



Mandarine Valeur

Prospectus

February 2020

French Mutual Fund (Fonds Commun de Placement)

UCITS governed by French law covered by Directive 2014/91/EU - UCITS V

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I. GENERAL CHARACTERISTICS

I.1 TYPE OF UCITS

UCITS governed by French law covered by Directive 2014/91/EU

I.2 NAME

Mandarine Valeur (hereinafter referred to as "the Fund").

I.3 LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WAS ESTABLISHED

Mutual fund (Fonds Commun de Placement) under French law.

I.4 DATE OF CREATION AND INTENDED DURATION

This Fund was created on 20 December 2007 for a period of 99 years.

I.5 OVERVIEW OF THE MANAGEMENT OFFER

	Code ISIN	Allocation of distributable sums	Curren- cy denomi- nation	Target subscribers	Minimum initial subscription (2)	Minimum subsequent subscription	Initial net asset value	Decimalis- ation
R units	FR0010554303	Capitalisation	EUR	All subscribers	EUR 50	1/10,000th of the unit	EUR 500	1/10,000
F units	FR0013140092	Capitalisation	EUR	Reserved (6)	EUR 50	1/10,000th of the unit	EUR 500	1/10,000
S units	FR0011008796	Capitalisation	EUR	Spanish and Italian subscribers (3)	EUR 300,000	1/10,000th of the unit	EUR 5,000	1/10,000
I units	FR0010558841	Capitalisation	EUR	Institutional and equivalent investors	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
G units	FR0010806778	Capitalisation	EUR	Institutions governed by German and Austrian law (1)	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
M units	FR0010606814	Capitalisation	EUR	Institutional and equivalent investors (2)	EUR 40,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
P units	FR0011679018	Capitalisation	EUR	Institutional PensionKassen Austrian (4)	EUR 50,000,000 (5)	1/10,000th of the unit	EUR 100.000	1/10,000
L units	FR0010865592	Capitalisation	EUR	Institutional and equivalent investors	EUR 40,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
I (D) units	FR0011759414	Capitalisation/ Distribution	EUR	Institutional and equivalent investors	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
T units	FR0011908169	Capitalisation	EUR	Institutional and equivalent investors	EUR 10,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
O units	FR0012217057	Capitalisation	EUR	Unit reserved for Mandarin Funds SICAV sub-funds (5)	EUR 500.000	1/10,000th of the unit	EUR 1.000	1/10,000

(1) legal persons subject to German legal and tax rules,

especially those relating to the provisions of section 5 Investmentsteuergesetz and also legal persons governed by Austrian law.

(2) except the Management Company, which may only take out one unit.

(3) Unit reserved for institutional and equivalent investors whose registered office or place of residence is located in Italy or Spain.

(4) Units reserved for Austrian Pensionkassen.

(5) O units exclusively reserved for the feeder fund Mandarine Valeur Funds, sub-fund of the SICAV Mandarine Funds SICAV governed by Part I of the Law of 17 December 2010, as amended.

(6) For F units: shares reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:

- Financial intermediaries who are not authorised, in virtue of the regulations applicable to them, to receive and/or hold on to any commissions or non-monetary benefits; or
- Subscribers subscribing to portfolio management services for the account of third-parties (management by mandate) and/or independently provided investment consulting in the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments within the European Union (the MIF2 Directive);
- Distributors subscribing in the context of investment advice not considered to be independent within the meaning of Directive MIF2 on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit under Directive MIF2.

INDICATION OF THE PLACE WHERE THE LATEST ANNUAL REPORT AND THE LATEST INTERIM REPORT CAN BE OBTAINED

The Fund's prospectus, the annual and interim reports and the breakdown of assets are sent, within eight (8) business days, free of charge upon written request to:

MANDARINE GESTION - 40, Avenue George V - 75008 Paris

Email: serviceclient@mandarine-gestion.com

The prospectus of the Fund and the annual and interim documents are available at: www.mandarine-gestion.com.

Dissemination of the portfolios.

The Management Company may be required to transmit all or part of the information concerning the composition of the portfolio of the UCITS to enable some of its investors, in particular institutional investors, to comply with their obligations derived notably from Directive 2009/138/EC (called "Solvency II") with respect to transparency (*SCR - Solvency Capital Requirement*). The Management Company will ensure that each investor who is a recipient of this information has established procedures for managing sensitive information prior to the transmission of the composition of the portfolio so that such information be used only for calculating prudential requirements. These procedures must also prevent the practices of *market timing* or *late trading*.

II. PARTICIPANTS

II.1 MANAGEMENT COMPANY

MANDARINE GESTION

Société Anonyme, 40, Avenue George V, 75008 PARIS
Portfolio management company approved by the Autorité des marchés financiers (AMF – Financial Markets Authority) on 28 February 2008 under GP No 0800 0008.

II.2 DEPOSITARY AND CUSTODIAN

BNP PARIBAS SECURITIES SERVICES

Public limited company registered with the Registre du Commerce et des Sociétés (Trade and Companies Register) of Paris under number 552 108 011.

Credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution.

Registered office: 3, Rue d'Antin, 75002 PARIS

Postal address: Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 PANTIN

BNP PARIBAS SECURITIES SERVICES, a partnership limited by shares (société en commandite par actions), registered in the Trade and Companies Register under number 552 108 011, is an establishment approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and subject to the supervision of the Financial Markets Authority (AMF), whose registered office is at 3, rue d'Antin, 75002 Paris.

As part of the Fund's liabilities management, the subscription, redemption and issuer account holding centralisation functions are carried out by the Depositary in connection with Euroclear France, through which the units are registered.

Description of the responsibilities of the Depositary and potential conflicts of interest

Directive 2009/65/EC, as amended by Directive 2014/91/EU, referred to as "UCITS 5", specifies the responsibilities of UCITS depositories. It entered into force on 18 March 2016.

The Depositary has three types of responsibilities: monitoring the compliance of the decisions of the Management Company (as defined in Article 22.3 of the Directive), monitoring of cash flows of the UCITS (as defined in Article 22.4), and custody of the UCITS' assets (as defined in Article 22.5). All of these responsibilities are set out in a written contract between the Management Company, MANDARINE GESTION, and the Depositary, BNP PARIBAS SECURITIES SERVICES.

The primary objective of the Depositary is to protect the interests of the unitholders/investors in the UCITS, which always prevail over commercial interests.

Potential conflicts of interest may be identified, in particular if the Management Company also maintains commercial relations with BNP Paribas Securities Services SCA in parallel to its appointment as Depositary (which may be the case if BNP Paribas Securities Services calculates, by delegation of the Management Company, the NAV of the UCITS for which BNP Paribas Securities Services is the Depositary, or when a group relationship exists between the Management Company and the Depositary).

To manage these situations, the Depositary has implemented and maintains a management policy for conflicts of interest with the following objectives:

- Identifying and analysing situations involving potential conflicts of interest
- Recording, managing and monitoring situations involving potential conflicts of interest:
 - based on permanent measures in place to manage conflicts of interest, such as segregation of duties, separation of hierarchical and functional lines, monitoring of internal insider lists, and dedicated IT environments;
 - by implementing on a case-by-case basis:
- ✓ preventive and appropriate measures such as the creation of ad hoc watchlists, new Chinese walls, or verifying that transactions are properly processed and/or informing affected customers
- ✓ or by refusing to manage activities that may give rise to conflicts of interest.

Description of any custodial functions delegated by the Depositary, list of delegates and sub-delegates and identifying conflicts of interest likely to arise from such delegation

The UCITS Depositary, BNP Paribas Securities Services SCA, is responsible for the custody of the assets (as defined in Article 22.5 of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to provide services related to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas Securities Services SCA has appointed sub-custodians in countries where BNP Paribas Securities SCA services would have no local presence. These entities are listed on the following website:

<http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

The process of appointment and supervision of the sub-custodians is carried out in accordance with the highest quality standards, including the management of potential conflicts of interest that may arise in connection with these appointments.

Up-to-date information on the above-mentioned points will be sent to the investor upon request.

Establishment in charge of holding the issue account: BNP Paribas Securities Services.

II.3 STATUTORY AUDITOR

DELOITTE & ASSOCIES

Represented by Olivier Galienne

185, avenue Charles de Gaulle – 92524 NEUILLY-SUR-SEINE

II.4 MARKETER

MANDARINE GESTION

40 avenue Georges V, 75008 PARIS

The Fund is registered with Euroclear France and its units may be subscribed or redeemed through financial intermediaries who are not known to the Management Company.

II.5 CENTRALISING AGENT

- **Centralising agent for subscription and redemption orders by delegation:**

BNP PARIBAS SECURITIES SERVICES

Public limited company registered with the Registre du Commerce et des Sociétés (Trade and Companies Register) of Paris under number 552 108 011.

Credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution.

Registered office: 3, Rue d'Antin, 75002 PARIS

Postal address: Grands Moulins de Pantin - 9, Rue du Débarcadère – 93500 PANTIN CEDEX

Credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution.

II.6 APPOINTED REPRESENTATIVES

- **Administrative management and accounting:**

BNP PARIBAS SECURITIES SERVICES

Petits Moulins de Pantin - 9, Rue du Débarcadère - 93761 PANTIN CEDEX

The delegation agreement covers the accounting management, including accounting updates, the net asset value calculation, the preparation and presentation of the file required for the audit carried out by the statutory auditor, and the keeping of accounting records.

III.1 GENERAL CHARACTERISTICS

III.2 SPECIAL PROVISIONS

III.2.1 ISIN codes

R units:	FR0010554303
F units:	FR0013140092
I units:	FR0010558841
G Units:	FR0010806778
M units:	FR0010606814
S units:	FR0011008796
L units:	FR0010865592
P units:	FR0011679018
I (D) units:	FR0011759414
T units:	FR0011908169
O units:	FR0012217057

AMF classification: "European Union equities"

Up to 60% of the Fund is permanently exposed to at least one or more markets for equities issued in one or more countries of the European Union, which may include eurozone markets.

UCITS of UCITS or AIF (meeting the criteria of Article R.214-13 of the Monetary and Financial Code): less than 10% of net assets.

III.2.2 Management objective

The Fund's objective is to outperform the STOXX® Europe 600 Index Net Return EUR over the recommended investment period.

III.2.3 Benchmark index

The Fund's performances are compared to the performance of the STOXX® Europe 600 Net Return EUR Index. This index is the global benchmark for the European markets. It is composed of 600 securities selected from the 16 eurozone countries and from the UK, Denmark, Switzerland, Norway and Sweden. Codes: ISIN: EU0009658210 Reuters: STOXXR; Bloomberg: SXXR Index; the benchmark index is denominated in euros.

The performance of the STOXX® Europe 600 EUR Net Return benchmark includes dividends from the equities that make up the benchmark: www.stoxx.com.

Information based on ESMA Q&A 34-43-362 "Actively Managed Fund"

The Fund is actively managed.

However, the Fund's objective is not to reproduce the performance of this index in any manner. The Fund's investments are made on the basis of criteria that could result in significant variations compared to the performance of this index. Investments in companies are made on the basis of weightings that are not based on the relative weighting of each company in the Index.

Information concerning the benchmark indicator used by the Fund carried out in accordance with the provisions of EU Regulation 2016/1011.

In accordance with Article 52 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/45/EU and 2014/17/EU and Regulation (EU) No 596/2014 (hereinafter referred to as the "**Benchmark Regulation**" or "**BMR**"), since the Management Company refers to benchmark indices within the meaning of the BMR regulation, it is required, as a "User" of benchmark references:

- to ensure that the benchmark indices it uses within the European Union are supplied by administrators that are legally authorised or registered with the European Union as benchmark index Administrators, including the Administrator (Article 29); or to ensure that those originating from third countries respect the principle of equivalence and the regulatory requirements (Article 30-33);
- to establish a suitable monitoring procedure for benchmark indices allowing it to substitute a new index in the event that one or more of the benchmark indices that it uses, including that of the index provided by the Administrator, should be substantially modified or cease to be published (Article 28).

On the date of the latest update to this Prospectus, which is the date appearing on the first page, the Administrator had obtained a registration under Article 32 and is therefore listed in the publication of administrators and publication of benchmarks maintained by ESMA (hereinafter referred to as "**Benchmark Register - List of EU benchmark administrators and third country benchmarks**").

For informational purposes, the ESMA website "**Benchmark Administrators**" (<https://www.esma.europa.eu/databases-library/registers-and-data>) contains, on the one hand, the list of "EU & EEA benchmark administrators", in other words, and more specifically, the list of administrators located in the European Union who have been authorised or registered (Art. 34), the administrators meeting the conditions set out in Art. 30(1) of the same regulation, and on the other hand, the list of "third country benchmarks", in other words the list of administrators located outside the European Union (Article 30(1)(c)).

In accordance with Article 28.2 of the BMR Regulation, the Management Company has a monitoring procedure for the benchmark indices used describing the measures to implement in the case of substantial modifications made to an index or in the event that this index is no longer available.

III.2.4 Investment strategy

III.2.4.1. Strategy used

The Fund's portfolio is constructed and managed on the basis of the qualitative and quantitative analysis of companies whose shares are trading at a discount and that offer the best upside potential. These analyses are used to determine the industrial value of the company and the outlook for a reduction in the measured discount (industrial value greater than the share price).

The Fund's investment universe is made up of approximately 2,000 European securities, of which 800 are monitored more closely by the fund managers.

Qualitative analysis is carried out individually by a company belonging to the investment universe. Each security, without neglecting the sectoral and economic environment, is therefore analysed in order to allow the manager to establish the potential valuation, quality of management, competitive situation, capital position and creation of social and corporate value.

Quantitative analysis enables the manager to measure the return on equity, book value, revenues, profitability, etc.

The "Value" management style is discretionary and based on convictions. It allows for a high degree of autonomy in the choice of investments and allows the portfolio to be focused on a limited number of securities.

The UCITS does not use the exemption ratios stated in Article R.214-22 of the Monetary and Financial Code.

In categories of assets and financial contracts in which the Fund intends to invest

III.2.4.1.1. In assets (excluding integrated derivatives)

The Fund's portfolio consists of the following categories of assets and financial instruments:

- Shares

At least 60% of the Fund's assets are exposed to equities markets in countries of the European Union. Incidentally, it may also invest in stock markets or OECD countries and those in emerging markets. The overall equity exposure will be between 60% and 110 % of the Fund's net assets.

Due to its eligibility for the PEA tax system, the Fund invests at least 75% of its net assets in PEA-eligible securities.

Opportunistic investments will be made at the discretion of the Fund Manager, without any geographical, sector or market

capitalisation constraints. Only the potential for appreciation will determine the selection and weighting of securities in the portfolio.

Besides the shares that constitute at least 75% of the Fund's assets, the following assets are likely to be included in the portfolio, up to a maximum of 25%:

- Debt securities and money market instruments

As part of the cash management of the Fund, the Fund Manager may use bonds, convertible bonds, debt securities, deposits and money market instruments.

The distribution of private/public debt is not determined in advance, as it will be based on the market opportunities. Similarly, the Fund Manager will determine the duration and the sensitivity of bonds held in the portfolio based on the management objectives and market opportunities. Issuers of securities in the portfolio must have an "Investment Grade" rating from at least one recognised agency (e.g. at least BBB- from S&P, Moody's or Fitch), or their creditworthiness estimated by the management company must correspond to this level (failing that, an equivalent short-term rating issued by one of the three aforementioned agencies).

- UCITS, AIF, investment funds and trackers or Exchange Traded Funds (ETF)

In order to manage the cash flow or gain access to markets or specific management styles (sectoral, geographical, etc.), the Fund may invest up to 10% of its net assets in UCITS/AIFs. The Fund may invest in UCITS managed by Mandarine Gestion.

Investments will be made within the regulatory limits in:

- French or foreign UCITS (UCITS);
- alternative investment funds (AIF) meeting the criteria set out in Article R. 214-13 of the Monetary and Financial Code.

AMF classification of UCITS or alternative investment funds: all AMF classifications as described in the AMF instructions specifying the operating regulations of the UCITS and AIFs.

The Fund may invest in trackers, listed index-linked funds and Exchange Traded Funds on an ad-hoc basis.

III.2.4.1.2. Derivative instruments

The Fund may invest in financial futures (traded on regulated and organised markets, in France and abroad and/or OTC) within the limits laid down by the regulations. In this context, the Fund may take positions to offset fluctuations in the market.

The Fund transactions may therefore involve:

- either hedging the portfolio "shares", while respecting the permanent exposure constraint of at least 60% on the

European Union equities market;

- or exposing the portfolio to industrial sectors, shares, currencies or market indices through the use of instruments such as futures or options contracts.

To a lesser extent, transactions may be entered into on the OTC markets as part of treasury management or currency transactions.

The Fund may use up to a limit of 100% of the net assets on derivative instruments. The portfolio's exposure is not intended to exceed 100%; however, for significant subscriptions or redemptions or major market fluctuations, the Fund may be temporarily exposed beyond 100%.

All transactions are carried out within the global limit of the off balance sheet commitment of one times the Fund's net assets.

On the embedded derivatives (warrants, credit linked notes, EMTNs, subscription warrants, etc.)

Nature of instruments used: Essentially, warrants, subscription warrants, and all types of bonds to which a conversion or subscription right is attached. In particular, the Fund may invest in securities with exposure to shares (convertible bonds, exchangeable bonds or equity notes).

Strategy for using embedded derivatives to achieve the management objective: Transactions involving embedded derivatives are of the same nature as those for derivative instruments. The use of embedded derivatives is subject to their potential benefits in terms of cost/efficiency or liquidity. The Fund may use up to a limit of 100% of the net assets on embedded derivatives.

III.2.4.1.3. Deposits

The Fund may make deposits with a maximum term of 12 months with one or more credit institutions. The aim of these deposits is to contribute to the cash holdings. Deposits denominated in euros or other currencies which adhere to the four conditions of the Monetary and Financial Code can account for up to 100% of assets.

III.2.4.1.4. Cash loans

As part of its normal operation, the Fund may occasionally find itself in debt and may make use of cash loans in this case, up to a limit of 10% of its assets.

III.2.4.1.5. Temporary purchases and sales of securities

Not applicable.

III.2.4.2. Risk profile

Your money will primarily be invested in financial instruments selected by the Management Company. These instruments will be exposed to market trends and risks. The list of risk factors set out below is not exhaustive.

The Fund is classified as a "European Union equities" UCITS. As such, investors are primarily exposed to the following risks:

Capital risk:

Investors should be aware that the performance of the Fund may not be in line with its objectives and, because the Fund is not capital protected or guaranteed, investors may not recover the full amount of their invested capital.

Equity market risk:

More than 60% of the Fund is exposed to one or more equity markets that could experience substantial fluctuations. Equity risk corresponds to a decline on the equity markets. As the Fund is exposed to equities, the net asset value may decline significantly. If the equity markets fall, the value of the portfolio may decline.

Exchange-rate risk:

This is the risk that fluctuations in foreign currencies could affect the value of securities held in the portfolio. The Fund may hold, either directly or via UCITS or AIF, securities denominated in a currency other than the Fund's designated currency. Therefore, fluctuations in exchange rates could result in a lower net asset value. The exchange risk may be hedged through derivatives.

Risks linked to investments in small and mid-cap securities:

Given its management orientation, the Fund may be exposed to small and mid-cap securities, which may carry liquidity risk owing to their specific characteristics. Due to the restricted nature of the market, the performance of such securities is more pronounced and may rise or fall sharply. This may result in an increase in the volatility of the net asset value. Investments in small-cap companies will represent only a minor portion of investments.

Interest-rate risk:

Given its management orientation, the Fund may be exposed to interest rate risk. Interest rate risk is represented by fluctuations in the yield curve. The interest rate markets move in the opposite direction of interest rates. This risk arises from the fact that, in general, the price of debt securities and bonds falls when interest rates rise.

Credit risk:

Credit risk is the risk that the issuer cannot meet its commitments. Credit risk is limited to debt securities and money-market instruments, which may not make up more

than a maximum of 25% of net assets. Investors are reminded that this risk may result in a decrease in the Fund's net asset value.

Discretionary management risks:

The discretionary management style applied by the Fund is based on the selection of securities and on the expectations of the different markets. There is a risk that the Fund may not be invested in the best-performing securities at all times. As a result, the Fund's performance may be lower than the investment objective. Furthermore, the net asset value of the Fund may decline. Performance largely depends on the Fund Manager's ability to anticipate market movements.

To a lesser extent, they are also exposed to the following risks:

Emerging markets risk:

The market practices and monitoring measures in the emerging markets may deviate from the standards prevailing on the large international markets: information on certain securities may be incomplete and liquidity may be lower. The performance of these securities may therefore be volatile. If the securities of the emerging markets fall, the net asset value of the Fund may fall.

Counterparty risk:

The Fund is exposed to the counterparty risk that results from the use of financial futures. Contracts for these financial instruments may be concluded with one or more credit institution(s) that is/are not able to honour their commitments under these instruments. Investors are reminded that this risk may decrease the Fund's NAV.

III.2.4.3. Target investors and typical investor profile

- I, L and M units: for institutional and equivalent clients.
- G units: only for legal persons subject to German legal and tax rules, especially those relating to the provisions of Section 5 Investmentsteuergesetz and also legal persons governed by Austrian law.
- S units: for institutional and equivalent Spanish and Italian subscribers.
- R units: for all subscribers.
- P units: for institutional investors – Austrian PensionKassen.
- I (D) units: for institutional investors.
- T units: for institutional investors.
- F units: shares reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:
 - Financial intermediaries who are not authorised, in virtue of the regulations applicable to them, to receive and/or hold on to any commissions or non-monetary benefits; or
 - Subscribers subscribing to portfolio management services for the account of third-parties (management by mandate) and/or independently provided investment consulting in the

meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments within the European Union (the MIF2 Directive);

- Distributors subscribing in the context of investment advice not considered to be independent within the meaning of Directive MIF2 on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit under Directive MIF2.
- O units: reserved for the feeder fund Mandarine Valeur Funds, sub-fund of the SICAV Mandarine Funds SICAV governed by Part I of the Law of 17 December 2010, as amended.

The Fund is open to any investor seeking a dynamic return who agrees to be exposed to significant equity risk. The appropriate amount to be invested in the Fund depends on each investor's personal situation. To determine this, investors must take into account their personal assets, their current and future needs, investment horizon, and also their willingness to take risks or opt instead for a more cautious investment. Investors are also strongly advised to diversify their investments in order to avoid exclusive exposure to the risks of this Fund.

Special warning "US Person" U.S. SEC Regulation S (Part 230 – 17 CFR 2330.903)/US Investors:

These Fund units have not been registered under the US Securities Act of 1933. Consequently, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or to the benefit of a "US person" as defined by the US "Regulation S". Furthermore, the units of this fund also cannot be offered or sold, directly or indirectly, to "US persons" and/or to any entities held by one or more "US persons" as defined by the US "Foreign Account Tax Compliance Act (FATCA)" regulation. (The definitions of a "US Person" or an "effective beneficiary" are available at the following address: <http://www.sec.gov/about/laws/secrulesregs.htm> and <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>).

Any resale or transfer of units to the United States of America or to a "US Person" can constitute a violation of US law and requires prior written consent from the mutual fund's management company. Any persons wishing to acquire or subscribe to the Units will have to certify in writing that they are not "U.S. Persons".

The mutual fund's management company has the authority to impose restrictions (i) on the ownership of Units for a "U.S. Person" and thus proceed with the compulsory redemption of the Units held, or (ii) on the transfer of Units to a "U.S. Person". This authority also extends to any person (a) who appears, directly or indirectly, to be in violation of the laws and regulations of any country or any government authority, or (b)

who could, in the mutual fund's management company's opinion, cause the mutual fund to suffer damages that it would not otherwise have endured or suffered.

The offer of Units has not been authorised or rejected by the SEC, the specialised commission of a U.S. State or any other U.S. regulatory body, no more than the aforementioned authorities have delivered a verdict or sanctioned the merits of this offer, or the accuracy or adequate nature of the documents relating to this offer. Any assertion to this effect is against the law. Any unitholder must inform the mutual fund immediately in the event that they become a "U.S. Person". Any unitholder who becomes a U.S. Person will no longer be authorised to acquire new Units and they may be requested to give up their Units at any time to the benefit of persons who do not have "U.S. Person" status. The mutual fund's management company reserves the right to proceed with the compulsory redemption of any Unit held, directly or indirectly, by a "U.S. Person", or, if the ownership of Units by any person whatsoever is against the law or the interests of the mutual fund.

Recommended investment period: over 5 years.

III.2.4.4. Methods of determining and allocating amounts available for distribution

Capitalisation UCITS for some units, in kind: I, R, F, M, G, P, T, S, O and L units.

The accounting method is the coupons received method and the capital gains generated are capitalised in full each year.

Allocation of net income of the I (D) unit: capitalisation and/or distribution. The management company reserves the right to capitalise and/or distribute net income, in full or in part, or to carry forward. Allocation of capital gains realised: The management company reserves the right to opt for capitalisation and/or distribution. Where applicable, net capital gains may, at the discretion of the management company, be wholly or partly distributed annually or carried forward.

III.2.4.5. CHARACTERISTICS OF THE UNITS OR SHARES (CURRENCY DENOMINATION, DIVISION, ETC.)

	ISIN code	Distribution of income	Currency of denomination	Target investors	Minimum initial subscription (2)	Minimum subsequent subscription	Initial net asset value	Decimalisation
R units	FR0010554303	Capitalisation	EUR	All subscribers	EUR 50	1/10,000th of the unit	EUR 500	1/10,000
F units	FR0013140092	Capitalisation	EUR	Reserved (6)	EUR 50	1/10,000th of the unit	EUR 500	1/10,000
S units	FR0011008796	Capitalisation	EUR	Spanish and Italian investors (3)	EUR 300,000	1/10,000th of the unit	EUR 5,000	1/10,000
I units	FR0010558841	Capitalisation	EUR	Institutional and equivalent investors	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
G units	FR0010806778	Capitalisation	EUR	Institutions governed by German and Austrian law (1)	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
M units	FR0010606814	Capitalisation	EUR	Institutional and equivalent investors (2)	EUR 40,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
P units	FR0011679018	Capitalisation	EUR	Institutional PensionKassen Austrian (4)	EUR 50,000,000 (5)	1/10,000th of the unit	EUR 100.000	1/10,000
L units	FR0010865592	Capitalisation	EUR	Institutional and equivalent investors	EUR 40,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
I (D) units	FR0011759414	Capitalisation/ Distribution	EUR	Institutional and equivalent investors	EUR 1,000,000	1/10,000th of the unit	EUR 5,000	1/10,000
T units	FR0011908169	Capitalisation	EUR	Institutional and equivalent investors	EUR 10,000,000	1/10,000th of the unit	EUR 50,000	1/10,000
O units	FR0012217057	Capitalisation	EUR	Unit reserved for Mandarine Funds SICAV sub-funds (5)	EUR 500.000	1/10,000th of the unit	EUR 1.000	1/10,000

(1) Legal persons subject to German legal and tax rules,

especially those relating to the provisions of section 5 Investmentsteuergesetz and also legal persons governed by Austrian law.

(2) except the Management Company, which may only take out one unit.

(3) Unit reserved for institutional and equivalent investors whose registered office or place of residence is located in Italy or Spain.

(4) Units reserved for Austrian Pensionkassen.

(5) O units exclusively reserved for the feeder fund Mandarine Valeur Funds, sub-fund of the SICAV Mandarine Funds SICAV governed by Part I of the Law of 17 December 2010, as amended.

(6) For F units: shares reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:

(a) Financial intermediaries who are not authorised, by virtue of the regulations applicable to them, to receive and/or hold on to any commissions or non-monetary benefits; or

(b) Subscribers subscribing to portfolio management services on behalf of third parties (management by mandate) and/or independently provided investment consulting within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments within the European Union (the MIF2 Directive);

(c) Distributors subscribing in the context of investment advice not considered to be independent within the meaning of Directive MIF2 on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit under Directive MIF2.

III.2.4.6. SUBSCRIPTION AND REDEMPTION METHODS

Subscription and redemption requests are centralised each valuation day until 1 p.m. Paris time (*cut-off time*) with the centralising agent and made on the basis of the next net asset value, i.e. at an unknown price. Payments relating thereto are made on the second trading day following the net asset value date.

It is possible to invest in whole and/or fractions of units; redemptions are only made in quantities of units (ten thousandths).

Fund unit subscriptions and redemptions can be addressed to:

The centralising agent by delegation:

III.2.4.7. FEES AND COMMISSIONS

The subscription and redemption fees are added to the subscription price paid by the investor or are deducted from

BNP PARIBAS SECURITIES SERVICES

Registered office: 3, Rue d'Antin – 75002 PARIS.

Postal address: Grands Moulins de Paris - 9, Rue du Débarcadère – 93500 PANTIN Cedex.

Subscriptions and redemptions are processed at 1 p.m., Paris time (*cut-off time*).

• **To the regional transfer agent in Luxembourg:**

BNP PARIBAS SECURITIES SERVICES - Luxembourg Branch

Registered office: 60, Avenue J-F Kennedy L-1855 Luxembourg – Grand Duchy of Luxembourg.

Subscription requests sent to the *regional transfer agent* must be pre-centralised two hours before the centralisation time (*cut-off time*) mentioned above.

Date and frequency of calculation of the net asset value: daily, for all units. The net asset value is calculated every business trading day of the French financial markets (Euronext Paris S.A. Official Calendar).

The net asset value of the Fund is available on request from:

- MANDARINE GESTION – 40, Avenue George V – 75008 Paris;

- or at the following email address: serviceclient@mandarine-gestion.com.

The net asset value is also available on the website: www.mandarine-gestion.com.

Investors wishing to subscribe to units and unitholders wishing to redeem units should contact their account holding institution regarding the cut-off time for processing their subscription or redemption request. The latter may be before the processing cut-off time mentioned above.

Investment and redemption transactions resulting from a request transmitted after the time indicated in the prospectus (*late trading*) are prohibited.

Pursuant to Article L.214-8-7 of the Monetary and Financial Code, both the redemption by the Fund of its units and the issue of new units may be suspended temporarily by the Management Company if required by exceptional circumstances and if this is in the interests of the unitholders.

the redemption price. The fees paid to the Fund are used to offset the costs incurred by the Fund for investing or divesting assets. Unallocated fees are paid to the Management Company or marketers.

Fees charged to the investor levied on subscriptions and redemptions	Base	Rate/scale I units I (D) & R	Rate/ scale G & S units	Rate/ scale M, P, L & T units	Rate /scale O units	Rate /scale F units
Subscription fee not paid to the Fund	Net asset value X number of units	2 % maximum				
Subscription fee paid to the Fund		None				
Redemption fee not paid to the Fund		None	2 % maximum	None		
Redemption fee paid to the Fund		None				

Operating and management fees:

These fees cover all costs charged directly to the Fund, apart from transaction fees.

Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and any turnover fees (see table below "fees charged to the Fund").

In addition to operating and management fees, there may also be:

- outperformance fees. These are paid to the management company when the Fund exceeds its objectives. They are therefore invoiced to the Fund.
- turnover fees charged to the Fund

Fees invoiced to the Fund	Base	Rate/ Scale F units	Rate/ Scale I, I (D) & G units	Rate/ Scale S units	Rate/ Scale R units	Rate/ Scale M & P units	Rate/ Scale L units	Rate/ Scale T units	Rate/ scale O units
Maximum financial management fees	Net assets	1.10%	0.90%	1.40%	2.20%	0.60%	0.75%	1.10%	0.00%
1 Maximum administrative fees external to the Management Company		including all taxes	including all taxes	including all taxes	including all taxes	including all taxes	including all taxes	including all taxes	including all taxes
2 Maximum indirect fees (commission and management fees)	Net assets	- (*)							
Maximum turnover fees paid to the Management Company	Amount of the transaction	0 to 0.10% inclusive of all taxes on the gross amount of the trade							
Maximum turnover fees paid to the depositary/custodian (2)	Fixed fee per transaction	€0 to €115 including all taxes							
4 Outperformance fee (1)	Net assets	15% of the outperformance over STOXX® Europe 600 Net Return					None	None	None

(*) UCITS of UCITS or AIF: less than 10%

(1) The outperformance fee is variable. Calculation periods:

F, R, I, I (D), G, S and M units: the calculation period is the Fund's financial year.

P units: the period for calculating the outperformance fee is three financial years. The first calculation period begins on the launch day of the P unit and ends on 31 December 2016.

For each calculation of the net asset value, the Fund's outperformance is defined as the positive difference between the Fund's net assets before taking into account any provisions for outperformance fees, and the net assets of a notional UCITS generating the benchmark performance and recording the same subscription and redemption pattern as the actual Fund.

At each determination of the net asset value, the outperformance fee, set at 15% (including taxes), of the performance above that of the STOXX® Europe 600 Net Return Eur - dividends reinvested (ISIN code: EU0009658210), is the subject to a provision or a write-back limited to the existing provision. Such a provision can only be implemented if, after taking into account any provisions for outperformance fees, the net asset value is higher than the net asset value at the beginning of the financial year. In the case of redemptions, the share of the outperformance fee

corresponding to the redeemed units is set by the Management Company. With the exception of redemptions, the outperformance fee is set by the Management Company at the closing date of each calculation period. Investors may obtain a description of the method used for calculating the outperformance fee from the Management Company.

(2) In exercising its duties, the Depositary acting in its capacity as custodian of the Fund uses a fixed or flat fee per transaction depending on the nature of the securities, markets and financial instruments traded. Any additional charges paid to an intermediary

are passed on completely to the Fund and are recognised as turnover fees in addition to the fees charged by the depositary and the custodian.

The operating and management fees are charged directly to the Fund's profit and loss account when calculating each net asset value.

The fees stated below are outside the scope of the fees set out above:

- the contributions due for the Fund management in application of point d, paragraph 3, Section II of Article L. 621-5-3 of the Monetary and Financial Code;

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- exceptional and non-recurring taxes, duties, charges and government rights (in relation to the Fund);
- exceptional and non-recurring costs for debt recovery (e.g. Lehman, Aberdeen tax) or a procedure for asserting a right (e.g. class action proceedings).

Further information concerning these fees is outlined, ex post, in the Fund's annual report.

Practice regarding the selection of entities that provide investment decision support services: Mandarine Gestion has opted for a method for selecting intermediaries that provide support services for investment decisions, based on several criteria: Independent research must provide added value to the manager's investment decisions, consist of original ideas based on tested hypotheses demonstrate the intellectual rigour necessary to reach meaningful and coherent conclusions.

Procedure regarding fees in kind/soft commission: No intermediary or counterparty charges fees in kind/"soft commission" to the Fund management company.

Methods for calculating and distributing payments on temporary purchases and sales of securities: Not applicable.

Short description of the procedure for choosing intermediaries:

Mandarine Gestion employs a multi-criteria approach to select intermediaries that guarantees the very best execution of stock market orders. The criteria are both quantitative and qualitative and depend on the markets in which the intermediaries provide services, both in terms of geographical area and instruments. The analysis criteria include, in particular, the availability and proactivity of the intermediaries, as well as timeliness, processing and execution quality, and brokerage costs.

IV. COMMERCIAL INFORMATION

Fund unit subscriptions and redemptions can be addressed to:

- **The centralising agent:**

BNP PARIBAS SECURITIES SERVICES

Registered office: 3, Rue d'Antin, 75002 Paris.

Postal address: 5, Rue du Débarcadère - 93731 Pantin Cedex.

Subscriptions and redemptions are processed at 1 p.m., Paris time(*cut-off time*).

- **To the regional transfer agent in Luxembourg:**

BNP PARIBAS SECURITIES SERVICES - Luxembourg Branch

Registered office: 60, Avenue J-F Kennedy L-1855 Luxembourg – Grand Duchy of Luxembourg.

Subscription requests sent to the *regional transfer agent* must be pre-centralised two hours before the centralisation time(*cut-off time*) mentioned above.

Unitholders are informed of changes affecting the Fund in the manner defined by the Financial Markets Authority: specific information or any other means (financial advice, periodic documents etc.).

The prospectus of the Fund, the net asset value, the latest annual and interim reports and the report on the policy on the voting rights of the Management Company and the report on the conditions for exercising those voting rights are available and sent free of charge within one week, upon written request from the investor sent to:

- MANDARINE GESTION – 40, Avenue George V – 75008 Paris;

- or at the following email address: serviceclient@mandarine-gestion.com.

Information on the inclusion of ESG criteria in the investment strategy is available on the Management Company's website at www.mandarine-gestion.com, as well as in the Fund's annual report.

Information concerning the personal data protection policy

Regulation^{No.} 2016/679, known as the General Data Protection Regulation or “**GDPR**” is a European Union regulation that is the reference text for personal data protection. It strengthens and unifies the protection of data for individuals within the European Union.

The regulation has been transposed into French law by Law no. 2018-493 of 20 June 2018.

In this context, it should be noted that the Management Company may collect and process personal data in order to comply with its regulatory obligations with regard to the identification of its customers, in particular for the fight against fraud, money laundering, the financing of terrorism, and for compliance with regulations regarding international sanctions.

This personal data shall not be used for marketing purposes. Any transfer of personal data to a third party shall only take place upon written instruction from the Management Company if required by French or other European law, or

upon written consent from the unitholder in question. Unitholders are informed that they have a right to access this personal data and may request its correction in case of error.

V. INVESTMENT RULES

The Fund is subject to all investment rules and regulatory ratios applicable to UCITS investing less than 10% of their assets in units or shares of French and European UCITS/AIF. The main financial instruments and management techniques

used by the Fund are listed in the special provisions of the Prospectus. The Fund complies with the investment rules of European Directive 2009/65/EC, as amended.

VI. GLOBAL RISK

The global risk is determined using the *commitment approach* see: *CESR Guidelines (CESR/10-673)*.

VII. RULES FOR ASSET ACCOUNTING METHODS AND VALUATION

The asset valuation rules are based, in part, on the valuation methods used, and also on the practices specified in the notes of the financial statements and in the Prospectus. The Fund Management Company is responsible for establishing the valuation rules. The net asset value is calculated for every business trading day of the French markets in Paris (Euronext Paris S.A. official calendar) and is dated to this same day.

VII.1 ASSET VALUATION RULES

The Fund has complied with the accounting rules set down by the Accounting Regulatory Committee in regulation No 2003-02 of 2 October 2003 on the UCITS accounting plan, as amended by Regulation No 2004-09 of 23 November 2004 and No. 2005-07 of 3 November 2005, No. 2011-05 of 10 November 2011 and No. 2014-01 of 14 January 2014.

The accounts relating to the securities portfolio are kept on an historical cost basis: incomings (purchases or subscriptions) and outgoings (sales or redemptions) are recognised on the basis of the purchase price, excluding any fees. Any outgoings generate a capital gain or a capital loss on the sale or redemption and also possibly a redemption premium.

Accrued coupons on negotiable debt securities are calculated on the net asset value date.

The Fund values its securities portfolio at the current value, based on the market value or, if there is no market, using financial methods. The incoming value - current value difference generates a capital gain or capital loss which is recorded under "portfolio valuation difference".

Description of the methods used for valuing balance sheet items:

- Transferable securities

Stocks, bonds and similar securities are valued based on the closing price or, failing that, on the basis of the last known prices, converted into the accounting currency according to the exchange rate in Paris on the valuation date.

- UCITS/AIF units or shares

Target UCITS/AIF units or shares are valued at the last known net asset value on the actual date of calculation of the Fund's net asset value. Monthly valuation of the net asset value of target UCITS/AIF will be based on the last known net asset value (official or estimated) published on the actual date of calculation of the Fund's net asset value.

- Negotiable debt securities (NDS)

- NDS with a residual maturity of more than three months are valued at the market rates identified by managers at the time of publication of the interbank market rates by the EBF (European Banking Federation). The rate used in the absence of significant transactions is the Euribor for securities of less than one year, and the BTAN rate (published by the Primary Dealers (SVT) selected by the French Treasury) for securities over one year, plus (where applicable), a representative margin of the intrinsic characteristics of the issuer.
- Any NDS with a maturity at issue or purchase (or residual maturity) of less than three months are valued using a linear

method to maturity at the issue or purchase rate or the last rate used for valuation at market rates.

Notwithstanding the above rules, any securities whose listed prices do not reflect their probable trading value (insignificant transaction volumes, etc.) can be valued by the Management Company based on information provided by the market.

In the case of transferable securities for which the price has not been determined on the valuation day, the Management Company corrects their valuation based on any likely event-driven fluctuations.

- **Deposits**

Deposits are valued at their net asset value.

- **Foreign currency**

Currencies are valued at the rates published by the ECB at 3 p.m. (Paris time) on the net asset value date.

Description of off-balance sheet commitments:

- Transactions on regulated markets
- **Futures:** these transactions are valued according to the markets on the basis of the settlement price. The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.
- **Options:** these transactions are valued according to the markets on the basis of the initial price or settlement price. The commitment is equal to the conversion of the option into the underlying equivalent. It is calculated as follows: delta x quantity x amount or nominal value of the contract x underlying price.
- **OTC market transactions**
- **Interest rate transactions:** valued at market prices based on feeds sourced from a financial information platform (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
- **Exchange rate transactions:** Transactions whose residual maturity is greater than three months are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and by applying an actuarial method.

- **Backed or non-backed transactions:**

- Fixed rate/Variable rate: nominal value of the contract
- Variable rate/Fixed rate: nominal value of the contract
- Transactions with a residual maturity below or equal to 3 months are valued on a linear basis.
- In the case of an exchange rate transaction valued at market price with a maximum residual maturity below or equal to 3 months, the last rate used shall be frozen until the final repayment date, except in the case of special sensitivity requiring valuation at market prices (see previous paragraph).

The commitment is calculated as follows:

- Backed transactions: nominal value of the contract
- Non-backed transactions: nominal value of the contract
- **Other transactions on OTC markets**
- Interest rate, currency or credit transactions are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
- The commitment is shown as follows: nominal value of the contract.

Securities not traded on a regulated market

Securities that are not traded on a regulated market are valued by the Management Company at their probable trading value.

VII.2 ACCOUNTING METHOD

- **Description of the accounting method for income fixed income securities:**

Accrued coupons method.

- **Description of the method for calculating fixed management fees:**

Management fees are charged directly to the Fund's profit and loss account when calculating each net asset value.

- **Allocation of income for the units:**

Distribution or capitalisation.

VIII. REMUNERATION

The Management Company's remuneration policy complies with the provisions of European Directive 2014/91/EU ("UCITS V Directive") and related articles of the AMF General Regulation that apply to UCITS.

The remuneration policy promotes sound and efficient risk management and does not encourage risk taking that is incompatible with the risk profiles of the UCITS which it

manages. The Management Company has implemented adequate measures able to prevent any conflict of interests.

The remuneration policy applies to all Management Company employees considered to have a material impact on the risk profile of the UCITS and identified each year as such via a process involving the General Management as well as the risk and compliance teams.

The Management Company staff hereby identified shall receive remuneration comprised equally of a fixed component and a variable component. This is subject to annual review and is based on individual and collective performance. The principles of the remuneration policy are reviewed on a regular basis and adapted according to regulatory changes. The remuneration policy is approved by the administrators of the Management Company.

Full details of the Management Company's remuneration policy are available on the Company's website: www.mandarine-gestion.com. A written copy of the policy is available free of charge upon request to the Management Company.

IX. REGULATIONS

SECTION I - ASSETS AND UNITS

ARTICLE 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of Fund assets (or, where applicable, of sub-fund assets). Each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.

The term of the Fund is 99 years beginning on 20/12/2007, except in the event of early dissolution or extension provided for in these Regulations.

Categories of units: the features of the different unit categories and their access conditions are specified in the mutual fund's Prospectus.

The different categories of shares may:

- benefit from different income distribution methods (distribution or capitalisation);
- be denominated in different currencies;
- have different management fees;
- have different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged against risk, in part or in full, as defined in the Prospectus. This hedging is achieved by means of financial instruments minimising the impact of hedging transactions on other categories of units of the UCITS;
- be confined to one or more marketing channels.

The Board of Directors of the Management Company may decide to split the units into tenths, hundredths, thousandths or ten thousandths, known as fractional units.

The provisions of the Regulations governing the issue and redemption of units shall also apply to fractional units, the value of which is always proportional to that of the unit they represent. Unless otherwise stipulated, all other provisions of these Regulations relating to units shall also apply to fractional units, without it being necessary to state this explicitly.

Finally, the Board of Directors of the Management Company may, at its sole discretion, split the units by creating new units that are allocated to unitholders in exchange for old units.

ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the assets of the mutual fund (or the sub-fund) fall below 300,000 euros. If the assets remain below this amount for a period of thirty days, the Management Company shall take the necessary steps to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the AMF General Regulation (transfer of the UCITS).

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time at the request of the unitholders, based on their net asset value plus any subscription fees, where applicable.

Redemptions and subscriptions are carried out according to the terms and conditions set out in the Prospectus.

Units of the Fund may be admitted for listing in accordance with the regulations in force.

Investments must be fully paid up on the date on which the net asset value is calculated. They may be paid for in cash and/or transferable securities. The Management Company shall be entitled to reject securities offered to it, and shall therefore have a period of seven days from the date of receipt of the securities to announce its decision. If the securities are accepted, they are valued in accordance with the rules set out in Article 4 and the subscription is carried out on the basis of the net asset value immediately following acceptance of the securities in question.

All redemptions are made exclusively in cash, except where the Fund is liquidated and where unitholders have expressed their consent to reimbursement in the form of securities. They are paid by the Depositary within a maximum period of five days from the valuation of the unit.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the Fund, this period may be extended up to a maximum of 30 days.

Except in the case of inheritance or inter vivos distribution, the transfer of units from one unitholder to another, or to a third party, is treated as a redemption followed by a subscription. In the case of a third party, the amount of the sale or transfer must, if necessary, be made up by the beneficiary to the

minimum subscription amount specified in the Prospectus.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, both the redemption by the mutual fund of its units and the issue of new units may be suspended temporarily by the Management Company if required by exceptional circumstances and if this is in the interests of the unitholders.

When the mutual fund's net assets (or, where applicable, those of a sub-fund) is less than the amount fixed by the regulations, no units may be redeemed (on the relevant sub-fund, if applicable). Minimum subscription conditions may be set out in the Prospectus.

The manager of the fund may restrict or prevent (i) the ownership of units by any investor, physical or legal person, who is forbidden from owning units in accordance with the prospectus, in the section "subscribers concerned" (hereafter "Ineligible Person") and/or (ii) the recording in the register of the Fund's unitholders or in the transfer agent's register (the "Registers") of any intermediary who does not belong to one of the categories below ("Ineligible Intermediary"): active Non-Financial Foreign Entities (active NFFEs), U.S. Persons who are not determined U.S. Persons and financial institutions who are not non-participating financial institutions*, and passive Non-Financial Foreign Entities* (passive NFFEs).

The terms followed by an asterisk * are defined by the Agreement between the government of the French Republic and the government of the United States of America with a view to improving compliance with tax obligations at international level and to implement the law on compliance with tax obligations for foreign accounts signed on 14 November 2013. The text of this Agreement is available (in French), at the date of writing these Regulations, at the following link: http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf

To this end, the Management Company can:

- (i) refuse to issue any unit once it appears that such an issuance would or could have resulted in the units being held by an Ineligible Person or that an Ineligible Intermediary be recorded in the Registers;
- (ii) at any time request that an intermediary whose name appears in the Registers of unitholders provide them with all information, accompanied by a sworn statement, that it considers necessary in order to determine if the beneficial owner of the units in question is an Ineligible Person or not;
- (iii) when it appears to them that beneficial owner of the units is an Ineligible Person or an Ineligible Intermediary is recorded in the Registers of Fund unitholders, proceed with the compulsory redemption of all units held by the Ineligible Person or all units held through the Ineligible Intermediary, after a period of 10 business days. The compulsory redemption will occur at the last known asset value, plus, if necessary, the applicable fees, duties and commissions,

which will remain at the expense of 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 set out in the Prospectus.

Contributions in kind may only consist of securities, stocks or contracts in which UCITS are authorised to invest; such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

SECTION II – FUND OPERATION

ARTICLE 5 - THE MANAGEMENT COMPANY

The Fund is managed by the Management Company in accordance with the strategy defined for the Fund.

The management company shall act in all circumstances in the exclusive interest of the unitholders and can only exercise the voting rights attached to the securities in the fund.

ARTICLE 5A - OPERATING RULES

The instruments and deposits in which the UCITS may invest and the investment rules are specified in the Prospectus.

ARTICLE 6 - THE DEPOSITARY

The depositary carries out the tasks that are their responsibility in application of the laws and regulations in effect, as well as those to which they are contractually bound by the management company. It must notably ensure the regularity of decisions made by the portfolio's management company. They must, where applicable, take all precautionary measures that they deem appropriate. In the event of any dispute with the Management Company, they shall inform the Financial Markets Authority.

ARTICLE 7 - THE STATUTORY AUDITOR

An auditor is appointed for a period of six years, following approval by the Financial Markets Authority, the management company's governance body. They certify the regularity and the sincerity of the accounts. The statutory auditor's term of

office may be renewed.

The auditor is responsible for reporting, as soon as possible, any fact or decision of which they are made aware as part of their role, concerning the collective investment undertaking for transferable securities, to the Financial Market Authority, of a nature:

- 1 To constitute a violation of legal or regulatory provisions applicable to this organism and likely to have significant effects on the financial situation, the results or the holdings;
- 2 To undermine the conditions or the continuity of its use;
- 3 To lead to the issuance of reserves or the refusal of account certification.

The valuations of the assets and the calculation of the exchange parities in conversion, merger or demerger transactions shall be supervised by the statutory auditor. They will appraise any contribution in kind under their responsibility.

They shall check the composition of the assets and other elements prior to publication.

The statutory auditor's fees are determined by mutual agreement between the statutory auditor and the Board of Directors or the Executive Board of the Management Company on the basis of a work schedule specifying the duties considered necessary.

He shall certify the situations on the basis of which interim distributions are made.

ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the Management Company shall draw up summary documents and a report on the management of the fund (and, where applicable, on each sub-fund) for the past financial year.

The Management Company shall draw up the inventory of assets of the UCI at least twice a year and under the supervision of the Depositary. All the above documents shall be inspected by the statutory auditor.

The Management Company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled: these documents are either sent by post at the express request of the unitholders, or made available at the Management Company.

SECTION III – INCOME ALLOCATION PROCEDURES

ARTICLE 9 – PROCEDURES FOR ALLOCATING INCOME AND AMOUNTS AVAILABLE FOR DISTRIBUTION

Net income for the financial year is equal to the total interest payments, arrears, dividends, bonuses and lots, fees and all earnings from securities held in the Fund (and/or each sub-fund) portfolio, plus earnings from sums held as liquid assets, minus management fees and borrowing costs.

The amounts available for distribution are equal:

- 1) to net income for the financial year plus the amount carried forward, plus or minus the balance of accrued income,
- 2) to the capital gains earned, net of fees, minus the capital losses incurred, net of fees, recorded during the financial year, plus the net capital gains of the same kind recorded during previous financial years that have not been capitalised and are decreased or increased by the balance of the accrued income of the capital gains

The Management Company decides on the allocation of income. It may opt for capitalisation and/or distribution.

For each category of unit, if any, the mutual fund may opt for one of the following formulas:

For I, G, M, S, L, P, T, O, F and R units

- ✓ full capitalisation: the amounts available for distribution are fully capitalised, except those subject to mandatory distribution by law;
- ✗ full distribution: the amounts are fully distributed, rounded to the nearest number; possibility of making interim distributions;
- ✗ for mutual funds that wish to retain the freedom to capitalise and/or to distribute, the Management Company decides on the allocation of income each year. It provides for the possibility of making interim distributions.

For I(D) units.

- ✗ full capitalisation: the amounts available for distribution are fully capitalised, except those subject to mandatory distribution by law;
- ✗ full distribution: the amounts are fully distributed, rounded to the nearest number; possibility of making interim distributions;
- ✓ for mutual funds that wish to retain the freedom to capitalise and/or to distribute, the Management Company decides on the allocation of income each year. It provides

for the possibility of making interim distributions.

The Management Company may decide, during the financial year, to make one or more interim distributions within the limit of the net revenues accounted at the date of the decision.

SECTION IV - MERGERS - DEMERGERS - DISSOLUTION - LIQUIDATION

ARTICLE 10 - MERGERS - DEMERGERS

The Management Company may transfer all or part of the assets held in the Fund to another UCITS which it manages, or it may split the Fund into two or more other mutual funds which it will manage.

Unitholders must be given one month's notice before any such merger or demerger takes place. A new statement will then be issued showing the number of units held by each unitholder.

ARTICLE 11 - DISSOLUTION - EXTENSION

If the Fund's assets (or, where applicable, those of a sub-fund) remain below the amount laid down in Article 2 above for a period of thirty days, the Management Company shall inform the Financial Markets Authority and dissolve the Fund (or, where applicable, the sub-fund), unless there is a merger operation with another mutual fund.

The Management Company may dissolve the Fund (or, where applicable, the sub-fund) early. It shall inform the unitholders of its decision, and subscription and redemption requests will not be accepted after this date.

The Management Company shall also dissolve the Fund (or, where applicable, the sub-fund) in the event of a redemption

request for all of the units, or where the Depositary is relieved of its responsibilities and no other Depositary has been appointed, or on expiry of the term of the Fund, if not extended.

The Management Company shall inform the Financial Markets Authority by post of the date and of the procedure adopted for the dissolution. Subsequently, the Management Company shall send the auditor's report to the Financial Markets Authority.

The Management Company may decide to extend a fund in agreement with the Depositary. Its decision must be taken at least three months prior to expiry of the Fund's term and must be notified to the unitholders and the Financial Markets Authority.

ARTICLE 12 - LIQUIDATION

In the event of dissolution, the Management Company or Depositary shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, they are vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.

The statutory auditor and the Depositary shall continue to perform their duties until the liquidation operations have been completed.

SECTION V - DISPUTES

ARTICLE 13 - JURISDICTION - CHOICE OF DOMICILE

Any disputes concerning the Fund that may arise during the operation thereof, or upon its liquidation, whether between unitholders or between unitholders and the Management Company or Depositary, shall be subject to the jurisdiction of the competent courts.