

# SYCOMORE PARTNERS



Prospectus

14/02/2022

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# 1. GENERAL CHARACTERISTICS

## 1.1 Form of the UCITS

French Fonds Commun de Placement (FCP).

## 1.2 Name

Sycamore Partners

## 1.3 Legal form and Member State in which the UCITS was created

Investment fund in the form of a French Fonds Commun de Placement, governed by French law.

## 1.4 Inception date and expected term

The Fund was created on 5 March 2008, for a term of 99 years as of that date.

## 1.5 Fund overview

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
X	FR0010582262	Accumulation	EUR	All	€100
I	FR0010601898	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (' <i>clean share</i> ' units).	€100
IB	FR0012365013	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (' <i>clean share</i> ' units).	None
R	FR0010601906	Accumulation	EUR	All	€100
P	FR0010738120	Accumulation	EUR	All	None
IBD	FR0012758779	Accumulation and/or Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (' <i>clean share</i> ' units).	€100
AD	FR0013167251	Accumulation and/or Distribution	EUR	All	€100

## 1.6 The latest annual report and interim statement can be obtained as follows:

The latest annual and interim reports will be sent within eight working days upon written request by a unit holder to:

Sycomore Asset Management, SA  
14, Avenue Hoche  
75008 Paris France  
Tel: +33 (0)1 44 40 16 00  
Email: [info@sycomore-am.com](mailto:info@sycomore-am.com)

Additional information may be obtained if necessary from the investor relations department.

## 2. STAKEHOLDERS

### 2.1 Management Company

Sycomore Asset Management, SA Approved by the AMF as a French Portfolio Management Company (Société de Gestion de Portefeuille) under no. GP 01-30 with registered office located at 14, Avenue Hoche, 75008 Paris, France.

### 2.2 Delegated depositary and custodian

BNP Paribas Securities Services, SCA. A credit institution accredited by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Registered office: 3, Rue d'Antin, 75002 Paris, France. Mailing address: 9 rue du Débarcadère, 93500 Pantin, France.

#### Description of the Custodian's responsibilities and of the potential conflicts of interest:

The custodian exercises three types of responsibilities, respectively the control of the regularisation of decisions taken by the management company (as defined in article 22.3 of the UCITS V Directive), the monitoring of cash flow for the UCITS (as defined in article 22.4 of said Directive) and the safekeeping of assets of the UCITS (as defined in article 22.5 of said Directive).

The main responsibility of the Custodian is to always protect the interests of unit-holders / investors in the UCITS above their own commercial interests.

Potential conflicts of interest may be identified, particularly in the case where the management company also has business relationships with BNP Paribas Securities Services in addition to its role as Custodian (which may be the case when BNP Paribas Securities Services is in charge, by delegation of the management company, of the Net Asset Value calculation for the UCITS whose custodian is also BNP Paribas Securities Services).

In order to manage such situations, the Custodian has set up and maintains a policy for the management of conflicts of interest. The objectives of such a policy are:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring situations of conflicts of interest by
  - using the permanent measures implemented in order to manage conflicts of interest, such as the segregation of duties, the split between the functional and hierarchical reporting lines, the monitoring of internal insider lists, and dedicated IT environments
  - Implementing on a case-by-case basis:

- Appropriate preventive measures, such as the creation of ad hoc monitoring, new "Chinese walls", or checking that transactions are processed in an appropriate way and/or informing the relevant clients
- Or refusing to manage the activities that could give rise to conflicts of interest.

#### Description of potential duties delegated by the Custodian, list of delegates and sub-delegates and identification of the conflicts of interest that may result from such delegation.

The Custodian of the UCITS, BNP Paribas Securities Services SCA, is responsible for the safekeeping of the assets (as defined in article 22.5 of the above-mentioned Directive). In order to provide the services related to the custody of the 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 the countries where BNP Paribas Securities Services SCA does not have a 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 appointing and supervising the sub-custodians follows the highest standards of quality, including managing potential conflicts of interest that may arise in the context of such appointments.

The most recent information regarding the previous points is available to investors upon request.

### 2.3 Institution delegated by the management company to centralise subscription and redemption orders

BNP Paribas Securities Services, SCA. A credit institution accredited by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Registered office: 3, Rue d'Antin, 75002 Paris, France. Mailing address: 9 rue du Débarcadère – 93500 Pantin, France.

### 2.4 Fund unit registrar

BNP Paribas Securities Services, SCA. A credit institution accredited by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Registered office: 3, Rue d'Antin, 75002 Paris, France. Mailing address: 9 rue du Débarcadère – 93500 Pantin, France.

### 2.5 Statutory Auditor

PricewaterhouseCoopers Audit, represented by Frédéric Sellam, 63 rue de Villiers, 92200 Neuilly-sur-Seine, France.

## 2.6 Marketing Agents

Sycomore Asset Management and its subsidiaries. The list of marketing agents is not comprehensive insofar as the UCITS is listed on Euroclear. Therefore some marketing agents may not be mandated by, or known to the management company.

## 2.7 Delegated fund accountant

BNP Paribas Securities Services, SCA. A credit institution accredited by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Registered office: 3, Rue d'Antin, 75002 Paris, France. Mailing address: 9 rue du Débarcadère – 93500 Pantin, France.

## 2.8 Institution responsible for receiving and transmitting orders from the management company

Sycomore Market Solutions, SA. An investment company authorised by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR), whose registered office is located at 14, Avenue Hoche, 75008 Paris, France. Sycomore Market Solutions may receive orders initiated by the management company on behalf of the Fund to ensure the transmission of such orders to market intermediaries and counterparties with the primary mission of seeking the best possible execution of such orders.

## 3. OPERATING AND MANAGEMENT PROCEDURES

### 3.1 General features

#### 3.1.1. Unit Class characteristics:

**Nature of the rights attached to the units:** The various units represent rights in ownership, i.e. each unit holder has a joint ownership right over the Fund's assets in proportion to the number of units held.

**Securities administration:** the various units are listed on Euroclear France. Securities administration is provided by BNP Paribas Securities Services SA, a bank governed by French law with registered offices located at 3 rue d'Antin, 75002 Paris, France. Mailing address: 9 rue du Débarcadère – 93500 Pantin, France.

**Voting rights:** no voting rights are attached to the units as decisions are made by the management company.

**Form of units:** bearer.

**Subdivision of units:** Fund units are decimalised in ten-thousandths (e.g. 100.0000). Subscription and redemption orders may be expressed in number of units (whole numbers or decimal fractions) or in cash value.

#### 3.1.2. Accounting year-end

Financial year closing date: Last trading day in March. The closing date of the first financial year was the last trading day in March 2009.

#### 3.1.3. Tax regime

The Fund is not taxable per se. Unit holders may however be liable to tax upon the sale of their units. The tax regime governing capital gains or losses by the Fund, whether unrealised or realised, depends on the tax provisions applying to the specific case of each investor and his/her tax domicile and/or the Fund's investment jurisdiction. Investors who are unsure of their tax situation should seek advice from an advisor or a financial professional.

French personal equity savings plan eligibility (PEA): This fund is eligible for the PEA.

#### 3.1.4. Information on SRI certification

On the date of publication of this prospectus, the Fund does not have a French SRI label or a foreign equivalent.

### 3.2 Specific provisions

#### 3.2.1. ISIN Codes

Unit Class	ISIN Code
X	FR0010582262
I	FR0010601898
IB	FR0012365013
R	FR0010601906
P	FR0010738120
IBD	FR0012758779
AD	FR0013167251

UCITS of UCITS: No.

#### 3.2.2. Investment objective

The Fund aims to achieve a significant return over a minimum recommended investment horizon of five years through a careful selection of European and international equities with binding ESG criteria, combined with an opportunistic and discretionary variation in the portfolio's exposure to equity markets.

#### 3.2.3. Benchmark

No financial benchmark is meant to be used to assess the Fund's performance, as available indicators are not representative of the way in which the Fund is managed. The performance of capitalised ESTER plus 3.00% may however be used to assess the performance of the Fund.

ESTER is based on interest rates on borrowings denominated in euros without collateral, entered into on a day-to-day basis by banking institutions. It is calculated as a weighted average of all overnight unsecured lending transactions in the interbank market within the Eurozone.

The index administrator is the ECB (European Central Bank). This administrator benefits from the exemption of article 2.2 of the benchmark regulation as a central bank, and as such, does not have to be entered in the ESMA register. Further information on this index is available at [https://www.ecb.europa.eu/paym/initiatives/interest\\_rate\\_benchmarks/shared/pdf/ecb.ESTER\\_methodology\\_and\\_policies.en.pdf](https://www.ecb.europa.eu/paym/initiatives/interest_rate_benchmarks/shared/pdf/ecb.ESTER_methodology_and_policies.en.pdf).

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June, Sycomore Asset Management has a procedure for monitoring the benchmark indices used describing the measures to be implemented in case of substantial changes made to an index or the cessation of the provision of that index.

#### 3.2.4. Investment strategy implementation

Description of the strategy used:



The Fund's investment strategy is based on the option given to the management team to vary, on an opportunistic and discretionary basis, the net asset exposure to the European and international equity markets (including 10% emerging markets) from 0% to 100% of net assets, while complying with the requirements of French plans d'épargne en actions (PEA), i.e., the French personal equity savings plans.

Equities are selected based on a thorough fundamental analysis of companies, without sector or capitalisation restrictions, but according to the following geographical restrictions:

- Equities of issuers with their registered office in European Union countries, Switzerland and/or the United Kingdom may represent up to 100% of the Fund's net assets;
- Equities of issuers that have their registered office outside these countries may represent up to 20% of the Fund's net assets, of which no more than 10% may be in emerging market countries.

This process aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the management team. ESG (Environment, Social, Governance) analysis is a fully integrated component into the fundamental analysis of companies in the Fund's investment universe, conducted according to our proprietary analysis and 'SPICE' rating methodology.

'SPICE' stands for our global analysis methodology for financial and non-financial criteria (Suppliers & Society, People, Investors, Clients, Environment) as per the diagram below. It aims in particular to understand the distribution of the value created by a company among all its stakeholders (investors, environment, clients, employees, suppliers and civil society), as our conviction is that fair sharing of value among stakeholders is an important factor in the growth of a company.



As an example, the following criteria are used for non-financial analysis:

- Society & Suppliers: Societal contribution of products and services, societal contribution through employment, citizen behaviour (ethics, respect for human rights, responsible taxation, etc.), control of the subcontracting chain and balance of supplier relations, etc.

The assessment of the alignment of the company's products and services with major societal issues is based on a proprietary 'Societal contribution of products and services' metric, which evaluates the company's contribution through its business model. Major societal issues were synthesised into three pillars: Access & Inclusion, Health & Safety, Economic & Human Progress; The calculation aims to determine the contribution of the activities to societal transitions, according to a rating scale of -100% to +100%. The Social Contribution of the products and services is the sum of the positive and/or negative contributions of a company's products and services to the 3 pillars (Access & Inclusion, Health & Safety, Economic & Human Progress). For further information on our 'Social contribution to products and services, please refer to: [https://www.sycomore-am.com/5f804036-](https://www.sycomore-am.com/5f804036-Strategie_capital_societal_et_principes_methodologiques_VF.pdf)

[Strategie\\_capital\\_societal\\_et\\_principes\\_methodologiques\\_VF.pdf](https://www.sycomore-am.com/5f804036-Strategie_capital_societal_et_principes_methodologiques_VF.pdf)

The Good Jobs Rating, a metric developed in partnership with The Good Economy, evaluates a company's overall ability to create high quality, sustainable employment opportunities for all, particularly in regions - countries and territories - where employment is relatively limited and therefore necessary to ensure sustainable and inclusive development. For more information on The Good Jobs Rating methodology, please refer to:

[https://www.sycomore-am.com/5feaf873-5f241b17-Sycomore\\_AM\\_The\\_Good\\_Jobs\\_Rating\\_Methodologie\\_FROK.pdf](https://www.sycomore-am.com/5feaf873-5f241b17-Sycomore_AM_The_Good_Jobs_Rating_Methodologie_FROK.pdf)

- People: development at work, training, health and safety, absenteeism, turnover, corporate culture and values, restructuring management, evaluation of the labour relations climate, pay equity, diversity, etc.
- Investors: solidity of the business model, competitive positioning, growth levers, governance, strategy, taking into account the interests of the company's different stakeholders, quality of financial communication, etc.
- Clients: market positioning, distribution modes, client relations, digitalisation, digital rights and data protection, product security, etc.
- Environment: level of integration of environmental issues into management's vision, corporate strategy and culture, environmental performance of sites and operations, assessment of transition risk, exposure to physical environmental risks in the medium and long term, etc.

The assessment of the transition risk is based on a specific proprietary metric called 'NEC', the acronym for 'Net Environment Contribution'. A company's NEC calculation aims to determine the contribution of its activities to ecological transition, according to a rating scale of -100% to +100% determined by the more or less negative or positive impact of the

activities on the environment. It follows an integrated upstream (supply chain) and downstream (product and service usage) life cycle analysis approach. Further information on methodology can be obtained from: <https://nec-initiative.org/>

The application of this methodology leads to the award of a SPICE rating between 1 and 5 (5 being the highest rating). This rating has an impact on the risk premium of companies and therefore their price targets which are the result of the valuations carried out by our team of manager-analysts. The SPICE analysis permanently concerns the portion of the Fund's net assets invested in equities (excluding all other eligible assets and in particular UCIs, money market instruments, derivatives and cash). In addition, the Fund's investment universe is constructed using criteria specific to SPICE. Issuers must therefore successfully pass through two successive filters to join the Fund's eligible investment universe:

◆ **A filter excluding the main ESG risks:** its objective is to exclude any company that presents sustainable development risks. The risks identified include insufficient non-financial practices and performance that could call into question the competitiveness of companies. A company is excluded if (i) it is involved in activities identified in our exclusion policy for their controversial social or environmental impacts, or (ii) has obtained a SPICE rating strictly below 3/5.

◆ **A filter for selecting the main ESG opportunities:** Its objective is to favour companies with sustainable development opportunities that meet both of the following conditions on a cumulative basis:

1. Companies claiming a fundamental transformation strategy in sustainable development (supply of products or services, or changing practises). The Fund's purpose is to support the environmental, social, societal and governance transformation of these companies. The areas for improvement identified by the management company must be met within a maximum period of two years.

2. Companies (i) having a sustainable development management rating of at least 3/5 in the Investors pillar of our SPICE methodology or (ii) having a SPICE rating of at least 3.5/5.

The fund's eligible investment universe is thus reduced by at least 20% compared to the initial universe, i.e. equities listed on international markets (mainly European markets).

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

This methodology combines the following socially responsible investment approaches on a systematic basis:

#### ✓ **Environmental, social and governance (ESG) integration**

ESG analysis is systematically included in the analysis and management process.

#### ✓ **Exclusion**

As part of our socially responsible investment approach, the SRI exclusion policy is a complementary tool that ensures that no investments are made in activities with a proven negative impact on society or the environment. For example, companies in the coal (energy extraction and production), tobacco and weapons sectors, and companies whose activities violate one of the principles of the United Nations Global Compact are excluded. The rate of selectivity within the investment universe is at least 20%.

More detailed information is available in our SRI exclusion policy available on our website, [www.sycomore-am.com](http://www.sycomore-am.com).

#### ✓ **Shareholder engagement**

The commitment is to encourage companies to improve their environmental, social and governance (ESG) practices over time through constructive and structured dialogue and long-term monitoring. This commitment is based on the belief that good ESG practices can foster sustainable corporate performance and value creation for our clients. This commitment is reflected in draft resolutions, and more generally in dialogue with issuers. As in the 'Best effort' approach, the issuers chosen are not necessarily the best with respect to ESG. More detailed information is available in our Commitment Policy available on our website [www.sycomore-am.com](http://www.sycomore-am.com).

#### ✓ **Best in universe**

This approach seeks to select and weight the best issuers within the investment universe and may lead to the exclusion of certain sectors where their contribution to sustainable development is insufficient, as compared to issuers from the other sectors represented within the investment universe.

#### ✓ **Best effort**

This approach allows investment in companies that make visible efforts in terms of sustainable development, even though they may not yet be among the best in the ESG investment universe. These companies undergo the same analysis and monitoring process as the 'Best in universe' approach and comply with the same ESG selection criteria as the 'Best in universe' approach, but while the companies in the 'Best in universe' approach belong to the first and second quartile of the investment universe, those in the 'Best effort' approach will be in the third quartile of the investment universe. The management company seeks to closely monitor and dialogue with the management teams of these companies to monitor the companies' efforts, areas for improvement and progress over time.

Equities eligible for the French personal equity savings plan (Plan d'épargne en actions, PEA) represent at least 75% of the net assets at all times, which may, where applicable, focus on a limited number of stocks. The net assets may be exposed up to 10% to equities listed on international markets outside the European Union, including emerging markets, selected under the same conditions. Exposure to currency risk is limited to 25% of Fund assets.

The allocation of the Fund's net assets may be supplemented by exposure to the following asset classes not covered by the ESG analysis process described above (SPICE):

- Up to 25% of its net assets in money market instruments;
- Derivatives, up to the limit of 100% of the net assets, to hedge the portfolio against an expected decline in the equity markets or conversely, to increase the portfolio's exposure to these same markets, or to hedge - discretionary - the currency risk.

The fund's net assets will be allocated between various asset classes on a discretionary basis by the fund managers based on their expectations and outlook for the equity markets. In any case, PEA eligible financial instruments must at all times account for at least 75% of the Fund's net assets.

In view of the environmental and/or social characteristics promoted above, the sub-fund falls within the scope of Article 8 of the SFDR (Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector).

Asset classes and financial futures in the portfolio:

Other than the equities referred to above, the following assets may be included within the Fund portfolio.

**Money market instruments**

The Fund may hold up to 25% of its net assets in money market instruments in the form of public or private debt securities rated at least AA by the rating agencies. These include French treasury bonds (BTF) or negotiable certificates of deposit (NCDs), without any allocation restrictions between these two categories.

**UCITS and/or AIFs**

The Fund may hold up to 10% of its net assets in the form of shares or units in the following UCITS or AIFs:

- European (including French) UCITS which invest less than 10% of their net assets in UCITS or AIFs;
- French AIFs compliant with the four criteria set out in article R. 214-13 of the French Monetary and Financial Code.

These funds are selected by the management team following meetings with the fund managers. The main investment criteria

applied, apart from ensuring the strategies are complementary, is the sustainability of the target fund's investment process.

In this context, UCI eligible for the French personal equity savings plan (PEA) complements the equity position in assessing compliance with the requirements of the plan.

Such investments may be made as part of the Fund's cash management or to protect the portfolio against an anticipated decline in the equity markets (money market UCIs or PEA-eligible funds with performance similar to money markets), with the aim of achieving the performance target.

The Fund may invest in UCIs marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

**Derivatives**

The Fund operates in all regulated or organised markets in France and in other OECD member states.

The Fund uses futures and option strategies.

Futures and options strategies are intended either to hedge the portfolio against the downside risk in an underlying equity asset, or to increase portfolio exposure in order to capitalise on the upside in an underlying equity asset, or to hedge currency risk.

The Fund primarily draws on stock-picking within the portfolio to achieve investment management targets, with these strategies contributing on an ancillary basis to the investment objective. These strategies nevertheless enable a portfolio manager anticipating a period of equity market weakness to preserve accrued returns (hedging strategy involving equity indices or certain stocks which the portfolio manager considers overvalued) or conversely, to increase portfolio exposure when the portfolio manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally.

The Fund may also enter into over-the-counter contracts in the form of:

- Contracts for Difference (henceforth referred to as CFDs). The underlying components of CFDs are shares or equity indices. CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices.
- Total Return Swaps (TRS). These contracts consist of an exchange of the value of a basket of shares in the Fund's assets against the value of a financial index. They are used for the management of the Fund's exposure to equity markets and to optimise its cash management.

**Securities with embedded derivatives**

The Fund deals in financial instruments with embedded equity derivatives.

The instruments used are: covered warrants, equity warrants, certificates, EMTN (without option components), as well as all bond-like vehicles with an embedded subscription or conversion right, and equity-warrant bonds.

These instruments are used in order to expose the portfolio to one or more companies that satisfy the selection criteria defined above.

Under no circumstances may the use of such derivatives or securities with embedded derivatives lead to an overexposure of the portfolio.

#### Use of deposits

There are no plans to use deposits in connection with the management of the Fund.

#### Cash loans

In the normal course of business, the Fund may on occasion find itself in debt and in that case may borrow cash, up to the limit of 10% of its net assets.

#### Temporary acquisitions and sales of securities

There are no plans to use temporary acquisitions and sales of securities in connection with the management of the Fund.

#### Contracts constituting financial guarantees

The Fund does not receive any financial guarantees as part of the authorised transactions.

### 3.2.5. Risk profile

Risks incurred by the Fund:

- **the risk of loss of principal**, as the Fund's performance may not meet investment objectives or investor targets (which depend on their portfolio composition), the principal invested may not be entirely returned, the performance may be adversely affected by inflation;
- **general equity risk**, due to exposure equivalent to as much as 110% of Fund assets to variations in the equity markets.

General equity risk is the risk of a decrease in the value of a share, as a consequence of a market trend. The net asset value may decrease if equity markets fall.

- **specific equity risk**, due to exposure equivalent to as much as 100% of Fund net assets to shares of companies held in the portfolio;

Specific equity risk is the risk that the value of a share will decline due to unfavourable news regarding the company itself or a company in the same business sector. In the event of unfavourable news on one of the companies or on its business sector, the Fund's NAV could decline.

- **risk incurred by small- and mid-cap investments**, given the low market capitalisation of some companies in which the Fund may invest, investors should bear in mind that the small- and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors.

Investments in small- and mid-caps incur the risk that some buy or sell orders transmitted to the market may not be fully executed on account of the limited quantity of securities available in the market. These stocks may be subject to higher volatility than large-caps and weigh on the NAV.

- **interest rate and credit risk**, as the Fund may hold up to a maximum of 25% of its net assets in debt securities and money market instruments;

Interest rate risk:

- the risk that the rates decline when investments are made at a variable rate (lower rate of return);
- the risk that rates will rise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels.

The net asset value may decrease in the event of an adverse variation in interest rates.

Credit risk is the risk that the issuer of a debt security is no longer able to service its debt, i.e. reimburse the debt, or that its rating is downgraded, which could then lead to a decrease in NAV.

Investors should bear in mind that if these products or instruments are used to reduce the portfolio's equity risk exposure, specific risks related to interest rate and credit products can also involve a capital loss for investors.

- **risk incurred by convertible bond investments**, given that the Fund may be exposed to convertible bonds.

This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: level of interest rates, changes in prices of the underlying shares and changes in the price of the derivative instrument embedded in the convertible bond.

- **the risk incurred from discretionary management and unrestricted allocation of assets**, as the Fund managers may freely allocate Fund assets among the various asset classes. The discretionary management style is based on anticipating trends on various markets (equity, interest-rate, bond). There is a risk that the Fund will not be invested at all times on the best-performing markets.

- **foreign exchange risk**, some eligible stocks held in the portfolio may be listed in currencies other than the euro. In this

regard, investor attention is drawn to the fact that the Fund is subject to foreign exchange risk of up to a maximum amount of 25% of its net assets for a French resident;

Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Fund's base currency, i.e. the euro.

- **emerging market risk**, as the Fund may be exposed up to 10% of its net assets to emerging countries' equity markets. This is the risk that the value of such investments may be affected by the economic and political uncertainties of these countries, given the fragility of their economic, financial and political structures. In the event of a fall, of one or several of these markets, the NAV may fall.
- **counterparty risk**, the management team may enter into over-the-counter derivative contracts with financial institutions having their registered office in the European Union or in the United States and subject to the prudential supervision rules from authorities.

This is the risk that a counterparty defaults and is no longer able to transfer the money due to the fund as a result of a transaction, i.e. collateral deposits or realised gains. This risk is capped at a maximum of 10% of the net assets per counterparty. In the event of a counterparty default, the Net Asset Value may fall.

- **Methodological risk related to the non-financial analysis process:** the selection of financial instruments using an ESG process is a relatively new area and therefore there is no universally accepted framework or list of factors to consider to ensure the sustainability of investments. Furthermore, the legal and regulatory framework governing this area is still in the process of being developed. The absence of common standards may lead to different approaches to setting and achieving ESG objectives. ESG factors may vary depending on the investment themes and the subjective use of the different ESG indicators governing portfolio construction. The selection and weightings applied may, to some extent, be subjective or based on measures that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many cases, based on qualitative assessment and judgement, including the absence of well-defined market standards and the existence of multiple SRI approaches. An element of subjectivity and discretion is therefore inherent in the interpretation and use of ESG data. It may therefore be difficult to compare strategies incorporating ESG criteria. Investors should note that the subjective value they may or may not assign to certain types of ESG criteria may differ materially from fund to fund. The application of ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons, and consequently may result in the loss of certain market opportunities that are

available to funds that do not use ESG or sustainability criteria. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrect valuations of a security or issuer, resulting in the improper inclusion or exclusion of a security. ESG data providers are private companies that provide ESG data for a variety of issuers. They may therefore change the valuation of issuers or instruments at their discretion. The ESG approach can evolve and develop over time, due to the refinement of investment decision-making processes to take ESG factors and risks into account, and/or due to legal and regulatory developments.

- **Sustainability risks:** As a result of climatic events which may result from climate change (physical risks) or the company's response to climate change (transition risks), which may have a negative impact on the Fund's investments and financial condition. Social events (e.g. inequality, inclusion, labour relations, investment in human capital, accident prevention, change in customer behaviour, etc.) or governance instabilities (e.g. significant and recurrent breach of international agreements, corruption issues, product quality and safety, sales practices, etc.) can also pose sustainability risks. These risks are integrated into the investment process and risk monitoring as they represent potential or actual material risks and/or opportunities to maximise long-term returns. These risks are taken into account through the use of ESG criteria, and more specifically through our SPICE methodology described above. The consequences of the occurrence of a sustainability risk are numerous and vary depending on the specific risk, region and asset class. For example, when a sustainability risk occurs for an asset, it will have a negative impact on the asset's value and may result in a total loss of value.

### 3.2.6. Guarantee or protection

None.

### 3.2.7. Target investors and target investor profile

Unit classes I, IB and IBD ('clean share' units) are specifically aimed at 'eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of article I of Annexe II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary and non monetary benefits paid or provided by the management company or by the promoter of the Fund ('clean share' units).

Other unit classes are aimed at all investors.

Given the major risks associated with equity investments, this Fund is mainly intended for investors who are prepared to withstand the wide fluctuations inherent in equity markets, over an investment horizon of at least five years.

The reasonable amount to invest in this Fund depends on your personal situation. In order to assess your financial situation, you must take into account your personal assets, your current needs and your needs over the next five years, as well as your willingness to take on risk or, conversely, to opt for a more prudent investment. You are also strongly advised to sufficiently diversify your investments so that they are not exposed solely to the risks incurred by this Fund.

The units in the Fund, which is a Foreign Public Fund within the meaning of Section 13 of the US Bank Holding Company Act,

have not been registered or reported to the US authorities pursuant to the US Securities Act of 1933. Hence, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or for the benefit of a "U.S. Person" within the meaning of the US Regulation (Regulation S).

### **3.2.8. Income calculation and allocation**

Accumulation and/or Distribution

Unit Classes I, IB, R, P and X: Full accumulation of the net income and of the net realised capital gains.

Unit Classes IBD and AD: Accumulation and/or yearly distribution with the possibility of quarterly interim payments of some or all of the net income and net realised capital gains.

The management company shall decide each year on the allocation of distributable sums.



### 3.2.9. Unit Class characteristics

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
X	FR0010582262	Accumulation	EUR	All	€100
I	FR0010601898	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
IB	FR0012365013	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	None
R	FR0010601906	Accumulation	EUR	All	€100
P	FR0010738120	Accumulation	EUR	All	None
IBD	FR0012758779	Accumulation and/or Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
AD	FR0013167251	Accumulation and/or Distribution	EUR	All	€100

### 3.2.10. Conditions for subscribing and redeeming shares

Subscription and redemption orders are centralised by BNP Paribas Securities Services (3 Rue d'Antin, 75002 Paris, France) at 12:00 noon (CET) on each calculation day (D) of the Net Asset Value. These orders are then executed on the basis of the NAV calculated on the following business day at a then-unknown price (D+1). The resulting payments are made on the second following business day (D+2).

In summary, subscription and redemption orders are executed in accordance with the table below, unless any specific deadline is agreed upon with your financial institution:

D: Day on which the net asset value is determined	D+1 business day	D+2 business days
Centralisation of subscription and redemption orders before 12 noon (CET)	Publication of the Net Asset Value of D	Delivery of Subscriptions Settlement of Redemptions

Subscription and redemption orders may be expressed in number of units (whole numbers or decimal fractions) or in cash value.

Holders can switch from one unit class to another by passing a redemption order in the units of the share class held, followed by a subscription order for units in another share class. Investors should therefore be aware that switching from one unit class to another triggers the application of the tax regime governing capital gains or losses on financial instruments.

NAV calculation date and frequency: The net asset value is determined each day (D) the Paris Stock Market is open, with the exception of legal holidays in France. This NAV is calculated on the following business day (D+1), based on the preceding day's closing prices (D).

Place and methods of publication or communication of Net Asset Value: The net asset value is available upon request from Sycomore Asset Management and on its website ([www.sycomore-am.com](http://www.sycomore-am.com)).

### 3.2.11. Fees and Charges

#### Entry and exit charges:

Entry and exit charges are either levied on the subscription price paid by the investor or deducted from the redemption price. Charges retained by the UCITS offset expenses borne by the UCITS for investment or divestment. Non-retained charges are attributed to the management company, the marketing agent, etc.

Charges borne by the investor at the time of subscriptions and redemptions	Basis	Maximum rate inclusive of tax						
		X	I	IB	IBD	P	AD	R
Subscription fees not due to the UCITS	Net Asset Value multiplied by the number of units subscribed	7%		5%			3%	
Subscription fees due to the UCITS	Net Asset Value multiplied by the number of units subscribed	None						
Redemption fees not due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None						
Redemption fee due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None						

**Exemptions:** No fees will be charged for a redemption followed by a subscription for the same account on the same day, if the NAV and amount have the same values.



Operating and management charges:

These charges include all the expenses invoiced directly to the UCITS, except for execution fees. Execution fees include intermediation charges (brokerage, stamp duty, etc.) and transfer commissions, if any, which may be collected by the custodian and the management company. The following may be payable in addition to the operating and management charges:

- performance fees. These reward the asset management company when the Fund exceeds its objectives. They are therefore invoiced to the UCITS;
- transfer commissions invoiced to the UCITS.

For further details regarding fees charged to the UCITS, please refer to the key investor information document.

Fees charged to the UCITS	Basis	Rate						
		X	I	IB	IBD	R	P	AD
Financial investment management fees and external administration fees (1)	Portion of the net assets invested in equities and equivalent instruments	Maximum annual rate (including tax)						
		0.05%	0.50%	1.00%		2.00%	None	
	Net assets	Maximum annual rate (including tax)						
		None					1.80%	1.30%
Transfer commissions collected by the management company	Charge on each transaction	None						
Transaction fee collected by the custodian	Charge on each transaction	Maximum charge of €30, including tax. CFD: fixed maximum specific tariff of €20 including taxes.						
Performance fee	Net assets	15% including tax above an annual net return in excess of the ESTER +3%, with a High Water Mark						

(1) Statutory auditors, custodians, centralisation, accounting management, distribution, legal fees, etc.

Unless otherwise specified, these rates and percentages are common to all unit classes.

These fees shall be booked directly to the Fund's profit and loss account.

**Performance fee:** From 1 April 2022, the performance fee will be calculated as follows:

Calculation method

The outperformance generated by the Fund on a given date is understood to be the positive difference between the net assets before deduction of any performance fee from the Fund and the assets of a notional UCI, achieving the performance of its benchmark index and recording the same pattern of subscriptions and redemptions as the actual Fund on the same date.

If this difference is negative, this amount represents an underperformance that will have to be offset in the following years before it can again be provisioned for the performance fee.

Offsetting underperformances and reference period

As specified in the ESMA guidelines for performance fees, 'the reference period is the period during which performance is measured and compared to the benchmark and at the end of which it is possible to reset the mechanism for offsetting past underperformance.'

This period is set at 5 years. This means that in excess of 5 consecutive years without crystallisation, unoffset underperformance older than 5 years will no longer be taken into account in the performance fee calculation.

Observation period

The first observation period will begin with a period of twelve months beginning on 1 April 2022.

At the end of each financial year, one of the following three cases may occur:

- The Fund underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year to a maximum of 5 years (reference period).
- The Fund outperforms over the observation period but the net asset value after taking into account any provision for performance fees is lower than the highest of the net asset values of the previous financial years. In this case, no fee is charged, the calculation is reset and a new twelve-month observation period begins.
- The Fund (i) outperformed over the observation period and (ii) the net asset value after taking into account any provision for the performance fee is higher than the highest of the net asset values of the previous financial years. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset and a new twelve-month observation period begins.

Provisioning

Each time the net asset value is established (NAV), the performance fee is subject to a provision (of 15% of the outperformance) if the net assets before charging any performance fee by the Fund are higher than that of the notional UCI over the observation period and the net asset value after taking into account any provision for performance fees is higher than the highest of the net asset values recorded during previous

financial years, or a recovery of the provision limited to the existing allowance in the event of underperformance.

In the event of redemptions during the period, the share of the constituted provision corresponding to the number of shares redeemed shall be definitively acquired and taken by the Manager.

#### Crystallisation

The crystallisation period, i.e. the frequency of any provisioned performance fee being payable to the management company, is twelve months.

The first crystallisation period will end on the last day of the year ending 30 March 2023.

**Selection of intermediaries:** Sycomore Asset Management has entrusted the trading of its orders to Sycomore Market Solutions. Sycomore Market Solutions receives orders initiated by the management company on behalf of the Fund and ensures their transmission to market intermediaries and counterparties with the main mission of seeking the best possible execution of these orders. Sycomore Market Solutions is an investment company authorised by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) to provide the service of receiving and transmitting orders on behalf of third parties.

Unit holders may refer to the annual management report for any further information.

## 4. COMMERCIAL INFORMATION

The settlement of distributable sums occurs, where applicable, within five months following the end of the fund's financial year.

Subscription and redemption orders should be addressed to the delegated institution in charge of the centralisation.

Information concerning the Fund is provided by Sycomore Asset Management to your financial intermediary, whose duty it is to pass this information on to their clients.

The management company's voting policy and the report setting out the conditions for the exercise of these voting rights are available and sent free of charge within one week upon written request from the investor to:

- Sycomore Asset Management, 14, avenue Hoche, 75008 Paris, France;
- or to [info@sycomore-am.com](mailto:info@sycomore-am.com).

The information on Environmental, Social and Governance criteria taken into account by the UCITS is available on Sycomore Asset Management's Website ([www.sycomore-am.com](http://www.sycomore-am.com)).

Furthermore, information concerning the Fund may be obtained directly via the Sycomore Asset Management website ([www.sycomore-am.com](http://www.sycomore-am.com)) or by calling our Investor Relations Department on +33 1 44.40.16.00.

The management company may send the UCI's portfolio composition to its investors within a period which may not be less than 48 hours after the publication of the net asset value, solely for the purpose of calculating the regulatory requirements related to Directive 2009/138/EC (Solvency 2). Each investor wishing to use this information must have procedures in place to manage this sensitive information prior to the transmission of the portfolio composition, which is to be used solely for calculating prudential requirements.

## 5. INVESTMENT REGULATION

The Fund complies with the investment regulations for UCITS governed by Directive 2009/65/EC investing up to 10% of their assets in units or shares of UCITS as set out in the General Regulation of the French Financial Market Authority (Autorité des Marchés Financiers).

## 6. OVERALL RISK

The Fund's overall risk reflects the additional risk incurred by the use of derivatives, based on the commitment calculation method.

## 7. ASSET VALUATION PRINCIPLES

### 7.1 Asset valuation rules

Financial instruments and securities traded on French or foreign regulated markets are valued at market price.

However, the following instruments are valued in accordance with the following specific methods:

- Financial instruments which are not traded on regulated markets are valued by the management company at their likely trading value.
- Units or shares in mutual funds are valued at the most recently published NAV.
- Negotiable debt securities and similar instruments which are not actively traded are valued using an actuarial method. The value retained is that of equivalent issued securities, which are adjusted, where applicable, on the basis of a credit spread reflecting the creditworthiness of the security issuer. However, negotiable debt securities with residual lifespan not exceeding three months may be valued using the linear method in the absence of any specific sensitivity. The application of these principles is set by the asset management company. These are detailed in the notes to the annual financial statements.
- Transactions involving financial futures or options traded on French or foreign organised markets are valued at market price in accordance with methods laid down by the asset management company. They are set out in the notes to the annual financial statements.
- over-the-counter futures, options or swap transactions authorised by the regulations applicable to UCITS, are valued at their market price or at an estimated value in accordance with methods laid down by the management company, as defined in the appendix to the annual financial statements.

Financial instruments for which no price has been established on the valuation day, or the price of which has been adjusted, are valued at their likely trading value under the asset management company's liability. These valuations and relative supporting data are made available to the Statutory Auditor during inspections and audits.

The Fund's accounting currency is the euro.

### 7.2 Alternative valuation procedures in case the financial data is unavailable

Please note that the administrative and accounting management of the Fund is delegated to BNP Paribas Securities Services, which is in charge of valuing the Fund's financial assets.

Nevertheless, Sycomore Asset Management also has at its disposal an estimated valuation of the Fund's financial assets on a real-time basis, sourced from various available financial data suppliers (Reuters, Bloomberg, market counterparties, etc.).

In the event that the delegated administrative and accounting agent is unable to value the fund's assets, it will still therefore be possible to provide it with the requisite information for the purpose of such a valuation, in which case the Statutory Auditor will be promptly informed.

### 7.3 Accounting method

The accounting method selected to record income from financial instruments is the coupon-received principle.

The accounting method selected to record execution costs is exclusive of fees.

## 8. REMUNERATION POLICY

In accordance with the regulation resulting from Directives 2011/61/EC (AIFM) and 2014/91/EC (UCITS V), Sycomore AM established a remuneration policy. Its objectives are to promote alignment of interests between investors, the management company and its staff, as well as sound and efficient risk management of managed portfolios and of the management company, taking into account the nature, scope and complexity of Sycomore AM's activities. In particular, it relies on the

allocation of sufficiently high fixed remuneration and bonuses whose procedures for allocation and payment promote the alignment of long-term interests.

Details of this remuneration policy are available on our website, [www.sycomore-am.com](http://www.sycomore-am.com). A paper copy can also be made available free of charge upon request.

## TERMS AND CONDITIONS

### ASSETS AND UNITS

#### **Article 1 - Fund units**

The rights of co-owners are expressed in units, each unit representing an equivalent fraction of the assets of the Fund. Each unit holder owns joint ownership rights over the assets of the fund in proportion to the number of units owned.

The term of the Fund is 99 years from 5 March 2008 subject to any early winding-up or extension as provided for in these terms and conditions.

The characteristics of the various categories of units, and the terms and conditions of their acquisition, are set forth in the key investor information document and the prospectus of the Fund.

The various categories of units may:

- benefit from different income distribution methods; (distribution or accumulation)
- be denominated in different currencies;
- incur different management fees;
- bear different entry and exit charges;
- have a different nominal value.

Units may be consolidated or split.

The Board of Directors of the asset management company may elect to split units into ten-thousandths, referred to as fractional units.

Provisions herein governing the issue and redemption of units are applicable to fractional units, the value of which shall always be proportional to the value of the proportion they represent. All other provisions herein governing units apply to fractional units without need for further specification, unless otherwise stated.

Finally, the board of directors of the management company may unilaterally elect to split units by creating new units issued to holders in exchange for existing units.

#### **Article 2 - Minimum assets**

Units may not be redeemed if the Fund's (or sub-fund) assets fall below EUR 300,000; when the assets remain below this amount for a period of thirty days, the management company shall make the necessary provisions to liquidate the fund concerned, or to

carry out one of the operations mentioned in Article 411-16 of the AMF's General Regulations (transfer of the Fund).

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

The units can be issued at any time at the request of holders on the basis of their Net Asset Value plus, if applicable, any subscription fees.

Redemptions and subscriptions shall be carried out in accordance with the conditions and procedures defined in the prospectus.

Fund units may be listed in accordance with applicable regulations.

Unit subscriptions must be paid in full on the NAV calculation date. They may be made in cash and/or by a contribution in kind in the form of transferable securities. The Management Company has the right to refuse the proposed securities and has a period of seven days from the date of filing to inform the subscriber of their decision. If it accepts the securities, they shall be valued on the basis of the rules laid down in Article 4, and the subscription shall be made on the basis of the first net asset value calculated following acceptance of the securities involved.

Redemptions shall be paid out exclusively in cash, unless the Fund is liquidated and unit holders have given their consent to repayment in securities. Payment is made by the issuance account keeper within a maximum of five days following unit valuation.

This period may however be extended up to a maximum of 30 days in exceptional circumstances if the repayment requires the prior divestment of assets held in the Fund.

Except in case of inheritance or estate distribution, the disposal or transfer of units between holders, or from holders to a third party, is equivalent to a redemption followed by a subscription; if this involves a third party, the disposal or transfer amount must, if relevant, be completed by the beneficiary in order to attain at least the minimum subscription required by the prospectus.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the Fund of its units, as well as the issue of new units, may be provisionally suspended, by the management company, under exceptional circumstances and if unitholders' best interests so require.

When the net assets of the Fund are lower than the amount set by the regulations, no acquisition of shares may take place.

The UCITS may cease to issue units pursuant to the third paragraph of article L. 214-8-7 of the French Monetary and

Financial Code on a temporary or permanent basis, in part or in full, in situations that objectively require the closure of subscriptions, such as when the maximum number of units has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired. The trigger of this tool will be communicated by any means to existing holders relating to its activation, as well as to the threshold and objective situation that led to the decision to partially or completely close. In the case of a partial closure, this communication by any means will explicitly specify the terms and conditions under which existing holders may continue to subscribe during the duration of this partial closure. Unit holders are also informed by any means of the decision of the UCITS or the management company either to end the total or partial closure of subscriptions (when falling below the trigger level) or not to end them (in the event of a change of threshold or a change in the objective situation that led to the implementation of this tool). A change in the objective situation invoked or to the trigger level of the tool must always be made in the interests of the unit holders. Information by any means shall specify the exact reasons for these changes.

**Article 4 - Calculation of the Net Asset Value**

The net asset value is calculated in accordance with the valuation rules set out in the UCITS prospectus.

Contributions in kind shall comprise only securities, shares or contracts permissible as UCITS assets, and these shall be valued in accordance with the valuation principles applied to the NAV calculation.

**FUND OPERATION**

**Article 5 - The Management Company**

The fund is managed by the asset management company in accordance with the policy defined for the fund.

The management company will act in the sole interest of the unit-holders under all circumstances and shall have sole authority to exercise the voting rights attached to securities held by the Fund.

**Article 5a - Operating rules**

The instruments and deposits that are eligible to form part of the assets of the UCITS and the investment rules are described in the UCITS prospectus.

**Article 5b – Listing on a regulated market and/or a multilateral trading facility**

Fund units may be listed on a regulated market and/or a multilateral trading facility in accordance with applicable regulations. In case the Fund whose units are admitted to trading on a regulated market has an index-based management

objective, the Fund will have in place a system to ensure that the price of its units does not significantly vary from its net asset value.

**Article 6 – Custodian**

The custodian performs the tasks entrusted to it by the legal and regulatory provisions in force as well as those entrusted to it contractually. It is responsible for ensuring that legal decisions made by the asset management company comply with the necessary regulations. It must, where required, take any precautionary measures it deems necessary. In the event of a dispute with the management company, it will inform the French Financial Markets Authority (Autorité des Marchés Financiers, AMF).

**Article 7 - 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 the accuracy and consistency of the financial statements. The appointment of the statutory auditor may be renewed.

The statutory auditor is required to notify the AMF as soon as possible of any fact or decision relating to the UCITS of which they become aware in the course of their audit that may:

- 1° Constitute a breach of the laws or regulations applicable to this Fund that could have a significant impact on its financial situation, results or assets;
- 2° Undermine the conditions or continuity of its business;
- 3° Entail the issuing of reservations or the refusal to certify the financial statements.

Asset valuation and the determination of exchange terms pertaining to conversions, mergers or split transactions are carried out under the supervision of the statutory auditor.

The statutory auditor shall determine the value of any contribution in kind or redemption in kind under their own responsibility, except in the case of redemptions in kind for an ETF on the primary market.

The statutory auditor monitors the accuracy of the composition of assets and other items prior to publication.

The statutory auditor's fees shall be set by mutual agreement between the auditor and the board of directors or the management board of the management company, on the basis of a work schedule setting out the checks deemed necessary.

The statutory auditor shall certify positions serving as the basis for any interim distribution.

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

**Article 8 – The financial statements and management report**

At the closing of each financial year, the management company prepares the financial statements and a report on the Fund's management during that year.

The management company prepares a statement of the UCITS's assets and liabilities, at least once every half-year, under the supervision of the custodian.

The management company shall make these documents available to unit holders within four months of the end of the financial year and inform them of the amount of income attributable to them: These documents are either sent by mail at the express request of the unit holders, or made available to them by the Asset Management Company.

**TERMS AND CONDITIONS OF ALLOCATION OF DISTRIBUTABLE SUMS**

**Article 9 – Terms and conditions of appropriation of income and distributable sums**

Net income for the financial year shall be equal to total interest, arrears, dividends, premiums and bonuses, attendance fees and any other income relating to securities constituting the Fund portfolio, plus income from short-term liquidities, minus management charges and borrowing costs.

Distributable amounts consist of:

1. Net income plus retained earnings plus or minus the balance of accrued income;
2. Realised capital gains after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or accumulated and minus or plus the balance of capital gain accruals.

The amounts stated in points 1 and 2 may be distributed, either entirely or partially, independently of one another. The management company shall decide on the appropriation of distributable amounts. Where applicable, the Fund may choose one of the following options for each unit class:

- accumulation. : distributable amounts are fully reinvested with the exception of those that must be distributed pursuant to legal provisions;
- distribution (with the possibility of interim distribution):
  - of all distributable sums (all amounts mentioned in points 1 and 2), to the nearest rounded figure;
  - distributable sums mentioned in point 1 to the nearest rounded figure;

- distributable sums mentioned in point 2 to the nearest rounded figure.

For funds which prefer to maintain the freedom to accumulate and/or distribute all or part of the distributable sums, the management company decides each year on the appropriation of distributable sums mentioned in points 1 and 2 with the possibility of interim distribution.

**MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

**Article 10 - Merger & De-merger**

The management company may either transfer, in full or in part the assets included in the Fund to another UCITS or split the Fund into two or more other funds.

Such mergers or splits may not be carried out until the unit-holders have been notified. A merger or split gives rise to the issuance of a certificate specifying the new number of units held by each holder.

**Article 11 - Dissolution & extension**

If the Fund assets remain below the amount specified in article 2 for a period of thirty days, the management company shall wind-up the Fund and inform the French Financial Markets Authority, unless it is merged with another investment fund.

The management company may wind-up the Fund before term. It shall inform unit holders of its decision and subscription or redemption orders shall no longer be accepted as of that date.

The management company shall also wind-up the Fund if it receives redemption orders for all of its units, if the custodian ceases to perform its duties where no other custodian has been designated, and upon the expiry of the Fund's term unless it has been extended.

The asset management company shall inform the French Financial Markets Authority in writing of the scheduled date and selected winding-up procedure. It shall then send the French Financial Markets Authority the statutory auditor's report.

Extension of a fund may be decided by the asset management company in agreement with the custodian. Its decision must be taken at least 3 months prior to expiry of the Fund's term, and both unit holders and the French Financial Markets Authority must be informed at the same time.

If the agreement concluded between the custodian and the management company is terminated by either party, the management company shall wind-up the Fund within a maximum period of three months upon receipt of the termination notice by the party being notified. This is unless another custodian has been designated by the management company and authorised by the French Financial Markets Authority within



this period.

#### ***Article 12 - Liquidation***

If the Fund is to be dissolved, the management company or the custodian shall act as liquidator, failing which a liquidator shall be appointed by the courts at the request of any party concerned. For such purposes, they will be entrusted with full powers to realise assets, pay any creditors and distribute the available balance amongst the unit holders, in cash or in securities.

The statutory auditor and the custodian shall continue in their respective capacities until the liquidation process is complete.

#### **DISPUTES**

#### ***Article 13 - Competent courts & Choice of jurisdiction***

All disputes related to the Fund that may arise during the term in which it operates, or during its liquidation, either between the unit holders or between the unit holders and the asset management company or the Custodian, are subject to the jurisdiction of the competent courts.

## Additional information for Austrian Investors

### ***Facility in Austria***

Facility in Austria according to EU directive 2019/1160 article 92:

Erste Bank der oesterreichischen Sparkassen AG

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