

# PROTECTED TREND FUND

## PROSPECTUS

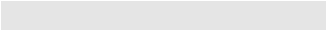


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## FCP Prospectus

### I. General characteristics of the FCP

➤ **Name**

**Protected Trend Fund** (hereinafter the "FCP")

➤ **Legal form and member state in which the Fund was created**

French *fonds commun de placement* (Common Fund or FCP)

➤ **Creation date and intended lifetime**

Creation date: 30/09/2011

Lifetime: 99 years

➤ **Fund overview**

ISIN code	Appropriation of distributable sums	Base currency	Target subscribers	Minimum initial subscription	Initial net asset value
FR0011102805	Accumulation	EUR	For all investors, but intended mainly for Talanx AG and its subsidiaries.	1,000 units, except for the Management Company, the liquidity provider and BNPP Participations	EUR 1,000 at 30/09/2011

➤ **Address at which the latest annual and semi-annual reports are available**

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

*BNP PARIBAS ASSET MANAGEMENT France  
CIB Strategies Sales Support  
TSA 90007, 92729 Nanterre CEDEX, France*

Additional information may be obtained if necessary by sending a request to:

*BNP PARIBAS ASSET MANAGEMENT France  
CIB Strategies Sales Support  
TSA 90007, 92729 Nanterre CEDEX, France*

## II. Directory

### ➤ **Management Company**

Name: BNP PARIBAS ASSET MANAGEMENT France (the "Management Company")

Legal structure: *Société par Actions Simplifiée* (Simplified Joint Stock Company)  
Registered office: 1, boulevard Haussmann – 75009 PARIS  
Business: Portfolio management company (UCITS) approved by the AMF on 19 April 1996 under no. GP 96002  
ADEME no.: FR200182\_03KLJL

### ➤ **Depositary and custodian**

The depositary and custodian functions are performed by:

BNP Paribas, a *société anonyme* (limited company) with its registered office located at 16 boulevard des Italiens, 75009 Paris, France, RCS Paris 662 042 449.

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

Authorised by France's Prudential Control and Resolution Authority (ACPR).

The depositary is responsible for the custody of the assets, as well as for ensuring that decisions taken by the Management Company are lawful and for monitoring the cash flows of the Funds. While carrying out these tasks and where BNP Paribas has business relations with the Management Company (provision of fund administration services, including, for example, calculating net asset values), potential conflicts of interest may exist.

The depositary delegates the custody of assets that must be held abroad to local sub-custodians in the States where it does not have a local presence. The remuneration of the sub-custodians is taken from the fee paid to the depositary and no additional expenses are borne by unitholders in this regard. The procedure for appointing and monitoring sub-custodians adheres to the highest quality standards, including the management of potential conflicts of interest that might arise in connection with the delegation of such duties. The list of sub-custodians is available at the following web address: <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

Up-to-date information on the above points will be sent to investors upon written request to the Management Company.

Firm responsible for issue account keeping: BNP Paribas, a *société anonyme* (limited company) with its registered office located at 16 boulevard des Italiens, 75009 Paris, France, RCS Paris 662 042 449. Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France

Approved by the French Prudential Control and Resolution Authority

Delegated clearing house for subscription and redemption orders: BNP Paribas

### ➤ **Statutory auditor**

Name: PRICEWATERHOUSE COOPERS AUDIT  
Registered office: 63 rue de Villiers, 92208, NEUILLY SUR SEINE  
Authorised signatory: Mr Benjamin Moise

➤ **Delegates**

Accounting management for all of the FCP's assets is delegated to a BNP Group company:

BNP Paribas  
A *société anonyme* (limited company)  
Registered office: 16 boulevard des Italiens, 75009 Paris, France  
Office address: Grands Moulins de Pantin,  
9 rue du Débarcadère, 93500 Pantin, France

Accounting management mainly includes accounting with respect to the various transactions carried out on the FCP's assets in accordance with the accounting standards legally applicable, recording subscriptions and redemptions of FCP units, and calculating the net asset value in accordance with the rules laid down in the FCP's management regulations.

➤ **Promoters**

None

➤ **Restriction on sales**

The Management Company is not registered as an Investment Adviser in the United States.

The FCP is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933, and thus they cannot be offered or sold in to Restricted Persons, as defined below, except in the context of a discretionary management mandate or a subscription made by an investor outside the United States, provided that such subscription cannot be considered in any way as an act of promotion, marketing or communication in the United States.

A Restricted Person is (i) any person or entity situated in United States territory (including United States residents), (ii) any corporation or any other entity under the laws of the United States or of one of its States, (iii) any military personnel of the United States or any personnel connected to a department or agency of the US Government situated outside the territory of the United States, or (iv) any other person who might be considered a United States Person as defined in Regulation S under the Securities Act after 1933, as amended.

Furthermore, FCP units may not be offered or sold to employee benefit plans or entities whose assets comprise employee benefit plan assets, regardless of whether these are subject to the provisions of the United States Employee Retirement Income Securities Act of 1974, as amended.

### **III. Management and administration procedures**

#### **1. General characteristics**

➤ **Characteristics of the units:**

ISIN code: FR0011102805

#### **Rights attached to units**

Each unitholder has a co-ownership right to the assets of the FCP proportional to the number of units they hold.

### **Entry in a register or liabilities accounting procedure**

Units are entered in the account of each subscriber by the custodian account keeper. All of the units created in this way are entered in an account with the central depositary, Euroclear.

### **Voting rights**

No voting rights are attributed to ownership of units as decisions concerning the FCP are taken by the Management Company.

### **Form of units**

Units are issued in bearer form.

#### **➤ Financial year-end**

Financial year-end: last trading day of December in Paris.

End of the first financial year: last trading day of the month of December 2012.

#### **➤ Applicable tax regime**

- **Natural persons resident in France for tax purposes or companies subject to income tax in France**

As the FCP is an accumulation fund, the accumulated proceeds are not taxable as securities income with respect to unitholders. In theory, this income will be taxed as capital gains on securities when holders sell or redeem their units.

- **Companies subject to corporation tax in France**

Unitholders are taxed on the valuation difference recorded at the end of each financial year in application of article 209 OA of the French General Tax Code.

### **Information relative to Foreign Account Tax Compliance Act**

According to the provisions of the Foreign Account Tax compliance Act ("FATCA") applicable as of the 1st of July 2014, when the FCP invests directly or indirectly in U.S assets, income arising from this class of investment may be subject to a 30% withholding tax.

In order to avoid the payment of the 30% withholding tax, France and the United States have entered into an intergovernmental agreement whereby non-U.S. financial institutions ("foreign financial institutions") undertake to set up a procedure for identifying direct or indirect investors who are American taxpayers and to disclose certain information about these investors to the French tax authorities, who will then disclose it to the U.S. tax authority (the "Internal Revenue Service"). The FCP, as a foreign financial institution, undertakes to comply with FATCA and to take all measures under the intergovernmental agreement above mentioned.

### **Information on the automatic exchange of information**

To satisfy the requirements of the Automatic Exchange of Information (AEOI), the FCP may be obliged to gather and disclose information on its unitholders to third parties, including to tax

authorities, to provide it to the relevant jurisdictions. Said information may include, but is not limited to, the identity of the unitholders and their direct or indirect beneficiaries, the end beneficiaries and the persons controlling them. The unitholder shall be obliged to comply with any request from the FCP to provide said information to enable the FCP to comply with its reporting obligations. For any information related to his own situation, the unitholder is urged to seek the advice of an independent tax adviser.

The attention of unitholders is nevertheless drawn to the fact that this information is only a summary of the applicable tax regime, and that their particular situation must be examined with their usual tax advisor. This prospectus does not address the issue of unitholders who are not resident in France.

## 2. Specific provisions

### ➤ Level of exposure to UCITS or alternative investment funds (AIFs)

Up to 10% of the net assets

### ➤ Guarantee

No

### ➤ Investment objective

The aim of the FCP is to enable unitholders to benefit:

- ✚ Over a recommended investment period of three years, from variable synthetic exposure to a quantitative strategy (hereinafter the "Strategy") made up of long positions on different asset classes (equities, fixed income, commodities through futures indices, real estate, foreign exchange).
- ✚ A sliding protection mechanism described below whereby, at each of the FCP's valuation dates, the net asset value will be at least the higher of (i) 90% of the net asset value observed on the last business day of the previous month, or (ii) 99% of the level of protection offered the previous month.

### ➤ Benchmark index

As a result of its investment objective and the strategy implemented, the FCP cannot be compared to any benchmark index.

### ➤ Investment strategy

## 1. Strategy used

To achieve its investment objective, the Fund will employ an over-the-counter (OTC) cash flow swap that will allow it to benefit from variable synthetic exposure to the performance of the Strategy and the sliding protection mechanism, as defined below.

### Sliding protection mechanism

The FCP has a sliding protection mechanism. The level of protection is revised every month. Accordingly, on each of the FCP's valuation dates, the net asset value will be at least equal to the level of protection of the current month revalued as the higher of (i) 90% of the net asset value observed on the last business day of the previous month, or (ii) 99% of the level of protection offered the previous month.

Calculation example:

- Level of protection offered the previous month: EUR 950

- Net asset value recorded on the last business day of the previous month: EUR 1,025

Level of protection of the current month = Maximum (99%\*EUR 950; 90%\*EUR 1,025) = EUR 940.5.

### **Mechanism generating variable exposure to the Strategy**

The investment strategy applied via the forward financial instrument consists in generating variable synthetic exposure to the performance of the Strategy. Exposure to the Strategy will be determined by way of a quantitative algorithm. Exposure will range from 0% to 100% and will vary each day depending on both the performance of the Strategy and the level of protection obtained via the sliding protection mechanism, as defined above.

### **Description of the Strategy**

The Strategy provides exposure to the performance of two portfolios: a risky portfolio and a defensive portfolio (see below).

The investment universe is composed of five asset classes: equities, fixed income, commodities (through futures indices), real estate and foreign exchange. The asset classes are selected using a filtering process, with the objective being to maximise portfolio diversification. The process used to select the underlying assets within each asset class is based on criteria relating to geographical diversification, liquidity and transparency.

The underlyings selected as a result of this process include, but are not limited to, the following assets, which are all different in terms of asset class and geographical area:

- developed market equities (eurozone, US, Japan, etc.)
- emerging market equities
- the commodities market via futures indices
- foreign exchange
- fixed income (OECD countries)
- real estate

Furthermore, a volatility control mechanism will be applied to the Strategy. This volatility control mechanism shall consist of dynamic allocation between the universe of the two portfolios and a money market investment to keep the Strategy's annualised short-term volatility below 10%. Volatility indicates the level of risk. The lower the level of volatility, the less risky the FCP is considered to be. However, the application of a volatility limit does not enable all of the specific risks relating to the underlying indices to be identified.

Exposure to the Strategy may be achieved via a strategy index developed by BNP Paribas and eligible for use by the FCP in accordance with the regulations in force.

The investment strategy uses a quantitative allocation mechanism that is readjusted on a monthly basis according to a specific algorithm:

### **Description of the portfolios**

#### **Risky portfolio**

The risky portfolio universe includes the following asset classes: equities, commodities (through futures indices), real estate and foreign exchange. The strategy applied to the risky portfolio offers long exposure to these asset classes.

The composition of the risky portfolio shall be determined each month by applying an algorithm. The objective of the algorithm is to determine the weighting to be allocated to each underlying



within the portfolio's universe in order to maximise the expected return while respecting a volatility limit (the maximum volatility level having been set at 10%).

An automatic reallocation among the different underlyings is carried out each month using an algorithm. Optimal diversification shall be sought via the application of a systematic risk/return optimisation model based on historically observed levels (performance, volatility and correlation). The objective of the algorithm is to determine the weighting to be allocated to each index in order to maximise the expected return while respecting a volatility limit (the maximum volatility level having been set at 10%).

Finally, the short-term volatility of the risky portfolio shall be monitored daily so as to keep it at approximately 10% on an annualised basis.

The purpose of the strategy pursued by the risky portfolio is to capitalise on the risk premiums offered by each of the underlying markets. The source of performance is optimum diversification and asset allocation within the portfolio. The different underlyings shall provide the FCP with indirect access to several diverse yet complementary markets as mentioned above.

#### **Defensive portfolio**

The defensive portfolio universe includes exposure to interest rates (OECD countries). The composition of the defensive portfolio will be determined on the basis of quantitative indicators each day. These indicators rely on the time structure of yield curves to identify good opportunities for long exposure to each of the instruments being considered. Equally, and in the same way as for the risky portfolio, short-term volatility shall be monitored daily so as to keep it at approximately 4% on an annualised basis.

The FCP involves costs relating to replication and execution, which depend on the underlying – which by their very nature and the nature of the strategy vary over time – as well as costs relating to the management of the Strategy's volatility control mechanism and the sliding protection mechanism by the counterparty to the forward financial instrument. These costs, initially estimated at approximately 1%, will reduce the performance of the FCP.

Moreover, exposure to the Strategy may be revised depending on the incidence of fiscal or regulatory events, or other events affecting the capacity of the FCP to provide exposure to different underlying strategies.

In addition to the cash flow swap used to generate exposure to the quantitative strategy, and in order to achieve its investment objective, the FCP may use techniques intended to ensure that the portfolio is managed efficiently, such as temporary sales or purchases of securities. The FCP may also invest in financial instruments (equities, bonds, etc.), the return on which it will exchange for a money market rate via swap contracts.

Thus, the FCP may be exposed to a money market return (via temporary purchases or sales of securities or the aforementioned swap contracts) to which the performance of the strategy obtained via the cash flow swap used to gain exposure to the quantitative performance will be added, less management fees.

The Management Company shall reserve the right to unwind the FCP's exposure to the strategy implemented in favour of exposure to money market instruments if market conditions so justify, in particular should events occur linked to a disruption on the market, and to re-expose the FCP to the strategy when market conditions are deemed more suitable.

Information relating to the SFDR and the EU Taxonomy Regulation:

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) establishes the rules regarding transparency and the provision of sustainability-related information.

The Fund does not promote environmental and/or social and governance characteristics, nor does it have a sustainable investment objective within the meaning of Articles 8 and 9 of the SFDR.

The Fund's management objective is to offer unitholders variable synthetic exposure to a quantitative strategy associated with a sliding protection mechanism. In order to achieve this objective, the investment process will not take into account the sustainability risks or the main negative impacts on sustainability factors.

The investments underlying this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for promoting sustainable investments and amending the SFDR (Taxonomy Regulation) aims to establish criteria to determine whether an economic activity is environmentally sustainable.

The European Taxonomy Regulation is a classification system that establishes a list of economic activities which are environmentally sustainable.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily harmful to the environment or unsustainable. Furthermore, other activities that contribute substantially to the environmental and social objectives are not yet necessarily part of the Taxonomy Regulation.

The Fund's investments do not take into account the criteria of the European Union in terms of environmentally sustainable economic activities as established by the Taxonomy Regulation.

## **2. Types of assets included in the portfolio**

The FCP may be led to invest in the following types of assets:

### **✓ *Assets (excluding integrated derivatives)***

The FCP shall invest in financial instruments (equities, bonds, debt securities, investment funds, etc.) and/or in money market instruments.

### **✓ *Equities***

The FCP may be invested, within the limits of the regulatory ratios, in capital securities and equivalent securities (equities, ADR, GDR, certificates and/or other securities and in shares in closed end funds, etc.):

- issued by listed and/or unlisted companies (up to 10% of the FCP's net assets) on regulated markets;
- issued in euro or foreign currencies;
- of any nationality;
- of large, medium or small capitalisations;
- with no restriction on business sector.

Direct investments in the above-mentioned securities shall be systematically hedged via total return swaps (or other derivative financial instruments having the same characteristics) in order to avoid exposing the FCP to an additional equity risk. These investments will be implemented

within the framework of the FCP's investment strategy.

✓ **Debt securities and money market instruments**

The FCP may invest in money market instruments (such as, inter alia: French treasury bills (BTF or BTAN) with a residual maturity of less than 1 year, euro commercial paper (ECP), non-convertible debentures (NCD), etc.) denominated in euro and/or the currency of an OECD member state. These instruments are composed of securities purchased outright or under repurchase agreements.

MODIFIED DURATION RANGE	Between 0 and 0.5
BASE CURRENCY OF SECURITIES	All currencies*
LEVEL OF FOREIGN EXCHANGE RISK	None**
EXPOSURE RANGES CORRESPONDING TO THE GEOGRAPHIC REGION OF THE ISSUERS OF THE SECURITIES	Eurozone countries: between 0% and all of its net assets
	Non-eurozone countries: between 0% and 10% of the net assets

\* The Fund is mainly invested in euro.

\*\* Assets denominated in currencies other than the euro are systematically hedged against foreign exchange risk by matching them with one or more currency swaps.

Subject to compliance with regulatory ratios, the FCP may also invest in all kinds of bonds: fixed rate bonds, variable rate bonds, index-linked bonds (inflation, constant maturity rate (TEC) and constant maturity swaps (CMS)). These instruments are mainly composed of securities purchased outright or under repurchase agreements and with a minimum credit rating of A-3 (Standard & Poor's) or P-3 (Moody's) at the time of their acquisition or failing that a "long term investment grade" rating or an internal rating of the Management Company which satisfies equivalent criteria.

If the issuers of securities held in portfolio are downgraded, the Management Company may, in the interests of unitholders, dispose of the securities whose issuers have been downgraded.

Debt securities and money market instruments may account for all of the FCP's net assets. Non-eurozone investments may account for up to 10% of the FCP's net assets.

✓ **Units or shares of investment funds**

The FCP may invest up to 10% of its net assets in units or shares of UCITS or alternative investment funds (AIFs) for cash management purposes.

UCITS and investment funds (AIF) are:

- French or foreign UCITS;
- in French investment funds (AIF) or investment funds (AIF) from other EU Member States, and in foreign investment funds that meet the criteria of article R.214-13 of the French Monetary and

Financial Code.

The above-mentioned funds may be managed by the Management Company or by affiliated companies within the meaning of article L 233-16 of the French Commercial Code.

✓ **Derivatives**

The FCP may invest in French and foreign regulated or OTC financial futures. Transactions are executed in accordance with regulatory provisions and the overall risk associated with forward financial instruments and/or financial contracts may not exceed the total value of the portfolio. Forward financial instruments (swaps) will be used in order to achieve the investment objective.

The forward financial instruments used by the FCP to generate exposure to the investment strategy in order to achieve its investment objective shall be:

- individually-traded short-term OTC options
- call options on the Strategy Index;
- cash flow transactions on the Strategy Index;

With respect to cash flow swaps, the FCP may conclude OTC swaps, namely total return swaps to swap the performance of the FCP assets for a fixed or variable rate and one or more cash flow swaps to swap a fixed or variable rate for the performance of the investment strategy.

Maximum Proportion of assets under management that may be covered by a total return swap: 120% of the net assets.

Expected proportion of assets under management that will be covered by a total return swap: All of the FCP's net assets.

These transactions in financial instruments will be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policy from amongst establishments having their registered office in a member state of the OECD or the European Union listed in article R. 214-19 of the *Code monétaire et financier* (French Monetary and Financial Code) and having a good quality issuer rating; these counterparties may be companies that are connected or affiliated to the Management Company.

✓ **Securities with embedded derivatives**

The FCP does not plan to use securities with embedded derivatives (warrants, Credit Linked Notes, EMTN, etc.). Any warrants or rights acquired following transactions involving securities in the portfolio are permitted, even if the fund does not invest directly in this asset class.

✓ **Deposits**

The FCP reserves the right to make deposits during the life of the Fund within the framework of its cash investments up to the limit of 10% of its net assets.

✓ **Cash borrowing**

The FCP may temporarily use cash borrowings up to the limit of 10% of its net assets for cash management purposes.

✓ **Temporary purchases and sales of securities:**

**Types of transactions used:** In order to ensure that the FCP is managed effectively, the management company reserves the right to enter into temporary purchases or sales of securities, in particular: repurchase transactions, reverse repurchases against cash, lending/borrowing of debt securities, capital securities and money market instruments, in accordance with the provisions of article R 214-18 of the *Code monétaire et financier* (French Monetary and Financial Code).

**Types of operations** (all transactions are used for the sole purpose of achieving the investment objective): All transactions are concluded with a view to achieving the investment objective or optimising cash management, while at all times respecting the restrictions in terms of the type of securities held.

**Maximum proportion of assets under management that may be covered by such transactions or contracts:** up to 100% of net assets

**Expected proportion of assets under management that will be covered by such transactions or contracts:** None

**Possible leverage linked to temporary purchases and sales of securities:** no

**Remuneration:** see the section entitled "Expenses and Fees" below.

All these transactions will be conducted under normal market conditions and any income will belong in full to the FCP.

These transactions in financial instruments will be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policy from amongst establishments having their registered office in a member state of the OECD or the European Union listed in article R. 214-19 of the *Code monétaire et financier* (French Monetary and Financial Code) and having a good quality issuer rating; these counterparties may be companies that are connected or affiliated to the Management Company.

✓ **Information on contracts constituting the financial guarantees**

In order to achieve its investment objective the FCP may receive or issue the guarantees referred to in article L. 211-38 of the *Code monétaire et financier* (French Monetary and Financial Code) in accordance with the Management Company's risk policy. Therefore, these guarantees may be cash, money market instruments, bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions, corporate or public sector bonds, equities, ADRs, GDRs or units of UCITS whose prices are quoted on a regulated market on a daily basis. A haircut will be applied to these guarantees according to the category of assets involved (e.g. 2% for a French government bond with a maturity of between 1 and 10 years).

The FCP may receive as guarantees, up to 100% of its net assets, bonds issued or guaranteed by one member state of the OECD in accordance with the Management Company's risk policy. Hence, the FCP may be fully guaranteed by bonds issued or guaranteed by a single eligible member state of the OECD.

Only the cash guarantees may be reinvested in accordance with current regulations. Thus, the cash received may be invested in deposits, high-quality State bonds, used as part of reverse repurchase agreements or invested in short-term money-market UCITS.

The financial guarantees received must be sufficiently diversified. Securities received from the same issuer may not exceed 20% of the net assets. Notwithstanding the above, the FCP may receive as a guarantee up to 100% of its net assets in securities issued or guaranteed by an OECD member state in accordance with the Management Company's risk policy. Hence, the FCP may be fully guaranteed by securities issued or guaranteed by a single eligible member state of the OECD.

In addition to the guarantees listed above, the Management Company makes a financial guarantee backed by the assets of the FCP (financial securities and cash) in favour of the depositary for its financial obligations towards it.

➤ **Risk profile**

Your money shall be invested primarily in financial instruments selected by the Management Company. These financial instruments are subject to the evolution and fluctuations of the market.

The main risks to which the FCP is exposed given its structure are described below:

**Risk of capital loss**

The sliding protection mechanism means that each day the net asset value of the FCP cannot fall by more than 10% against the net asset value observed on the last business day of the previous month, or by more than 99% against the level of protection offered the previous month. Therefore, if the FCP's net asset value falls, the levels of protection it has taken out will also fall. There is thus a risk that unitholders may lose almost all of their capital if they hold their units for a long period.

**Risk posed by models used by the Strategy**

The selection and allocation model of the Strategy's risky and defensive portfolios is based on risk and return calculations determined according to historically observed levels. Given that there is no guarantee that previous market situations will repeat themselves in the future, there is therefore a risk that this model will not be efficient. Its application is not a guarantee of future results. Therefore, as a result of the model implemented, trend reversals should cause the FCP to underperform.

**Risk linked to changes in the underlyings**

In view of the FCP's structure, its valuation shall depend on the performance of the Strategy's underlying assets: As the Strategy is structurally long on these underlying assets, a fall in the value of one or more of them will reduce the net asset value of the FCP. The implementation of a volatility control mechanism shall nevertheless limit the impact of overexposure to a decline in the basket of indices.

The FCP involves costs relating to replication and execution, which depend on the underlying – which by their very nature and the nature of the strategy vary over time – as well as costs relating to the management of the Strategy's volatility control mechanism and the sliding protection mechanism by the counterparty to the forward financial instrument. Said costs, initially estimated at approximately 1%, will reduce the performance of the FCP.

**Risk associated with a commodity futures index**

The Strategy's portfolio may include commodity futures indices. As a result, the FCP is exposed to the liquidity risk inherent in trading in this type of financial instrument, which could have a negative impact on its performance.

The components of the commodity futures indices may experience significantly different movements from those of traditional transferable securities (equities and bonds).

Indeed, the price of commodity futures is closely linked to current and future production levels of the underlying asset and even to estimated natural reserve levels, in particular in the case of energy products. Climatic and geopolitical factors may also alter supply and demand levels with respect to the relevant underlying asset – in other words, they may alter the expected scarcity of said asset

on the market. The decorrelation between commodity markets and traditional markets is mainly due to these factors, which particularly and directly influence commodity prices.

### **Emerging market investment risk**

The FCP's exposure to emerging markets may involve a higher risk of potential loss and therefore a fall in the net asset value of the FCP than investment in or exposure to developed markets, in particular as a result of higher market volatility, lower trading volumes of the assets in question, possible economic and/or political instability, risks relating to market closure or government restrictions on foreign investment and, more generally, the operating and supervision conditions in these markets which may deviate from the standards that exist on the large international exchanges.

### **Interest rate risk**

The FCP is exposed to the fixed income market (OECD countries). The net asset value of the FCP could fall if the algorithm does not manage to correctly anticipate fixed income movements in the countries concerned.

### **Risk linked to the unavailability of prices for the underlying assets**

Investors should note that the net asset value of the FCP is established on each trading day in Paris, London, New York and Hong Kong with the exception of public holidays, on the basis of the closing prices of the underlying indices on that day. If the market on which one of the underlyings is listed is closed on a net asset value calculation day for calendar reasons, the valuation of a forward financial instrument at that date shall be based on a level estimated by the counterparty and deemed appropriate by the Management Company. This level may be conservative and could therefore present a downside risk to the net asset value.

### **Counterparty risk**

Counterparty risk is the risk of loss incurred by the FCP with respect to the conclusion of OTC transactions with a counterparty in the event of default by said counterparty. This risk exists mainly for forward financial contracts (including total return swaps), repurchase transactions, etc. which the FCP may enter into with BNP Paribas or any other counterparty. Counterparty risk is nevertheless reduced by setting up a guarantee in favour of the FCP in accordance with the regulations in force.

### **Conflict of interest risk**

The FCP is exposed to a conflict of interest risk in particular when entering into temporary sales or purchases of securities with counterparties affiliated to the group to which the management company belongs.

### **Risks related to guarantee management**

The management of the guarantees received as part of securities financing transactions and OTC forward financial instruments (including total return swaps) may include some specific risks such as operational risks or custody risks. Thus, the use of such transactions may have a negative impact on the FCP's net asset value.

### **Legal risk**

Temporary purchases and sales of securities and/or forward financial instruments (including total return swaps or TRS) may have a legal risk related namely to contract execution.

### **Sustainability risk**

Unmanaged or unmitigated sustainability risks can impact returns on financial products. For example, if an environmental-, social- or governance-related event or situation occurs, it could have a real or potential negative impact on the value of an investment. The occurrence of such an event or situation may also lead to an adjustment of the Fund's investment strategy, including the exclusion of the securities of certain issuers. More specifically, the negative effects of sustainability risks may affect issuers by means of a series of mechanisms, including: 1) a decrease in revenues; 2) higher costs; 3) damages or depreciation of asset value; 4) a higher cost of capital; and 5) regulatory fines or risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood that sustainability risks will impact returns on financial products is liable to increase in the longer term.

#### **➤ Guarantee**

For a renewable period of one year, BNP Paribas offers the FCP protection, under which BNP Paribas guarantees that, at each valuation day of the FCP, the net asset value will be at least the higher of (i) 90% of the net asset value observed on the last business day of the previous month, or (ii) 99% of the level of protection offered the previous month (the "Protection"). The initial level of FCP protection is equivalent to 90% of FCP's net asset value at inception, i.e. EUR 900.

Any change to the Protection, other than the annual renewal carried out under identical conditions, shall require the prior approval of the AMF, and the Management Company will inform unitholders accordingly, under the conditions provided for in the regulations in force.

**Establishment providing the Protection:** BNP Paribas

**Terms of exercise** The Management Company will exercise the Protection on behalf of the Fund. In the event that at each net asset value calculation date, the FCP's net assets are insufficient for this net asset value to be above or equal to the protected level described above, BNP Paribas will pay the FCP the necessary sum on the Management Company's first request.

The Protection is provided in consideration of the tax and regulatory provisions applicable on the date it is signed. The Protection may be amended in the event of change to the aforementioned provisions, leading the FCP to incur a direct or indirect financial expense of a fiscal or other nature.

#### **➤ Target subscribers and investor profile**

**Recommended investment horizon:** the recommended minimum investment period is 3 years.

The FCP is intended mainly for Talanx AG and its subsidiaries.

The typical investor is one who has cash to invest over a horizon of at least 3 years. The investor must be prepared to accept the risks resulting from the implemented investment strategies. The amount that is reasonable to invest in this FCP depends on the investor's personal situation. His decision will depend on his personal assets, his current and future needs, but also on the desire to take risks or, on the contrary, to invest cautiously. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this FCP.

#### **➤ Method for determining and allocating distributable income:**

Distributable income shall be fully accumulated.



➤ **Characteristics of the units or shares:**

ISIN code	Appropriation of distributable sums	Base currency	Target subscribers	Minimum initial subscription	Initial net asset value
FR0011102805	Accumulation	EUR	For all investors, but intended mainly for Talanx AG and its subsidiaries.	1,000 units, except for the Management Company, the liquidity provider and BNPP Participations	EUR 1,000 at 30/09/2011

➤ **Subscription and redemption procedures:**

**Terms and conditions of subscriptions and redemptions**

Subscription and redemption requests are centralised before 17:00 on the business day prior to the net asset value calculation day by the depositary, BNP Paribas, 9 rue du Débarcadère 93500 PANTIN, and will be executed on the basis of said requests. Subscriptions and redemptions are carried out at unknown prices.

Subscription and redemption requests are settled within five business days of the net asset value calculation date.

The orders will be executed in accordance with the following table:

D-1	D-1	D: day on which the Net asset value is calculated	D+2 trading day	D+ up to 5 trading days maximum	D+ up to 5 trading days maximum
Centralisation up to 5pm of subscription orders	Centralisation up to 5pm of redemption orders	Execution of orders on D day at the latest	Publication of the Net asset value	Subscriptions settlement	Redemptions settlement

**Minimum initial subscription for units:**

Minimum initial subscription: 1,000 units, except for the Management Company, the liquidity provider and BNPP Participations.

Units may be fractioned into ten-thousandths of a unit.

➤ **End of the accounting year**

Financial year-end: last trading day of December in Paris.

End of the first financial year: last trading day of the month of December 2012.

➤ **Dividend policy**

The profits of each financial year shall be accumulated.

➤ **Date and frequency of calculation of the net asset value**

Daily. The net asset value is established on each trading day in Paris, London, New York, Tokyo and Hong Kong, with the exception of French public holidays, and is calculated two business days later.

Any partial trading day may be considered as a day on which the relevant financial market is closed.

➤ **Redemption capping mechanism ("Gates"):**

In accordance with the Fund regulations, the Management Company may decide to spread unitholders' redemption requests over several net asset values if they exceed a specified threshold, when exceptional circumstances so require and if this is in the interest of the unitholders or the public.

(i) Description of the method

The Management Company may choose not to execute all cleared redemption orders on the same net asset value if the sum of the net redemptions exceeds 5% of the Fund's net assets. In this event, the Management Company may decide to execute redemptions up to a maximum of 5% of the Fund's net assets (or a greater percentage at the Management Company's discretion) on a proportional basis for each request. The 5% threshold is determined on the basis of the Fund's last known net asset value.

(ii) Provision of information to unitholders

If the gates mechanism is triggered, the unitholders will be informed by any means via [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

As soon as possible after the redemption order clearing date, the clearing house will individually inform Fund unitholders whose redemption requests have not been fully executed.

(iii) Processing of unexecuted orders

If the gates mechanism is triggered, redemption requests will be reduced proportionately for all Fund unitholders. Redemption requests pending execution will be automatically carried forward to the next redemption order clearing date. Requests carried forward will not be given priority over subsequent redemption requests.

The Fund unitholders cannot formally oppose the carryforward of the unexecuted part of their redemption order or request the cancellation thereof in accordance with the Fund's notice period for clearing.

If, on a given redemption order clearing day, the net redemption requests of Fund units represent 15% of the Fund's net assets, but the gate is set at 5%, the Management Company may, for example, decide to honour redemption requests up to 10% of the Fund's net assets. Thus, 66.66% of redemption requests would be executed instead of the 33.33% that would have been executed if the Management Company had strictly applied the 5% threshold.

This redemption timing mechanism may not be triggered more than 20 times in a three-month period and may not last more than one month. After this point, the Management Company will automatically terminate the redemption timing mechanism and consider another ad hoc solution (such as suspending redemptions) if required.

(iv) Exemptions

Subscription and redemption transactions for the same number of units made on the basis of the same net asset value and for the same unitholder or economic beneficiary (round-trip transactions) are not gated.

**Place and methods of publication or communication of the net asset value**

BNP Paribas, 9 rue du Débarcadère 93500 Pantin or BNP Paribas Asset Management France, 14 rue Bergère, 75009 PARIS.

➤ **Expenses and fees**

**Subscription and redemption fees**

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

**A units**

<b>FEES PAYABLE BY THE INVESTOR, DEDUCTED AT THE TIME OF SUBSCRIPTIONS AND REDEMPTIONS</b>	<b>BASIS</b>	<b>RATE</b>
Subscription fees not payable to the FCP	Net asset value x number of units	Maximum 3%
Subscription fees payable to the FCP	Net asset value x number of units	None
Redemption fees not payable to the FCP	Net asset value x number of units	None
Redemption fees payable to the FCP	Net asset value x number of units	None

**Management and administration fees**

Management and administration fees include all of the fees invoiced directly to the FCP, with the exception of transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the depositary and the Management Company, in particular.

The following management and administration fees may be charged in addition:

- performance fees. These reward the Management Company when the FCP exceeds its objectives. They are charged to the FCP;
- transaction fees charged to the FCP;

For more details about the fees charged to the FCP, please refer to the relevant KIID.

<b>FEES CHARGED TO THE FCP</b>	<b>BASIS</b>	<b>RATE A units</b>
Financial management fees (inclusive of tax)	Net assets	Maximum 1.25%
Administrative expenses external to the management company (inclusive of tax)	Net assets	Maximum 0.35%
Performance fees	Net assets	None
Maximum indirect fees (commissions and management fees)	Net assets	None
Transaction fees	Fee on each transaction	None

**Succinct description of the procedure for selecting intermediaries**

The Management Company selects its intermediaries (brokers) involved in the execution of orders on the basis of the principle of the priority of clients' interests and of "best execution and best selection". They are approved by the Management Company.

The criteria used for developing the list of approved intermediaries are in particular the following:

- ✓ Innovative quality of the strategy offered by the intermediary
- ✓ Quality of execution (and particularly speed)
- ✓ Quality of execution of orders on the secondary market
- ✓ Ability of the intermediary to provide liquidity
- ✓ Quality of the management of collateral
- ✓ Experience on certain markets or financial instruments
- ✓ Counterparty rating
- ✓ Proposed rates

A full description of the Management Company's selection and execution policy is available on [www.bnppparibas-am.com](http://www.bnppparibas-am.com) under the governance tab.

**Remuneration on temporary purchases and sales of securities**

Remuneration on temporary purchases and sales of securities is not subject to any sharing out and is received in full by the FCP. The Management Company receives no specific remuneration for such purchases and sales. Furthermore, no transaction fees are charged to the FCP for temporary purchases and sales of securities carried out on behalf of the FCP.

## **IV. Commercial information**

### **1. Subscription and redemption procedures**

Subscription and redemption fees increase the subscription price paid by the investor and reduce the redemption price depending on the rate, indicated above.

### **2. Distribution of information concerning the FCP**

The latest annual and semi-annual reports shall be sent to unitholders within one week upon written request to:

BNP PARIBAS ASSET MANAGEMENT France  
CIB Strategies Sales Support  
TSA 90007, 92729 Nanterre CEDEX, France

Unitholders wishing to obtain a copy of the "voting policy" should contact:

BNP PARIBAS ASSET MANAGEMENT France  
CIB Strategies Sales Support  
TSA 90007, 92729 Nanterre CEDEX, France

**Media through which investors can find information on BNP Paribas Asset Management's approach to sustainability:**

Further information and documents on BNP Paribas Asset Management's approach to sustainability are available online at: <https://www.bnpparibas-am.com/en/sustainability/>.

Additional information may be obtained if necessary by sending a request to:

BNP PARIBAS ASSET MANAGEMENT France  
CIB Strategies Sales Support  
TSA 90007, 92729 Nanterre CEDEX, France

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

**Disclosure of the composition of the portfolio to investors governed by the requirements of directive 2009/138/ec (Solvency 2 directive)**

Under the conditions laid down by AMF position 2004-07, the management company may disclose the composition of the FCP to unitholders governed by the Solvency 2 Directive within a minimum period of 48 hours after publication of the FCP's net asset value.

## **V. Investment rules**

The FCP shall comply with the investment rules laid down by European Directive no. 2009/65/EC of 13 July 2009 on coordinating statutory, regulatory and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and its implementation provisions as transposed into French law.

## **VI. Overall risk**

The Management Company uses the commitment method to calculate the FCP's overall risk.

## **VII. Valuation and accounting rules applicable to the assets**

The FCP complies with the accounting rules laid down, in particular with the accounting standards applicable to UCITS.

The accounting currency is the euro.

### **1. Method for valuation of balance sheet assets**

Allocations with respect to management fees are calculated and recorded at the time of each net asset value calculation.

Pursuant to the prospectus, the result of each financial year will be accumulated.

The calculation of the net asset value is carried out in consideration of the specific valuation rules indicated below.

### **Securities portfolio**

#### **Listed transferable securities**

French or foreign transferable securities traded on a French or foreign regulated market are valued on the basis of the closing price of that day or the last known price (sources: Bloomberg, Reuters, Fininfo or others, if need be), regardless of the market on which they are listed. For foreign securities, the conversion into euro is based on the exchange rate in Paris on the valuation day (WRMH currency London at 17:00).

Certain bonds may be valued on the basis of the price provided daily by active contributors on said market (noted on Bloomberg website).

Transferable securities 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.

#### **Units or shares of investment funds**

Investment funds held in the portfolio are valued on the basis of the last published net asset value.

#### **Securities received and sold under repurchase agreements, securities lent and borrowed**

Securities received under repurchase agreements are valued at the price set between the parties, taking the agreed remuneration into account. Securities sold under repurchase agreements are valued at their market value. Securities lent as well as the claim representing such securities are valued at their market value.

#### **Securities not traded on a regulated market**

Securities not traded on a regulated market are valued at their foreseeable sale price under the responsibility of the Management Company depending on any likely event-driven fluctuations.

#### **➤ Forward financial instruments**

### **Futures & options**

Outstanding contracts are valued at their market value in order to record the unrealised capital gains or losses as increases or decreases in the net assets, as the case may be.

On the French futures and options markets, the market value used is the settlement price of that day as known in Paris. On foreign futures and options markets, the market value also corresponds to the settlement price, and said value is converted into euro on the basis of the exchange rates in Paris on the valuation day.

### **Over-the-counter transactions**

Futures, options or swap transactions concluded on OTC markets and authorised under the regulations applicable to UCITS are valued at their market value as indicated by the counterparty, with said value checked by the Management Company's valuation model by means of valuation tools specific to the relevant type of product.

### **Contracts constituting financial guarantees**

The securities received as financial guarantees are valued daily at the market price.

#### **➤ Valuation of off-balance sheet commitments**

Off-balance sheet commitments on futures contracts are valued at their market value.

### **2. Accounting methods**

Interest is accounted for using the interest received method.

The net asset value following a non-business period (weekends and public holidays, as well as days on which the French markets and large-value payment systems are closed) includes interest accrued over this period.

### **Units or shares of investment funds:**

Investment funds held in the portfolio are valued on the basis of the last published net asset value.

## **VIII. Remuneration**

The Management Company's remuneration policy is designed to avoid conflicts of interest, to protect the interests of clients and to ensure that there are no incentives for excessive risk-taking. The Management Company's remuneration policy implements the following principles: rewarding performance, sharing the creation of wealth, aligning the interests of staff and the company over the long term, and promoting an element of staff financial participation in risks.

Details of the updated remuneration policy, including in particular the persons responsible for determining compensation and benefits, as well as a description of how they are calculated, are available online at <http://www.bnpparibas-ams-a.ip.com/fr/politique-de-remuneration/>. A paper version is also available free of charge upon written request to the Management Company.

Prospectus published on: 08/12/2023
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## **ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

### **Facilities in the Federal Republic of Germany according to section 306a (1) of the Investment Code:**

The prospectus, the key investor information documents, the status, and the annual and semi-annual reports may be obtained, free of charge, in hardcopy form at BNP Paribas Asset Management France S.A.S, 8 rue du Port, 92000 Nanterre, France, during normal opening hours.

Applications for the redemptions and conversion of shares may be sent to BNP Paribas 16,boulevard des Italiens 75009 Paris.

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through BNP Paribas 9, rue du Débarcadère, 93500 Pantin.

Investor information on how subscription, buyback and redemption orders can be placed and how buyback and redemption proceeds will be paid out is available from BNP Paribas, Grands Moulins de Pantin, 9, rue du Débarcadère - 93500 Pantin.

Information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to investors' exercise of their rights can be obtained from BNP Paribas Asset Management France S.A.S, 8 rue du Port, 92000 Nanterre, France (AMFR.CLIENTSERVICE@bnpparibas.com phone number: +33 1 58 97 00 00).

The issue, redemption and conversion prices, the net asset value as well as any notices to investors are also available from BNP Paribas Asset Management France S.A.S, 9 rue du Port, 92000 Nanterre, France.

In addition, the issue and redemption prices are published on [www.bnpparibas-am.de](http://www.bnpparibas-am.de).

No units of EU UCITS will be issued as printed individual certificates.

In addition, communications to investors in the Federal Republic of Germany will be made available by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the company rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.



# MANAGEMENT REGULATIONS OF THE FCP

## Title 1 – Assets and units

### Article 1 - Co-ownership units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of assets of the FCP (or, where applicable, the sub-fund). Each unitholder has a co-ownership right to the assets of the FCP proportional to the number of units they hold.

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

UNIT CLASSES:

The FCP may issue different unit classes whose characteristics and eligibility requirements are described in the Fund's prospectus.

The different unit classes may:

- benefit from different systems for allocating distributable income;
- be denominated in different currencies;
- bear different management fees;
- bear 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 created using financial instruments that reduce to a minimum the impact of the hedging transactions on the FCP's other unit classes.
- be reserved for one or several distribution networks.

The competent body of the Management Company may decide to sub-divide units into tenths, hundredths, thousandths or ten thousandths, with such subdivisions being 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 for, 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.

The competent body of the Management Company may decide, at its own discretion, to sub-divide the units by issuing new units, which will be allocated to unitholders in exchange for their existing units. Units may also be merged.

### Article 2 - Minimum assets

Units may not be redeemed if the FCP's assets fall below EUR 10,000,000; 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 FCP).

### Article 3 - Subscription and redemption of units

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

Redemptions and subscriptions are executed under the conditions and according to the procedures defined in the prospectus and the KIID (Key Investor Information Document).

Units of the FCP may be admitted to an official stock exchange listing in accordance with the legislation in force.

Subscriptions must be fully paid up on the day on which the net asset value is calculated. 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 FCP when unitholders have agreed to be reimbursed in securities. Redemptions are settled by the keeper of the issuer accounts 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 FCP, this deadline may be extended to a maximum of 30 days.

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

In application of article L.214-8-7 of the *Code monétaire et financier* (French Monetary and Financial Code) the redemption of units by the FCP as well as the issue of new units may be suspended on a temporary basis by the Management Company in exceptional circumstances and if this is deemed necessary to protect the interests of unitholders.

If the net assets of the FCP (or, as the case may be, a sub-fund thereof) fall below the amount indicated in article 2, no redemption may be carried out (in the relevant sub-fund, as applicable).

The minimum initial subscription applicable to the FCP is 1,000 units, except for the Management Company, the liquidity provider and BNPP Participations.

The FCP may cease issuance of units pursuant to the third paragraph of Article L. 214-8-7 of the Monetary and Financial Code, either temporarily or permanently, fully or partially if objective circumstances entail the closing of subscriptions, such as attaining the maximum number of units or shares, a maximum amount of assets or the end of a fixed subscription period. Existing unitholders shall be informed by any means of the triggering of this tool, as well as of the threshold and the objective situation that led to the decision to carry out full or partial closing. In the case of partial closing, this information by any means will explicitly specify the terms under which existing shareholders may continue to subscribe during the period of such partial closing. The unitholders are also informed by any means of the FCP management company's decision to either end the full or partial closing of subscriptions (when falling below the triggering threshold), or not to end it (in the event of a change in threshold or modification in the objective situation leading to implementation of this tool). A modification in the objective situation invoked or the triggering threshold for the tool must always be made in the interest of the shareholders. Information by any means shall specify the exact reasons for these changes.

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

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

### **Title 2 – Operating of the FCP**

#### **Article 5 – The Management Company**

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

The Management Company shall at all times act on behalf of the unitholders and has sole authority to exercise the voting rights attached to the securities held in the FCP.

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

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

#### **Article 6 - The depositary**

The depositary is responsible for carrying out the tasks which are its responsibility pursuant to laws and regulations in force as well as those entrusted to it contractually by the Management Company. It must in particular ensure that decisions taken by the Portfolio Management Company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the Management Company, it shall inform the AMF.

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

A statutory auditor is appointed by the governing body of the Management Company for a term of six financial years with the approval of the AMF.

The statutory auditor certifies that the accounts are fair and lawful.

The statutory auditor's mandate may be renewed.

The statutory auditor must inform the AMF promptly of any event or decision concerning the Fund observed during the course of its engagement, which might:

- 1° constitute a violation of the legislative and regulatory provisions applying to the Fund and which could have a significant effect on its financial situation, results or assets;
- 2° undermine the conditions or continuity of its operations;
- 3° give rise to the expression of reserves or a refusal to certify the accounts.

The statutory auditor shall supervise the valuation of the assets and determination of exchange ratios used in the event of a conversion, merger or split.

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

The Statutory Auditor checks the composition of the assets and other information before publication.

The statutory auditor's fees are determined by mutual agreement between the auditor and the board of directors or executive board of the Management Company on the basis of an agenda indicating all duties deemed necessary.

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

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 FCP during the last financial year.

The Management Company shall prepare a statement of the Fund's assets, under the supervision of the custodian, at least twice yearly. All of the above documents are reviewed by the statutory auditor.

The Management Company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents are either sent by post at the unitholders' express request or are made available to them at the offices of the Management Company.

### **Title 3 – Allocation of income**

#### **Article 9**

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

Distributable income is composed of:

1° Net income plus retained earnings, plus or minus the balance of the income equalisation account;

2° Realised capital gains, net of fees, less any realised capital losses, net of fees, recognised during the financial year, plus net capital gains of the same kind recognised during previous financial years and not yet distributed or accumulated, plus or minus the balance of the capital gains equalisation account.

The sums mentioned under 1° and 2° may be distributed in full or in part, independently of each other.

Distributable income is paid out within a maximum of five months following the financial year-end.

The method for allocating distributable income is set out in the prospectus.

## **Title 4 – Merger – Split – Dissolution - Liquidation**

### **Article 10 - Merger – Split**

The Management Company may either merge all or part of the FCP's assets with another fund under its management, or split the FCP into two or more funds under its management.

Such mergers or splits may only be carried out one month after unitholders have been notified thereof. They give rise to the issue of a new certificate indicating the number of units held by each unitholder.

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

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

The Management Company may dissolve the FCP early. It shall inform unitholders of its decision, after which subscription and redemption orders shall no longer be accepted.

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

The Management Company shall inform the AMF by post of the dissolution date and procedure. Lastly, it shall send the statutory auditor's report to the AMF.

The Management Company may decide to extend the FCP's term subject to the agreement of the depositary. Its decision must be taken at least 3 months prior to the expiry of the FCP's lifetime and unitholders and the AMF must be notified thereof.

### **Article 12 – Liquidation**

In the event of dissolution, the depositary or the Management Company is responsible for carrying out the liquidation. To this end, they shall be granted the broadest powers to realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

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

## **Title 5 – Disputes**

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

All disputes relating to the FCP that may arise during its lifetime or liquidation either among unitholders or between the unitholders and the Management Company or the depositary are subject to the jurisdiction of the competent courts.