfolio management services to third parties in accordance with MiFID II; (iv) UCIs managed by ODDO BHF Group companies; and (v) ODDO BHF SCA, providing investment advisory services on the basis of a written commission agreement concluded with the investor.
CI-EUR	FR0013353026	EUR	Accumulation	250,000 euros	1 thousandth of a unit	These units are only available to eligible counterparties and to professional investors within the meaning of Directive 2014/65/EU (“MiFID 2”).

- **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 unit-holders within eight business days upon written request to:

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

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

Information relating to the French Fund approved by the *Autorités des marchés financiers* is available at:

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

## **I.2 - 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

- **Custodian and depository, Establishment in charge of liabilities management delegated by the Management Company:**

Société Générale (hereafter the “**Depository**”)

The Fund’s Depository is Société Générale S.A., acting through its “Services” department. Société Générale, which has its registered office at 29, boulevard Haussmann in Paris (75009), is registered in the Paris trade register under No. 552 120, has been approved by the French Prudential Supervision and Resolution Authority (the ACPR) and is also subject to the supervision of the French financial markets authority (the AMF).

### The Depository’s duties and potential conflicts of interest

The Depository is responsible for three things — monitoring the compliance of the Management Company’s decisions, monitoring the Fund’s cash flows and custody of the Fund’s assets.

The Depository’s main objective is to protect the interests of the Fund’s unit-holders / investors.

Potential conflicts of interest are possible, particularly if the Management Company maintains a business relationship with Société Générale that extends beyond the latter’s Depository duties, for example, if the Management Company delegates to Société Générale the task of calculating the net asset value of the funds of which Société Générale is the Depository, or when there is a group relationship between the Management Company and the Depository.

In order to manage such situations, the Depository has set up and maintains a policy for managing conflicts of interest which serves to:

- Identify and examine potential conflict-of-interest situations;

- Record, manage and follow up conflict-of-interest situations, by:

(i) Using ongoing measures to deal with conflicts of interest, such as segregating duties, separating line and staff functions, monitoring “insiders”, and using dedicated IT environments

(ii) and also, on a case-by-case basis:

(a) implementing appropriate preventive measures such as drawing up ad hoc “watch lists”, setting up Chinese walls, checking that transactions are dealt with appropriately, and/or informing any clients who may be affected;

(b) or otherwise, refusing to engage in activities that may result in a conflict of interest.

### Custody functions delegated by the Depository, delegates and sub-delegates, and conflicts of interest that may arise from such delegation

The Depository is responsible for the custody of assets (as defined under Article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU). In order to provide custody services in a large number of countries and enable investment funds to achieve their investment objectives, the Depository has appointed sub-custodians in the countries where the Depository normally does not have a direct local presence.

These entities are listed on the Internet at:

[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)

Pursuant to Article 22 bis 2. of the UCITS V directive, the process for appointing and supervising sub-custodians complies with the highest standards of quality and includes the management of potential conflicts of interests that may arise when sub-custodians are appointed. The

Depository has prepared an effective policy for identifying, preventing and managing conflicts of interest in compliance with national and international regulations and international standards.

The delegation of the Depository's custody functions may result in conflicts of interest. The latter have been identified and are monitored. The Depository's conflict-of-interest policy includes measures to prevent the occurrence of conflict-of-interest situations and to ensure that, in the course of its business activities, the Depository always acts in the best interests of investment funds. These preventive measures consist most notably in ensuring the confidentiality of the information exchanged, physically separating activities that may result in a conflict of interest, determining and classifying remuneration and pecuniary and non-pecuniary benefits, and implementing a policy and measures that govern the acceptance of gifts and hospitality. Investors may obtain the most recent information on the above policy measures upon request.

- **Administration and Accounting delegated to**

SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE,  
10, passage de l'Arche  
92800 PUTEAUX

- **Financial management delegated to:**

ODDO BHF ASSET MANAGEMENT GmbH  
Herzogstr, 15  
D – 40217 Düsseldorf, Allemagne

- **Statutory auditor:**

CONSEIL ASSOCIES, DFK INTERNATIONAL  
Registered office: 50, Avenue de Wagram 75017 PARIS  
Authorised signatory: Mr Jean-Philippe MAUGARD

- **Promoter:**

ODDO BHF ASSET MANAGEMENT SAS, a *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.

- **Adviser:** None.

- **Agent for receiving subscription and redemption orders:**

SOCIETE GENERALE  
A credit institution approved by the ACPR.  
29, boulevard Haussmann 75009 PARIS

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

### **II.1 - General characteristics of the units:**

- **Rights attached to the units:** The co-owners' rights are represented by units, with each unit corresponding to a fraction of the Fund's assets. Each unit-holder has a co-ownership right in the assets of the Fund proportional to the number of units they hold.  
The distributable income consists of:
  - 1° The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.
  - 2° The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been subject to distribution or accumulation, plus or minus the balance of the capital gains equalisation accounts.The categories of income referenced in points 1° and 2° respectively may be distributed, in full or in part, independently of each other.
- **Inclusion in a register:** The Management Company delegates the management of liabilities to the Custodian.
- **Voting rights:** No voting rights are attributed to the ownership of units. Decisions concerning the Fund are taken by the Management Company. The voting rights attached to the securities held by the Fund are exercised by the Management Company, which has the sole power to take decisions, pursuant to regulations in force. The Management Company's voting policy may be consulted at its registered office or online at <http://am.oddo-bhf.com>, in accordance with Article 314-100 of the AMF General Regulation. Unit-holders 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:**
  - **CR-EUR units:** subscriptions and redemptions in whole units
  - **GC units:** subscriptions and redemptions in thousandths of units
  - **CN-EUR units:** subscriptions and redemptions in whole units
  - **CI-EUR units:** subscriptions and redemptions in thousandths of units
- **Financial year-end:** The last stock market trading day in June
- **Tax regime:** As of 1 July 2014, the Fund shall be governed by the provisions of appendix II, point II. B. of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations at an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unit-holders 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.

The Management Company shall accept no 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.2 - Specific provisions**

- **ISIN code:**
  - CR-EUR units:** FR0007475843
  - GC units:** FR0011606359
  - CN-EUR units:** FR0013280187
  - CI-EUR units:** FR0013353026
- **Classification:** "International Equities" fund.
- **Fund of funds:** Up to 100% of the net assets.
- **Investment objective:** The Fund's investment objective is to outperform, the MSCI Emerging Markets index (with net dividends reinvested and net of management fees), over the recommended investment horizon of five years, by selecting equities, most of which are components of this index.
- **Benchmark indices:** Its benchmark is the MSCI Emerging Markets index with net dividends reinvested. The administrator of this benchmark is MSCI Limited.  
The Fund's benchmark is the MSCI Emerging Markets index in USD converted into EUR, which tracks the performance of mid- and large-cap companies in the emerging countries.  
The index is calculated daily using the closing prices and with dividends reinvested, by MSCI.

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 benchmark index does not constitute a limitation on the Fund's investment universe. It allows the investor to assess the Fund's risk profile. The Fund's performance and composition may differ substantially from those of its benchmark index.

- **Investment strategy:**

The Fund will invest at least 70% of its net assets in the equities of the MSCI Emerging Markets index.

The Fund's equities will be selected using a proprietary quantitative tool (Algo 5), which assesses the equities of companies in the major emerging markets (such as Brazil, China, India and South Korea) on the basis of the following five factor strategies:

1. **Value** : selecting equities that are believed to be fundamentally under-valued, mainly in consideration of their high dividend payout or low price-to-earnings ratio.
2. **Momentum** : selecting equities that have been outperforming the market over a relatively long period of time. Among other things, this involves an analysis of the rate of share price appreciation over the past 12 months (i.e. the momentum) and the use of a power trend indicator.
3. **Risk**: selecting securities with low risk indicators, such as beta of less than 1 and less than average volatility.
4. **Growth**: selecting companies that are growing rapidly, as reflected mainly by their earnings and dividends growth.
5. **Analyst revisions**: Selecting equities on the basis of their earnings revision trend, and more specifically those that show the biggest improvements in the revised opinions of financial analysts.

For each of the above strategies, the equities that receive the highest scores are selected, which ensures a diversified portfolio. The fund manager may adjust the allocation to each strategy in accordance with market conditions.

The fund manager makes no discretionary investment decisions.

The Fund is not hedged against currency risk and up to 100% of its net assets will be exposed to this risk.

The Fund's maximum exposure to all instruments (equity, debts securities, investment funds and derivatives) will be limited to 200% of the Fund's net assets, given that the maximum exposure is the sum of the net exposures to each market (equity, rates, monetary, credit) to which the Fund is exposed (sum of the buying positions and the hedging positions).

**1) Principal category of assets used (excluding embedded derivatives):**

- Equities:

The Fund's portfolio will, at all times, be at least 70% invested in the equities of the MSCI Emerging Markets index.

- Units or shares in CIU:

The Fund may invest up to 10% of its net assets in the shares or units 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;
- French AIFs or AIFs from other EU Member States.
- investment funds that were formed under a 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 unit-holders 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 funds may be managed by ODDO BHF Asset Management SAS and/or ODDO BHF Asset Management GmbH. The investment strategies of these funds will be compatible with the Fund's investment strategy.

**2) Derivatives:**

The Fund may invest up to 200% of its net assets in forward or optional financial instruments traded on French and foreign regulated, organised or over-the-counter markets. Such investments may be made, for the purpose of achieving the Fund's investment objective, to gain or hedge exposure to equities, economic sectors or market indices, through the use of futures, options, forward exchange contracts or currency swaps (which are used to hedge the currency risk of holding assets denominated in a foreign currency).

The Fund will not use Total Return Swaps.

**3) Securities with embedded derivatives:**

The investment manager excludes securities with embedded derivatives from the Fund's portfolio.

**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.

**6) Temporary purchases and sales of securities:**

To manage cash and maximise income, the Fund may carry out reverse repurchase agreements.

Any temporary purchases of securities shall all be conducted under market conditions and within the following limit: up to 100% of the Fund's net assets in the case of reverse repurchase agreements.

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

The targeted proportion of AUM to be used for such operations will be 5%.

Within the scope of these transactions, the Fund may receive financial guarantees (collateral); the section entitled "Collateral management" contains information on how these work and on their characteristics.

Temporary purchases 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 of securities, the Fund may receive financial assets as guarantees.

The purpose of receiving financial guarantees is to reduce the Fund's exposure to counterparty default risk. They will consist solely 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 (collateral) received shall also, in accordance with regulations, comply with the following:

- criteria for liquidity, valuation (at least daily, and assets that are not highly volatile, except for obtaining adequate discounts), issuer creditworthiness, correlation (independence vis-à-vis the counterparty) and diversification with maximum exposure to a given issuer of 20% of the net assets;
- 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 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 in one or more equity markets that may experience significant fluctuations. The Fund's net asset value could fall during periods in which the equity market is falling.
- **Emerging markets risk:** This risk is linked to the operating and regulatory conditions on emerging markets in which the Fund invests, 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. The Fund may be fully exposed to emerging markets risk.
- **Risk associated with holding small and medium capitalisations:** The Fund may be exposed to small and medium capitalisations. Price fluctuations, both upward and downward, are more acute and more abrupt than for large capitalisations, and may therefore result in sharp variations in the 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.
- **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.
- **Derivatives risk:** The Fund may use derivatives alongside securities in the portfolio, with an overall commitment of up to 100% of the net assets. The Fund's net asset value could fall if markets move unfavourably.
- **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 or contracts for the temporary purchase or sale of securities. 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.
- **Liquidity risk of underlying assets:** Weak liquidity on a market makes it sensitive to significant movements in purchases/sales. This increases the volatility of the fund, the assets of which are listed or traded on this market, and may impact the valuation of these assets and, where applicable, the prices at which the fund may be obliged to liquidate its positions. The lack of liquidity is particularly associated with certain geographic (emerging countries) and sector (small and mid caps) characteristics and with certain classes of securities in which the fund may invest. In such cases, the net asset value of the fund may therefore fall sharply.

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

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

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

- **Risks linked to the use of overexposure:** Taking into account the use of derivatives in particular, the Fund's maximum exposure to the various 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.

Investors are advised that the Fund's performance may fall short of its objectives.

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

### **III - 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 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 unit-holders must immediately inform the Fund if they become a “US Person”. Any unit-holder 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:** CR-EUR units are intended for all investors, including institutional investors (mutual benefit societies, pension funds, insurance companies), cash account managers of large caps, and particularly natural persons.

- **GC units:** 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-EUR units:** CN units are only available following a decision by the Management Company and yield no right to collect fees. Units reserved for (i) investors subscribing through an intermediary providing independent investment advice in accordance with MiFID II; (ii) investors subscribing through a financial intermediary on the basis of a commission agreement concluded between the investor and the intermediary stating that the intermediary is remunerated exclusively by the investor; (iii) companies providing portfolio management services to third parties in accordance with MiFID II; (iv) UCIs managed by ODDO BHF Group companies; and (v) ODDO BHF SCA, providing investment advisory services on the basis of a written commission agreement concluded with the investor.

- **CI-EUR units :** These units are only available to eligible counterparties and to professional investors within the meaning of Directive 2014/65/EU (“MiFID 2”).

- **Typical investor profile:** The typical investor profile is characterised by low risk aversion. The amount that is appropriate to invest in this Fund depends on your personal wealth. To determine this amount, investors should consider their personal 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.

- **Appropriation of distributable amounts:**

Distributable amounts	Accumulation units: CR-EUR, GC-EUR, CN-EUR and CI-EUR
Net income allocation	Accumulation
Allocation of net realised capital gains or losses	Accumulation

- **Base currency:** Euro (€).

- **Fractions of units:**
  - CR-EUR units: Subscriptions and redemptions in whole units
  - GC units: Subscriptions and redemptions in thousandths of units
  - CN-EUR units: Subscriptions and redemptions in whole units
  - CI-EUR units: Subscriptions and redemptions in thousandths of units

#### **IV - SUBSCRIPTION AND REDEMPTION PROCEDURES:**

- **Terms and conditions of subscriptions and redemptions:**

Subscription and redemption requests are centralised by the Custodian every day until 11:15 (Paris time) and executed on the basis of the net asset value of the next business day. The resulting settlements shall be carried out on the second trading day following the NAV date. The fund's promoters must therefore 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.

Subscriptions and redemptions are carried out in whole units for CR-EUR and CN-EUR units and in thousandths of units for GC and CI-EUR units.

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 later than on D	Publication of the net asset value	Payment of subscriptions and redemptions

- **Minimum initial investment:**

CR-EUR units: one unit  
 GC units: 100 euros  
 CN-EUR units: one unit  
 CI-EUR units: 250,000 euros

- **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.

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

The net asset value is calculated 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:**

The Fund's net asset value is available at the premises of the administration and accounting agent, the Management Company and online (<http://am.oddo-bhf.com>).

- **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 unit-holders in possession of such information.

## V - INFORMATION ON FEES, COMMISSIONS, 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 for CR-EUR, CN-EUR, GC and CI-EUR units <sup>1</sup>
Subscription fee not payable to the Fund	NAV per unit × number of units	Maximum 4%, inclusive of tax
Subscription fee payable to the Fund	NAV per unit × number of units	None
Redemption fee not payable to the Fund	NAV per unit × number of units	None
Redemption fee payable to the Fund	NAV per unit × number of units	None

Management and administration fees:

Fees charged to the Fund:	Basis	Rate for CR-EUR, CN-EUR, GC and CI-EUR units
Financial and administrative management fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	CR-EUR units: maximum 1.75% inclusive of tax
		GC units: maximum 0.90%, inclusive of tax
		CN-EUR units: maximum 1.10% inclusive of tax
		CI-EUR units: maximum 0.9% inclusive of tax
Actors which receive ransaction fees: - Management Company: 100%	Payable on each transaction	Equities: depending on the markets, with a maximum of 0.50% inclusive of tax and a minimum of EUR 7.50 exclusive of tax for French equities and EUR 50 exclusive of tax for foreign equities.
Performance fees (*)	Net assets	20% of the Fund's outperformance relative to the benchmark, the MSCI Emerging Markets (EUR, Net Return), provided that the Fund's performance is positive.

(\*) A description of the method used to calculate the performance fee may be obtained from the Management Company.

**Performance fees:** A performance fee based on a comparison between the performance of the unit class and that of the benchmark index over the Fund's 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

<sup>1</sup> The rate is applied to the total amount of the subscription: there is no staggering of rates for a single subscription.

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 20% of this outperformance is established upon each NAV calculation.

In the event that 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. Where applicable, the performance fee shall be paid on the closing date of the Fund's financial year and for the first time on 30 June 2012. Since the benchmark index was changed on 21 January 2019, the Management Company has decided to exceptionally extend the calculation period for performance fees until 30 June 2020, to enable the new index to serve as a benchmark for at least 12 months. Therefore, no performance fee will be paid on 30 June 2019.

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

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.

## **VI - COMMERCIAL INFORMATION**

- **Distributor** ODDO BHF Asset Management SAS
  - **Subscription and redemption** Subscription and redemption procedures are presented in the section "Subscription and redemption procedures".
  - **Information relating to the Fund is provided by:** ODDO BHF Asset Management SAS  
12, Bd de la Madeleine – 75009 Paris  
[information\\_oam@oddo-bhf.com](mailto:information_oam@oddo-bhf.com)
- Information is also available:
- On the website** <http://am.oddo-bhf.com>
  - By contacting** Customer Services Department
  - By telephoning** 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.

**Publication date of the prospectus:** 16/02/2021

## **VII - INVESTMENT RULES**

**Regulatory ratios applicable to the Fund:** The legal investment rules applicable to the Fund are those applicable to the "International Equities" classification.

## **VIII - GLOBAL RISK**

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

## **IX - INFORMATION ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA:**

Additional information on the application of ESG criteria by the Management Company shall be available in the Fund's annual report and on the Management Company's website: <http://am.oddo-bhf.com>.

## **X - 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.

- Financial 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 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: fund units or shares 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 on the basis of interest received.

**Transaction cost accounting:**

Transactions are recorded excluding fees.

## **XI - 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 paid 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 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

### 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 (or, if applicable, the sub-fund's) assets. Each unit-holder 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.

The investment strategy may involve merging or splitting units.

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

The different classes of units may:

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

Following the decision of the Management Company's CEO, units may be sub-divided into tenths, hundredths, thousandths or 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 unit-holders in exchange for their existing units.

#### Article 2 - Minimum assets

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

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

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

Units are issued in bearer form.

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

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

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

Redemptions are made exclusively in cash, except in the event of liquidation of the Fund when unit-holders 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 thirty days.

With the exception of a succession or an inter vivos gift, the sale or transfer of units between unit-holders, or between unit-holders 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 unit-holders.

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

Where applicable, minimum subscription amounts are specified in the Fund's prospectus.

In application of article L.214-8-7 paragraph 3 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 unit-holder 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 unit-holder 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 unit-holders, 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 unit-holders, 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 unit-holders 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 II OPERATION OF THE FUND**

#### **Article 5 - The Management Company**

The Fund is managed by the Management Company in accordance with the Fund's investment objectives.

The Management Company shall act in all circumstances in the exclusive interests of the unit-holders 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 6 - The Custodian**

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

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

A statutory auditor is appointed by the 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 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 Fund 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.

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

The statutory auditor's fees are included in the management fees.

#### **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.

The Management Company shall make these documents available to unit-holders 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 unit-holders, or made available to them at the office of the Management Company.

### **TITLE III APPROPRIATION OF DISTRIBUTABLE INCOME:**

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

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

The distributable income consists of:

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

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

The 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 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 IV 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, or split the Fund into two or more common funds.

Such mergers or splits may only be carried out after unit-holders and the Depositary have been notified. They give rise to the issue of a new certificate indicating the number of units held by each unit-holder.

#### **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 unit-holders 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 unit-holders and the *Autorité des marchés financiers*.

**Article 12 – Liquidation**

In the event of dissolution, 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 unit-holders 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 V  
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 unit-holders or between the unit-holders and the Management Company or the Custodian, shall be subject to the jurisdiction of the competent courts.