

**French UCITS-compliant fund subject to European
Directive 2009/65/EC**

PROSPECTUS

I – GENERAL FEATURES

I.1. Form of the Fund

Name:	OBJECTIF ACTIONS EURO
Legal form:	French open-end investment fund (<i>Fonds Commun de Placement</i>)
Inception date – term Fund overview:	This Fund was created on January 19 th , 2006 for a period of 99 years.

ISIN codes:	Allocation of distributable income	Base currency	Eligible investors	Minimum initial subscription	Initial NAV
A units: FR0010259945	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	Euro	All investors	One unit	€369,18
D units FR0011710557	Allocation of net income: distribution Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All investors	One unit	€100
R units: FR0010679886	Allocation of net income: accumulation and/or distribution and/or retained Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All investors	One unit	€500

The difference between the three units is due to the fact that the A and D units are mainly intended to be distributed directly by the management company to private and institutional clients, while the R units are mainly intended to be distributed by partners of the management company or by third-party management companies.

The Fund's prospectus, latest annual and periodic reports, as well as the composition of assets and Lazard Frères Gestion SAS's standards regarding the exercise of voting rights will be sent out within eight business days upon written request to:

The prospectus is also available at www.pt.lazardfreresgestion.com

Designated contact:

Client Services – Monday to Friday
9 a.m. to 5 p.m. – Tel.: + 33 (0)1.44.13.01.79
where further information may be obtained if necessary.

I.2. Service providers

Management company	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France Management company incorporated under French law authorised by the French financial markets regulator (<i>Autorité des Marchés Financiers</i> – AMF) on December 28 th , 2004, no. GP 04 0000 68
Custodian:	Lazard Frères Banque 121, Boulevard Haussmann – 75008 Paris, France Credit institution authorised by the French Credit Institutions and Investment Firms Committee (<i>Comité des Etablissements de Crédit et des Entreprises d'Investissement</i> – CECEI) under No. 30748 The custodian's functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds. Sub-delegation: A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of Lazard Frères Banque, and information on conflicts of interest that may arise in relation to these agents are available on the Lazard Frères Banque website: http://lazardfreresbanque.fr Investors may obtain updated information on request. The custodian operates independently of the investment management company.
Administration and accounting:	Lazard Frères Gestion SAS 25, Rue de Courcelles – 75008 Paris, France
Subscriptions and redemption processing:	Lazard Frères Gestion SAS 25, Rue de Courcelles – 75008 Paris, France
Registrar:	Lazard Frères Banque 121, Boulevard Haussmann – 75008 Paris, France
Statutory Auditor:	ERNST & YOUNG ET AUTRES 1-2, place des Saisons Paris La Défense 1 92400 Courbevoie

II – OPERATION AND MANAGEMENT

II.1 – General features

Features of the units:	
ISIN codes:	<p>A units: FR0010259945</p> <p>D units: FR0011710557</p> <p>R units: FR0010679886</p>
- Rights attached to the Fund's units:	Each unitholder has an ownership right in the Fund's assets in proportion to the number of units owned.
- Voting rights:	No voting rights are attached to the units since decisions are taken by the management company.
- Form of the units:	Bearer or registered at the holder's discretion. The Fund is listed with Euroclear France.
- Fractional or whole units:	A, D and R units: Subscriptions and/or redemptions may be made in thousandths of units.
- Financial year end:	Last valuation date in September.
- Taxation:	<p>Unitholders are liable for tax on any dividends that the management company pays as well as on capital gains or losses.</p> <p>The tax treatment of sums distributed by the management company or of the Fund's unrealised or realised capital gains or losses depends on the tax rules applicable to the particular circumstances of each investor and/or the Fund's investment jurisdiction.</p> <p>➤ For non-French residents: withholding tax is payable by the subscriber.</p> <p>➤ For French residents: the Fund is an eligible investment for a French equity savings plan (<i>Plan d'Epargne en Actions</i> – PEA)</p>

II.2 – Other specifications

- Classification:	EUROZONE COUNTRY EQUITIES
- Investment objective:	While the Fund is not index-based, it seeks to outperform the benchmark index, net of expenses, over the recommended investment period.
- Benchmark:	<p>The benchmark is the Euro Stoxx (net dividends reinvested at the closing price). It is representative of leading Eurozone large caps.</p> <p>Performance history is available on the website www.stoxx.com (code: SXXT Index).</p>

1 – Strategies used

A company's rate of return on invested capital above the cost of capital reflects its economic performance, as shown in its long-term stock market performance. Accordingly, the strategy applied within the Fund is based on the following:

- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and by examining the strategic underpinnings of performance.
- Selecting stocks from such companies according to the market's undervaluation of that performance at a given time.
- Building a portfolio within the eurozone but with no other geographical or sectoral restrictions.

The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the Fund's performance and its sector and/or country mix and those of the underlying asset class, i.e. large caps from the eurozone.

2– Assets (excluding embedded derivatives)

Equities:

Eurozone large cap companies to a minimum of 90% of net assets.

Debt securities and money-market instruments:

French and foreign negotiable debt securities (mainly French treasury bills and BTAN treasury notes) to a maximum of 10% of the net assets..

UCIs:

French UCITS or French AIF to a maximum of 10% of the net assets.

Investment is solely in UCIs that in turn invest less than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

3 – Derivatives

- **Types of markets:**

- ☒ regulated
- ☒ organised
- ☒ OTC

- **The manager intends to seek exposure to:**

- ☒ equities
- ☐ interest rates
- ☐ currencies
- ☐ credit
- ☐ other

- **Types of transactions – all transactions must be limited to achieving the investment objective:**

- ☒ hedging
- ☐ exposure

☐ arbitrage

- **Type of instruments used:**

- ☒ **futures:**

- ☒ equity and equity index
 - ☐ interest rate
 - ☐ currency

- ☒ **options:**

- ☒ equity and equity index
 - ☐ interest rate
 - ☐ currency

- ☐ **swaps:**

- ☐ equity swaps
 - ☐ interest rate swaps
 - ☐ currency swaps

- ☐ **currency forwards**

- ☐ **credit derivatives:** currency hedging

- ☐ credit default swaps: issuer default risk hedging

- **Strategy of use of derivatives to achieve the investment objective:**

- ☒ partial or general portfolio hedging
 - ☐ creating synthetic exposure to assets and risks
 - ☐ increasing exposure to the market without leverage
 - ☐ maximum permitted and sought
 - ☐ other strategy

4 – Securities with embedded derivatives

None.

5 – Deposits

Up to 10% of the Fund's assets may be held in deposits.

6 – Cash borrowings

The Fund may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

7 – Temporary purchases and sales of securities

Up to 100% of assets may be used in transactions involving temporary sales and purchases of securities.

- **Types of transactions – all transactions must be limited to achieving the investment objective:**

- ☒ managing cash flow
 - ☐ optimising Fund income
 - ☐ possibly contributing to the Fund's leverage
 - ☐ other.

8 – Information on financial guarantees

In connection with transactions involving temporary purchases and sales of securities and OTC derivatives transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers* – AMF), the Fund may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash.

Any cash collateral received is reinvested in accordance with the applicable rules.

All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.

Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

9 – Risk profile

***Your money will be mainly invested in financial instruments selected by the management company
These instruments will be exposed to market trends and fluctuations.***

- **Risk of capital loss:**

The Fund does not provide any guarantees or capital protection. It is therefore possible that you may not recover the full amount of your initial investment.

- **Risk associated with managing and allocating discretionary assets:**

The Fund's performance depends on both the securities and UCI selected by the fund manager and the latter's allocation of assets. There is a risk that the manager may not select the best-performing securities and UCI or choose the optimal asset allocation between markets.

- **Equity risk:**

Investors are exposed to equity risk. Fluctuations in share prices may have a negative impact on the Fund's net asset value. The Fund's NAV may decrease during periods in which equity markets are falling.

In addition, the volume of small- and mid-cap stocks listed on the stock exchange is relatively small and downward movements in these markets tend to be more pronounced and faster than for large caps. The Fund's net asset value may therefore decline rapidly and significantly.

- **Counterparty risk:**

This is the risk associated with the Fund's use of OTC financial futures.

These transactions, entered into with one or more eligible counterparties, potentially expose the Fund to a risk of insolvency of any such counterparty, which may lead to default on payment or cause the Fund's NAV to fall.

- **Interest rate risk:**

There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. Because of its sensitivity range, the value of this component of the portfolio may decrease, either in the case of a rise in interest rates if the portfolio's sensitivity is positive, or in the case of a fall in interest rates if the portfolio's sensitivity is negative.

10 – Guarantee or protection

None.

11 – Eligible subscribers and typical investor profile

Any subscriber seeking exposure to equity risk. Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this Fund.

Information relating to US investors:

The Fund 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, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) all US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act (“FATCA”) applicable as of July 1st, 2014, if the Fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions (“foreign financial institutions”) agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a foreign financial institution, the Fund undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this Fund depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

Recommended investment period: minimum five years.

12 – Allocation of distributable income

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the Fund's

portfolio, plus income generated by temporary cash holdings, minus management fees and borrowing costs.

- 2) realised capital gains, net of expenses, minus realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

For “A” units: All distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

For “R” units: The management company decides each year on the allocation of distributable income. It may pay interim dividends.

For “D” units: Net income is distributed in full and the allocation of net realised capital gains is decided each year by the management company. Distributable income is equal to net income as defined above plus or minus the balance of the revenue adjustment account for D units for the past financial year and retained earnings.

13 – Frequency of distribution

The A unit is an accumulation unit.

Dividends may be paid out annually to holders of R units, as appropriate, upon the decision of the management company.

Dividends are paid out annually to holders of D units. Interim dividends may be paid.

14 – Features of the units (base currency, division of units, etc.)

The units are denominated in euros.

A, D and R units: Subscriptions and/or redemptions may be made in thousandths of units.

15 – Terms and conditions of subscription and redemption

Calculation of net asset value (NAV):

Date and frequency of NAV calculation:

- Valuation day (D) = NAV is calculated every day except Saturdays and Sundays, public holidays in France and days on which the Paris stock exchange is closed for trading.
- NAV calculation and publication date = business day following the valuation day, i.e. (D+1).

Where/how NAV is published or made available:

NAV is notified daily online at:

www.pt.lazardfreresgestion.com

and displayed in the management company's offices.

Address of the institution designated to receive subscription and redemption orders:

LAZARD FRERES GESTION SAS – 25, Rue de Courcelles – 75008 Paris, France.

Processing, execution and settlement of orders:

Subscription and redemption orders processed before 11 a.m. on each NAV valuation day D will be executed on the basis of the NAV of valuation date D. This NAV is calculated on the business day following the valuation day, i.e. D+1.

A, D and R units: initial subscriptions may not be for less than one unit.

Subscription settlement date: One business day following the valuation date (D+1 business day).

Redemption settlement date: Three business days following the valuation date (D+3 business days).

16 – Fees and expenses

▪ Subscription and redemption fees:

Subscription and redemption fees are added to the subscription price paid by the investor or deducted from the redemption price paid. The fees earned by the Fund are used to cover the charges that it incurs in investing or divesting the assets entrusted to it. The remaining fees are paid to the management company and/or the distributor, etc.

<i>Charges payable by the investor at the time of subscriptions and redemptions</i>	<i>Basis</i>	<i>Rate</i>
Subscription fee not retained by the Fund (A, D and R units)	NAV x number of units	maximum 4% incl. taxes
Subscription fee retained by the Fund	n/a	None
Redemption fee not retained (A, D and R units)	NAV x number of units	maximum 1 % incl. taxes
Redemption fee retained	n/a	None

--	--	--

<i>Expenses charged to the Fund</i>	<i>Basis</i>	<i>Rate</i>		
Management fees both internal and external to the management company (including statutory auditors', custodians' distribution and lawyers' fees, and excluding transaction charges, performance fees and charges related to investments in UCIs)	Net assets excluding UCIs managed by Lazard Frères Gestion	A units: 1,10 % incl. taxes Maximum rate D units: 1,10 % incl. taxes Maximum rate R units: 1,75% incl. taxes Maximum rate		
Turnover commission (incl. taxes): (collected in their entirety by the custodian)	Charged on each transaction	French equities	Up to €100 000	0,48%
			From €100 001 to €200 000	0,31%
			From €200 001 to €300 000	0,24%
			Over €300 000	0,17%
		Eurozone equities excluding France	Up to €100,000	0,90%
			From €100 001 to €200 000	0,58%
			From €200 001 to €300 000	0,45%
			Over €300 000	0,31%
		Fixed-income instruments	None	
Futures	25% of brokerage fees			
Other transactions	None			
Performance fees	n/a	None		

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 3° d) of the French Monetary and Financial Code (*Code monétaire et financier*) and any exceptional legal costs related to debt recovery are outside the scope of the three blocks of charges referred to above.

Repurchase agreements are executed at market prices.

▪ **Operating and management fees:**

These include the costs of financial, administrative and accounting management, statutory auditors' and custodians' fees and audit, legal, registration and distribution fees.

▪ **The following may be charged in addition to the operating and management fees:**

- performance fees. These reward the management company when the Fund exceeds its objectives. They are therefore charged to the Fund;
- transaction charges made up of:
 - brokerage fees comprising commission paid to intermediaries and other levies.
 - turnover commission charged to the Fund, if applicable.

With the exception of brokerage fees, all these charges are levied within the context of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion SAS whereby since 1995 they have pooled their resources for financial, administrative and accounting management, custody of securities and trade execution.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is allocated to the Fund. All costs and expenses related to these management techniques are assumed by the Fund.

For further information, unitholders may refer to the management report.

17 – Outline of the intermediary selection procedure

The intermediaries used by the equity desk are chosen based on:

- requests from managers to add new brokers
- a financial analysis of the broker's accounts, carried out externally.

Such intermediaries are used solely in connection with share trading. Lazard Frères Gestion SAS's Broker Committee ratifies all decisions to authorise new intermediaries.

At least twice yearly, the equity investment team holds a meeting of the Broker Committee to evaluate the services of its intermediaries by reviewing four key service expectation criteria:

- research
- services offered
- quality of execution
- level of commissions.

Information about the use of investment decision-making and order execution services (SADIE) can be found on the management company's website (www.pt.lazardfreresgestion.com).

III - SALES AND MARKETING INFORMATION

Distribution and redemption of units: The units may be subscribed and redeemed through:	Lazard Frères Gestion SAS 25, Rue de Courcelles – 75008 Paris, France Subscriptions and redemption processing ☎ +33 (0)1 44 13 02 43 +33 (0)1 44 13 02 35
Publication of information about the Fund:	Lazard Frères Gestion SAS 25, Rue de Courcelles – 75008 Paris, France Customer Relations ☎ +33 (0)1 44 13 01 70

Information regarding environmental, social and corporate governance (ESG) issues is available on the management company's website (www.lazardfreresgestion.fr) and will be included in the Fund's annual report.

IV – INVESTMENT RULES

The Fund's investment rules are defined by the regulatory section of the French Monetary and Financial Code (*Code Monétaire et Financier*).

V – AGGREGATE RISK

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

1 – Asset valuation rules

➤ **Financial instruments and securities traded on a regulated market are valued at their market price.**

- **Shares and similar securities** are valued on the basis of the last known price on their main market.

Where applicable, prices are translated into euros using the exchange rates prevailing in Paris on the valuation date (as published by the European Central Bank).

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN) derived from averages of contributed prices, or on those of direct contributors. There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the management company.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**
 - **Negotiable debt securities with a residual maturity of more than three months:**
Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OIS swaps and French treasury bills - 3 – 6 – 9 – 12 months fixed-rate treasury bills with annual interest - 18 months, 2 – 3 – 4 – 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**
Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.
- **UCIs:**
Units or shares of UCIs are valued at the last known NAV.
Units or shares of UCIs for which NAVs are published monthly may be valued on the basis of interim NAVs calculated from estimated prices.
- **Temporary purchases and sales of securities**
 - Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight Eonia, one- or two-week interbank rates, one- to 12-month Euribor) corresponding to the term of the contract.
 - Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.
- **Futures and options**
 - Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **Financial instruments and securities not traded on a regulated market**

All of the Fund's securities are traded on regulated markets.

➤ **Valuation methods for off-balance sheet commitments**

- Off-balance sheet transactions are valued at the commitment value.
- The commitment value for futures contracts is equal to the price (in the Fund's currency) multiplied by the number of contracts multiplied by the face value.
- The commitment value for options is equal to the price of the underlying security (in the Fund's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.
- The commitment value for swaps is equal to the face value of the contract (in the Fund's currency).

2 – Accounting policies

- **Income from fixed-income securities**
 - Income from fixed-income securities is recorded on the basis of accrued interest.
- **Management fees**
 - Management fees are calculated on each valuation date.
 - The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

(Gross assets – UCIs managed by Lazard Frères Gestion SAS)

x operating and management fees rate

x no. of days until next NAV

365 (or 366 in a leap year)

- This amount is then recorded in the Fund's income statement and paid in full to the management company.
- The management company pays the Fund's operating fees, including for:
 - . financial management;
 - . administration and accounting;
 - . custody services;
 - . other operating fees:
 - . statutory auditors' fees;
 - . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

▪ **Transaction charges**

Transactions are recorded excluding charges.

▪ **Retrocessions received on management fees or entry charges**

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

FUND REGULATIONS

OBJECTIF ACTIONS EURO

TITLE I

ASSETS AND UNITS

Article 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, with each unit corresponding to an equal share of the Fund's assets. Each unitholder has an ownership right in the assets of the Fund in proportion to the number of units owned.

The Fund's term is 99 years, commencing from January 19th, 1984, except in the event that the Fund is dissolved before the end of the term or extended pursuant to these regulations.

Unit classes:

The features of the different unit classes and their eligibility requirements are set out in the Fund's prospectus.

The different unit classes may:

- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be subject to different management fees;
- be subject to different subscription and redemption fees;
- have a different par value.
- be systematically hedged, in full or in part, against risk as set out in the prospectus. This hedging is achieved through financial instruments that reduce to a minimum the impact of hedging transactions on the Fund's other unit classes;
- be reserved for one or more marketing networks.

Possibility of combining or splitting units.

The units may be sub-divided, upon the decision of the management company, into hundredths or thousandths of units, referred to as fractional units.

The regulatory provisions governing the issue and redemption of units shall apply to fractional shares, the value of which shall always be proportional to the value of the unit they represent. Unless otherwise stipulated, all other provisions hereof relating to units shall automatically apply to fractional shares. At the sole discretion of the management company, the units may be split by creating new units to be allocated to unitholders in exchange for existing units.

Article 2 – MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the assets are less than 300,000 (three hundred thousand) euros. When the assets remain below this level for thirty days, the management company shall take all necessary measures to dissolve the Fund concerned or to undertake one of the operations mentioned in Article 411-16 of the General Regulation of the French financial markets regulator (*Autorité des Marchés Financiers* – AMF) (UCITS transfer).

Article 3 - ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time at the request of unitholders on the basis of the NAV plus subscription fees, if any.

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus.

Units of open-end investment funds may be listed for trading, in accordance with applicable regulations.

Subscriptions must be fully paid up as of the NAV calculation date. They may be undertaken in cash and/or by contribution of financial instruments. The management company is entitled to refuse the instruments proposed and, to that end, has seven days in which to give its decision. In the event that the instruments are accepted, they are valued according to the rules laid down in Article 4, and the subscription is undertaken using the first NAV following acceptance of the instruments in question.

Redemptions are undertaken entirely in cash, unless the Fund is dissolved and unitholders have agreed to be paid in securities. They are paid by the custodian within at most five days of the unit's valuation day.

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

With the exception of inherited or gifted units, the sale or transfer of units between unitholders or between unitholders and third parties is deemed to be a redemption followed by a subscription. If the beneficiary of the sale or transfer is a third party, the beneficiary must add the amount necessary, if any, to increase the total to the minimum subscription amount indicated in the Prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code (*Code monétaire et financier*), redemption by the Fund of its units, and the issue of new units, may be temporarily suspended by the management company in exceptional circumstances and if required in the interests of unitholders.

No units may be redeemed if the net assets of the Fund are less than the regulatory amount.

Article 4 - CALCULATION OF NAV

The NAV of units is calculated according to the valuation rules set out in the prospectus.

Contributions in kind may consist only of securities, stocks or contracts that are eligible to form the assets of the Funds; they are valued according to the valuation rules used to calculate the NAV.

TITLE II

FUND OPERATION

Article 5 - MANAGEMENT COMPANY

The management company is responsible for managing the Fund in accordance with the orientation stated for the Fund.

In all circumstances, the management company shall act in the sole interest of the unitholders and is solely authorised to exercise the voting rights attached to the securities held by the Fund.

Article 5bis - OPERATING RULES

The instruments and deposits eligible for inclusion in the Fund as well as the investment rules are shown in the prospectus.

Article 5ter – ADMISSION TO TRADING ON A REGULATED MARKET AND/OR A MULTILATERAL TRADING FACILITY

The units may be admitted to trading on a regulated market and/or a multilateral trading facility, in accordance with applicable regulations. In cases where the Fund, whose units are admitted to trading on a regulated market, has an index-based investment objective, the Fund must have established a mechanism to ensure that its unit price does not deviate significantly from its NAV.

Article 6 - CUSTODIAN

The custodian performs the tasks for which it is responsible under the legal and regulatory provisions in force as well as those entrusted to it contractually by the management company. In particular, the custodian must ensure that the decisions of the management company are lawful.

It shall take any protective measures it considers appropriate.

In the event of a dispute with the management company, it shall inform the AMF.

Article 7 - STATUTORY AUDITOR

A statutory auditor is appointed by the management company's governance body for a term of six financial years, following AMF approval.

The statutory auditor shall certify that the financial statements are accurate and in order.

The statutory auditor's term may be renewed.

The statutory auditor has a duty to report promptly to the AMF any fact or decision concerning the Fund of which he has become aware in the course of his duties and which is liable to:

- 1° Constitute a breach of the laws or regulations that apply to that fund and that is likely to have significant effects on its financial situation, profits or assets;
- 2° Affect the conditions or the continuity of its operations;
- 3° Lead to the expression of reservations or the refusal to certify the accounts.

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

The statutory auditor shall assess any contribution in kind under his own responsibility.

He shall verify the accuracy of the composition of assets and other information prior to publication.

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

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends. His fees are included in the management fees.

Article 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the management company shall prepare the financial statements and a report on the management of the Fund during the year just ended.

The management company shall draw up an inventory of the Fund's assets at least every six months and under the control of the custodian.

The management company shall make these documents available to unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled. These documents shall be either sent by post, at the request of unitholders, or made available to them at the management company's premises.

TITLE III

Article 9 – ALLOCATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the Fund's portfolio, plus income generated by temporary cash holdings, minus management fees and borrowing costs.
- 2) realised capital gains, net of expenses, minus realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

For "A" units: All distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

For "R" units: The management company decides each year on the allocation of distributable income. It may pay interim dividends.

For "D" units: Net income is distributed in full and the allocation of net realised capital gains is decided each year by the management company. Distributable income is equal to net income as defined above plus or minus the balance of the revenue adjustment account for D units for the past financial year and retained earnings.

TITLE IV

MERGER - SPLIT - WINDING-UP - LIQUIDATION

Article 10 - MERGER - SPLIT

The management company may either contribute the assets of the Fund, in whole or in part, to another UCI managed by it, or split the Fund in two or more open-end funds.

These merger or split transactions may only be undertaken after the unitholders have been informed. They shall give rise to a new certificate specifying the number of units held by each unitholder.

Article 11 - WINDING-UP - EXTENSION

If the assets of the Fund remain less than the amount set forth in Article 2 above for 30 days, the management company shall inform the AMF thereof and either merge the Fund with another open-end investment fund (FCP) or dissolve the Fund.

The management company may dissolve the Fund prior to its termination date; in this case, it shall inform unitholders of its decision and from then on subscriptions and redemptions shall no longer be accepted.

The management company shall also dissolve the Fund if it receives redemption applications for all units, if the custodian ceases to discharge its responsibilities and no other custodian is designated or if at the end of the Fund's duration, its termination date has not been extended.

The management company shall inform the AMF by letter of the chosen date and dissolution procedure. It shall then send the statutory auditors' report to the AMF.

A Fund's extension may be decided by the management company with the custodian's agreement. Its decision must be taken at least three months before the expiry of the Fund's scheduled duration and brought to the notice of unitholders and the AMF.

Article 12 - LIQUIDATION

In the event that the Fund is dissolved, the management company shall be responsible for liquidation transactions; otherwise, the liquidator shall be appointed by the court at the request of any interested party. In this regard, they shall be granted the widest possible powers to sell assets, pay creditors, if any, and divide the remaining balance among unitholders in cash or in securities.

The statutory auditor and custodian shall continue to perform their duties until the end of the liquidation transactions.

TITLE V

SETTLEMENT OF DISPUTES

Article 13 - JURISDICTION - ADDRESS FOR SERVICE

All disputes relative to the Fund that may arise during its lifetime or at the time of liquidation, be they disputes between unitholders, or between unitholders and the management company or the custodian shall be submitted to the courts of competent jurisdiction.

Document last updated: Februar 15th, 2017
