

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

PROSPECTUS

I – GENERAL FEATURES

I.1. Form of the Fund

Name:	NORDEN
Registered office:	121, Boulevard Haussmann 75008 Paris, France
Legal form:	French open-end investment company (<i>Société d'Investissement à Capital Variable - SICAV</i>) with a board of directors
Inception date – term	This SICAV was created on January 2 nd , 1995 for a period of 99 years.

Fund overview:

ISIN code	Allocation of distributable income	Base currency	Eligible investors	Minimum initial subscription	Initial NAV
FR0000299356	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	Euro	All subscribers	1 share	€765,90

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

Lazard Frères Gestion SAS
25, Rue de Courcelles – 75008 Paris, France

The prospectus is also available at www.lazardfreresgestion.fr

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

Delegated management company:	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France Management company incorporated under French law authorised by the French securities regulator (<i>Autorité des Marchés Financiers</i> – AMF) on 28 th December 2004, no. GP 04 0000 68
Custodian:	LAZARD FRERES BANQUE 121, Boulevard Haussmann – 75008 Paris, France Credit institution incorporated under French law 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. <u>Sub-delegation:</u> 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.
Delegated agent for the centralisation of subscription and redemption orders:	CACEIS BANK: 1-3, Place Valhubert – 75013 Paris, France The management company has delegated management of the Fund's liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund's units LAZARD FRÈRES BANQUE , on behalf of clients for whom it provides custody account-keeping services 121, Bld Haussmann – 75008 Paris, France
Delegated registrar of units or shares:	CACEIS BANK 1-3, Place Valhubert – 75013 Paris
Statutory auditor:	
Principal:	PRICEWATERHOUSECOOPERS AUDIT 63, Rue de Villiers 92200 Neuilly sur Seine, France Authorised signatory: Frédéric Sellam
Distributor:	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France
Sub-delegation:	

Sub-investment manager:	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France
Administrative sub-manager:	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France
Accounting delegated to:	CACEIS FUND ADMINISTRATION Registered offices: 1-3, Place Valhubert – 75013 Paris, France
Sub-registrar:	LAZARD FRERES BANQUE 121, Boulevard Haussmann – 75008 Paris, France
Administration, management and supervisory bodies:	The names and functions of the Chairman and members of the Board of Directors are available in the SICAV's annual report.

II – OPERATION AND MANAGEMENT

II.1 – General features

Share characteristics:	
- ISIN code:	FR0000299356
- Nature of the rights attached to the SICAV's shares:	Each shareholder has an ownership right in and to the assets of the SICAV in proportion to the number of shares owned.
- Voting rights attached to the SICAV's shares:	Each shareholder is entitled to one vote for each share held.
- Form of shares:	Bearer or administered at the holder's discretion. The SICAV is listed with Euroclear France.
- Fractional or whole shares:	Subscriptions and/or redemptions may be made in thousandths of shares.
- Financial year end:	Last valuation day in March.
- Taxation:	<p>The tax treatment of the SICAV's unrealised or realised capital gains or losses depends on the tax rules applicable to the particular circumstances of each investor and/or the SICAV's investment jurisdiction. If you are unsure of the tax rules applying to your particular circumstances, you should consult a professional adviser.</p> <p>➤ <i>For French residents:</i> the SICAV is an eligible investment for a French equity savings plan (<i>Plan d'Epargne en Actions – PEA</i>)</p>

II.2 – Other specifications

- Classification:	INTERNATIONAL EQUITIES
- Sub-investment manager:	LAZARD FRÈRES GESTION SAS
- Investment objective:	The investment objective is to match or exceed the performance of the MSCI Nordic (net dividends reinvested), calculated in euros at closing prices, over a recommended investment period of five years.
- Benchmark:	The MSCI Nordic represents the performance of the equity markets of the Nordic countries (Sweden, Denmark, Norway and Finland). It is calculated in euros, with net dividends reinvested, based on closing prices. Data are available on the website www.msci.com .

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 SICAV is based on the following:

- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and examination of underlying strategies.
- Stock-picking from among such companies according to the market's undervaluation of that performance at a given time.
- Building a portfolio focused on 35-60 stocks with good liquidity from large and mid-sized Scandinavian companies without restrictions on sectors.

The search for an optimum ratio between economic performance and company valuation may result in significant differences between the SICAV's performance and its sector and/or country mix, and those of the underlying asset class, i.e. large and mid caps from the four Nordic countries.

2 – Assets (excluding embedded derivatives)

Equities:

A minimum of 75% of net assets in shares issued by companies listed and/or domiciled in one of the four Nordic countries (Sweden, Norway, Denmark and Finland) across all market capitalisations (including up to 20% of net assets in shares of small cap companies either directly or via specialised UCIs).

Debt securities and money market instruments:

- Bonds issued by companies across all market capitalisations from the four Nordic countries (Sweden, Norway, Denmark and Finland) to a maximum of 10%.
- Debt securities and money-market instruments to a maximum of 10%, mainly French and Scandinavian treasury bills and BTAN medium-term treasury notes.

UCIs:

- French money-market and short-term money-market UCITS, and French or foreign UCITS or AIFs that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), to a maximum of 10% of net assets.
- Investment solely in UCIs that invest no more 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 indices
 - interest rates
 - currency: currency hedging
 - options:**
 - equity and equity indices
 - interest rates
 - currency:
 - swaps:**
 - equity swaps
 - interest rate swaps
 - currency swaps
 - currency forwards:** currency hedging
 - credit derivatives**

- **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 and fine-tuning leverage
 - maximum permitted and sought
 - other strategy

4 – Securities with embedded derivatives

The acquisition of these securities is not part of the SICAV's management strategy. Nevertheless, the manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

5 – Deposits

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

6 – Cash borrowings

The SICAV 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

None

8 – Information on financial guarantees

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers*– AMF), the SICAV 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.

The SICAV is classified as an “International Equities” fund. Its main risks are those associated with investments in the “Equities” markets of the Nordic countries (Sweden, Denmark, Norway and Finland).

▪ **Risk of capital loss:**

The SICAV provides no guarantee or protection. It is therefore possible that you may not recover the full amount of your initial investment.

▪ **Equity market risk:**

Fluctuations in equity markets may result in significant changes in NAV, which may have a significant negative impact on performance for an indeterminate period of time. Accordingly, if the equity markets fall, the SICAV’s net asset value is likely to decrease.

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

▪ **Foreign exchange risk:**

Investing in the equity market of Nordic countries involves exposure to foreign exchange risk relative to the portfolio’s accounting currency and may have a negative impact on the SICAV’s net asset value. In the event of a fall in the euro’s exchange rate, the SICAV’s net asset value may also decrease.

▪ **Counterparty risk:**

This is the risk associated with the SICAV’s use of over-the-counter financial forwards.

These transactions, entered into with one or more eligible counterparties, potentially expose the Sicav to a risk of failure of any such counterparty, which may lead to default in payment.

▪ **Interest rate risk:**

Interest rate risk is the risk of a change in interest rates, which has an impact on the bond markets, such as the tendency for bond prices to move in the opposite direction to interest rates.

The SICAV is mainly invested in equities; interest rate risk is therefore insignificant. However, investors should note that share prices may be indirectly impacted by interest rate movements.

10 – Guarantee or protection

None.

11 – Eligible subscribers and typical investor profile

Any subscriber, particularly institutional investors seeking equity risk exposure.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this SICAV.

Information on US investors:

The Fund is not registered as an investment vehicle in the United States and its shares 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) any 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 SICAV 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 SICAV 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 SICAV 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 – Determination 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 SICAV's portfolio, plus income generated by temporary cash holdings and 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 distributed independently of each other, in whole or in part.

Distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

13 – Frequency of distribution

None.

14 – Characteristics of the shares (base currency, division of shares, etc.)

The shares are denominated in euros. Shares may be divided into up to thousandths of a share.

15 – Terms and conditions of subscription and redemption

Subscription and redemption orders are accepted in amount and/or in shares.

Calculation of net asset value (NAV):

Date and frequency of NAV calculation:

- Valuation day (D) = the net asset value is calculated daily, except Saturdays and Sundays, public holidays in France and Sweden and days when there is no trading on the Paris and Stockholm stock exchanges.
- 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.lazardfreresgestion.fr.

and displayed in the management company's offices.

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

➤ **CACEIS BANK:** 1-3, Place Valhubert – 75013 Paris, France

Shareholders are reminded that orders transmitted to distributors other than the institution referred to above must take into consideration the fact that the cut-off time for the processing of orders applies to the said distributors vis-à-vis CACEIS Bank.

Consequently, such distributors may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit orders to CACEIS Bank.

➤ **LAZARD FRÈRES BANQUE**, on behalf of clients for whom it provides custody account-keeping services
121, Bld Haussmann – 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.

Initial subscriptions may not be less than one share.

Subscription settlement date: Two business days following the valuation date (D+2 business days).

Redemption settlement date: Two business days following the valuation date (D+2 business days).

Subscriptions preceded by a redemption received from the same shareholder on the same day for the same number of shares at the same NAV may be executed.

16 – Fees and expenses

▪ **Subscription and redemption fees:**

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

<i>Charges payable by the investor during subscription and redemption</i>	<i>Basis</i>	<i>Rate</i>
Subscription fees not retained by the SICAV	NAV x number of shares	Maximum 4% incl. taxes
Subscription fees retained by the SICAV	n/a	None
Redemption fees not retained by the SICAV	n/a	None
Redemption fees retained by the SICAV	n/a	None

<i>Expenses charged to the SICAV</i>	<i>Basis</i>	<i>Rate</i>		
Financial management fees	Net assets	Maximum 1,980% incl. taxes		
Administrative fees external to the management company	Net assets	Maximum 0,02% incl. taxes		
Turnover commission (incl. taxes): (from 0% to 100% received by the management company and from 0% to 100% received by the custodian):	Maximum charge on each transaction	French equities	Up to €100 000	1,20%
			From €100 001 to €200 000	0,78%
			From €200 001 to €300 000	0,60%
			Over €300 000	0,42%
		Eurozone equities excluding France	Up to €100 000	0,72%
			From €100 001 to €200 000	0,47%
			From €200 001 to €300 000	0,36%
			Over €300 000	0,25%
		Foreign equities excluding Eurozone, foreign exchange	Up to €100 000	0,90%
			From €100 001 to €200 000	0,61%
From €200 001 to €300 000	0,47%			
Over €300 000	0,32%			
Futures and other transactions	From €0 to €450 incl. taxes per contract			
Performance fees	n/a	None		

Only the contributions payable for the management of the Fund 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 four blocks of charges referred to above.

Repurchase agreements are executed at market prices.

With the exception of brokerage fees and accounting management costs, all of the charges referred to above are levied as part of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion SAS which since 1995 has enabled them to pool their financial control, administration, securities custody and execution resources.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is returned to the SICAV. All costs and fees relating to these management techniques are borne by the SICAV.

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

17 – Outline of the intermediary selection procedure

The selection of intermediaries used in equity fund management is a result of:

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

These intermediaries are used exclusively in terms of inflows relating to equities. Lazard Frères Gestion SAS' Broker Committee ratifies all decisions to authorise new intermediaries.

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

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

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

III - SALES AND MARKETING INFORMATION

Publication of information about the SICAV:	LAZARD FRERES GESTION SAS 25, Rue de Courcelles – 75008 Paris, France Customer Relations  + 33 (0)1 44 13 01 79
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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 SICAV's annual report.

The management company may send, directly or indirectly, information on the composition of the Fund's assets to the Fund's shareholders for shareholders' regulatory requirements only. This information will be sent, where applicable, within a period not less than 48 hours after publication of the NAV.

IV – INVESTMENT RULES

The SICAV's investment rules are laid down in the regulatory section of the French Monetary and Financial Code (*Code Monétaire et Financier*).

V – AGGREGATE RISK

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

VI – ASSET VALUATION AND ACCOUNTING RULES

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.

If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **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 date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's board of directors.

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, OISs and BTFs - 3 – 6 – 9 – 12 months BTANs - 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 net asset value.
 - Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values 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.

1.1 Financial instruments and securities not traded on a regulated market

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

1.2 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 SICAV'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 SICAV'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 SICAV'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 day.

 - The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees):

$$\begin{array}{r}
 \text{Gross assets} \\
 \times \text{ operating and management fees rate} \\
 \times \frac{\text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}
 \end{array}$$

- This amount is then recorded in the SICAV's income statement.
- The SICAV pays the operating fees, which include:
 - . 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.

ARTICLES OF ASSOCIATION

NORDEN

Registered office: 121, Boulevard Haussmann, 75008 - Paris, France
Paris Trade and Companies Register 399 380 997

TITLE I

FORM – OBJECT – NAME – REGISTERED OFFICES – TERM OF THE COMPANY

Article 1 FORM

An investment company with variable capital (*Société d'Investissement à Capital Variable* - SICAV) shall be formed among the holders of shares created hereinafter and shares to be subsequently created. The SICAV shall be governed notably by the provisions of the French Commercial Code concerning limited companies (*sociétés anonymes*) (Book II - Title II - Chapter V), the French Monetary and Financial Code (Book II - Title I - Chapter IV - section I - sub-section I), their implementing texts, subsequent texts and by these articles of association.

The board of directors may create sub-funds, under the conditions provided for by the regulations in force.

Article 2 OBJECT

The purpose of this company is to set up and manage financial instruments and deposits.

Article 3 NAME

The company's name is: “NORDEN” followed by the notation “*Société d'investissement à Capital Variable*”, with or without the term “SICAV”.

Article 4 REGISTERED OFFICE

The registered office is established at 121, Boulevard Haussmann, 75008 Paris, France.

Article 5 TERM

The company's term is 99 years, commencing from its registration with the Trade and Companies Register, except in the event that the Sicav is dissolved before the end of the term or extended pursuant to these regulations.

TITLE II

CAPITAL – CHANGES IN CAPITAL – FEATURES OF THE SHARES

Article 6 Share capital

The initial capital totals €8 782 784,64 divided into 11 465 shares of €766,05 each, of the same category and fully paid up.

It was created entirely from contributions in kind.

Upon the decision of the Extraordinary Shareholders' Meeting of July 10th, 2000, the number of shares in issue as of July 21st, 2000 was multiplied by 20.

Share classes:

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

The different share 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 hedge transactions on the Fund's other share classes.
- be reserved to one or more distribution networks.

The shares may be combined or split upon the decision of the Extraordinary Shareholders' Meeting.

The shares may be sub-divided upon the decision of the board of directors into tenths, hundredths, thousandths or ten-thousandths, referred to as fractional shares.

The provisions hereof governing the issue and redemption of shares shall apply to fractional shares, the value of which shall always be proportional to the value of the share they represent. Unless otherwise stipulated, all other provisions of the articles of association relating to shares shall automatically apply to fractional shares.

Article 7 CHANGES IN CAPITAL

The amount of capital may be changed as a result of the issue of new shares by the company and reductions following the redemption of shares by the company for shareholders who so request.

Article 8 ISSUANCE AND REDEMPTION OF SHARES

Shares may be issued at any time upon request of shareholders on the basis of the net asset value 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.

All subscriptions to new shares must, under pain of being declared void, be fully paid up and the shares issued shall have the same dividend date as that of the existing shares on the issuance date.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code, redemption by the company of its shares, and the issue of new shares, may be temporarily suspended by the board of directors in exceptional circumstances and if required in the interests of shareholders.

No shares may be redeemed if the net assets of the SICAV are less than the regulatory amount.

Article 9 CALCULATION OF NET ASSET VALUE

The net asset value of the shares is calculated according to the valuation rules set out in the prospectus.

Further, if the shares are listed for trading, the exchange operator will calculate an instant indicative net asset value.

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

Article 10 FORM OF THE SHARES

The shares may have the form of bearer or registered shares, as selected by the subscriber.

Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be registered in accounts kept by the issuer or an authorised intermediary, as the case may be.

Holders' rights will be represented by an entry in an account their name:

- with the intermediary of their choice for bearer securities;
- with the issuer and, if they so wish, with the intermediary of their choice for registered securities.

The company may, at its own expense, request the name, nationality and address of the SICAV's shareholders, as well as the number of securities held by each of them, in accordance with Article L. 211-5 of the French Monetary and Financial Code.

Article 11 ADMISSION TO TRADING ON A REGULATED MARKET

The shares may be admitted to trading in a regulated market and/or a multilateral trading system, depending on the applicable regulations.

If the SICAV whose shares are admitted to trading in a regulated market has an investment objective based on an index, it must have set up a system to ensure that the price of its share does not deviate significantly from its net asset value.

Article 12 RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

Each share confers the right, in proportion to the fraction of the share capital represented, to a share in the ownership of the company's assets and of the company's profits.

The rights and duties attached to a share shall be transferred to any owner thereof.

Whenever the exercise of a right is conditional upon a certain number of shares being held and specifically in the case of a swap or consolidation of shares, holders of individual shares or of less than the required number of shares may only exercise such rights if they personally undertake to consolidate their holdings and, if applicable, to buy or sell the necessary quantity of shares.

Article 13 INDIVISIBILITY OF SHARES

All co-owners of shares or assignees are required to be represented with the company by a single person named by mutual agreement or, failing such agreement, appointed by the Chief Judge of the Commercial Court with jurisdiction for the registered offices.

Holders of fractional shares may consolidate their holdings. In this case, they must be represented as set out above, by a single person who shall perform, for each group, all of the the rights attached to the ownership of the entire share.

In cases where beneficial ownership and bare ownership are separated, the division of voting rights at shareholders' meetings between the beneficial owner and the bare owner is left to the discretion of the parties concerned, who should inform the company accordingly.

TITLE III

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

Article 14 ADMINISTRATION

The company is administered by a board of directors with at least three and no more than 18 members, appointed by the shareholders' meeting.

During the life of the company, the directors shall be appointed or re-appointed by the ordinary shareholders' meeting.

The directors of the company may be natural persons or legal entities. In the case of a legal entity, on appointment, they must designate a permanent representative who is subject to the same conditions and obligations and bears the same civil and criminal liability as if they themselves were a member of the board of directors, without prejudice to the liability of the legal entity they represent.

This permanent mandate is given for the duration of the legal entity's own mandate. If the legal entity terminates the appointment of its representative, it must notify the SICAV immediately by registered mail and also inform the SICAV of the identity of its new permanent representative. The same shall apply in the event of the death, resignation or extended impediment of the permanent representative.

Article 15 TERM OF OFFICE OF DIRECTORS - REPLACEMENT OF THE BOARD

Subject to the provisions of the final paragraph of this article, the directors' term of office is three years for initial directors and up to six years for subsequent directors, with each year being understood as the period between two consecutive annual shareholders' meetings.

If one or more directors' seats become vacant between two shareholders' meetings as a result of death or resignation, the board of directors may make interim appointments.

A director appointed by the board on an interim basis to replace another shall remain in office only for the remaining term of office of his predecessor. This appointment shall be subject to ratification at the next shareholders' meeting.

All directors shall be eligible for re-election. They may be dismissed at any time by the ordinary shareholders' meeting.

Each director's term of office shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the director's term of office expires, it being understood that, if the meeting is not held in that year, the term of office of the director concerned shall expire on December 31st of the same year, subject to the exceptions hereafter.

All directors may be appointed for a term of less than six years where necessary to ensure that changes are made as regularly as possible and that all members have changed by the end of each six-year period. This is notably the case if the number of directors is increased or decreased and the renewal frequency has been affected.

Where the number of members of the board of directors falls below the legal minimum, the remaining member or members must immediately call an ordinary shareholders' meeting in order to fill the vacant seats on the board.

The age limit for members of the board of directors is set at 90. Nevertheless, directors older than this age limit may in exceptional cases have their mandate renewed for a period of six years; no more than three directors may be renewed under these conditions.

The board of directors may be renewed by rotation.

In the event of the resignation or death of a director, and where the number of directors still in office is equal to or greater than the statutory minimum, the board may appoint a temporary replacement for the remaining term of office.

Article 16 BUREAU OF THE BOARD

The board shall elect a chairman from among its members for a term determined by it, but which may not exceed the chairman's term of office as a director. The chairman must be an individual.

The chairman of the board of directors shall organise and direct the board's activities, and shall report on these to the shareholders' meeting. The chairman shall oversee the smooth operation of the company's management bodies and in particular shall ensure that the directors are capable of fulfilling their duties.

If it deems it appropriate, the board of directors may also appoint a vice-chairman and may also choose a secretary, who need not be a member of the board.

In the event of the temporary incapacity or death of the chairman, the board of directors may agree to delegate the chairman's functions to a director.

Article 17 BOARD MEETINGS AND DELIBERATIONS

The board of directors shall meet when convened by the chairman, as often as the company's interests require, either at the registered offices or at any other location indicated in the notice of meeting.

Whenever the board has not met for more than two months, at least one-third of its members may ask the chairman to convene a meeting based on a specific agenda. The chief executive officer may also ask the chairman to convene a board of directors' meeting to deal with a specific agenda. The chairman is bound by such a request.

Company bylaws may determine, in accordance with legal and regulatory provisions, the conditions for organising meetings of the board of directors, which except when held for the adoption of resolutions that are expressly excluded from this option under the French Commercial Code, may take place via video-conference.

Invitations may be sent to the directors by post or verbally.

A quorum of at least half the members is required in order for decisions to be valid. Decisions are adopted by a majority vote of members present or represented. Each director holds one vote. In the case of a split-vote, the chairman has the casting vote.

Where video-conferencing is permitted, the company's bylaws may stipulate, in accordance with the regulations in force, that directors participating in a board of directors' meeting via video-conference are deemed present for the purpose of quorum and majority calculations.

Article 18 MINUTES

Minutes are written up and copies or excerpts of decisions are issued and certified as required by law.

Article 19 POWERS OF THE BOARD OF DIRECTORS

The board of directors steers the company's activity and oversees correct execution. Within the limits of the corporate object and subject to the powers expressly granted by law to shareholders' meetings, the board shall consider any issue that affects the proper operation of the company and settle any matters concerning the company through its decisions.

The board of directors shall carry out such controls and audits that it considers appropriate. The chairman or the chief executive officer is required to provide each director with all documents and information needed to perform his or her duties.

A director may authorise another director to represent him at a meeting of the board of directors under the conditions established by law.

Each director shall have only one such power of attorney during a single session.

The provisions set out above shall apply to permanent representatives of directors who are legal entities.

Article 20 EXECUTIVE MANAGEMENT

The executive management of the company shall be the responsibility of the chairman of the board of directors or of another natural person appointed by the board of directors and holding the title of chief executive officer.

The choice of these two methods shall be made in accordance with the terms of these articles of association by the board of directors for a term that shall run until the expiry of the functions of the current chairman of the board of directors. Shareholders and third parties shall be informed of this choice under the conditions defined by the applicable legislative and regulatory provisions.

Based on the board of directors' choice as stipulated above, the company will be managed by either the chairman or a chief executive officer.

When the board of directors decides to separate the functions of chairman and chief executive officer, it shall appoint a chief executive officer and shall decide on his/her term of office.

If the chairman of the board of directors assumes responsibility for the executive management of the company, the following provisions regarding the chief executive officer shall apply.

Subject to the powers expressly attributed by law to shareholders' meetings as well as those specifically reserved by law to the board of directors, and within the limits of the corporate purpose, the chief executive officer is vested with the broadest powers to act in all circumstances on behalf of the company. He shall exercise these powers within the limits of the corporate object and subject to the powers expressly attributed by law to shareholders' meetings and the board of directors. He shall represent the company in its dealings with third parties.

The chief executive officer may authorise any partial delegation of his powers to any person of his choice.

The chief executive officer may have his/her appointment revoked at any time by the board of directors.

At the request of the chief executive officer, the board of directors may appoint up to five deputy chief executive officers to assist the chief executive officer.

Deputy chief executive officers may be removed from office at any time by the board upon the recommendation of the chief executive officer.

In agreement with the chief executive officer, the board shall determine the scope and duration of the powers delegated to deputy chief executive officers.

Such powers may include a right of partial delegation. If the chief executive officer resigns or is dismissed or is unable to perform his duties, the deputies shall retain their powers and positions, unless the board decides otherwise, until the appointment of a new chief executive officer.

Deputy chief executive officers shall have the same powers vis-à-vis third parties as the chief executive officer.

Article 21 NON-VOTING BOARD MEMBERS

The shareholders' meeting may appoint one or more non-voting board members from among the shareholders.

The term of office for non-voting board members shall be a maximum of six years. It shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the non-voting board members' term of office expires.

Non-voting board members may be re-elected at any time without limitation; they may be removed from office at any time upon the decision of the shareholders' meeting.

In the event of the death or resignation of one or more non-voting board members, the board of directors may co-opt their successor(s), this provisional appointment being subject to ratification at the next shareholders' meeting.

Non-voting board members are responsible for ensuring the strict enforcement of the articles of association. They attend the board of directors meetings and hold a consultative role. They examine statements of assets and liabilities and the annual financial statements and offer their comments on these matters to the shareholders' meetings when they consider it appropriate to do so. Remuneration of non-voting board members is decided upon by the board.

Article 22 BOARD ALLOCATIONS AND REMUNERATION

Directors may be allocated an annual lump sum for attendance at board meetings, the amount of which shall be determined by the ordinary shareholders' meeting. This amount, which shall be charged to overheads, shall remain unchanged until further decision.

The board shall divide this remuneration among its members as it sees fit.

The chairman's and the chief and deputy chief executive officer(s)' remuneration, as well as any non-voting board members' fees, shall be set by the board of directors. Remuneration may be fixed or both fixed and variable.

The board of directors may also allocate special payments for tasks and duties assigned to directors; any such payments will be charged to operating expenses and subject to the approval of the ordinary shareholders' meeting.

No other permanent or other type of remuneration may be allocated to the directors unless they hold an employment contract with the company under the conditions set out by law.

Article 23 CUSTODIAN

The custodian is appointed by the board of directors.

The custodian performs the tasks for which it is responsible under applicable laws and regulations as well as those assigned to it contractually by the SICAV or 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 24 PROSPECTUS

The board of directors or, where the SICAV has delegated full responsibility for management, the management company, has all necessary powers to make, as needed, any amendments to the prospectus to ensure the proper management of the company, pursuant to the legislative and regulatory provisions specific to SICAVs.

TITLE IV

STATUTORY AUDITORS

Article 25 APPOINTMENT - POWERS - REMUNERATION

The statutory auditor is appointed by the board of directors for a term of six financial years, following AMF approval, from among persons authorised to perform such duties in commercial companies.

The statutory auditor shall certify that the financial statements give a true and fair view of the company.

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 financial statements.

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 SICAV's board of directors, 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.

TITLE V

SHAREHOLDERS' MEETINGS

Article 26 SHAREHOLDERS' MEETINGS

Shareholders' meetings shall be convened and shall deliberate under the conditions provided for by law.

The annual shareholders' meeting, which must approve the company's financial statements, must be held within four months of the close of the financial year.

Meetings shall be held either at the registered offices or at any other location specified in the notice of meeting.

Any shareholder may participate in shareholders' meetings, in person or through an agent, upon proof of identity and of ownership of their shares either through inscription in registered share accounts kept by the company, or inscription in the bearer share accounts, at the locations indicated in the notice of meeting; these formalities must be completed three days before the shareholders' meeting.

A shareholder may be represented at a meeting in accordance with Article L.225-106 of the French Commercial Code.

A shareholder may also vote by correspondence under the conditions set out in the regulations in force.

Shareholders' meetings shall be chaired by the chairman of the board of directors or, in his absence, by a vice-chairman or a director appointed by the board for that purpose. Failing this, the shareholders' meeting shall elect the chairman itself.

Minutes of meetings shall be written up and copies certified and issued as required by law.

TITLE VI

ANNUAL FINANCIAL STATEMENTS

Article 27 FINANCIAL YEAR

The company's financial year begins on the day after the last trading day in Paris in March and ends on the last trading day in Paris in the same month of the following year.

However, by way of exception, the first financial year shall include all operations carried out since the inception date until March 31st, 1996.

Article 28 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 SICAV's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, 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 distributed independently of each other, in whole or in part.

Distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

TITLE VII

EXTENSION - DISSOLUTION - LIQUIDATION

Article 29 EXTENSION OR EARLY DISSOLUTION

The board of directors may, at any time and for any reason, recommend the extension, early dissolution or liquidation of the SICAV to an extraordinary shareholders' meeting.

This issue of new shares and the redemption by the SICAV of shares for shareholders who so request shall cease on the date of publication of the notice of the shareholders' meeting at which a resolution for the early dissolution or liquidation of the company is considered, or at the end of the company's term.

Article 30 LIQUIDATION

Liquidation procedures are established in accordance with Article L. 214-12 of the French Monetary and Financial Code.

At the end of the term set by the articles of association or in the case of a resolution for early dissolution, the shareholders' meeting shall decide, on the recommendation of the board of directors, the method of liquidation and shall appoint one or more liquidators.

The liquidator shall represent the company. The liquidator is authorised to pay the creditors and divide out the available balance. The appointment of the liquidator shall terminate the powers held by the directors, but not those held by the statutory auditor.

The liquidator may, pursuant to a resolution of the extraordinary shareholders' meeting, contribute all or part of the assets, rights and obligations of the dissolved company to another company, or transfer such assets, rights and obligations to a company or to any other person.

The net proceeds from the liquidation, after settlement of liabilities, shall be distributed in cash or securities among the shareholders.

During the liquidation process, the duly constituted shareholders' meeting shall retain the same authority as during the life of the company, including in particular the power to approve the liquidation accounts and discharge the liquidator.

TITRE VIII

DISPUTES

Article 31 JURISDICTION - ADDRESS FOR SERVICE

Any disputes that may arise during the company's operations or at the time of its liquidation, either between shareholders and the company or among the shareholders themselves, concerning the business of the company, shall be judged in accordance with the law and submitted to the courts with jurisdiction.

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