

*Lyxor Investment Funds*  
**Société d'investissement à capital variable**  
Luxembourg

Prospectus

**January 2025**

This prospectus (the "**Prospectus**") is valid only if it is accompanied by the latest available annual report and, where applicable, by the non-audited semi-annual report, if published since the last annual report. These reports form an integral part of this Prospectus.

In addition to this Prospectus, the Company has also adopted a Key Investor Information Document (the "**KIID**") per class of shares for each Sub-Fund which contains the key information about each class of shares of the Company.

**Lyxor Investment Funds**  
*Société d'investissement à capital variable*  
Registered Office:  
9, rue de Bitbourg,  
L-1273 Luxembourg  
RCS Luxembourg B 116 875

**Summary**

**OFFER FOR SHARES**

This is an offer to subscribe for separate classes of shares (the "**Shares**") issued without par value in Lyxor Investment Funds (the "**Company**"), each Share being linked to one sub-fund of the Company (the "**Sub-Fund(s)**"), as specified below.

The Shares in each of the Sub-Funds may be divided into classes (the "**Classes**").

For further information about the rights attaching to the various Classes of Shares, see paragraph "Classes of Shares".

Unless otherwise mentioned in the Appendix dedicated to each Sub-Fund, the Shares will not be listed on the Luxembourg Stock Exchange.

**IMPORTANT INFORMATION**

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, attorney, accountant or other financial advisor. No person is authorised to give any information other than that contained in this Prospectus and in the KIID relating to the relevant Class of each Sub-Fund, or any of the documents referred to herein that are available for public inspection at 9, rue de Bitbourg, L-1273 Luxembourg.**

The Company is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment in transferable securities under the form of an investment company with variable share capital ("**SICAV**"). However, such registration does not imply a positive assessment by the supervisory authority of the contents of this Prospectus or any KIID or of the quality of the Shares offered for sale. Any

representation to the contrary is unauthorised and unlawful.

- This Prospectus and/or more generally any information or documents with respect to or in connection with the Company and/or the Sub-Funds does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
- Any information given by any person not mentioned in this Prospectus should be regarded as unauthorised. The Board of Directors has taken the precautions that the information contained in this Prospectus is accurate at the date of its publication and accepts responsibility accordingly. To reflect material changes, this Prospectus may be updated from time to time and potential subscribers should enquire from the Company as to the issue of any later Prospectus and KIIDs.
- The circulation and distribution of this Prospectus, together with the KIIDs and the offering of the Shares may be restricted in certain jurisdictions. Persons receiving this Prospectus and/or the KIIDs and/or more generally any information or documents with respect to or in connection with the Company and/or the Sub-Funds are required by the Company to inform themselves of and to observe all applicable restrictions. The offer, sale or purchase of Shares, or the distribution, circulation or possession of the Prospectus and/or the KIIDs and/or any information or documents with respect to or in connection with the Company and/or the Sub-Funds, shall be made in compliance with all applicable laws and regulations in force

in any jurisdiction in which such offer, sale or purchase of Shares is made, or in which the distribution, circulation or possession of the Prospectus and/or the KIIDs and/or any information or documents with respect to or in connection with the Company and/or the Sub-Funds occurs, including the obtaining of any consent, approval or permission required by such applicable laws and regulations, the satisfaction of any other formalities needing to be observed and the payment of any issuance, transfer or other taxes requiring to be paid in such jurisdiction.

- It is the responsibility of any person wishing to subscribe for Shares to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including the obtaining of any government or other consents which may be required, the satisfaction of any other formalities needing to be observed and the payment of any issuance, transfer or other taxes requiring to be paid in such territory.
- Potential subscribers or purchasers of Shares should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

### **TARGETED INVESTORS**

The profile of the typical investor per each Sub-Fund is described in each Appendix annexed to the present Prospectus.

### **DISTRIBUTION AND SELLING RESTRICTIONS**

At the date of this Prospectus, the Company has been authorised for offering in Luxembourg. The Company or specific Sub-Fund(s) may be subsequently authorised for distribution in other jurisdictions. However, no procedure has been undertaken to enable the offer of the Shares or the distribution of this Prospectus or any KIID in any other jurisdictions whose legislation or regulations in force would require such procedure. As a result, this Prospectus

cannot be distributed for the purpose of offering or canvassing the Shares in any jurisdiction or in any circumstances where such offering or canvassing is not authorised. No persons receiving a copy of this Prospectus and of the KIIDs in any jurisdiction may treat this Prospectus and the KIIDs as constituting an invitation to them to subscribe for Shares unless in the relevant jurisdiction such an invitation could lawfully be made without compliance with any registration or other legal requirements.

Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**1933 Act**") or the securities laws of any of the States of the United States. Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "**United States**")., or to or for the account or benefit of any "US Person" (a "**US Person**" defined as (A) a "US Person" within the meaning of Regulation S under the Securities Act of 1933 of the United States, as amended; or (B) any person other than a "Non-United States person" as defined in CFTC Rule 4.7(a)(iv); or (C) a "US Person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended). Any re-offer or resale of any Shares in the United States of America or to US Persons may constitute a violation of US law. No US federal or state securities commission has reviewed or approved this Prospectus and/or the KIIDs. Any representation to the contrary is a criminal offense.

Shares may be offered outside the United States pursuant to Regulation S under the 1933 Act.

No holder of Shares will be permitted to sell, transfer or assign directly or indirectly (for example, by way of swap or other derivatives contract, participation or other similar contract or agreement) their Shares to a US Person. Any such sale, transfer or assignment shall be void.

The Company and the Sub-Funds will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Based on interpretations of the Investment Company Act by the staff of the United States Securities and Exchange Commission relating to foreign investment

companies, if a Sub-Fund restricts its beneficial owners who are US Persons and does not offer or propose to offer any of its securities publicly, it will not become subject to the registration requirements under the Investment Company Act. To ensure this requirement is maintained the Directors may require the mandatory repurchase of Shares beneficially owned by US Persons.

Applicants for Shares will be required to certify that they are not US Persons. All Shareholders are required to notify the Company of any change in their status as non-US Person.

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3

April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payment to shareholders with FATCA status of non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

#### **RELIANCE ON THIS PROSPECTUS AND ON THE KIIDS**

**Shares in any Sub-Fund described in this Prospectus as well as in the relevant KIIDs are offered only on the basis of the**

information contained therein and (if applicable) any addendum hereto and the latest audited annual report and any subsequent semi-annual report of the Company. Any further information or representations given or made by any distributor, intermediary (the "Intermediary" defined as any sales agent, servicing agent and/or financial intermediary, distributor, appointed to offer and sell the Shares to the investors and handle the subscription redemption, conversion or transfer request of Shareholders), dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus and (if applicable) any addendum hereto and in any subsequent semi-annual or annual report and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Management Company, the Investment Manager, the Depositary, the Registrar Agent or the Administrative Agent. Statements in this Prospectus and the KIIDs are based on the law and practice currently in force in Luxembourg at the date hereof and are subject to change. Potential subscribers or purchasers of Shares should ensure that the Prospectus and the KIIDs they receive have not been modified, amended or restated by any further versions. Neither the delivery of this Prospectus or of the KIIDs nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

Prospective investors may obtain, free of charge, on request, a copy of this Prospectus and of the KIID(s) relating to the Class(es) of the Sub-Fund(s) in which they invest, the annual and semi-annual financial reports of the Company and the Articles of Incorporation at the registered office of the Company or the Depositary.

### **DATA PROTECTION**

In accordance with the provisions of the law of 1st August 2018 on the organization of the National Commission for Data Protection and the general regime on data protection and any other data protection law applicable in Luxembourg, and with the Regulation n°2016/679 of 27 April 2016 on the

protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "Data Protection Law"), the Company, as data controller (the "Data Controller"), collects, stores and/or processes, by electronic or other means, the personal data supplied by the investors at the time of their subscription and/or the prospective investors, for the purpose of fulfilling the services required by the investors and/or the prospective investors and complying with its legal obligations.

The personal data processed includes the name, contact details (including postal and/or e-mail address), banking details and invested amount of each investor (and, if the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) (the "Personal Data").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Data Controller. In this case, however, the Data Controller may refuse to admit the investor's subscription in the Company.

The Personal Data is processed in order to admit the investor in the Company, perform contracts entered into by the Company, administer the investor's interest in and operate the Company, for the legitimate interests of the Company and to comply with the legal obligations imposed on it. In particular, such data may be processed for the purposes of: (i) account and distribution fee administration, and subscriptions and redemption; (ii) maintaining the register of shareholders; (iii) anti-money laundering identification; (iv) tax identification under the European Union Tax Savings Directive 2003/48/EC and CRS/FATCA obligations; (v) providing client-related services; and (vi) marketing.

The "legitimate interests" referred to above are:

- the processing purposes described in points (v) and (vi) of the above paragraph of this section;
- meeting and complying with the Company's accountability requirements and regulatory obligations globally; and
- exercising the business of the partnership in accordance with reasonable market standards.

The Personal Data may also be collected, recorded, stored, adapted, transferred or

otherwise processed and used by the Company's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the Registrar and Transfer Agent, the Management Company, distributors, other companies of Amundi Asset Management and affiliates, and the Company's legal advisors and auditors. Such information shall not be passed on any unauthorised third persons.

The Recipients may disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations. The relevant Recipient shall remain fully liable to the Company for the performance of the relevant Sub-Recipient's obligations.

The Recipients and Sub-Recipients may be located either inside or outside the European Union (the "**EU**"). Where the Recipients and Sub-Recipients are located outside the EU in a country which does not ensure an adequate level of protection to Personal Data and does not benefit from an adequacy decision of the European Commission, such transfer should rely on legally binding transfer agreements with the relevant Recipients and/or Sub-Recipient in the form of the EU Commission approved model clauses. In this respect, the investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the investor

acknowledges his/her rights to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- restrict the use of his/her Personal Data;
- ask for erasure of his/her Personal Data; and
- ask for Personal Data portability.

The investor has also the right to object to the use of his/her/its Personal Data for marketing purposes by writing to the Data Controller.

The investor may exercise the above rights by writing to the Data Controller at the following e-mail address: [www.amundi.com](mailto:www.amundi.com) – "Contact Us".

It is stated that the exercise of some rights may result, on a case-by-case basis, in it being impossible for the Company to provide the required services.

The investor also acknowledges the existence of his/her right to lodge a complaint with the *Commission Nationale pour la Protection des Données* ("**CNPD**") in Luxembourg at the following address: 1, avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or with any other competent data protection supervisory authority.

## **VOTING POLICY**

The voting policy attached to the securities held by the Company and applied by the Management Company, as well as the report on conditions under which such voting rights have been exercising are available on the Management Company's website: <https://www.amundi.com> section legal documentation.

Investors may contact the Management Company to question on the details of the exercise of voting rights on each resolution presented at the general meeting of a given issuer as soon as the consolidated holding of the Management Company represents more than the holding threshold set in the voting policy. Any absence of response from the Management Company may be interpreted, after a period of one month, as it has exercised its voting rights in accordance with the principles set out in the voting policy.

## **INVESTMENT RISKS**

**The Company does not represent an obligation of, nor is it guaranteed by, the Management Company, the Investment Manager or any other affiliate or subsidiary of Crédit Agricole.**

**"Crédit Agricole" or "Crédit Agricole S.A."** means a French bank, incorporated within limited liability under the laws of France, the registered office of which is at 12, place des États-Unis 92127 Montrouge and any of its subsidiaries and/or associates.

**"Crédit Agricole Group"** means Crédit Agricole and any of its subsidiaries, Affiliated Entities and/or associates.

Investment in an Investment Company with Variable Capital such as the Company carries with it a degree of risk including, but not limited to, the risks referred to below.

**The following is a general discussion of a number of risks which may affect the value of the Shares. See also the section of the relevant Appendix headed "Risk Warning" (if any) for a discussion of additional risks particular to a specific issue of Shares of each Sub-Fund. What factors will be of relevance to a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Sub-Fund's investment policy. Potential investors should review this Prospectus in its entirety, and consult with their professional advisors, before making an application for Shares in any Sub-Fund.**

Changes in rates of currency exchange between the value of the currency of an investor's domicile and of the currency of the Shares may cause the value of Shares to go up or down in terms of the currency of an investor's domicile. In addition, the levels and bases of, and tax relief, from taxation to which both the Company and Shareholders may be subject, may change.

**Investment in any Sub-Fund carries with it a degree of financial risk, which may vary among Sub-Funds. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested.**

### Capital at risk

The price of Shares can go up as well as down and investors may not realise their initial investment.

The investments and the positions held by a Sub-Fund are subject to inter alia; (i) market fluctuations, (ii) reliability of counterparts and (iii) operational efficiency in the actual implementation of the Investment Policy adopted by a Sub-Fund in order to realise such investments or take such positions. Consequently, the investments of a Sub-Fund are subject to, inter alia, market risks, credit exposure risks and operational risks.

At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Shares. Due to the risks embedded in the Investment Policy adopted by a Sub-Fund, the value of the Shares may decrease substantially and even fall to zero, at any time.

### Market Risk

The value of investments of the Company may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

### Equity Risk

Sub-Funds investing in common stocks and other equity securities are subject to market risk that historically has resulted in greater price volatility than that experienced by bonds and other fixed income securities.

### Interest Rate Risk

A Sub-Fund that invests in bonds and other fixed income securities may decline in value if interest rates change. In general, the prices of debt securities rise when interest rates fall, and fall when interest rates rise. Longer term bonds are usually more dependent on interest rate changes.

### Credit Risk

A Sub-Fund that invests in bonds and other fixed income securities, is subject to the risk that some issuers may not make payments on such securities. Furthermore, an issuer may suffer adverse changes in its financial condition that could lower the credit quality or a security, leading to greater volatility in the price of the security and in the value of the Sub-Fund. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

A Sub-Fund that invests in lower quality debt securities is more susceptible to these problems and its value may be more volatile.

#### Currency Risk

Because the assets and liabilities of a Sub-Fund may be denominated in currencies different from the Reference Currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, and also may affect the value of dividends and interests earned by a Sub-Fund and gains and losses realised by a Sub-Fund. The exchange rates between the Reference Currency and other currencies are determined by supply and demand in the currency exchange markets, the international balances of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the Reference Currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. The risk of such declines is more pronounced with currencies of developing countries.

To the extent that a Sub-Fund seeks to use any techniques or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

#### Risk of investments in Small and Medium Capitalization Stocks

A Sub-Fund is exposed to stocks of small and medium capitalization companies, which may increase market and liquidity risks. The prices of these securities therefore increase and decrease more sharply than those of large-capitalization stocks. The Sub-Fund's net asset value could behave similarly and therefore fall more sharply than the value of a similar investment in large-capitalization equities.

#### Risk that the Sub-Fund's Investment Objective is only partially achieved

No assurance can be given that a Sub-Fund will achieve its Investment Objective. There can be no assurance that the Management Company or the Investment Manager will be able to allocate a Sub-Fund's assets in a manner that is profitable to such Sub-Fund. In addition, there is no assurance that the investment and asset allocation strategy developed by the Management Company or the Investment Manager, and as presented in the Investment Objective and Investment Policy as set out herein can lead to a positive performance in the value of the Shares. A Sub-Fund could suffer losses at a time where concomitantly some financial markets experience appreciation in value.

#### Financial Derivative Instruments Risk

In order to reach its Investment Objective, the Sub-Fund may use Financial Derivatives Instruments (FDI), such as futures or forwards, listed or over-the-counter options, swaps, Contracts For Difference (CFD), swaptions. Transactions in FDI may carry a high degree of risk.

The initial amount required to establish a position in such a derivative instrument (for instance, the initial margin of futures or the premium of an option) is potentially much smaller than the exposure obtained through this derivative, so that the transaction is "leveraged" or "geared". A relatively small movement of market prices may then result in a potentially substantial impact, which can prove beneficial or detrimental to the Sub-Fund.

The purchaser of an option is subject to the risk of losing his entire premium. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price for the underlying instrument, which the writer must purchase or deliver upon exercise of the option. This difference may potentially be unlimited.

FDI are highly volatile instruments and their market values may be subject to wide fluctuations.

When the Sub-Fund uses FDI, whether in order to get exposure to markets or to hedge risks, there is no guaranty that those FDI will allow the Sub-Fund to achieve its Investment Objective. If the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund

had not used the derivatives.

Instruments traded in over-the-counter markets may trade in smaller volumes and their prices may be more volatile than those of instruments traded in regulated markets. When the Sub-Fund performs over-the-counter trades, it may be exposed to a counterparty risk, as further described in the "Counterparty risk" part.

Some orders on listed derivative instruments may be not executed because of market limits on daily price fluctuations or daily traded volumes, preventing those orders from fulfilling their investment or hedging objective in the Sub-Fund.

#### Investment in Structured Notes

The primary risks affecting the Sub-Funds investing in Structured Notes are "Credit Risk," "Interest Rate Risk" and "Liquidity Risk".

Credit risk is much more present than in other fixed income products as Structured Notes are generally linked to the credit risk of a portfolio of underlying issuers.

#### Sustainability Risk

For the purpose of art. 2 (22) of SFDR means an environmental, social, or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Sub-Fund's investment. The Integration of Sustainability Risks by Amundi is further described in section "Integration of Sustainability Risks"

#### *Credit Risk*

This risk refers to the likelihood that the Sub-Fund could lose money if an issuer is unable to meet its financial obligations, such as the payment of principal and/or interest on an instrument, or goes bankrupt. Certain Sub-Funds may invest a portion of their assets in Structured Notes which are not guaranteed by any Government of the OECD, which may make such Sub-Funds subject to substantial credit risk. This is especially true during periods of economic uncertainty or during economic downturns.

#### *Interest Rate Risk*

This risk refers to the possibility that the value of a Sub-Fund's portfolio may fall since fixed income securities generally fall in value when interest rate rise. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value

from interest rate changes. Changes in interest rates may have a significant effect on such Sub-Funds, because it may hold securities with long terms to maturity and structured notes.

#### *Liquidity Risk*

This risk refers to the possibility that a Sub-Fund may lose money or to be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to such Sub-Fund. Because structured securities may be less liquid than other securities, the Sub-Fund may be more susceptible to liquidity risks than funds that invest in other securities.

#### *Management risks*

Structured Notes are usually managed by other asset managers, therefore performance of these products is highly reliant on the ability of such asset manager to achieve its own objective of performance and to maintain appropriate staff (i.e. managers specialized in credit, credit analysts) and systems.

#### Removal of indexes

Indices referred to in this Prospectus may be suppressed or changed for any reason. Even if the risk that such a situation could appear is very low, the Board of Directors and the managers undertake to make the following decisions:

Either,

- Change of the reference index in the concerned Sub-Fund, or
- Proposal to the shareholders to switch their Shares into Shares of another Sub-Fund, or
- Liquidation of the Sub-Fund.

#### Investment in Emerging and Developing Markets

Some of the Sub-Funds will be exposed to emerging markets where the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

The following statements are intended to summarise some of the risks in Emerging Countries and Developing Markets, and

they do not offer advice on the suitability of investments.

*Political and Economic Risks*

Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal / fiscal / regulatory / market reforms.

Assets could be compulsorily acquired without adequate compensation.

A country's external debt position could lead to the sudden imposition of taxes or exchange controls.

High inflation can mean that businesses have difficulty obtaining working capital. Local management are often inexperienced in operating companies in free market conditions.

A country may be heavily dependent on its commodity and actual resource exports and therefore be vulnerable to weaknesses in world prices for these products.

*Legal Environment*

The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.

Judicial independence and political neutrality cannot be guaranteed. State bodies and judges may not adhere to the requirements of the law and the relevant contract.

There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

*Accounting Practices*

The accounting and audit systems may not accord with international standards. Even when reports have been brought into line with international standards, they may not always contain correct information. Obligations of companies to publish financial information may also be limited.

*Shareholder Risk*

Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.

There is generally no concept of fiduciary duty to shareholders on the part of management.

There may be limited recourse for violation of such shareholders' rights as pertain.

*Market and Settlement Risks*

The securities markets of some countries lack the liquidity, efficiency, regulatory and supervisory controls of more developed markets.

Lack of liquidity may adversely affect the value or ease of disposal of assets. The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Company.

*Price Movement and Performance*

Factors affecting the value of securities in some markets cannot easily be determined. Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

*Currency Risk*

Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.

Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

*Taxation*

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or

other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Fund invests or may invest in the future (in particular Russia and other emerging markets) is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Company could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

#### *Execution and Counterparty Risk*

In some markets there may be no secure method of delivery against payment which would avoid exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

#### Collateral Management Risk

Counterparty risk arising from investments in OTC Derivatives or efficient portfolio management techniques, as further describe under section E "Investment Techniques" of the general part of the Prospectus is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

Collateral management risk also involves (i) operational risk, being the risk that operational processes, including those related to the safekeeping of assets, valuation and transaction processing may fail, resulting in losses, due to human errors, physical and electronic system failures and other business execution risks as well as

external events and (ii) custody risk, where the assets of the Fund are safe-kept by the Depositary and Paying Agent and investors are exposed to the risk of the Depositary and Paying Agent not being able to fully meet its obligation to reconstitute in a short timeframe all of the Fund's assets in the case of bankruptcy of the Depositary and Paying Agent. The Fund's assets will be identified in the Depositary and Paying Agent's books as belonging to the Fund. Securities and debt obligations (including loan assignments and loan participations) held by the Depositary and Paying Agent will be segregated from other assets of the Depositary and Paying Agent which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

#### Counterparty risk

The Sub-Fund is predominantly exposed to a counterparty risk resulting from the use of OTC Derivatives or efficient portfolio management techniques whether the counterparty is Crédit Agricole or another third party. The Sub-Fund may be exposed to the risk of bankruptcy, settlement default or any other type of default of the counterparty related to any trading transaction or agreement entered into by the Sub-Fund. In case of default of the counterparty, the relevant trading transaction or agreement can be early terminated. The Sub-Fund will then endeavour its best efforts to reach its investment objective by entering into, if necessary, another trading transaction or agreement with another counterparty, in the market conditions which will prevail during the occurrence of such event. The realisation of this risk can in particular have impacts on the capacity of the Sub-Fund to reach its investment objective.

In line with UCITS guidelines, the counterparty risk cannot exceed 10% of the Sub-Fund's net asset value per counterparty that is a financial institution.

When Crédit Agricole is used as counterparty of a financial derivative instrument by the Sub-Fund, conflicts of interests may arise between the Management Company of the Sub-Fund and the counterparty. The Management Company supervises these risks of conflicts of interests by the implementation of procedures intended to identify them, to limit

them and to assure their fair resolution if necessary.

Due to the various counterparties, there is a potential risk of conflict of interests when a Sub-Fund enters into securities financing transaction and/or total return swaps. The Management Company has appropriate policies in place in order to deal with such potential conflict of interests (where relevant).

#### Clearing and Settlement

Transactions entered into by some Sub-Funds may be executed on various exchanges and may be cleared and settled through various clearinghouses, custodians, depositories, brokers, and dealers throughout the world. Although the Sub-Funds will attempt to execute, clear, and settle transactions through entities that the Investment Manager believes to be sound, there can be no assurance that a failure by any such entity will not lead to a loss to the relevant Sub-Fund.

#### Performance Fee Risk

The Management Company shall be entitled to a performance fee. The method of calculating the performance fee gives rise to the risk that a Shareholder redeeming its Shares may still need to bear a performance fee in respect of the Shares, even though a loss in the investment capital has been suffered by such redeeming Shareholder.

#### Commodities Risk

The Sub-Fund may also invest in UCIs exposed to commodities and thus, be exposed to commodity markets risk. The commodity markets generally are subject to greater risks than other markets. It is a feature of commodities generally that they are subject to rapid change and the risks involved may change relatively quickly. Commodity prices are determined by forces of supply and demand in the commodity markets and these forces are themselves influenced by, without limitation, consumption patterns, macro economic factors, weather conditions, natural disasters, trade, fiscal, monetary and exchange policies and controls of governments and other unforeseeable events. In addition, the geographical distribution and concentration of commodities may expose the Sub-Fund to issues such as heightened political risks, sovereign intervention and the potential for sovereign claims to output, acts of war, or increase in resources-related rents and

taxes. There is also the risk that industrial production may fluctuate widely, decline sharply, or be subject to waning secular consumption trends, adversely affecting the performance of the Sub-Fund.

#### Investment in Russia and CIS

Investments in Russia and CIS either through the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities.

There are significant risks inherent in investing in Russia and the CIS including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian and CIS economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian and CIS securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the governments of Russia and CIS member states or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Evidence of legal title in many cases will be maintained in 'book-entry' form and a Sub-Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in

Russia and in the CIS are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Company, the Depositary or their local agents in Russia or in the CIS. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and in the CIS and registration delays and failures to register securities can occur. Although Russian and CIS sub-depositaries will maintain copies of the registrar's records ("**Records**") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian and CIS markets and there is therefore a risk that a Sub-Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

In accordance with applicable laws and regulations, although exposure to these equity markets is substantially obtained through the use of ADRs and GDRs, Sub-Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

#### Low Diversification Risk

Investors are exposed to a portfolio representing a region, a sector or a strategy, which may provide a lesser diversification of assets compared to a broader portfolio which will be exposed to various regions, sectors and strategies. Hence, exposure to a concentrated portfolio may result in higher volatility compared to diversified markets. Nevertheless, diversification rules of the UCITS Directive still apply to the Sub-fund's underlying assets at all times.

#### Risk of using systematic investment processes

Systematic investment processes consist of quantitative mathematical models or systematic investment rules that rely on

patterns inferred from historical prices or performances, observed risk events and other financial data or indicators. These models and their underlying assumptions can reveal erroneous and there is a risk that the Sub-Fund is not invested at any time in the most performing markets or assets and consequently that the Sub-Fund's Investment Objective is not achieved. There is no assurance that a systematic investment process will outperform any alternative strategy including discretionary investment.

#### Legal Risk – OTC Derivatives and Re-used Collateral

Certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by English law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

#### **Risk of change of benchmark due to regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks**

Interbank Offered Rates (including the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Risk Factors Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange rate and other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or disappear entirely, or there could be other consequences which cannot be predicted. Any such consequence could have an effect, material or limited, on the performance of the objective of the Company.

Key regulatory proposals and initiatives in this area include (amongst others) IOSCO's Principles for Financial Market Benchmarks (the "**IOSCO Benchmark Principles**") and the Benchmarks Regulation (as defined below).

With regard specifically to the Interbank Offered Rates, amongst other

developments, relevant authorities have identified "risk free rates" to eventually act as the relevant primary benchmark, including (i) with regard to sterling LIBOR, a reformed Sterling Overnight Index Average ("**SONIA**") so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021, (ii) with regard to EONIA and EURIBOR, a new Euro Short-Term Rate ("**€STR**") as the new euro risk-free rate (to replace EONIA), and (iii) with regard to USD LIBOR, the Secured Overnight Financing Rate ("**SOFR**") to be eventually established as the primary US dollar interest rate benchmark. The risk-free rates have a different methodology and other important differences from the Interbank Offered Rates they will eventually replace and have little, if any, historical track record. Ongoing international and/or national reform initiatives and the increased regulatory scrutiny of benchmarks generally could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to benchmarks, trigger changes in the rules or methodologies used in respect of benchmarks, and/or lead to the disappearance of benchmarks, including the EURIBOR and LIBOR. This could result in a change of benchmark or other consequences for the Company such as a delisting or termination. Any such consequence could have an effect on the net asset value of the Company and/or the calculation of the performance fees of the Company that cannot be assessable as of today.

### **MARKET TIMING POLICY**

The Company does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all shareholders.

As per the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment ("**UCI**") within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

Opportunities may arise for the market timer either if the Net Asset Value (as defined on hereafter) of the UCI is calculated on the basis of market prices which are no longer up to date (stale prices) or if the UCI is already calculating the Net Asset Value when it is still possible to issue orders.

Market timing practices are not acceptable as they may affect the performance of the UCI through an increase of the costs and/or entail a dilution of the profit.

Accordingly, the Directors may, whenever they deem it appropriate and at their sole discretion, cause the Registrar Agent and the Administrative Agent, respectively, to implement any of the following measures:

- Cause the Registrar Agent to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers.
- The Registrar Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices.
- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued during periods of market volatility cause the Administrative Agent to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

### **AUTOMATIC EXCHANGE OF INFORMATION**

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in Luxembourg law of 18 December 2015 on the Common Reporting Standard (the "**CRS Law**").

Capitalised terms in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without

prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authority (the "**LTA**") personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the "**Reportable Persons**") and (ii) the controlling persons (i.e. the natural persons who exercise control over an entity, in accordance with the Financial Action Task Force Recommendations - the "**Controlling Persons**") of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the Information, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.

In this context, the investors are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the

purposes set out in the CRS Law. In particular, the Reportable Persons are also informed that the Management Company or its delegates may from time to time requires the investors to provide information in relation to their identity and fiscal residence of financial account holders (including certain entities and their Controlling Persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the LTA.

The investors further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Company to the LTA, in accordance with the applicable domestic legislation.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

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**REGISTERED OFFICE**

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## Investment Objectives / Investment Powers and Restrictions

### INVESTMENT OBJECTIVES

The Company aims to provide investors with professionally managed Sub-Funds investing in a wide range of transferable securities, money market instruments and other permitted assets in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**2010 Law**") in order to achieve an optimum return from capital invested while reducing investment risk through diversification.

The investment policy and objective of each Sub-Fund will be determined in its concerned Appendix annexed to the present Prospectus.

### INVESTMENT POWERS AND RESTRICTIONS

In order to achieve the Company's investment objectives and policies, the Board of Directors has determined that the following investment powers and restrictions shall apply to all investments by the Company:

#### A. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

- 1) In order to achieve the Company's investment objectives and policies, the Directors have determined that the following investment powers and restrictions shall apply to all investments made by certain Sub-Funds of the Company:

The Company, in certain Sub-Funds, may solely invest in

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of article 4.1 (21) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;

- b) transferable securities and money market instruments dealt in on another regulated market that operates regularly and is recognised and is open to the public (a "**Regulated Market**") in a member state as defined in the 2010 Law (the "**Member State**");
- c) transferable securities and money market instruments admitted to official listing on a stock exchange or dealt in on another Regulated Market located within any other country in Europe, Asia, Oceania, the Americas and Africa;
- d) recently issued transferable securities and money market instruments provided that:
  - i) the terms of issue provide that application be made for admission to official listing in any of the stock exchanges or Regulated Markets referred to above;
  - ii) such admission is secured within one year of the issue;
- e) units or shares of UCITS ("**UCITS**") authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the Directive 2009/65/EC, should they be situated in a Member State or not, provided that:
  - i) such other UCIs are authorised under laws which state that they are subject to supervision considered by the Luxembourg Supervisory Authority as equivalent as that laid down in Community legislation and that co-operation between authorities is sufficiently ensured;
  - ii) the level of guaranteed protection offered to the unit holders/ shareholders in such UCIs is equivalent to that provided for unit holders/ shareholders in a UCITS, and in particular that the rules on

asset segregation, borrowings, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;

- iii) the activity of the other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- iv) the UCITS or the other UCIs in which each Sub-Fund of the Company intends to invest, may not, according to its constitutive documents, invest more than 10% of its net assets in aggregate, in units/shares of other UCITS or other UCIs;

The diversification limits relating to the investment in units or shares of UCITS or other UCIs described in this sub-paragraph are set out in the appendix of each Sub-Fund;

- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 (twelve) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in Community law;
- g) financial derivative instruments including cash settlement instruments, dealt in on a Regulated Market referred to in sub-paragraphs a), b), c) and/or financial derivative instruments dealt in over-the-counter ("**OTC Derivatives**") provided that:
  - i) the underlying consists of instruments covered by the paragraph 1) above (points a

to f), financial indices, interest rates, foreign exchanges rates or currencies in which each of the Sub-Funds may invest according to their investment objective;

- ii) the counterparties to OTC derivative transactions are first calls financial institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg Supervisory Authority; and
- iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

- h) money market instruments other than those dealt in on a Regulated Market and referred to in Article 1 of the 2010 Law, if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- i) issued or guaranteed by a central, regional, or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- ii) issued by an undertaking whose securities are dealt in on Regulated Markets referred to in sub-paragraphs a), b) or c); or
- iii) issued or guaranteed by an establishment subject to prudential supervision, in

accordance with the criteria defined by the Community law or by an establishment which is subject to and comply with prudential rules considered by the Luxembourg Supervisory Authority to be at least equivalent to those laid down by Community law; or

- iv) issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indent above and provided that the issuer is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) In addition, each Sub-Fund of the Company may invest a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph (1).
- 3) Each Sub-Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in currency accounts) up to 20% of its net assets for ancillary liquidity purposes in normal market conditions. Under exceptional market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) and on a temporary basis, this limit may be breached, if justified in the interest of the investors.

- 4) a) each Sub-Fund may not invest more than 10% of its net assets in transferable securities or money market instruments issued by the same issuer.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same issuer. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (1) f) above or 5% of its net assets in other cases.

- b) in addition to the limit set forth in point a) above, the total value of transferable securities and money market instruments amounting more than 5% of the net assets of one Sub-Fund, must not exceed 40% of the net assets of this Sub-Fund. This limitation does not apply to deposit and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), b) above, each Sub-Fund may not combine:

- i) investments in transferable securities or money market instruments issued by, and
- ii) deposits made with exposures arising from OTC derivatives transactions

undertaken with a single issuer for more than 20% of the Sub-Fund's net assets.

- c) the limit of 10% in sub-paragraph 4 a) above may be increased to a maximum of 35% in respect of transferable securities and money market instruments which are issued or guaranteed by a Member State or its local authorities, by a third country or by public international bodies of which one

or more Member States are members, and such securities and money market instruments need not be included in the calculation of the limit of 40% stated in sub-paragraph 4) b).

- d) the limit of 10% in sub-paragraph 4 a) above may be increased to a maximum of 25% in respect of covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bonds public supervision and for certain bonds issued before 8 July 2022 by a credit institution whose registered office is situated in a Member State and which is subject, by virtue of law, to particular public supervision designed to protect the holders of such debt securities.

For purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its Net Assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund. Such securities need not be included in the calculation of the limit of 40% stated in sub-paragraph 4 b).

The ceilings set forth in paragraph 4 above may not be aggregated, and accordingly, investments in the securities of any one issuer, effected in compliance with the provisions set forth in paragraph 4, may under no circumstances exceed 35% of any Sub-Fund's net assets.

- e) companies which are included in the same group for the purposes of consolidated accounts (as defined in accordance with Directive 83/349/EEC) or in accordance with recognised international accounting rules are considered as a single body or issuer for the purpose of calculating the limits contained in this section.

Each Sub-Fund may invest in aggregate up to 20% of its net assets in transferable securities and money market instruments with the same group.

- 5) Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest in accordance with the principle of risk spreading, up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its local authorities, by an OECD member state, Singapore, Brazil, Indonesia, Russia or South Africa or public international bodies of which one or more Member State(s) of the European Union are members provided that**

- a) such securities are part of at least six different issues, and**
- b) the securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.**

Such authorisation will be granted should the shareholders have a protection equivalent to that of shareholders in UCITS complying with the limits laid down in 4) above.

- 6) A Sub-Fund may:**
- a) not acquire more than 10% of the debt securities of any single issuing body;
- b) not acquire more than 10% of the non-voting shares of any single issuing body;

- c) not acquire more than 10% of the money market instruments of any single issuing body;
- d) not acquire more than 25% of the units of any single collective investment undertaking.

The limits under a), c) and d) above may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The Company may not acquire any shares carrying voting rights which would enable the Company to take legal or management control or to exercise significant influence over the management of the issuing body.

**7) The ceilings set forth under 6) above do not apply in respect of**

- a) transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;
- b) transferable securities and money market instruments issued or guaranteed by any other State which is not a Member State;
- c) transferable securities and money market instruments issued by a public international body of which one or more Member State(s) is/are member(s);
- d) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a State which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers of the State, (ii) pursuant to the law of that State a participation by the relevant Sub-Fund in the equity of such vehicle constitutes the only possible way to purchase securities of issuers of that State, and (iii) such vehicle observes in its investments policy the restrictions

set forth in paragraph 4) and 5) above as well as in **C.** hereafter;

- e) shares held by the Company in the capital of subsidiaries carrying on exclusively the business of management, advice or marketing of the Company in the country/state where the subsidiary is located, regarding the repurchase of units/shares requested by the unit holders/shareholders.

The investment restrictions listed above and in **C.** hereafter apply at the time of purchase of the relevant investments. If these limits are exceeded with respect to a Sub-Fund for reasons beyond the control of the Sub-Fund or when exercising subscription rights, the Sub-Fund shall adopt as a priority objective for the sales transactions of the relevant Sub-Fund the remedying of that situation, taking due account of the interests of the shareholders.

While ensuring observance of the principle of risk-spreading, the Company may derogate from limitations 4) to 7) above and in **C.** hereafter for a period of six months following the date of its inscription to the Luxembourg official list of UCI's.

- 8) The Company shall ensure that the global exposure relating to the use of derivative instruments in one Sub-Fund does not exceed its total asset value. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.**

If a Sub-Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph A. 4) above. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph A. 4).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the above requirements.

#### **B. INVESTMENT MADE BY INDEX SUB-FUNDS**

The aim of index Sub-Funds, if any, is to replicate the composition of a certain financial index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

Owing to the specific investment policy of the index Sub-Funds and without prejudice to the limits laid down in paragraph **A.** 6) and 7), the limits laid down in paragraph **A.** 4) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body. The aforesaid limit is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

#### **C. INVESTMENT IN UCITS AND OTHER UCIs**

Certain Sub-Funds may acquire units of UCITS and/or other UCIs referred to in paragraph A. 1) e) above, provided that no more than 20% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each Sub-Fund of a UCI with an umbrella structure is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

When the Sub-Funds of the Company invest in the units of other UCITS and/or other UCIs managed by a company linked to the Management Company by common management or control, or by a direct or indirect holding of more than 10% of the share capital or voting rights, or managed directly or indirectly by the Management Company no subscription or redemption fees and, unless otherwise specified in the relevant Appendix, only a reduced management fee of up to 0.25% may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

The total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed **3%** of the relevant net assets under management. The Company will indicate in its annual report the total management fees charged to both the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.

The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under **A** above.

#### **D. INVESTMENT IN OTHER ASSETS**

- a) The Company will not make investments in precious metals or certificates representing them.
- b) The Company may not enter into transactions involving commodities or commodity contracts, except that the

Company may employ techniques and instruments relating to transferable securities set out in paragraph E. below.

- c) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

However, the Company may acquire movable and immovable property which is essential for the direct pursuit of its activity.

- d) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to above.
- e) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction, back to back loans are not considered to be borrowings.
- f) The Company will not grant loans or act as guarantor on behalf of third parties. This limitation will not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in point A. 1) e), g) and h) above which are not fully paid.
- g) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in e) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Sub-Fund. In connection with swap transactions, option and forward exchange transactions or futures transactions the deposit of securities or other assets in a separate account shall not be

considered a mortgage, pledge or hypothecation for this purpose.

- h) The Company will not underwrite or sub-underwrite securities of other issuers.

In accordance with the above Investment Restrictions, each Sub-Fund may employ techniques and instruments relating to transferable securities and money market instruments providing that these techniques and instruments are used for the purpose of efficient portfolio management. A Sub-Fund may also employ techniques and instruments intended to provide protection against foreign exchange risks in the context of the management of the assets and liabilities of the Sub-Fund (see below).

The Board of Directors may impose other investment restrictions at any time in the interest of the shareholders whenever necessary to comply with the laws and requirements of those countries where the Company Shares are offered.

## **E. INVESTMENT TECHNIQUES**

### **1. General**

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management or investment purposes or to provide protection against risks. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the Regulations.

All revenues arising from efficient portfolio

management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund. In particular, fees and cost may be paid to agents of the Company, to the Management Company, and to other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Management Company – will be available in the annual report of the Company.

When transactions involve the use of derivatives, the Company must comply with the applicable restrictions specified under point A. above.

The use of derivatives or other financial techniques and instruments may not cause the Company to stray from the investment objectives and policies set out in the Appendix for each Sub-Fund.

The Company will ensure that the global exposure relating to derivative instruments does not exceed the total net asset value of the Sub-Fund to which they apply.

The Company may, as a measurement of its market risk exposure, follow a Value at Risk method per Sub-Fund.

Value at Risk (VaR) provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.

In consideration of the above, the global exposure relating to derivative instruments held in each Sub-Fund shall be regarded as the total Value at Risk of its positions, measured at a 99% confidence level and based on a time horizon of one month.

The risk related to the use of the techniques described hereafter are described under Section "Investment Risks" above. All counterparties will comply with Article 3 of Regulation (EU) 2015/2365.

## 2. OTC total return swaps

In order to achieve the investment objective of the Sub-Funds the Company may, on behalf of the Sub-Funds, enter into total return swaps ("TRS") entered into by private agreement (OTC) with regulated financial institutions which have their registered office in one of the OECD countries, and which are specialised in such types of transactions, have a minimum credit rating of investment grade quality and are subject to prudential supervision (such as credit institutions or investment firms).

Each Sub-Fund may incur costs and fees in connection with TRS upon entering into TRS and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the investment adviser or the Management Company, if applicable, may be available in the annual report. All revenues arising from TRS, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

A Sub-Fund is exposed to the risk of bankruptcy, settlement default or any other type of default by the counterparty of the OTC total return swaps. In accordance with section "I. Investment Objectives / Investment Powers and Restrictions" of the Prospectus, the counterparty risk (whether the counterparty is Crédit Agricole or another third party), cannot exceed 10% of the considered Sub-Fund's total assets, by counterparty.

Any counterparty to an OTC derivative instrument entered into by any Sub-Fund will be selected according to the Management Company best execution policies and procedures. A copy of the Management Company best execution policy (including the relevant execution matrix by asset class) is mentioned at the following address:

<https://about.amundi.com/legal-documentation>

**The use by any Sub-Fund of TRS will be specified in each Sub-Fund Annex under Part II of the Prospectus, within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to regulation (EU) 2015/2365.**

### **3. Swaps for the purpose of hedging and efficient portfolio management**

A swap is a contract (typically with a bank or a brokerage firm) to exchange two streams of payment (for example, an exchange of floating rate payments for fixed payments). A Sub-Fund may enter into swap contracts under the following restrictions:

- each of these swap contracts shall be entered into with regulated financial institutions which have their registered office in one of the OECD countries, and which are specialised in such types of transactions, have a minimum credit rating of investment grade quality and are subject to prudential supervision (such as credit institutions or investment firms); and
- all such permitted swap transactions must be executed on the basis of industry accepted documentation/standardized documentation, such as the ISDA Master Agreement.

Subject to the investment restrictions, the Sub-Funds may also enter performance swaps or total rate of return swaps ("TRORS"), which are contracts in which one party receives interest payments on a reference asset plus any capital gains and losses over the payment period, while the other receives a specified fixed or floating cash flow unrelated to the credit worthiness of the reference asset, especially where the payments are based on the same notional amount. The reference asset may be any asset, index, or basket of assets.

The performance swap or TRORS, then, allow one party to derive multiple economic benefit of owning an asset without putting that asset on its balance sheet, and allow the other (which does retain that asset on its balance sheet) to buy protection against loss in its value.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down under "Investment Objective" and "Investment Policy" of each Sub-Fund.

TRS or TRORS entered into by a Sub-Fund may be in the form of funded swaps and/or unfunded swaps. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception.

A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset.

Returns and costs incurred from total return swap transactions are included in the valuation of the swap.

**The use by any Sub-Fund total return swaps will be specified in each Sub-Fund Annex under Part II of the Prospectus within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to regulation (EU) 2015/2365.**

### **4. Contracts for Differences**

The Company may use contract for differences. A contract for difference is a cash settled bilateral financial contract, the value of which is linked to a security, instrument, basket or index.

The Company will only enter into contract for difference transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Company will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The Company will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from contracts for differences and other techniques and instruments.

## 5. Efficient portfolio management techniques

The Company may employ techniques and instruments relating to transferable securities and money market Instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time. In particular, those techniques and instruments should not result in a change of the declared investment objective of the Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of the Sub-Fund. Such securities or instruments will be safekept with the Depositary.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits laid down under the Law.

Any counterparty to an efficient portfolio management technique entered into by any Sub-Fund will be selected according to the Management Company's best execution policies and procedures. A copy of the Management Company's best execution policy (including the relevant execution matrix by asset class) is mentioned at the following address:

<https://about.amundi.com/legal-documentation>

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the considered Sub-Fund. In particular, fees and cost may be paid to agents of the Company, to the Management Company, and to other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which

such costs and fees are paid – as well as any relationship they may have with the Depositary or Management Company – will be available in the annual report of the Company.

The annual report of the Company contains if applicable the following details:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure; and
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

### a) Securities lending and borrowing transactions

The Company will not, for the time being, enter into any securities lending and borrowing transactions for the purpose of efficient portfolio management. Should this change, the prospectus will be amended accordingly.

### b) Repurchase, and reverse repurchase and buy-sell back transactions

The Company will not, for the time being, enter into any repurchase nor reverse repurchase and buy-sell back transactions for the purpose of efficient portfolio management. Should this change, the prospectus will be amended accordingly.

## **COLLATERAL POLICY**

In the context of any transaction (including efficient portfolio management techniques such as but not limited to funded swaps), the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such cases. All assets received by a Sub-Fund in the context of such transactions shall be considered as collateral for the purposes of this section.

Any eligible collateral, as detailed below,

within the context described above will be the relevant Sub-Fund's property.

### **Safekeeping of collateral**

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

To the extent permitted by the applicable regulation and by way of derogation, the Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD member state, Singapore, Brazil, Indonesia, Russia or South Africa, or a public international body to which one or more Member States belong. In that case the Sub-Fund shall receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Sub-Fund.

### **Eligible collateral**

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time (including CSSF Circular 08/356 and CSSF Circular 14/592) notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral shall comply with the following conditions:

- (a) Any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of article 48 of the 2010 Law;

- (b) It shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It shall be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of a Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received;
- (e) It shall be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty;
- (f) Where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement (e.g. a pledge), collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

The Company has established an eligibility policy setting out additional eligibility criteria:

- a) For equities received as collateral, the Company assesses the eligibility through average daily traded volume and market capitalization thresholds. The Company has also defined eligible countries of issuance for equities received as collateral.
- b) For bonds received as collateral, the eligibility policy relies on credit risk rating issued by a major rating agency; maturity; seniority of the debt; and minimum outstanding issue thresholds. The Company has also defined eligible countries of issuance for bonds received as collateral, depending on the type of bonds considered.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- (i) Cash and cash equivalents, including short-term bank certificates and money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below;
- (v) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

#### Level and valuation of collateral

The Management Company will determine the required level of collateral transactions requiring the receipt of collateral by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts determined for each asset class based on the haircut policy as described below. The collateral will be marked to market daily and may be subject to daily variation margin requirements.

A haircut shall be applied to the value of the securities acquired by the relevant Sub-Fund as derivatives' collateral and/or under transactions including efficient portfolio management techniques. Such haircut will be determined by the Management Company based on criteria, including, but not limited to:

- nature of the security;
- maturity of the security (when applicable);
- the security issuer rating (when applicable).

The following margin requirements for swap collateral and/or collateral under transactions including efficient portfolio management techniques are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Collateral Type	Margin
(i)	100% - 102%
(ii)	100% - 110%
(iii)	100% - 102%
(iv)	100% - 135%
(v)	100% - 115%
(vi)	100% - 135%

Collateral types denominated in a currency other than the currency of the relevant Sub-Fund may be subject to an additional haircut.

No direct or indirect fees will be charged by the counterparty to efficient portfolio management transactions (if any). All the revenues arising from such transactions will be returned to the relevant Sub-Fund.

Should any Sub-Fund reinvest cash collateral, this will be disclosed in the relevant Appendix.

#### Reinvestment of collateral

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

- (a) placed on deposit with credit institutions which have their

registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by a Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## 6. Other instruments

### (a) Warrants

Warrants shall be considered as transferable securities if they give the investor the right to acquire newly issued or to be issued transferable securities. The Sub-Funds, however, may not invest in warrants where the underlying is gold, oil or other commodities.

The Sub-Funds may invest in warrants based on stock exchange indices for the purpose of efficient portfolio management.

### (b) Rules 144 A Securities

The Sub-Funds may invest in so-called Rule 144A securities which are securities that are not required to be registered for resale in the United States under an exemption pursuant to Section 144A of the 1933 Act ("**Rule 144A Securities**"), but can be sold in the United States to certain institutional buyers. A Sub-Fund may invest in Rule 144A Securities, provided that: such securities are issued with registration rights pursuant to which such securities may be registered under the 1933 Act and traded on the US OTC Fixed Income Securities market. Such securities shall be considered as newly issued transferable securities.

In the event that any such securities are not registered under the 1933 Act within one year of issue, such securities shall be considered as subject to the 10% limit of the net assets of the Sub-Fund applicable to the category of non-listed securities.

### (c) Structured Notes

Subject to any limitations in its investment objective and policy and to the Investment Restrictions outlined above, each Sub-Fund may invest in structured notes, comprising listed government bonds, medium-term notes, certificates or other similar instruments issued by prime rated issuers where the respective coupon and/or redemption amount has been modified (or structured), by means of a financial instrument.

The Investment Restrictions apply on the issuer of the Structured Note and also on its underlying assets.

These notes are valued by brokers with reference to the revised discounted future cash flows of the underlying assets.

## Risk Management Process

The Management Company will employ, on behalf of the Company, a risk-management process which enables it to monitor and measure at any time the risk of the

positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

### **Risk Warning on the use of Derivative Instruments**

A Sub-Fund's use of derivatives such as futures, options, warrants, forwards and swaps involves increased risks. A Sub-Fund's ability to use such instruments ("**Derivative Instruments**") successfully depends on its Investment manager's ability to accurately anticipate movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager's anticipations are wrong, or if the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used the derivatives.

Derivative Instruments are highly volatile instruments and their market values may be subject to wide fluctuations.

The entering into swap transactions is subject to potential counterparty and issuer risk. In the event of the insolvency or default of the counterparty or issuer, the relevant Sub-Fund could suffer a loss.

### **Net Asset Value**

The net asset value per share (hereinafter the "**Net Asset Value per Share**") of each Class in each Sub-Fund will be calculated by the Administrative Agent in the reference currency (the "**Reference Currency**") of each Sub-Fund and Class.

The Net Asset Value per Share is calculated on each Valuation Day as defined in the relevant Appendices, and at least twice per month. The Net Asset Value per Share for all Sub-Funds will be determined on the basis of the last available closing prices or other reference prices as specified in the relevant Appendices. If since the close of business, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to a particular Sub-Fund are

dealt or quoted, the Company may, in order to safeguard the interests of shareholders and the Company, cancel the first valuation and carry out a second valuation prudently and in good faith.

The Net Asset Value per Share of each Class of Shares for all Sub-Funds is determined by dividing the value of the total assets of the Sub-Fund properly allocable to such Class of Shares less the liabilities of the Sub-Fund properly allocable to such Class of Shares by the total number of Shares of such Class outstanding on any Valuation Day.

The Net Asset Value of the Classes of Shares may differ within each Sub-Fund as a result of the differing "*taxe d'abonnement*", the dividend policy, the currency, the management fee, the subscription and redemption charges for each Class. In calculating the Net Asset Value per Share, income and expenditure are treated as accruing on a daily basis.

The calculation of the Net Asset Value per Share of the different Classes of Shares shall be made in the following manner:

a) The assets of the Company shall be deemed to include:

- 1) all cash on hand or on deposit, including any interest accrued thereon;
- 2) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- 3) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, units or shares of undertakings for collective investment, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (i) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- 4) all stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;
- 5) all interest accrued on any interest-bearing assets owned by the Company except to the extent that the same is included or reflected in the principal amount of such assets;
- 6) the preliminary expenses of the Company insofar as the same have not been written off;
- 7) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- i) The value of any cash on hand or on deposit bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- ii) securities listed on a recognised stock exchange or dealt on any other regulated market (hereinafter referred to as a "**Regulated Market**") that operates regularly, is recognised and is open to the public, will be valued at their last available closing prices, or, in the event that there should be several such markets, on the basis of their last available closing prices on the main market for the relevant security;
- iii) in the event that the last available closing price does not, in the opinion of the directors, truly reflect the fair market value of the relevant securities, the value of such securities will be determined by the directors based on the reasonably foreseeable sales

proceeds determined prudently and in good faith;

- iv) securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Directors;
- v) the value of financial derivative instruments traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these financial derivative instruments on exchanges and Regulated Markets on which the particular financial derivative instruments are traded by the Company; provided that if financial derivative instruments could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the value of such financial derivative instruments shall be such value as the Directors may deem fair and reasonable;
- vi) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
- vii) Investments in open-ended UCIs will be valued on the basis of the last available net asset value of the units or shares of such UCIs;
- viii) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors;
- ix) liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to

time under the direction of the Board of Directors to determine whether a deviation exists between the Net Asset Value calculated using the market quotation and that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to investors or existing shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the Net Asset Value by using available market quotations; and

- x) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Company if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.
- b) The liabilities of the Company shall be deemed to include:
  - i) all loans, bills and accounts payable;
  - ii) all accrued or payable administrative expenses payable by the Company;
  - iii) all known liabilities, present and future, including all matured contractual obligations for payment of money or property;
  - iv) an appropriate provision for future taxes based on capital and income to the dealing day preceding the Valuation Day, as determined from time to time by the Company, and other reserves, if any, authorised and approved by the directors, in particular those that have been set aside for a possible depreciation of the investments of the Company; and
  - v) all other liabilities of the Company of whatsoever kind and nature except liabilities

represented by shares of the Company. In determining the amount of such liabilities, the Company shall take into account all expenses payable by the Company.

All shares in the process of being redeemed by the Company shall be deemed to be issued until the close of business on the Valuation Day applicable to the redemption. The redemption price is a liability of the Company from the close of business on this date until paid.

All shares issued by the Company in accordance with subscription applications received shall be deemed issued from the close of business on the Valuation Day applicable to the subscription. The subscription price is an amount owned to the Company from the close of business on such day until paid.

The net assets of the Company are expressed in Euro and are at any time equal to the total of the net assets of the various Sub-Funds.

#### **Temporary Suspension of the Calculation of the Net Asset Value per Share**

The Company may suspend temporarily the calculation of the Net Asset Value per Share of one or more Sub-Funds and the issue, sale, redemption and conversion of Shares, in particular, in the following circumstances:

- a) during any period when any of the principal stock exchanges or other recognised markets on which a substantial portion of the investments of the Company attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable;

- c) during any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;
- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e) during any period when in the opinion of the Directors of the Company there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund of the Company or any other circumstance or circumstances where a failure to do so might result in the shareholders of the Company, a Sub-Fund or a Class of Shares incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the shareholders of the Company, a Sub-Fund or a Class of Shares might not otherwise have suffered;
- f) in the event of (i) the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up the Company or a Sub-Fund is to be proposed, or of (ii) the decision of the Board of Directors to wind up one or more Sub-Funds, or (iii) to the extent that such a suspension is justified for the protection of the shareholders, of the notice of the general meeting of shareholders at which the merger of the Company or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds;
- g) where a UCI in which a Sub-Fund has invested a substantial portion of its

assets temporarily suspends the repurchase, redemption or subscription of its units, whether on its own initiative or at the request of its competent authorities.

The suspension of calculation of the Net Asset Value of a Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, sale, redemption and conversion of Shares of any other Sub-Fund which is not suspended.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper if the duration of the suspension is to exceed five days and, as the case may be, in any other newspaper(s) selected by the Board of Directors. Notice will likewise be given to any subscriber or shareholder as the case may be applying for purchase, redemption or conversion of Shares in the Sub-Fund(s) concerned.

#### **Publication of the Net Asset Value per Share**

The Net Asset Value per Share of each Class within each Sub-Fund is made public at the registered office of the Company and is available at the office of the Depositary. The Company may arrange for the publication of this information in leading financial newspapers. The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

#### **The Shares (issue and form)**

After the initial subscription period, as defined in the relevant Appendices, Shares will be issued at the Net Asset Value per Share of the relevant Class (the "**Issue Price**"). Fractions of Shares will be issued as determined for each Class and each Sub-Fund in the relevant Appendices, the Company being entitled to receive the adjustment.

The Shares will only be issued in registered form. The share register is conclusive

evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

Registered shares are issued in uncertificated form and shall be materialised by an inscription in the register of shareholders unless a Share Certificate is specifically requested at the time of subscription. Any charges in connection with the issue of Share Certificate will be borne by the investors. When Certificates will be issued, such Certificates will only be in denominations of 1, 10 and 100 shares. Should an investor request Share Certificates, these will, in principle, be delivered in Luxembourg within fifteen calendar days of receipt of payment of the purchase price.

Holders of Shares Certificates must return their Share Certificates, duly renounced, to the Company before redemption instructions may be effected. The uncertificated form of Shares enables the Company to effect redemption instructions without undue delay, and consequently the Board of Directors recommends that investors maintain their Shares in uncertificated form.

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person, as defined under paragraph "**Subscription Procedure**").

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of shareholders. Fractions of Shares are not entitled to a vote but are entitled to a prorata portion of the Company's performance made to the relevant Shares and of the distribution proceeds at the time of liquidation of the Company. Shares are issued with no par value and must be fully paid for on subscription.

Upon the death of a shareholder, the Board of Directors reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Shares.

No Shares of any Class will be issued by the Company during any period in which

the determination of the Net Asset Value of the Shares is suspended by the Company, as noted at under "Temporary Suspension of Calculation of the Net Asset Value".

### **Classes of Shares**

Within each Sub-Fund, the Company may create different Classes of Shares which are entitled to dividend payments ("**Distribution Shares**") or with earnings reinvested ("**Capitalisation Shares**"), or which differ also by the targeted investors, their reference currencies, by the management fees or the subscription / redemption charges.

The amounts invested in the several Classes of Shares of one Sub-Fund are themselves invested in a common underlying portfolio of investments within the Sub-Fund, although the Net Asset Value per Share of each Class of Shares may differ as a result of either the distribution policy, the "*taxe d'abonnement*" and/or the management fees and/or the subscription and redemption charges for each Class.

### **Subscription for Shares**

#### **Subscription Procedure**

Subscriptions for Shares can be accepted only on the basis of the current Prospectus and each relevant KIID. The Company will produce an audited annual report (the "**Annual Report**") containing the audited accounts and an unaudited semi-annual report (the "**Semi-annual Report**"). Following the publication of the first of either report, the current Prospectus at that date will be valid only if accompanied by such Annual Report or Semi-annual Report if more recent. These reports in their latest version will form an integral part of the Prospectus.

An investor's first subscription for Shares must be made to the Registrar Agent in Luxembourg or to the financial intermediary (as more described under paragraph "Management and Administration") as indicated on the subscription form (the "**Subscription Form**"). Subsequent subscriptions for Shares may be made in writing or by fax.

The application for subscription of Shares must include the monetary amount or the number of Shares the shareholder wishes to subscribe and the Class(es) and Sub-Fund(s) for which Shares are to be subscribed.

The Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

Subscriptions for Shares received by the Registrar Agent on any Dealing Day (as defined in the Appendix of each Sub-Fund) before any Sub-Fund subscription deadline (the "**Subscription Deadline**" as defined in the Appendix of each Sub-Fund), will be processed on that Dealing Day for Subscription, using the Net Asset Value per Share calculated on the applicable Valuation Day, as defined in the relevant Appendices, and which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices.

**All applications for subscription will be dealt at an unknown Net Asset Value ("forward pricing").**

Different time limits may apply if subscriptions for Shares are made through a Distributor and/or any financial intermediary (including but not limited to correspondent banks which may be appointed in any given country) but in any case, the Distributor and/or the financial intermediary will make sure that on a given Dealing Day (as defined in the Appendix of each Sub-Fund), subscription orders are received by the Registrar Agent before the Subscription Deadline. No Distributor or financial intermediary is permitted to withhold subscription orders to benefit personally from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor and/or a financial intermediary on days that such Distributor and/or financial intermediary is not open for business.

Any applications for subscription received after the Subscription Deadline on the relevant Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share determined on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent, as more fully described in each relevant Appendix in the Reference Currency of the relevant Sub-Fund, being the currency in which the Shares of a determined Class may be purchased.

The subscription price (not including the sales commission or any other charges) may, upon approval of the Board of Directors, and subject to all applicable laws and regulations, namely with respect to a special audit report confirming the value of any assets contributed in kind (if legally required), be paid by contributing to the Company assets acceptable to the Board of Directors consistent with the investment policy and investment restrictions of the relevant Sub-Fund. The costs for such subscription in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the subscription in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the subscription in kind is in the interest of the Company or made to protect the interests of the Company.

The Board of Directors shall have power to impose or relax such restrictions on any Sub-Fund or Class of Shares (other than any restrictions on transfer of Shares) (but not necessarily on all Classes of Shares within the same Sub-Fund) as it may think necessary for the purpose of ensuring that no Shares in the Company or no Share of any Sub-Fund in the Company are acquired or held by or on behalf of (a) any person in breach of the law or requirements of any country or governmental or regulatory authority (if the Directors shall have determined that any of them, the Company, any manager of the Company's assets, any of the Company's investment managers or advisers or any other person as determined by the Directors would suffer any disadvantage as a result of such breach) or (b) any person in circumstances which in the opinion of the Board of Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities

or investment or similar laws or requirements of any country or authority (hereinafter referred to as "**Prohibited Persons**").

As the Company is not registered under the United States Securities Act of 1933, as amended, neither registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States or to any US Person.

Accordingly, the Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person. The Company retains the right to offer only one Class of Shares for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Company's commercial objectives.

#### **Payment Procedure**

The currency of payment for Shares of each Sub-Fund will be the Reference Currency as more fully described in the relevant appendices. A subscriber may, however with the agreement of the Administrative Agent, effect payment in any other freely convertible currency. The Administrative Agent will arrange for any necessary currency transaction to convert the subscription monies from the currency of subscription (the "**Subscription Currency**") into the Reference Currency of the relevant Sub-Fund. Any such currency transaction will be effected with the Depositary at the subscriber's cost and risk. Currency exchange transactions may delay any issue of Shares since the Administrative Agent may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

A Subscription Form accompanies this Prospectus and may also be obtained from the Registrar Agent or the financial intermediary.

If timely payment for Shares is not made, the relevant issue of Shares may be cancelled (or postponed if a Share Certificate has to be issued) and a subscriber may be required to compensate

the Company for any loss incurred in relation to such cancellation.

#### **Notification of Transaction**

A confirmation statement will be sent to the subscriber (or his nominated agent if so requested by the subscriber) as soon as reasonably practicable, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

Subscribers are given a personal account number (the "**Account Number**") on acceptance of their initial subscription, and this, together with the shareholder's personal details, is proof of their identity to the Company. The Account Number should be used by the shareholder for all future dealings with the Company and the Registrar Agent.

Any change to the shareholder's personal details, loss of Account Number or loss of or damage to a Share Certificate, must be notified immediately to the Registrar Agent. Failure to do so may result in the delay of an application for redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned to the subscriber by post or bank transfer at the subscriber's risk.

#### **Rejection of Subscriptions**

The Company may reject any subscription in whole or in part, and the Board of Directors may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares of any Class in any one or more Sub-Funds.

#### **Suspension of the calculation of the Net Asset Value**

No Shares will be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Sub-

Fund is suspended by the Company pursuant to the powers contained in the articles of incorporation of the Company (the "**Articles of Incorporation**") and as discussed under paragraph "Temporary Suspension of Calculation of Net Asset Value per Share".

Notice of suspension will be given to subscribers, and subscriptions made or pending during a suspension period may be withdrawn by notice in writing received by the Company prior to the end of the suspension period. Subscriptions not withdrawn will be processed on the first Dealing Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on the applicable Valuation Day.

#### **Fight against Money Laundering and Financing of Terrorism**

In accordance with international regulations and Luxembourg laws and regulations (including but not limited to the amended law of November 12, 2004 on the fight against money laundering and financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements), obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from money laundering and financing of terrorism purposes. As result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the registrar agent, as delegate of the Company, may require any other information that the Company may require in order to comply with this legal and regulatory obligations, including but not limited to the CRS Law.

In case of delay or failure by an applicant to provide the required documentation, the subscription request, will not be accepted

and in case of redemption, payment of redemption proceeds delayed. Neither the Company nor the Administrative Agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

Shareholders may be asked to supply additional or updated identification documents in accordance with client's on-going due diligence obligations according to the relevant laws and regulations.

#### **Luxembourg Register of Beneficial Owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "**Law of 13 January 2019**") entered into force on the 1 March 2019 (with a 6-month grandfathering period). The Law of 13 January 2019 requires all companies registered on the Luxembourg company register, including the Company, to obtain and hold information on their beneficial owners ("**Beneficial Owners**") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Company, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the Company held by a corporate entity, which is under the control of a natural person(s),

or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by a shareholder with regard to the Company, this shareholder is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfil its obligation under the Law of 13 January 2019. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Company for clarification.

For both purposes the following e-mail address may be used: [www.amundi.com](mailto:www.amundi.com) – "Contact Us".

### **Subscription Charges**

The subscription price of the Shares (the "**Subscription Price**") is defined as the "**Initial Price**" or the "**Issue Price**" as described in the section "The Shares (issue and form)" plus any subscription charge (the "**Subscription Charge**").

Detailed information on the Subscription Charge is contained in the relevant Appendices.

### **Redemption of Shares**

Shares of any Class may be redeemed in whole or in part on any Dealing Day on the basis of the Net Asset Value per Share determined on the applicable Valuation Day as described below (the "**Redemption Price**"). Shares redeemed shall be cancelled immediately in the Company's Share Register. Each Sub-Fund shall at all times have enough liquidity to enable satisfaction of any requests for redemption of Shares.

### **Procedure for Redemption**

Shareholders wishing to have all or some of their Shares redeemed by the Company

may apply to do so by fax or by letter to the Registrar Agent or to the financial intermediary.

The application for redemption of Shares must include:

- (a) either (i) the monetary amount the shareholder wishes to redeem; or (ii) the number of Shares the shareholder wishes to redeem, and
- (b) the Class and Sub-Funds from which Shares are to be redeemed.

In addition, the application for redemption must include the shareholder's personal details together with his Account Number and the registered Share Certificate if applicable. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the shareholder.

Subject to the provisions explained below under "Temporary Suspension of Redemption", applications for redemption will be considered as binding and irrevocable by the Company and must be duly signed by all registered shareholders, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Company.

Applications for redemption from all Sub-Funds must be received at the specified time determined in the relevant Appendices by the Registrar Agent before the redemption deadline (the "**Redemption Deadline**" as defined in the Appendix of each Sub-Fund), and will be processed on that Dealing Day. The Redemption Price being the Net Asset Value per Share calculated on the applicable Valuation Day, as defined in the relevant Appendices, and which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices on the Valuation Day.

**All applications for redemption will be dealt at an unknown Net Asset Value ("forward pricing").**

Different time limits may apply if redemption for Shares are made through a Distributor and/or any financial

intermediary (including but not limited to correspondent banks which may be appointed in any given country) but in any case, the Distributor and/or the financial intermediary will make sure that on a given Dealing Day (as defined in the Appendix of each Sub-Fund), redemption orders are received by the Registrar Agent before the Redemption Deadline. No Distributor or financial intermediary is permitted to withhold redemption orders to benefit personally from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor/ and/or a financial intermediary on days that such Distributor and/or financial intermediary is not open for business.

A redemption charge may be levied as more fully described in the relevant Appendices.

Any application for redemption received after the Redemption Deadline on the relevant Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share determined on the following Valuation Day.

A confirmation statement will be sent to the shareholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Shares being redeemed. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

The Redemption Price of Shares in any Class may be higher or lower than the Initial Subscription Price paid by the shareholder depending on the Net Asset Value per Share of the Class at the time of redemption.

Payment for Shares redeemed will be effected in the delay determined in the relevant Appendices. If necessary, the Administrative Agent will arrange the currency transaction required for conversion of the redemption monies from the Reference Currency of the relevant Class into the relevant Subscription Currency. Such currency transaction will be effected with the Depositary at the relevant shareholder's cost.

The Board of Directors reserves the right to delay further payment without interest accruing, if market conditions are unfavourable, and it is, in the Board of Directors' reasonable opinion, in the best interest of the remaining shareholders. However, the delay for the payment of redeemed Shares will not exceed 5 Business Days after the relevant Valuation Day.

All redeemed Shares shall be cancelled by the Company.

### **Redemption in kind**

With the consent of or upon request of the shareholder(s) concerned, the Board of Directors may (subject to the principle of equal treatment of shareholders) satisfy redemption requests in whole or in part in kind by allocating to the redeeming shareholders investments from the portfolio set up in connection with the relevant Sub-Fund in value equal to the Net Asset Value attributable to the Shares to be redeemed. Such redemption will, if required by law or regulation, be subject to a special audit report by the approved statutory auditor of the Company confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be contributed in counterpart of the redeemed Shares. The costs for such redemptions in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the redemption in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the redemption in kind is in the interest of the Company or made to protect the interests of the Company. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares in the relevant Sub-Fund.

### **Temporary Suspension of Redemption**

The right of any shareholder to require the redemption of its Shares of the Company will be suspended during any period in which the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Company pursuant to the powers as discussed under paragraph

"Temporary Suspension of Calculation of the Net Asset Value". Notice of the suspension period will be given to any shareholder tendering Shares for redemption. Withdrawal of an application for redemption will only be effective if written notification is received by the Registrar Agent before termination of the period of suspension, failing which the Shares in question will be redeemed on the first Dealing Day following the end of the suspension period on the basis of the next Net Asset Value per Share determined.

### **Compulsory Redemption**

If the Company discovers at any time that Shares are owned by a Prohibited Person or a US Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at their discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least ten calendar days, and upon redemption, the Prohibited Person or the US Person will cease to be the owner of those Shares. The Company may require any shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person or a US Person.

### **Procedures for redemptions and conversions representing 10% or more of the net assets of any Sub-Fund**

If any application for redemption or conversion is received in respect of any one Valuation Day (the "**First Valuation Day**"), which either singly or when aggregated with other such applications so received, represents more than 10% of the Net Asset Value of any Sub-Fund, the Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Board of Directors to do so is in the best interest of the remaining shareholders), to scale down pro rata each application with respect to such First Valuation Day so that not more than 10% of the Net Asset Value of the Sub-Funds be redeemed or converted on such First Valuation Day.

To the extent that any application for redemption or conversion is not given full

effect on such First Valuation Day by virtue of the exercise by the Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the shareholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application received in respect of the First Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto shall be dealt with as set out above.

### **Conversion of Shares**

Unless otherwise mentioned in the Appendices, conversions of Shares between Sub-Funds and between Classes of Shares are possible as detailed hereunder. Also, unless otherwise mentioned in the Appendices, no conversion charge will be levied.

Shareholders may convert all or part of their Shares into Shares of another Class of the same Sub-Fund or of other Sub-Funds by application in writing or by fax to the Registrar Agent or the financial intermediary, stating which Shares are to be converted into which Sub-Funds and/or Classes.

The application for conversion must include either the monetary amount the shareholder wishes to convert or the number of Shares the shareholder wishes to convert. In addition, the application for conversion must include the shareholder's personal details together with his Account Number, (and if applicable) the registered Share Certificate.

Failure to provide any of this information may result in delay of the application for conversion.

Applications for conversion must be received by the Registrar Agent in the delay described in the relevant Appendices before the conversion deadline, which is

1.00 p.m. in Luxembourg (the "**Conversion Deadline**" as defined in the Appendix of each Sub-Fund), and will be processed on that Dealing Day, using the Net Asset Value calculated on the applicable Valuation Day, as defined in the relevant Appendices, which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices on such Valuation Day.

**All applications for conversion will be dealt at an unknown Net Asset Value ("forward pricing").**

Any application received after the Conversion Deadline on a Dealing Day will be processed on the next Dealing Day, on the basis of the Net Asset Value per Share determined on the following Valuation Day. Applications for conversions may be subject to additional procedures set forth under paragraph "Procedures for Redemptions and Conversions Representing 10% or more of the net assets of any Sub-Fund".

The rate at which all or part of the Shares in an original Sub-Fund are converted into Shares in a new Sub-Fund or a new Class of Shares is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D)}{E}$$

where:

- A is the number of Shares to be allocated in the new Sub-Fund / Class;
- B is the number of Shares of the original Sub-Fund / Class to be converted;
- C is the Net Asset Value per Share of the original Sub-Fund / Class on the relevant Valuation Day;
- D is the actual rate of exchange on the day concerned in respect of the Reference Currency of the original Sub-Fund / Class and the Reference Currency of the new Sub-Fund / Class;
- E is the Net Asset Value per Share of the new Sub-Fund / Class on the relevant Valuation Day.

Following such conversion of Shares, the Administrative Agent will inform the shareholder of the number of Shares of the new Sub-Fund / Class obtained by conversion and the price thereof.

**Company Charges**

The Company will pay a Global Administration and Management Fee, as a percentage of its Net Asset Value, to the Management Company at such rate as described in the Appendices to this Prospectus. For avoidance of doubt, the brokerage fees are excluded from the Global Administration and Management Fee.

The Management Company may also receive a performance fee as described in the Appendices to this Prospectus.

The Management Company shall remunerate the Administrator, the Registrar Agent and the Depositary for their services out of the Global Administration and Management Fee or as described in the Appendices.

Except for the "*taxe d'abonnement*" which shall be borne by the Company, the Management Company will also pay out of the Global Administration and Management Fee all other expenses which include, without limitation, taxes, expenses for legal and auditing services, costs of any proposed listings, maintaining such listings, printing Share Certificates, shareholders' reports, Prospectuses, KIIDs, translation costs, all reasonable out-of-pocket expenses of the members of the Board of Directors, registration fees and other expenses payable to supervisory authorities in any relevant jurisdictions, insurance costs, interests, and the costs of publication of the Net Asset Value per Share of each Sub-Fund (the "**Other Charges and Expenses**"). The Management Company has also borne the Company's formation expenses.

The allocation of costs and expenses to be borne by the Company between the various Sub-Funds will be made in accordance with the Articles of Incorporation of the Company.

Notwithstanding the foregoing, any Other Charges and Expenses which may not be borne by the Company or a Sub-Fund due to regulatory considerations in any of the jurisdictions in which the Company or a Sub-Fund is authorised for distribution to the public, shall be borne by the Management Company.

### **Distribution Policy**

Unless otherwise mentioned in the Appendices, the Company does intend to distribute neither its investment income nor the net capital gains realised as the management of the Company is oriented towards capital gains. The Board of Directors shall therefore recommend the reinvestment of the results of the Company and as a consequence no dividend shall be paid to shareholders.

In any case, no distribution of dividends may be made if, as a result, the share capital of the Company would fall below the minimum capital required by the Luxembourg law.

Notwithstanding, the Board of Directors may propose to the Annual General Meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company.

Upon proposal of the Board of Directors, the Annual General Meeting of Shareholders may also decide to distribute to the Shareholders a dividend in the form of Shares of one or more Sub-Funds, in proportion to the existing Shares of the same Sub-Fund, if any, already held by each Shareholder.

In relation to the Distribution Shares existing in certain Sub-Funds (please refer to Appendices), it is intended that the Company may distribute dividends in the form of cash in the relevant Sub-Fund's Reference Currency. Annual dividends are declared separately in respect of such Distribution Shares at the Annual General Meeting of Shareholders. In addition, the Directors may declare interim dividends.

The Board of Directors may decide also that dividends be automatically reinvested by the purchase of further Shares. In such case, the dividends will be paid to the Registrar Agent who will reinvest the money on behalf of the Shareholders in additional Shares of the same Class. Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant Class in non-certificated form. Fractional entitlements to registered Shares will be recognised for each Class according to the mention determined in the relevant Appendix.

Declared dividends not claimed within five years of the due date will lapse and revert to the Company. No interest shall be paid on a dividend declared and held by the Company at the disposal of its beneficiary.

### **Taxation**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **Taxation of the Company**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is however subject to a subscription tax ("*taxe d'abonnement*")

levied at the rate of 0.05% per annum based on its Net Asset Value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCITS or within a compartment of a UCITS with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds.

#### **Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

#### **Taxation of the Shareholders**

##### **Luxembourg resident individuals**

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is

considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal more than 10% of the share capital or assets of the company.

Distributions made by the Company will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge ("*contribution au fonds pour l'emploi*").

##### **Luxembourg resident corporate**

Luxembourg resident corporate investors will be subject to corporate taxation on capital gains realised upon disposal of the Shares and on the distributions received from the Company.

Luxembourg corporate resident investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the 2010 Law, (ii) specialized investment funds subject to the amended law of 13 February 2007 on specialised investment funds, or (iii) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax ("*taxe d'abonnement*") and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) an UCI subject to the 2010 Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) an investment company governed by the law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds or (v) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of

0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### **Non Luxembourg residents**

*Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.*

### **The Company - General Information**

The Company has been incorporated on 7 June 2006 under Luxembourg laws as a *société d'investissement à capital variable* for an unlimited period of time with a constitutive capital of EUR 31,000 under Part I of the 2010 Law. Its registered office is established in Luxembourg.

The capital of the Company must reach the minimum capital required by the 2010 Law within the first six months following its incorporation.

The Company's articles of incorporation have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and have been published in the *Mémorial C, Recueil des Sociétés et Associations* (the "**Mémorial**") of 22 June 2006. The Articles of Incorporation were last amended on 19<sup>th</sup> June 2020.

The Company has been registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 116 875.

The Articles of Incorporation may be amended from time to time by a general meeting of shareholders, subject to the quorum and majority requirements provided by the laws of Luxembourg.

The Company is established as an umbrella fund and will issue Shares in different Classes in the different Sub-Funds. The Directors shall maintain for each Sub-Fund a separate portfolio.

Vis-à-vis third parties, the Company shall constitute one single legal entity, but by derogation from article 2093 of the

Luxembourg Civil Code, the assets of a particular Sub-Fund are only applicable to the debts, engagements and obligations of that Sub-Fund. The assets, commitments, charges and expenses which cannot be allocated to one specific Sub-Fund will be charged to the different Sub-Funds proportionally to their respective net assets, and *prorata temporis*, if appropriate due to the amounts considered.

In relation between shareholders, each Sub-Fund is treated as a separate legal entity.

For consolidation purposes, the base currency of the Company is the EURO.

### **Management and Administration**

#### **The Board of Directors**

The board of directors of the Company (the "**Board of Directors**"), whose members' names (the "**Directors**") appear on the page "Directory" of this Prospectus, is responsible for the information contained in this Prospectus. They have taken all reasonable care to ensure that at the date of this Prospectus, the information contained herein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly.

Despite the delegation by the Company of the management and administration functions to the Management Company (as described in the next paragraph), the Board of Directors remains responsible for the Company's management, control, administration and the determination of its overall investment objectives and policies.

There are no existing or proposed service contracts between any of the Directors and the Company, although the Directors are entitled to receive remuneration in accordance with usual market practice.

#### **The Management Company**

On 1 June 2022, Lyxor Asset Management S.A.S merged into Amundi Asset Management S.A.S, which replaced Lyxor Asset Management S.A.S as Management Company under Chapter 15 of the 2010 Law.

The Board of Directors has designated Amundi Asset Management S.A.S to act as management company (the "**Management Company**") under Chapter 15 of the 2010 Law.

The Management Company has been incorporated on 21 April 2003 for a period of ninety-nine (99) years. Its registered office is established in France.

The capital is one billion and one hundred and forty-three million and six hundred and fifteen thousand and five hundred and fifty-five Euros (EUR 1 143 615 555.00). The articles of incorporation of the Management Company were published in *Registre de Commerce et des Sociétés* of Paris – France as of April 23, 2001 and is registered under reference 437 574 452.

The Management Company's main object is the management, the administration and the marketing of UCITS as well as UCIs.

The Management Company shall be in charge of the management and administration of the Company and the distribution of Shares in Luxembourg and abroad.

As of the date of this Prospectus, the Management Company has delegated these functions to the entities described here below.

The Management Company is entitled to receive as remuneration for its services a fee as specified in the relevant Appendix.

The Management Company has established a remuneration policy in compliance with the applicable regulations. Such policy complies with the economic strategy, the objectives, the values and the interests of the Management Company and the funds managed by it as well as with those of the investors in such funds, and it includes measures intended to avoid conflicts of interests.

The remuneration policy of the Management Company implements a balanced regime under which the remuneration of the relevant employees is notably based on the principles listed below:

- the remuneration policy of the Management Company shall be compatible with sound and efficient risk management, shall favour it and shall not encourage any risk-taking which would be incompatible with the risk profiles, this prospectus or the other constitutive documents of the funds managed by the Management Company;
- the remuneration policy has been adopted by the supervisory board of the Management Company, which shall adopt and review the general principles of the said policy at least once a year;
- the staff carrying out control functions shall be remunerated depending on the achievement of the objectives related to their functions, independently of the performance of the business areas which they control;
- when remuneration varies according to performance, its total amount shall be established by combining the valuation both in respect of the performances of the relevant person and operational units or the relevant funds and in respect of their risks with the valuation of the overall results of the Management Company when individual performances are valued, taking into account financial and non-financial criteria;
- an appropriate balance shall be established between the fixed and variable components of the overall remuneration;
- beyond a certain threshold, a substantial portion which in any event amounts to at least 50% of the whole variable component of the remuneration shall consist of exposure to an index the components and functioning rules of which allow for an alignment of the interests of the relevant staff with those of investors;
- beyond a certain threshold, a substantial portion which in any event amounts to at least 40% of the whole variable component of the remuneration shall be carried over during an appropriate period of time;
- the variable remuneration, including the portion which has been carried over, shall be paid or acquired only if it is compatible with the financial situation of the Management Company as a whole and if it is justified by the performances of the operational unit, of the funds and of the relevant person.

The details of the remuneration policy are

available on the following website:

<https://about.amundi.com/legal-documentation>

### **The Investment Manager**

For each Sub-Fund, the Management Company may delegate its asset management functions to an Investment Manager. The Investment Manager will, at its discretion, on a day-to-day basis but subject to the overall control and responsibility of the Management Company, purchase and sell securities as agent for the Company and otherwise manage the portfolio of the relevant Sub-Fund for the account and in the name of the Company in relation to specific transactions.

The Investment Manager is entitled to receive as remuneration for its services a fee as specified in the relevant appendix dedicated to the Sub-Fund.

For each Sub-Fund, the Investment Manager may delegate its duties, or part of it, to one or several Sub-Investment Managers. If so, the identity and experience of the Sub-Investment Managers will be fully described in the appendix dedicated to the Sub-Fund.

### **The Distributor and financial intermediary**

The Management Company, may delegate under its responsibility and control to one or several banks, financial institutions and other authorised Intermediaries as distributors and financial intermediaries to offer and sell the Shares to investors and handle the subscription, redemption, conversion or transfer requests of shareholders. Subject to the law of the countries where Shares are offered, such Intermediaries may, with the agreement of the Board of Directors, and the Depositary, act as financial intermediaries for the investor.

In this capacity, the Intermediary shall apply for the subscription, conversion or redemption of Shares for the account of its client and request registration of such operations in the Sub-Fund's Shares' register in the name of the Intermediary.

Notwithstanding the foregoing, a shareholder may invest directly in the Company without using the services of a financial intermediary. The agreement between the Company and any financial intermediary shall contain a provision that gives the shareholder the right to exercise its title to the Shares subscribed through the financial intermediary. The financial intermediary will have no power to vote at any general meeting of shareholders, unless the shareholder grants it a power of attorney in writing his authority to do so. In cases where a Shareholder invests in the Company through a financial intermediary account, his rights to indemnification in the event of errors/non-compliance with the investment rules applicable to a Sub-Fund may also be impacted and only exercisable indirectly.

An investor may ask at any time in writing that the Shares shall be registered in his name and in such case, upon delivery by the investor to the Registrar Agent of the relevant confirmation letter of the financial intermediary, the Registrar Agent shall enter the corresponding transfer and investors' name into the shareholder register and notify the financial intermediary accordingly.

However, the aforesaid provisions are not applicable for shareholders who have acquired Shares in countries where the use of the services of a financial intermediary (or other Intermediary) is necessary or compulsory for legal, regulatory or compelling practical reasons.

In relation to any subscription, an Intermediary authorised to act as financial intermediary is deemed to represent the Directors that:

- a) The investor is not a US Person;
- b) It will notify the Board of Directors and the Registrar Agent immediately if it learns that an investor has become a US Person;
- c) In the event that it has discretionary authority with respect to Shares which become beneficially owned by a US Person, the Intermediary will cause such Shares to be redeemed and;

- d) It will not knowingly transfer or deliver any Shares or any part thereof or interest therein to a US Person nor will any Shares be transferred to the United States.

The Board of Directors may, at any time, require Intermediaries who act as financial intermediaries to make additional representations to comply with any changes in applicable laws and regulations.

The list of financial intermediaries is available at the registered office of the Company.

### The Depositary and Paying Agent

Société Générale Luxembourg is the Company's depositary and paying agent (the "**Depositary**").

The Depositary is a wholly-owned subsidiary of Société Générale, a Paris-based credit institution. The Depositary is a Luxembourg public limited company registered with the Luxembourg trade and companies register under number B 6061 and whose registered office is situated at 11, avenue Emile Reuter, L-2420 Luxembourg. Its operational center is located 28-32, place de la Gare, L-1616 Luxembourg. It is a credit institution in the meaning of the law of 5 April 1993 relating to the financial sector, as amended.

The Depositary will assume its functions and duties in accordance with articles 33 to 37 of the 2010 Law and the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive (the "**EU Level 2 Regulation**"). The relationship between the Company, the Management Company and the Depositary is subject to the terms of a depositary and paying agent agreement entered into for an unlimited period of time (the "**Depositary and Paying Agent Agreement**").

In accordance with the 2010 Law, and pursuant to the Depositary and Paying Agent Agreement, the Depositary carries out, *inter alia*, the safe-keeping of the assets of the Company as well as the monitoring of the cash flows and the monitoring and oversight of certain tasks of

the Company.

In addition, Société Générale Luxembourg will act as the Company's principal paying agent. In that capacity, Société Générale Luxembourg will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the Shares.

The Depositary may delegate Safe-keeping Services (as defined in the Depositary and Paying Agent Agreement) to Safe-keeping Delegates (as defined in the Depositary and Paying Agent Agreement) under the conditions stipulated in the Depositary and Paying Agent Agreement and in accordance with article 34*bis* of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation. A list of the Safe-keeping Delegates is available on

[https://www.securities-services.societegenerale.com/fileadmin/user\\_upload/sqss/publications/PDF/SGSS\\_France\\_Global\\_Custody\\_Network\\_2022-07.pdf](https://www.securities-services.societegenerale.com/fileadmin/user_upload/sqss/publications/PDF/SGSS_France_Global_Custody_Network_2022-07.pdf)

The Depositary is also authorized to delegate any other services under the Depositary and Paying Agent Agreement other than Oversight Services and Cash Monitoring Services (as defined in the Depositary and Paying Agent Agreement).

The Depositary is liable to the Company for the loss of Held In Custody Assets (as defined in the Depositary and Paying Agent Agreement and in accordance with article 18 of the EU Level 2 Regulation) by the Depositary or the Safe-keeping Delegate. In such case, the Depositary shall be liable to return a Held In Custody Assets of an identical type or the corresponding amount to the Company without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

In performing any of its other duties under the Depositary and Paying Agent Agreement, the Depositary shall act with all due skill, care and diligence that a leading professional custodian for hire engaged in like activities would observe. The

Depositary is liable to the Company for any other losses (other than loss of Held In Custody Assets described above) as a result of negligence, bad faith, fraud, or intentional failure on the part of the Depositary (and each of its directors, officers, servants or employees). The liability of the Depositary as to Safekeeping Services shall not be affected by any delegation as referred to in article 34bis of the 2010 Law or excluded or limited by agreement.

The Depositary and Paying Agent Agreement is entered into for an unlimited period. Each party to the Depositary and Paying Agent Agreement may terminate it upon a ninety (90) calendar days' prior written notice. In case of termination of the Depositary and Paying Agent Agreement, a new depositary shall be appointed. Until it is replaced, the resigning or, as the case may be, removed depositary shall continue only its custody duties (and no other duties), and to that extent shall take all necessary steps for the safeguard of the interests of the shareholders.

The Depositary is not responsible for any investment decisions of the Company or of one of its agents or the effect of such decisions on the performance of a relevant Sub-Fund.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositaries tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the shareholders.

In that respect, the Depositary has in place a policy for the prevention, detection and management of conflicts of interest resulting from the concentration of activities in Société Générale's group or from the delegation of safekeeping functions to other Société Générale entities or to an entity linked to the Management Company.

This conflict of interest management policy intends to:

- Identify and analyse potential conflict of interest situations;
- Record, manage and track conflict of interest situations by:
  - (i) Implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated IT environments;
  - (ii) Implementing, on a case-by-case basis:
    - (a) Appropriate preventive measures including the creation of an ad hoc tracking list and new Chinese walls, and by verifying that transactions are processed appropriately and/or by informing the clients in question;
    - (b) Or, by refusing to manage activities which may create potential conflicts of interest.

Thus, the Depositary in its capacity, in one hand, as depositary and paying agent and, on the other hand, as administrative, registrar and transfer agent of the Company has established a functional, hierarchical and contractual separation between the performance of its depositary functions and the performance of those tasks outsourced by the Company.

Regarding the delegation of the Depositary's safekeeping duties to a company linked to other Société Générale entities or to an entity linked to the Management Company, the policy implemented by the Depositary consists of a system which prevents conflicts of interest and enables the Depositary to exercise its activities in a way that ensures that the Depositary always acts in the best interests of the Company. The prevention measures consist, specifically, of ensuring the confidentiality of the information exchanged, the physical separation of the main activities which may create potential conflicts of interest, the identification and classification of remuneration and monetary and non-monetary benefits, and the implementation of systems and policies for gifts and events.

Further details are available on:

[https://www.sgbt.lu/fileadmin/user\\_upload/SGBT/PDF/Summary\\_of\\_the\\_conflicts\\_of\\_interest\\_management\\_policy.pdf](https://www.sgbt.lu/fileadmin/user_upload/SGBT/PDF/Summary_of_the_conflicts_of_interest_management_policy.pdf).

Up-to-date information regarding the above information will be made available to investors on request.

### The Administrative Agent

Pursuant to a novation agreement effective as of 1<sup>st</sup> August 2014 entered into between Société Générale Luxembourg (formerly denominated Société Générale Bank & Trust), Société Générale Securities Services Luxembourg S.A. (formerly EURO-VL Luxembourg S.A.) and the Management Company, Société Générale Luxembourg has been appointed by the Management Company under its responsibility and control to act as administrative agent of the Company (the "**Administrative Agent**").

Société Générale Luxembourg is a "*société anonyme*" incorporated under the law of the Grand Duchy of Luxembourg and having its registered office at 11, avenue Emile Reuter, L-2420 Luxembourg and its operational center at 28-32, Place de la Gare, L-1616 Luxembourg.

The Administrative Agent is responsible for, *inter alia*, the daily determination of the Net Asset Value of each Class of the Shares of each Sub-Fund, the proper book-keeping of the Company and all other administrative functions as required by the laws of the Grand Duchy of Luxembourg and as further described in the aforementioned agreement. In case one or several of the tasks listed above are delegated, the name of the appointed entities can be found in section "DIRECTORY" of the prospectus.

The aforementioned agreement may be terminated by either party upon ninety days' prior written notice or immediately in certain circumstances.

### Corporate and Domiciliary Agent

Arendt Services S.A. has been appointed by the Management Company and the Company as Corporate and Domiciliary agent.

In such capacities, Arendt Services S.A. is obliged:

- (a) to identify the Company's board members, its shareholders and its ultimate beneficial owners;
- (b) to keep in its files all the documentation required to identify the above-mentioned persons for a period of at least 5 years after the end of the relations with such persons and/or with the Company;
- (c) to comply with and answer any legal request that the authorities responsible for the application of the law may address to it in the exercise of their power;
- (d) to fully cooperate with the Luxembourg authorities responsible for combating money laundering (i) by supplying them with all necessary information in accordance with the applicable legislation and (ii) by automatically informing in accordance with Luxembourg law the Public Prosecutor (Procureur d'Etat) at the District Court of Luxembourg of any fact that could be indicative of money laundering or terrorist financing.

Arendt Services S.A., is a société anonyme existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, registered with the Luxembourg Trade and Companies Register under the number B 145 917.

### The Registrar and Transfer Agent

Pursuant to a novation agreement effective as of 1<sup>st</sup> July 2015 entered into between Société Générale Luxembourg (formerly denominated Société Générale Bank & Trust), European Fund Services S.A. and the Management Company, Société Générale Luxembourg has been appointed by the Management Company under its responsibility and control to act as

Registrar and Transfer Agent of the Company.

Société Générale Luxembourg is a "*société anonyme*" incorporated under the law of the Grand Duchy of Luxembourg and having its registered office at 11, avenue Emile Reuter, L-2420 Luxembourg and its operational center at 28-32 Place de la Gare, L-1616 Luxembourg.

The Registrar Agent will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and conversions and accepting transfers of funds, for the safekeeping of the shareholders register of the Company, the delivery of Share Certificates, if requested, the safekeeping of all non-issued Share Certificates of the Company, for accepting Share Certificates rendered for replacement, redemption or conversion and for handling client communication, as further described in the above mentioned agreement. In case one or several of the tasks listed above are delegated, the name of the appointed entities can be found in section "DIRECTORY" of the prospectus.

### **Dissolution and Liquidation of the Company**

The Company may at any time be dissolved by a resolution taken by the general meeting of shareholders subject to the quorum and majority requirements as defined in the Articles of Incorporation of the Company.

Whenever the capital falls below two thirds of the minimum capital as provided by the 2010 Law, the Board of Directors has to submit the question of the dissolution and liquidation of the Company to the general meeting of shareholders. The general meeting, for which no quorum shall be required, shall decide on simple majority of the votes of the Shares presented and voting at the meeting.

The question of the dissolution and liquidation of the Company shall also be referred to the general meeting of shareholders whenever the capital falls below one quarter of the minimum capital. In such event, the general meeting shall be held without quorum requirements and the dissolution may be decided by the

shareholders holding one quarter of the votes present or represented at that meeting.

The meeting must be convened so that it is held within a period of forty days from when it is ascertained that the net assets of the Company have fallen below two thirds or one quarter of the legal minimum as the case may be.

The issue of new Shares by the Company shall cease on the date of publication of the notice of the general meeting of shareholders, to which the dissolution and liquidation of the Company shall be proposed.

This notice will be published in at least two newspapers one of which is in Luxembourg. One or more liquidators shall be appointed by the general meeting of shareholders to realise the assets of the Company, subject to the supervision of the relevant supervisory authority in the best interests of the shareholders.

The proceeds of the liquidation of each Sub-Fund, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

### **Termination of a Sub-Fund**

The Directors may decide at any moment the termination of any Sub-Fund. In the case of termination of a Sub-Fund, the Directors may offer to the shareholders of such Sub-Fund the conversion of their Class of Shares into Class of Shares of another Sub-Fund, under terms fixed by the Directors, or the redemption of their Shares for cash at the Net Asset Value per Share (including all estimated expenses and costs relating to the termination) determined on the Valuation Day as described under paragraph "Redemption of Shares".

In the event that for any reason the value of the assets in any Sub-Fund or any Class of Shares within a Sub-Fund has decreased

below 10 million Euros or any other amount determined by the Directors as mentioned in the Appendix to be the minimum level for such Sub-Fund or such Class of Shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund, the Directors may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the shareholders of the relevant Classes of Shares in writing prior to the effective date for such Compulsory Redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to maintain equal treatment between, the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the date effective for the compulsory redemption.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-Fund or Class of Shares.

Notwithstanding the powers conferred on the Board of Directors by the first paragraph hereof, the general meeting of shareholders of any one Class of Shares issued in a Sub-Fund may, upon proposal from the Directors, redeem all the Shares issued in such Sub-Fund and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders that shall decide by resolution taken by simple majority of those present or represented.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled thereafter by the Company.

### **Amalgamation, Division or Transfer of Sub-Funds**

The Directors may decide, under the same conditions of the preceding paragraph, at any moment to reorganise a Sub-Fund or Class by means of a division into two or more Sub-Funds or Classes.

The Board of Directors may decide to consolidate a Class of any Sub-Fund. The Board of Directors may also submit the question of the consolidation of a Class to a meeting of holders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, a general meeting of shareholders of any Sub-Fund (or Class as the case may be) may, upon proposal from the Board of Directors, decide (i) that all Shares of such Sub-Fund shall be redeemed and the Net Asset Value of the Shares (taking into account actual realisation prices of investments and realisation expenses) refunded to Shareholders, such Net Asset Value calculated as of the Valuation Day at which such decision shall take effect, (ii) upon the division of a Sub-Fund or the division, consolidation or amalgamation of Classes of Shares in the same Sub-Fund. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast if such decision does not result in the liquidation of the Company. Liquidation proceeds not claimed by the shareholders at the close of the liquidation of a Sub-Fund will be deposited at the *Caisse de Consignation* in Luxembourg. If not claimed they shall be forfeited in accordance with Luxembourg Law.

A merger of a Sub-Fund with a Sub-Fund of the Company or with a sub-fund of another UCITS, whether subject to Luxembourg law or not, may be decided by the Board of Directors. Shareholders will be informed at least 30 days prior to the last day on which redemptions free of charge may be requested. The Board of Directors may submit the question of the merger of a Sub-Fund to a general meeting of Shareholders of that Sub-Fund. No quorum is required for such meeting and decisions are taken by a simple majority of the votes cast.

In case of a merger of a Sub-Fund or the Company where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders resolving by a simple majority of the votes cast without a quorum.

Any merger of a Sub-Fund shall be subject to the provisions on mergers set forth in the 2010 Law and any implementing regulation.

### **General Meetings**

The annual general meeting of shareholders will be held at the registered office of the Company or such other place, as specified in the convening notice at any date and time decided by the Board but no later than within six months from the end of the Company's previous financial year.

Shareholders in any Sub-Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Sub-Fund. In addition, the shareholders of any Class of Shares may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class of Shares.

Notices of all general meetings are sent by mail to all registered shareholders at their registered address at least eight days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majority at such meeting.

To the extent required by Luxembourg law, further notices will be published in the *Recueil électronique des sociétés et associations* ("**RESA**"), in a Luxembourg newspaper and in any other newspapers that the Board of Directors may determine.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the company. Investors are advised to take advice on their rights.

### **Annual and Semi-annual Reports**

Audited Annual Reports and unaudited Semi-annual Reports will be made available for public inspection at each of the registered offices of the Company and the Administrative Agent within four, respectively two months following the relevant accounting period, and the latest Annual Report shall be available at least eight days before the annual general meeting. The Company's financial year ends on 31<sup>st</sup> December of each year.

### **Documents Available for Inspection**

Copies of the following documents may be inspected free of charge during usual business hours on any weekday (Saturday and public holidays excepted) at the registered office of the Company, 9, rue de Bitbourg, L-1273 Luxembourg:

1. The Articles of Incorporation of the Company;
2. The KIIDs;
3. The Depositary and Paying Agent Agreement;
4. The novation agreement appointing Société Générale Luxembourg (formerly denominated Société Générale Bank & Trust) as

Administrative Agent as from 1<sup>st</sup> August 2014;

5. The novation agreement appointing Société Générale Luxembourg (formerly denominated Société Générale Bank & Trust) as registrar and transfer agent as from 1<sup>st</sup> July 2015;
6. The last audited Annual Report and the Semi-annual Report of the Company;
7. The novation agreements appointing Lyxor Asset Management S.A.S. as Management Company as from the 1<sup>st</sup> February 2014.

A copy of the documents listed above may be delivered without cost to interested investors at their request.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in Luxembourg, and are subject to changes in those laws and practice.

### Benchmark Regulation

Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") came into full effect on 1 January 2018. The Benchmark Regulation introduces a new requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the EU to be authorized or registered by the competent authority. In respect of the Sub-Funds, the Benchmark Regulation prohibits the use of benchmarks unless they are produced by an EU administrator authorized or registered by the European Securities and Markets Authority ("**ESMA**") or are non-EU benchmarks that are included in ESMA's public register under the Benchmark Regulation's third country regime.

Pursuant to the Benchmark Regulation, the Management Company maintains a written contingency plan for the indices it uses as benchmarks, within the meaning of the Benchmark Regulation.

A copy of the contingency plan, within the meaning of Benchmark Regulation, is available upon request and free of charge at the registered office of the Management Company.

As of the date of this Prospectus, the administrators of benchmarks used by a Sub-Fund and which have been included in the register of benchmark administrators maintained by ESMA are as follows:

Benchmark Administrators	Location	Benchmarks
Czech Financial Benchmark Facility s.r.o.	CZECHI A	Czech Interbank Offer Rate

The other benchmarks used by the Sub-Funds are, as at the date of this Prospectus, provided by benchmark administrators who benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear yet on the public register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

The inclusion of any administrator of a benchmark used by a Fund within the meaning of the Benchmark Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update.

### ***Sustainability-related disclosures in the financial services sector ("SFDR")***

"**Disclosure regulation**" or "**SFDR**" means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

On 18 December 2019, the European Council and European Parliament announced that they had reached a political agreement on the Disclosure Regulation, thereby seeking to establish a pan-European framework to facilitate Sustainable Investment. The Disclosure Regulation provides for a harmonised approach in respect of sustainability-

related disclosures to investors within the European Economic Area's financial services sector.

The scope of the Disclosure Regulation is extremely broad, covering a very wide range of financial products (e.g. UCITS funds, alternative investment funds, pension schemes etc.) and financial market participants (e.g. E.U. authorised investment managers and advisers). It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consider adverse sustainability impacts in the investment process. Its objectives are to (i) strengthen protection for investors of financial products, (ii) improve the disclosures made available to investors by financial market participants and (iii) improve the disclosures made available to investors regarding the financial products, to, amongst other things, enable investors make informed investment decisions.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst the Company and each of its Sub-Funds qualifies as a "financial product".

Pursuant to SFDR, the Management Company is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary according to another specific other risk, a region and/or an asset class. Generally, when Sustainability Risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore a negative impact on the net asset value of the concerned sub-fund.

Such assessment of the likely impact must therefore be conducted at each Sub-Fund level, further detail and specific information is given in each relevant Sub-Fund's Annex.

**For each Sub-Fund that has**

**environmental and/or social characteristics (within the meaning of Article 8 of the SFDR) or has a sustainable investment objective (within the meaning of Article 9 of the SFDR), information about such characteristics or objectives is available in the pre-contractual disclosures set out in section "Appendix B - ESG related disclosures of the relevant Sub-Fund" of this Prospectus.**

**"ESG"** means environmental, social and governance matters.

**"ESG rated"** means a security which is ESG rated or covered for ESG evaluation purposes by Amundi Asset Management or by a regulated third party recognised for the provision professional ESG rating and evaluation.

**"Sustainability Factors"** for the purposes of art. 2.(24) of SFDR mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery.

**"Sustainable Investment"** for the purposes of art. 2.(17) of the SFDR mean (1) An investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Information on Amundi's methodology to assess if an investment qualify as a Sustainable Investment can be found in the Amundi ESG Regulatory Statement available on

[www.amundi.fr](http://www.amundi.fr).

The Sub-Funds classified pursuant to article 8 of the Disclosure Regulation aim to promote environmental or social characteristics and to invest in companies that follow good governance practices. In addition to applying the Responsible Investment Policy, these Article 8 Sub-Funds aim to promote such characteristics through increased exposure to sustainable assets gained by seeking to achieve an ESG score of their portfolios greater than of their respective benchmark or investment universe. The ESG portfolio score is the AUM-weighted average of the issuers' ESG score based on Amundi ESG scoring model. These Article 8 Sub-Funds integrate Sustainability Risk via a targeted exclusion policy, via integration of ESG scores in their investment process and via a stewardship approach.

### Integration of Sustainability Risk

Sustainability Risks can either represent a risk on their own or have an impact on other risks and may contribute significantly to such risks, such as (but not limited to) market risks, operational risks, liquidity risks or counterparty risks. Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Sustainability risk is linked but not limited to climate-related events resulting from climate change (a.k.a Physical Risks) or to the society's response to climate change (a.k.a Transition Risks), which may result in unanticipated losses that could affect the relevant Sub-Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

By implementing an exclusion policy in relation to issuers who's environmental

and/or social and/or governance practices are controversial on certain strategies, the Management Company aims to mitigate Sustainability Risks. In addition, when a Sub-Fund follows an extra-financial approach, through the implementation of the ESG investment process included but not limited to selection, thematic or impact, Sustainability Risk intend to be further mitigated. In both cases, please note that no insurance can be given that Sustainability Risks will be totally removed. Further information on the integration of Sustainability Risks into investment decisions can be found on the Management Company's website: <https://www.amundi.com> section legal documentation.

FINALLY, IN ACCORDANCE WITH AMUNDI'S RESPONSIBLE INVESTMENT POLICY, THE INVESTMENT MANAGERS OF ALL OTHER SICAV'S SUB-FUNDS, NOT CLASSIFIED PURSUANT TO ARTICLE 8 OR 9 OF THE DISCLOSURE REGULATION, INTEGRATE SUSTAINABILITY RISKS FACTORS IN THEIR INVESTMENT PROCESS AS A MINIMUM VIA A STEWARDSHIP APPROACH AND POTENTIALLY, DEPENDING ON THEIR INVESTMENT STRATEGY AND ASSET CLASSES, ALSO VIA A TARGETED EXCLUSION POLICY.

### Taxonomy Regulation ("TR")

"Taxonomy Regulation" or "TR" means regulation 2020/852 of the European Parliament and of the Council of 27th November 2019 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 'disclosure regulation' or 'SFDR'.

The Taxonomy Regulation aims to identify economic activities which qualify as environmentally sustainable (the "Sustainable Activities").

Art. 9 of the Taxonomy Regulation identifies such activities according to their contribution to six environmental objectives: (i) Climate change mitigation; (ii) Climate change adaptation; (iii) Sustainable use and protection of water and marine resources; (iv) Transition to a circular economy; (v) Pollution prevention and

control; (vi) Protection and restoration of biodiversity and ecosystems.

An economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives, does not significantly harm any of the other five environmental objectives (“do no significant harm” or “DNSH” principle), is carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation and complies with technical screening criteria that have been established by the European Commission in accordance with the Taxonomy Regulation.

The “do no significant harm” principle applies only to those investments underlying the relevant Sub-Funds that take into account the European Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Funds identified as Article 8 or Article 9 in their respective Supplements may commit or may not commit to invest at the date of this Prospectus, in economic activities that contribute to the environmental objectives set out in art. 9 of the Taxonomy Regulation.

**“Environmentally Sustainable Economic Activities”** means an investment in one or several economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

For the purpose of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the environmental objectives set out in the TR, does not significantly harm any and of the environmental objectives set out in the TR, is carried out in compliance with the minimum safeguards laid down in the TR and complies with the technical screening criteria that have been established by the European Commission in accordance with

the TR.

For more information on Amundi’s approach to the Taxonomy Regulation please refer to Appendix B – ESG Related Disclosures of this Prospectus and to the Amundi ESG Regulatory Statement on [www.amundi.fr](http://www.amundi.fr).

### **Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022**

On 6 April 2022, the European Commission published its Level 2 Regulatory Technical Standards ( “ RTS ” ) under both the Disclosure Regulation and the Taxonomy Regulation. The RTS were accompanied by five annexes, which provide mandatory disclosure templates.

The RTS are a consolidated set of technical standards, which provide additional detail on the content, methodology and presentation of certain existing disclosure requirements under the Disclosure Regulation and the Taxonomy Regulation. Commission Delegated Regulation (EU) 2022/1288, setting out the RTS was published on 25 July 2022 in the Official Journal of the EU (OJ). The RTS apply since 1 January 2023.

Further to art. 14.(2) of the RTS, information about the environmental or social characteristics of art. 8 sub-funds is available in Appendix B - ESG Related Disclosures to this Prospectus.

Further to art. 18. (2) of the RTS, information about sustainable investments of art. 9 sub-funds is available in Appendix B - ESG Related Disclosures to this Prospectus.

### **Principal Adverse Impacts**

Principal Adverse Impacts are negative, material or likely to be material effects on Sustainability Factors that are caused, compounded by or directly linked to investment decisions by the issuer.

Amundi considers PAIs via a combination of approaches: exclusions, ESG rating integrating, engagement, vote, controversies monitoring.

For Article 8 and 9 SFDR Sub-Funds Amundi considers all mandatory PAIs in

Annex 1, Table 1 of the RTS applying to the Sub-Fund's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches.

For all other Sub-Funds not classified pursuant to art. 8 or art. 9 of the Disclosure Regulation Amundi considers a selection of PAIs through its normative exclusion policy and for these Sub-Funds only indicator 14 (Exposure to controversial weapons anti-personnel mines, cluster munitions, chemical weapons and biological weapons) of Annex 1, Table 1 of the RTS will be taken into account.

More detailed information on Principal Adverse Impact are included in the Amundi's ESG Regulatory Statement available at [www.amundi.fr](http://www.amundi.fr)

### **Overview of the Responsible Investment Policy**

Since its creation, the Amundi group of companies ("Amundi") has put responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards sustainable society and that ESG is a long-term driver of financial performance.

Amundi considers that, in addition to economic and financial aspects, the integration within the investment decision process of ESG dimensions, including Sustainability Factors and Sustainability Risks allows a more comprehensive assessment of investment risks and opportunities.

### **Integration of Sustainability Risks by Amundi**

Amundi's approach to sustainability risks relies on three pillars: a targeted exclusion policy, integration of ESG scores in the investment process and stewardship.

Amundi applies targeted exclusion policies to all Amundi's active investing strategies by excluding companies in contradiction with the Responsible Investment Policy, such as those which do not respect international conventions, internationally

recognized frameworks or national regulations.

Amundi has developed its own ESG rating approach. The Amundi ESG rating aims to measure the ESG performance of an issuer, i.e. its ability to anticipate and manage Sustainability Risks and opportunities inherent to its industry and individual circumstances. By using the Amundi ESG ratings, portfolio managers are taking into account Sustainability Risks in their investment decisions.

Amundi ESG rating process is based on the "Best-in-class" approach. Ratings adapted to each sector of activity aim to assess the dynamics in which companies operate.

ESG rating and analysis is performed within the ESG analysis team of Amundi, which is also used as an independent and complementary input into the decision process as further detailed below.

The Amundi ESG rating is a ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). In the Amundi ESG Rating scale, the securities belonging to the exclusion list correspond to a G.

For corporate issuers, ESG performance is assessed globally and at relevant criteria level by comparison with the average performance of its industry, through the combination of the three ESG dimensions:

1. Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.
2. Social dimension: this measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of human rights in general.
3. Governance dimension: This assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long-term.

The methodology applied by Amundi ESG rating uses 38 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer.

To meet any requirement and expectation of Investment Managers in consideration of their sub-funds management process and the monitoring of constraints associated with a specific sustainable investment objective, the Amundi ESG ratings are likely to be expressed both globally on the three E, S and G dimensions and individually on any of the 38 criteria considered.

For more information on the 38 criteria considered by Amundi please refer to the Responsible Investment Policy and Amundi ESG Regulatory Statement available on [www.amundi.lu](http://www.amundi.lu).

The Amundi ESG rating also considers potential negative impacts of the issuer's activities on sustainability (principal adverse impact of investment decisions on sustainability factors, as determined by Amundi) including on the following indicators:

- Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)
- Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)
- Water (Water Criteria)
- Waste (Waste, recycling, biodiversity and pollution Criteria)
- Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria, Board Structure Criteria, Labour Relations Criteria

- and Health and Safety Criteria)
- Human rights (Community involvement & Human Rights Criteria)
- Anti-corruption and anti-bribery (Ethics Criteria)

The way in which and the extent to which ESG analyses are integrated, for example based on ESG scores, are determined separately for each SICAV's Sub-Fund by the Investment Manager.

Stewardship activity is an integral part of Amundi's ESG strategy. Amundi has developed an active stewardship activity through engagement and voting. The Amundi Engagement Policy applies to all Amundi funds and is included in the Responsible Investment Policy.

More detailed information are included in the Amundi's Responsible Investment Policy and in the Amundi's ESG Regulatory Statement available at [www.amundi.fr](http://www.amundi.fr)

FINALLY, IN ACCORDANCE WITH AMUNDI'S RESPONSIBLE INVESTMENT POLICY, THE INVESTMENT MANAGERS OF THE SUB-FUNDS NOT CLASSIFIED PURSUANT TO ARTICLE 8 OR 9 OF THE DISCLOSURE REGULATION, INTEGRATE SUSTAINABILITY RISKS FACTORS IN THEIR INVESTMENT PROCESS

**For further details on how each Sub-Fund complies with the requirements of the Disclosure Regulation, and the Taxonomy Regulation and the RTS, please refer to the Supplement for that Sub-Fund, the annual financial statements of the Fund, and also to the relevant Sub-Fund's SFDR pre-contractual disclosure under Appendix B "ESG Related Disclosures of the relevant Sub-Fund".**

**APPENDICES**

**A. SUB-FUNDS SUPPLEMENTS**

**APPENDIX 1**

**Lyxor Investment Funds - LYXOR  
CONSERVATIVE ALLOCATION**

The Reference Currency of the Sub-Fund is the Euro (EUR).

**INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The "**Lyxor Investment Funds – LYXOR CONSERVATIVE ALLOCATION**" Sub-Fund's investment objective is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) above Euro Short-Term Rate (the "€STR") or the equivalent money market rate in the relevant currency of the Class of Shares, over a 3 to 5 year horizon with an annual volatility target level of 3%.

The Sub-Fund has a flexible investment approach to generate performance in most market environments. It will invest in a diversified portfolio of liquid instruments.

**BENCHMARK INDEX**

The index used as benchmark index is the €STR rate (the "**Benchmark Index**") (or the equivalent overnight money market rate for the currency of the related share class).

The €STR (Euro short-term rate) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.

The €STR rate is published by the European Central Bank. The method of calculation is defined in the €STR methodology and policies available at [https://www.ecb.europa.eu/paym/interest\\_rate\\_benchmarks/WG\\_euro\\_risk-free\\_rates/shared/pdf/ecb.ESTER\\_methodology\\_and\\_policies.en.pdf](https://www.ecb.europa.eu/paym/interest_rate_benchmarks/WG_euro_risk-free_rates/shared/pdf/ecb.ESTER_methodology_and_policies.en.pdf).

The European Central Bank reviews the €STR methodology and publishes a report every year.

The European Central Bank is the administrator of the Benchmark Index and has overall responsibility for providing the rate. €STR is exclusively based on

borrowing transactions in euro conducted with financial counterparties that banks report to the European Central Bank in accordance with Regulation (EU) No 1333/2014 concerning statistics on the money markets.

The Benchmarks Regulation does not apply to central banks.

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Management Company and/or the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Management Company and/or the Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

**INVESTMENT POLICY**

The Sub-Fund seeks to achieve its objective by using a dynamic asset allocation process on a broad and diversified set of liquid asset classes.

The Sub-Fund will invest in eligible assets, including but not limited to equities, bonds, exchange traded funds, UCITS, money market instruments, securities with embedded derivatives and derivative instruments (such as listed futures, listed options, forwards and swaps linked notably to equities, bonds, currencies, commodities indices and interest rates).

Should the Sub-Fund be exposed to any financial index, such financial index will be eligible for investment by UCITS in accordance with the requirements of applicable laws and regulations including article 44 of the 2010 Law and article 8 and 9 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment

and CSSF Circular 14/592 (the "**Eligible Index**").

The composition of Eligible Indices is usually reviewed and rebalanced on a daily, weekly, monthly, quarterly, semi-annual or annual basis.

Rebalancing operations could have an impact in terms of costs paid or incurred by the Sub-Fund and could consequently affect the performance of the Sub-Fund.

More specifically the Sub-Fund will use a Core-Satellite investment process.

The Core is the centrepiece of the portfolio. The Core is a diversified portfolio invested in financial instruments linked to equities, fixed-income and commodities indices: it corresponds to the major part of the directional exposures of the portfolio.

The Core will be determined pursuant to the Strategic Allocation and the Tactical Allocation as follows:

- *Strategic Allocation is based notably on:*
  - Risk budgeting methodology
    - The risk is split among asset classes to obtain a diversified portfolio
  - According notably to
    - Market volatility
    - Market cross-correlation
- *Tactical Allocation:*
  - Modulate the Strategic Allocation based, among other things, on a trend-following analysis and a global macro analysis
  - According notably to
    - Market volatility
    - Market prices
    - Macroeconomic indicators

The Satellite is composed of strategies aiming at generating additional returns.

The Core and the Satellite of the Sub-Fund will be monitored by a risk control process, on a daily basis, in order to maintain the

average level of annual volatility of the Sub-Fund around 3%.

The Sub-Fund will endeavour to maintain its overall exposure to the following diversification criteria:

- *Exposure to global equity markets between 0% and 40% of the Net Asset Value;*
- *Exposure to developed markets investment grade bonds between 0% and 80% of the Net Asset Value (excluding positions invested in government bonds having a residual maturity of less than 12 months);*
- *Exposure to non-investment grade bond markets with a residual maturity over 12 months between 0% and 30% of the Net Asset Value;*
- *Exposure to non-investment grade bond markets with a residual maturity of less than 12 months between 0% and 30% of the Net Asset Value;*
- *Exposure to global commodities markets between 0% and 20% of the Net Asset Value.*

For each of the limits mentioned above, the exposure is defined as the difference between long and short positions.

In order to ensure best execution of the Sub-Fund's main transactions in its underlying investments, the Management Company and/or the Investment Manager intends to pursue competitive bidding with first class financial institutions.

The valuation of the over-the-counter financial derivative instruments will be provided by the counterparty but the Management Company and/or the Investment Manager will make their own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company and/or the Investment Manager.

Despite all measures taken by the Company to reach its objectives, these are subject to independent risk factors like changes in the fiscal or commercial

regulations. No guarantee whatsoever may be offered to the investor in this regard.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions including efficient portfolio management techniques.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

Within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets (cash, deposits, money market instruments and money market funds) on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

## INVESTMENT TECHNIQUES

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a continuous basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

The Sub-Fund's exposure to TRS is as set out in the table below (as a percentage of the total assets). In certain circumstances this proportion may be higher.

	Expected level (in % of the NAV)	Maximum level (in % of the NAV)
TRS	15%	20%

## ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

## TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have a diversified exposure to financial markets while benefiting from an enhanced performance.

US Persons may not invest in the Sub-Fund.

## RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the absolute VaR approach. The expected level of leverage (calculated as the sum of notional of the derivatives used) of the Sub-Fund is about 100% based on historical observation and is not expected to exceed 300%.

## CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class M (EUR)	Class A (EUR)	Class I (EUR)
Class M (USD)	Class A (USD)	Class I (USD)
Class M (GBP)	Class A (GBP)	Class I (GBP)
Class M (CHF)	Class A (CHF)	Class I (CHF)
Class M (JPY)	Class A (JPY)	Class I (JPY)
Class M (SEK)	Class A (SEK)	Class I (SEK)
Class M (NOK)	Class A (NOK)	Class I (NOK)
Class M (SGD)	Class A (SGD)	Class I (SGD)

Class M (HKD)	Class A (HKD)	Class I (HKD)
Class M (CAD)	Class A (CAD)	Class I (CAD)
Class M (DKK)	Class A (DKK)	Class I (DKK)
Class M (BRL)	Class A (BRL)	Class I (BRL)
Class M (RMB)	Class A (RMB)	Class I (RMB)
Class B (EUR)	Class D-B (EUR)	
Class B (USD)	Class D-B (USD)	
Class B (GBP)	Class D-B (GBP)	
Class B (CHF)	Class D-B (CHF)	
Class B (JPY)	Class D-B (JPY)	
Class B (SEK)	Class D-B (SEK)	
Class D-M (EUR)	Class D-A (EUR)	Class D-I (EUR)
Class D-M (USD)	Class D-A (USD)	Class D-I (USD)
Class D-M (GBP)	Class D-A (GBP)	Class D-I (GBP)
Class D-M (CHF)	Class D-A (CHF)	Class D-I (CHF)
Class D-M (JPY)	Class D-A (JPY)	Class D-I (JPY)
Class D-M (SEK)	Class D-A (SEK)	Class D-I (SEK)
Class D-M (NOK)	Class D-A (NOK)	Class D-I (NOK)
Class D-M (SGD)	Class D-A (SGD)	Class D-I (SGD)
Class D-M (HKD)	Class D-A (HKD)	Class D-I (HKD)
Class D-M (CAD)	Class D-A (CAD)	Class D-I (CAD)
Class D-M (DKK)	Class D-A (DKK)	Class D-I (DKK)
Class D-M (BRL)	Class D-A (BRL)	Class D-I (BRL)
Class D-M (RMB)	Class D-A (RMB)	Class D-I (RMB)

Class SI (EUR)	Class D-SI (EUR)	
Class SI (USD)	Class D-SI (USD)	
Class SI (GBP)	Class D-SI (GBP)	
Class SI (CHF)	Class D-SI (CHF)	
Class SI (JPY)	Class D-SI (JPY)	
Class SI (SEK)	Class D-SI (SEK)	
Class SI (NOK)	Class D-SI (NOK)	
Class SI (HKD)	Class D-SI (HKD)	

Class M and D-M Shares are only available to investors through distributors.

Class A, B, D-A and D-B Shares are available to all investors.

Class I and D-I Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class S-I and D-SI Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class M, A, I, B and SI Shares are Capitalisation Shares and Class D-M, D-A, D-I, D-B and D-SI Shares are Distribution Shares.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated in EUR will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

All references to RMB must be understood as a reference to offshore Renminbi ("CNH").

## MINIMUM INVESTMENT

Initial minimum subscription amount:

Class A (EUR): EUR 1,000  
 Class A (USD): USD 1,000  
 Class A (GBP): GBP 1,000  
 Class A (CHF): CHF 1,000  
 Class A (JPY): JPY 100,000  
 Class A (SEK): SEK 10,000  
 Class A (NOK): NOK 10,000  
 Class A (SGD): SGD 1,500  
 Class A (HKD): HKD 10,000  
 Class A (CAD): CAD 1,500  
 Class A (DKK): DKK 5,000  
 Class A (BRL): BRL 2,500  
 Class A (RMB): RMB 10,000

Class I (EUR): EUR 500,000  
 Class I (USD): USD 500,000  
 Class I (GBP): GBP 500,000  
 Class I (CHF): CHF 500,000  
 Class I (JPY): JPY 50,000,000  
 Class I (SEK): SEK 5,000,000  
 Class I (NOK): NOK 5,000,000  
 Class I (SGD): SGD 1,000,000  
 Class I (HKD): HKD 5,000,000  
 Class I (CAD): CAD 500,000  
 Class I (DKK): DKK 5,000,000  
 Class I (BRL): BRL 1,000,000  
 Class I (RMB): RMB 5,000,000

Class B (EUR): EUR 250,000  
 Class B (USD): USD 250,000  
 Class B (GBP): GBP 250,000  
 Class B (CHF): CHF 250,000  
 Class B (JPY): JPY 25,000,000  
 Class B (SEK): SEK 2,500,000

Class M (EUR): EUR 100  
 Class M (USD): USD 100  
 Class M (GBP): GBP 100  
 Class M (CHF): CHF 100  
 Class M (JPY): JPY 10,000  
 Class M (SEK): SEK 1,000  
 Class M (NOK): NOK 1,000  
 Class M (SGD): SGD 200  
 Class M (HKD): HKD 500  
 Class M (CAD): CAD 150  
 Class M (DKK): DKK 1,000  
 Class M (BRL): BRL 200  
 Class M (RMB): RMB 1,000

Class SI (EUR): EUR 75,000,000  
 Class SI (USD): USD 75,000,000  
 Class SI (GBP): GBP 75,000,000  
 Class SI (CHF): CHF 75,000,000

Class SI (JPY): JPY 7,500,000,000  
 Class SI (SEK): SEK 750,000,000  
 Class SI (NOK): NOK 750,000,000  
 Class SI (HKD): HKD 750,000,000

Class D-A (EUR): EUR 1000  
 Class D-A (USD): USD 1000  
 Class D-A (GBP): GBP 1000  
 Class D-A (CHF): CHF 1000  
 Class D-A (JPY): JPY 100,000  
 Class D-A (SEK): SEK 10,000  
 Class D-A (NOK): NOK 10,000  
 Class D-A (SGD): SGD 1,500  
 Class D-A (HKD): HKD 10,000  
 Class D-A (CAD): CAD 1,500  
 Class D-A (DKK): DKK 5,000  
 Class D-A (BRL): BRL 2,500  
 Class D-A (RMB): RMB 10,000

Class D-I (EUR): EUR 500,000  
 Class D-I (USD): USD 500,000  
 Class D-I (GBP): GBP 500,000  
 Class D-I (CHF): CHF 500,000  
 Class D-I (JPY): JPY 50,000,000  
 Class D-I (SEK): SEK 5,000,000  
 Class D-I (NOK): NOK 5,000,000  
 Class D-I (SGD): SGD 1,000,000  
 Class D-I (HKD): HKD 5,000,000  
 Class D-I (CAD): CAD 500,000  
 Class D-I (DKK): DKK 5,000,000  
 Class D-I (BRL): BRL 1,000,000  
 Class D-I (RMB): RMB 5,000,000

Class D-B (EUR): EUR 250,000  
 Class D-B (USD): USD 250,000  
 Class D-B (GBP): GBP 250,000  
 Class D-B (CHF): CHF 250,000  
 Class D-B (JPY): JPY 25,000,000  
 Class D-B (SEK): SEK 2,500,000

Class D-M (EUR): EUR 100  
 Class D-M (USD): USD 100  
 Class D-M (GBP): GBP 100  
 Class D-M (CHF): CHF 100  
 Class D-M (JPY): JPY 10,000  
 Class D-M (SEK): SEK 1,000  
 Class D-M (NOK): NOK 1,000  
 Class D-M (SGD): SGD 200  
 Class D-M (HKD): HKD 500  
 Class D-M (CAD): CAD 150  
 Class D-M (DKK): DKK 1,000  
 Class D-M (BRL): BRL 200  
 Class D-M (RMB): RMB 1,000

Class D-SI (EUR): EUR 75,000,000  
 Class D-SI (USD): USD 75,000,000

Class D-SI (GBP): GBP 75,000,000  
 Class D-SI (CHF): CHF 75,000,000  
 Class D-SI (JPY): JPY 7,500,000,000  
 Class D-SI (SEK): SEK 750,000,000  
 Class D-SI (NOK): NOK 750,000,000  
 Class D-SI (HKD): HKD 750,000,000

Additional minimum subscription amount:

Class A (EUR): one Share  
 Class A (USD): one Share  
 Class A (GBP): one Share  
 Class A (CHF): one Share  
 Class A (JPY): one Share  
 Class A (SEK): one Share  
 Class A (NOK): one Share  
 Class A (SGD): one Share  
 Class A (HKD): one Share  
 Class A (CAD): one Share  
 Class A (DKK): one Share  
 Class A (BRL): one Share  
 Class A (RMB): one Share

Class I (EUR): one Share  
 Class I (USD): one Share  
 Class I (GBP): one Share  
 Class I (CHF): one Share  
 Class I (JPY): one Share  
 Class I (SEK): one Share  
 Class I (NOK): one Share  
 Class I (SGD): one Share  
 Class I (HKD): one Share  
 Class I (CAD): one Share  
 Class I (DKK): one Share  
 Class I (BRL): one Share  
 Class I (RMB): one Share

Class B (EUR): one thousandth of Share  
 Class B (USD): one thousandth of Share  
 Class B (GBP): one thousandth of Share  
 Class B (CHF): one thousandth of Share  
 Class B (JPY): one thousandth of Share  
 Class B (SEK): one thousandth of Share

Class M (EUR): one Share  
 Class M (USD): one Share  
 Class M (GBP): one Share  
 Class M (CHF): one Share  
 Class M (JPY): one Share  
 Class M (SEK): one Share  
 Class M (NOK): one Share  
 Class M (SGD): one Share  
 Class M (HKD): one Share  
 Class M (CAD): one Share  
 Class M (DKK): one Share  
 Class M (BRL): one Share

Class M (RMB): one Share

Class D-A (EUR): one Share  
 Class D-A (USD): one Share  
 Class D-A (GBP): one Share  
 Class D-A (CHF): one Share  
 Class D-A (JPY): one Share  
 Class D-A (SEK): one Share  
 Class D-A (NOK): one Share  
 Class D-A (SGD): one Share  
 Class D-A (HKD): one Share  
 Class D-A (CAD): one Share  
 Class D-A (DKK): one Share  
 Class D-A (BRL): one Share  
 Class D-A (RMB): one Share

Class D-I (EUR): one Share  
 Class D-I (USD): one Share  
 Class D-I (GBP): one Share  
 Class D-I (CHF): one Share  
 Class D-I (JPY): one Share  
 Class D-I (SEK): one Share  
 Class D-I (NOK): one Share  
 Class D-I (SGD): one Share  
 Class D-I (HKD): one Share  
 Class D-I (CAD): one Share  
 Class D-I (DKK): one Share  
 Class D-I (BRL): one Share  
 Class D-I (RMB): one Share

Class D-B (EUR): one thousandth of Share  
 Class D-B (USD): one thousandth of Share  
 Class D-B (GBP): one thousandth of Share  
 Class D-B (CHF): one thousandth of Share  
 Class D-B (JPY): one thousandth of Share  
 Class D-B (SEK): one thousandth of Share

Class D-M (EUR): one Share  
 Class D-M (USD): one Share  
 Class D-M (GBP): one Share  
 Class D-M (CHF): one Share  
 Class D-M (JPY): one Share  
 Class D-M (SEK): one Share  
 Class D-M (NOK): one Share  
 Class D-M (SGD): one Share  
 Class D-M (HKD): one Share  
 Class D-M (CAD): one Share  
 Class D-M (DKK): one Share  
 Class D-M (BRL): one Share  
 Class D-M (RMB): one Share

Class SI (EUR): one Share  
 Class SI (USD): one Share  
 Class SI (GBP): one Share  
 Class SI (CHF): one Share  
 Class SI (JPY): one Share

Class SI (SEK): one Share  
 Class SI (NOK): one Share  
 Class SI (HKD): one Share

Class D-SI (EUR): one Share  
 Class D-SI (USD): one Share  
 Class D-SI (GBP): one Share  
 Class D-SI (CHF): one Share  
 Class D-SI (JPY): one Share  
 Class D-SI (SEK): one Share  
 Class D-SI (NOK): one Share  
 Class D-SI (HKD): one Share

Minimum holding requirement:  
 none

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

### **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than three Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

### **REDEMPTION OF SHARES**

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been

received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than three Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

### **FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND**

- Subscription charge

A Subscription Charge of up to 1% of the Issue Price may be added to the Issue Price by distributors of the Shares of the Sub-Fund.

The Board of Directors reserves the right to waive Subscription Charges.

No Subscription Charge will be applied to Classes I, D-I, SI and D-SI Shares.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes of Shares.

### **DISTRIBUTION POLICY**

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute dividends on an annual basis in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

## DEFINITIONS

### "Business Day":

- any full working day in Luxembourg, New York and Paris when banks are opened for business;
- and exchanges are open for trading in the US, European Union and the UK during their respective regular trading sessions;
- or otherwise determined by the Board of Directors.

"**Valuation Day**": any day which is a Business Day or otherwise determined by the Board of Directors.

"**Subscription Deadline**" and "**Redemption Deadline**": any Valuation Day at 12:00 (Luxembourg time) at the latest.

## INVESTMENT MANAGEMENT FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company and the Investment Manager will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class M: up to 1.20% per year (inclusive of VAT) of the Net Asset Value
- Class D-M: up to 1.20% per year (inclusive of VAT) of the Net Asset Value
- Class A: up to 0.90% per year (inclusive of VAT) of the Net Asset Value
- Class D-A: up to 0.90% per year (inclusive of VAT) of the Net Asset Value
- Class B: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-B: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class I: up to 0.40% per year (inclusive of VAT) of the Net Asset Value
- Class D-I: up to 0.40% per year (inclusive of VAT) of the Net Asset Value

- Class SI: up to 0.40% per year (inclusive of VAT) of the Net Asset Value
- Class D-SI: up to 0.40% per year (inclusive of VAT) of the Net Asset Value

The Management Fee will be shared between the Investment Manager and the Management Company.

## INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class A (EUR): EUR 100  
 Class A (USD): USD 100  
 Class A (GBP): GBP 100  
 Class A (CHF): CHF 100  
 Class A (JPY): JPY 10,000  
 Class A (SEK): SEK 1,000  
 Class A (NOK): NOK 1,000  
 Class A (SGD): SGD 100  
 Class A (HKD): HKD 1,000  
 Class A (CAD): CAD 100  
 Class A (DKK): DKK 1,000  
 Class A (BRL): BRL 100  
 Class A (RMB): RMB 1,000

Class I (EUR): EUR 1,000  
 Class I (USD): USD 1,000  
 Class I (GBP): GBP 1,000  
 Class I (CHF): CHF 1,000  
 Class I (JPY): JPY 100,000  
 Class I (SEK): SEK 10,000  
 Class I (NOK): NOK 10,000  
 Class I (SGD): SGD 1,000  
 Class I (HKD): HKD 10,000  
 Class I (CAD): CAD 1,000  
 Class I (DKK): DKK 10,000  
 Class I (BRL): BRL 1,000  
 Class I (RMB): RMB 10,000

Class B (EUR): EUR 1,000  
 Class B (USD): USD 1,000  
 Class B (GBP): GBP 1,000  
 Class B (CHF): CHF 1,000  
 Class B (JPY): JPY 100,000  
 Class B (SEK): SEK 10,000

Class M (EUR): EUR 100  
 Class M (USD): USD 100  
 Class M (GBP): GBP 100

Class M (CHF): CHF 100  
 Class M (JPY): JPY 10,000  
 Class M (SEK): SEK 1,000  
 Class M (NOK): NOK 1,000  
 Class M (SGD): SGD 100  
 Class M (HKD): HKD 1,000  
 Class M (CAD): CAD 100  
 Class M (DKK): DKK 1,000  
 Class M (BRL): BRL 100  
 Class M (RMB): RMB 1,000

Class SI (EUR): EUR 1,000  
 Class SI (USD): USD 1,000  
 Class SI (GBP): GBP 1,000  
 Class SI (CHF): CHF 1,000  
 Class SI (JPY): JPY 100,000  
 Class SI (SEK): SEK 10,000  
 Class SI (NOK): NOK 10,000  
 Class SI (HKD): HKD 10,000

Class D-A (EUR): EUR 100  
 Class D-A (USD): USD 100  
 Class D-A (GBP): GBP 100  
 Class D-A (CHF): CHF 100  
 Class D-A (JPY): JPY 10,000  
 Class D-A (SEK): SEK 1,000  
 Class D-A (NOK): NOK 1,000  
 Class D-A (SGD): SGD 100  
 Class D-A (HKD): HKD 1,000  
 Class D-A (CAD): CAD 100  
 Class D-A (DKK): DKK 1,000  
 Class D-A (BRL): BRL 100  
 Class D-A (RMB): RMB 1,000

Class D-I (EUR): EUR 1,000  
 Class D-I (USD): USD 1,000  
 Class D-I (GBP): GBP 1,000  
 Class D-I (CHF): CHF 1,000  
 Class D-I (JPY): JPY 100,000  
 Class D-I (SEK): SEK 10,000  
 Class D-I (NOK): NOK 10,000  
 Class D-I (SGD): SGD 1,000  
 Class D-I (HKD): HKD 10,000  
 Class D-I (CAD): CAD 1,000  
 Class D-I (DKK): DKK 10,000  
 Class D-I (BRL): BRL 1,000  
 Class D-I (RMB): RMB 10,000

Class D-B (EUR): EUR 1,000  
 Class D-B (USD): USD 1,000  
 Class D-B (GBP): GBP 1,000  
 Class D-B (CHF): CHF 1,000  
 Class D-B (JPY): JPY 100,000  
 Class D-B (SEK): SEK 10,000

Class D-M (EUR): EUR 100

Class D-M (USD): USD 100  
 Class D-M (GBP): GBP 100  
 Class D-M (CHF): CHF 100  
 Class D-M (JPY): JPY 10,000  
 Class D-M (SEK): SEK 1,000  
 Class D-M (NOK): NOK 1,000  
 Class D-M (SGD): SGD 100  
 Class D-M (HKD): HKD 1,000  
 Class D-M (CAD): CAD 100  
 Class D-M (DKK): DKK 1,000  
 Class D-M (BRL): BRL 100  
 Class D-M (RMB): RMB 1,000

Class D-SI (EUR): EUR 1,000  
 Class D-SI (USD): USD 1,000  
 Class D-SI (GBP): GBP 1,000  
 Class D-SI (CHF): CHF 1,000  
 Class D-SI (JPY): JPY 100,000  
 Class D-SI (SEK): SEK 10,000  
 Class D-SI (NOK): NOK 10,000  
 Class D-SI (HKD): HKD 10,000

## **PERFORMANCE FEE**

In addition to Management Fees, the Management Company and/or the Investment Manager shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance. No Performance Fee will be charged to Classes B, SI, D-B and D-SI Shares.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark. On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is

returned to the relevant Class. The accounting provision may never be negative.

In this section:

The **"Performance Rate"** means up to 10%.

**"Class Incentive Period (n)"** shall be the period of one year starting as from each 1<sup>st</sup> January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31<sup>st</sup> December of the year (n) or if it is not a Business Day, on the following Business Day.

**"High Water Mark (0)"**, of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Benchmark Performance.

**"High Water Mark (n)"** of the relevant Class means the Net Asset Value accrued with the Benchmark Performance of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Benchmark Performance of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Benchmark Performance.

**"Benchmark Value"** of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Benchmark Performance of the relevant Class.

**"Class Excess Performance"** means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

**"Benchmark Index"** means the compounded value of the:

- €STR rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;

- SONIA rate for Classes denominated in GBP;
- SARON rate for Classes denominated in CHF;
- TONA rate for Classes denominated in JPY;
- STIBOR 1M rate for Classes denominated in SEK;
- NIBOR 1M rate for Classes denominated in NOK;
- SORA rate for Classes denominated in SGD;
- HKD HIBOR 1M rate for Classes denominated in HKD;
- CDOR 1M rate for Classes denominated in CAD;
- CIBOR 1M rate for Classes denominated in DKK;
- BRL CDI 1M rate for Classes denominated in BRL;
- CNH HIBOR 1M rate for Classes denominated in RMB.

For the avoidance of doubt, the Benchmark Index defined above are compounded on each Business Day at the prevailing rate.

**"Benchmark Performance"** means the performance over the Class Incentive Period of the Benchmark Index.

If the Benchmark Performance of the relevant Class is lower than 0, it will be valued at 0.

#### Performance fee scenarios:

	At launch	31/12 (Y1)	31/12 (Y2)	31/12 (Y3)
Benchmark Performance		1.5%	2%	2.5%
Fund Performance (before Performance Fees)		1%	5%	10%
HWM* (Y-1) accrued at Benchmark Performance		101.50	103.53	108.44
Sub-Fund NAV (Y) (before Performance Fees)		101.00	106.05	116.38
Class Excess Performance		-0.50	2.52	7.93
Performance Fees		0.00	0.252	0.79
Fund NAV (Y) Net of Performance Fees	100	101.00	105.80	115.58
HWM (Y)*	100	101.50	105.80	115.58

\* HWM = High Water Mark

**Performance Fee calculation example on Class I (EUR):**

Launch of the Class I (EUR) on beginning of Y1 at 100 EUR, the initial High-Water Mark (0) is set at 100 EUR.

- **On December 31 (1):** if the net performance of the Class I (EUR) is 1% and the Benchmark Performance is 1.5%. Then the High-Water Mark (1) will be:  $HWM(0) \text{ accrued at Benchmark Performance } 100 \times 1.5\% = 101.50 \text{ EUR}$ ;  
 - The I (EUR) NAV before Performance fee will be  $100 \times 1\% = 101 \text{ EUR}$ ;  
 - Class Excess Performance (Y1) will be:  $101 - 101.5 = -0.50 \text{ EUR}$ ;  
 - No performance fee is paid for Y1;  
 The High-Water Mark (1) is set at 101.50 EUR.

- **On December 31 (2):** if the net performance of the Class I (EUR) is 5% and the Benchmark Performance is 2%. Then the High-Water Mark (2) will be:  $HWM(1) \text{ accrued at Benchmark Performance } 101.5 \times 2\% = 103.53 \text{ EUR}$ ;  
 - The I (EUR) NAV (2) before performance fee will be  $101 \times 5\% = 106.05 \text{ EUR}$ ;  
 - Class Excess Performance (2) will be:  $106.05 - 103.53 = 2.52 \text{ EUR}$ ;  
 Performance fee paid to the management company will be:  $2.52 \times 10\% = 0.252 \text{ EUR}$ ;  
 - The Class I (EUR) NAV (2) net of performance fee will be:  $106.05 - 0.252 = 105.80 \text{ EUR}$ ;  
 - The High-Water Mark (2) will be 105.80 EUR.

Performance Fee shall not be charged in the event of negative performance over the year.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each

Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

The Performance Fee (if any) is crystallised on the last Business Day of each year. The Performance Fee (if any) shall be paid to the Management Company within the first quarter following crystallization.

The performance reference period is set to a period of five years on a rolling basis. During this period, any underperformance previously incurred should be recovered before a performance fee becomes payable.

For the avoidance of doubt, distribution of dividends will be taken into account when calculating the Performance Fee in relation to Class D-M, D-A and D-I Shares.

Investors should further note that, in the case where they have redeemed their shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding during such Period will be kept and paid to the Management Company and/or the Investment Manager, even if this Performance Fee should not be paid to him at the end of the said period.

**THE ADMINISTRATOR, REGISTRAR AGENT AND DEPOSITARY FEES**

By derogation the provisions of "Company Charges" set out in the Prospectus, the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent will receive a fee (the "**Administrative Fees**") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.15% per year (inclusive of VAT) of the Net Asset Value of the Sub-Fund as applicable.

Such Administrative Fees may be paid to the Management Company and/or the Investment Manager which will subsequently pay the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent.

### **OTHER CHARGES AND EXPENSES**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly.

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

### **LISTING**

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

### **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published on [www.fundsquare.net](http://www.fundsquare.net).

### **RISKS WARNING**

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down.

The Sub-Fund, entering into financial derivative instruments, might be subject to higher volatility and potential counterparty risk. In the event of the insolvency or default of the counterparty, the Sub-Fund could suffer a loss (however this loss could be reduced by the use of collateral). Certain financial derivative instruments may result in leverage or gearing effect (e.g. listed future contracts). This may subject the Sub-Fund to higher volatility and an amplification of market fluctuations.

#### *Risks relating to distribution:*

For Distribution Shares, there is no guarantee that the Sub-Fund will make distribution. Further where the income and/or capital gain generated by the Sub-Fund is insufficient to pay a distribution as the Sub-Fund declares, the Sub-Fund may at its discretion make such distributions out of the capital of the Sub-Fund. Investors should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount they originally invested or capital gains attributable to that and will generally result in an immediate decrease in the value of Shares.

#### *Risk linked to Non-Investment Grade (High Yield) securities:*

The Sub-Fund may be exposed directly or indirectly to bonds that are rated sub-investment grade, or bonds which are unrated but judged to be of comparable

quality with sub-investment grade bonds. Those securities may be subject to a greater risk of loss of income and/or principal in case of default or insolvency of the issuer than similar higher rated securities and their market value may also be more volatile.

*Sustainability Risks:*

The Sub-Fund is exposed to Sustainability Risks. By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, it is intended to mitigate Sustainability Risks of the Sub-Fund. However, *no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.*

**Taxonomy Regulation**

In accordance with the article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**The Volcker Rule**

Recent legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Fund and the Shareholders. On July 21, 2010, President Obama signed into law the Dodd-Frank Act. Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "Volcker Rule") restrict the ability of a banking entity, such as most entities within the Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as a commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

The Volcker Rule excludes from the definition of covered fund some foreign public funds that meet certain conditions.

In order for a fund to qualify as a foreign public fund, the following requirements must be satisfied:

1) the fund must be organized or established outside of the United States (including any state, possession, or territory);

2) the ownership interests of the fund are authorized to be offered and sold to retail investors in the fund's home jurisdiction;

3) the ownership interests of the fund are sold predominately through one or more public offerings outside the United States (sold "predominately" outside the United States requires that, in the initial offering, 85% or more of the vehicle's interests are sold to investors that are not residents of the United States);

4) if the fund is effectively invested by retail investors,

- a. ETF must be quoted on an exchange
- b. non ETF must be effectively invested by retail with minimum investment amount less than 25 K-Euros;

5) the offering disclosure documents must be publicly available.

6) An additional condition is required for United States organized or located banking entities with respect to the foreign public fund they sponsor: the fund's ownership interest are sold predominately to persons other than the sponsoring organized or located United States banking entity, the foreign public fund, affiliates of the sponsoring United States banking entity and the foreign public fund, and directors and employees of such entities.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The U.S. Federal Reserve Board has granted two one-year extensions of the conformance period for "legacy covered funds" sponsored or acquired on or before December 31, 2013, extending the

conformance period for such funds to 21 July 2017.

The Management Company and its Affiliated Entities provide no assurances to Shareholders regarding the treatment of the Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any units in the Fund.

## APPENDIX 2

### **Lyxor Investment Funds - LYXOR FLEXIBLE ALLOCATION**

The Reference Currency of the Sub-Fund is the Euro (EUR).

#### **INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The "Lyxor Investment Funds – LYXOR FLEXIBLE ALLOCATION" Sub-Fund's investment objective is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) above Euro Short-Term Rate (the "€STR") or the equivalent money market rate in the relevant currency of the Class of Shares (the "Benchmark Index"), over a 3 to 5 year horizon with an annual volatility target level of 8%.

The Sub-Fund has a flexible investment approach to generate performance in most market environments. It will invest in a diversified portfolio of liquid instruments.

#### **BENCHMARK INDEX**

The index used as benchmark index is the €STR rate (the "Benchmark Index") (or the equivalent overnight money market rate for the currency of the related share class).

The €STR (Euro short-term rate) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.

The €STR rate is published by the European Central Bank. The method of calculation is defined in the €STR methodology and policies available at [https://www.ecb.europa.eu/paym/interest\\_rate\\_benchmarks/WG\\_euro\\_risk-free\\_rates/shared/pdf/ecb.ESTER\\_methodology\\_and\\_policies.en.pdf](https://www.ecb.europa.eu/paym/interest_rate_benchmarks/WG_euro_risk-free_rates/shared/pdf/ecb.ESTER_methodology_and_policies.en.pdf).

The European Central Bank reviews the €STR methodology and publishes a report every year.

The European Central Bank is the administrator of the Benchmark Index and

has overall responsibility for providing the rate. €STR is exclusively based on borrowing transactions in euro conducted with financial counterparties that banks report to the European Central Bank in accordance with Regulation (EU) No 1333/2014 concerning statistics on the money markets.

The Benchmarks Regulation does not apply to central banks.

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Management Company and/or the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Management Company and/or the Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

#### **INVESTMENT POLICY**

The Sub-Fund seeks to achieve its objective by using a dynamic asset allocation process on a broad and diversified set of liquid asset classes.

The Sub-Fund will invest in eligible assets, including but not limited to equities, bonds, exchange traded funds, UCITS, money market instruments, securities with embedded derivatives and derivative instruments (such as listed futures, listed options, forwards and swaps linked notably to equities, bonds, currencies, commodities indices, and interest rates).

Should the Sub-Fund be exposed to any financial index, such financial index will be eligible for investment by UCITS in accordance with the requirements of applicable laws and regulations including article 44 of the 2010 Law and article 8 and 9 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002

on undertakings for collective investment and CSSF Circular 14/592 (the "**Eligible Index**").

The composition of Eligible Indices is usually reviewed and rebalanced on a daily, weekly, monthly, quarterly, semi-annual or annual basis.

Rebalancing operations could have an impact in terms of costs paid or incurred by the Sub-Fund and could consequently affect the performance of the Sub-Fund.

More specifically the Sub-Fund will use a Core-Satellite investment process.

The Core is the centrepiece of the portfolio. The Core is a diversified portfolio invested in financial instruments linked to equities, fixed income and commodities indices: it corresponds to the major part of the directional exposures of the portfolio.

The Core will be determined pursuant to the Strategic Allocation and the Tactical Allocation as follows:

- *Strategic Allocation is notably based on:*
  - Risk budgeting methodology
    - The risk is split among asset classes to obtain a diversified portfolio
  - According notably to
    - Market volatility
    - Market cross-correlation
- *Tactical Allocation:*
  - Modulate the Strategic Allocation based, among other things, on a trend-following analysis and a global macro analysis
  - According notably to
    - Market volatility
    - Market prices
    - Macroeconomic indicators

The Satellite is composed of strategies aiming at generating additional returns.

The Core and the Satellite of the Sub-Fund will be monitored by a risk control process, on a daily basis, in order to maintain the

average level of annual volatility of the Sub-Fund around 8%.

The Sub-Fund will endeavour to maintain its overall exposure to the following diversification criteria:

- *Exposure to global equity markets between 0% and 100% of the Net Asset Value;*
- *Exposure to developed markets investment grade bonds between 0% and 200% of the Net Asset Value (excluding positions invested in government bonds having a residual maturity of less than 12 months);*
- *Exposure to non-investment grade bond markets with a residual maturity over 12 months between 0% and 50% of the Net Asset Value;*
- *Exposure to non-investment grade bond markets with a residual maturity of less than 12 months between 0% and 50% of the Net Asset Value;*
- *Exposure to global commodities markets between 0% and 50% of the Net Asset Value.*

For each of the limits mentioned above, the exposure is defined as the difference between long and short positions.

In order to ensure best execution of the Sub-Fund's main transactions in its underlying investments, the Management Company and/or the Investment Manager intends to pursue competitive bidding with first class financial institutions.

The valuation of the over-the-counter financial derivative instruments will be provided by the counterparty but the Management Company and/or the Investment Manager will make their own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company and/or the Investment Manager.

Despite all measures taken by the Company to reach its objectives, these are subject to independent risk factors like changes in the fiscal or commercial

regulations. No guarantee whatsoever may be offered to the investor in this regard.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions including efficient portfolio management techniques.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

Within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets (cash, deposits, money market instruments and money market funds) on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

## INVESTMENT TECHNIQUES

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a continuous basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

The Sub-Fund's exposure to TRS is as set out in the table below (as a percentage of the total assets). In certain circumstances this proportion may be higher.

	Expected level (in % of the NAV)	Maximum level (in % of the NAV)
TRS	40%	50%

## ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

## TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have a diversified exposure to financial markets while benefiting from an enhanced performance.

US Persons may not invest in the Sub-Fund.

## RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the absolute VaR approach. The expected level of leverage (calculated as the sum of notionals of the derivatives used) of the Sub-Fund is about 250% and is not expected to exceed a maximum of 500%.

## CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class M (EUR)	Class D-M (EUR)
Class M (USD)	Class D-M (USD)
Class M (GBP)	Class D-M (GBP)
Class M (CHF)	Class D-M (CHF)
Class M (JPY)	Class D-M (JPY)
Class M (SEK)	Class D-M (SEK)
Class M (NOK)	Class D-M (NOK)
Class M (HKD)	Class D-M (HKD)
Class A (EUR)	Class D-A (EUR)
Class A (USD)	Class D-A (USD)
Class A (GBP)	Class D-A (GBP)
Class A (CHF)	Class D-A (CHF)
Class A (JPY)	Class D-A (JPY)

Class A (SEK)  
Class A (NOK)  
Class A (HKD)

Class D-A (SEK)  
Class D-A (NOK)  
Class D-A (HKD)

Class AS (USD)  
Class AS (AUD)

Class I (EUR)  
Class I (USD)  
Class I (GBP)  
Class I (CHF)  
Class I (JPY)  
Class I (SEK)  
Class I (NOK)  
Class I (HKD)

Class D-I (EUR)  
Class D-I (USD)  
Class D-I (GBP)  
Class D-I (CHF)  
Class D-I (JPY)  
Class D-I (SEK)  
Class D-I (NOK)  
Class D-I (HKD)

Class SI (EUR)  
Class SI (USD)  
Class SI (GBP)  
Class SI (CHF)  
Class SI (JPY)  
Class SI (SEK)  
Class SI (NOK)  
Class SI (HKD)

Class D-SI (EUR)  
Class D-SI (USD)  
Class D-SI (GBP)  
Class D-SI (CHF)  
Class D-SI (JPY)  
Class D-SI (SEK)  
Class D-SI (NOK)  
Class D-SI (HKD)

Class B (GBP)  
Class B (EUR)  
Class B (USD)  
Class B (CHF)  
Class B (SEK)

Class D-B (GBP)  
Class D-B (EUR)  
Class D-B (USD)  
Class D-B (CHF)  
Class D-B (SEK)

Class R (GBP)  
Class R (EUR)  
Class R (USD)  
Class R (CHF)  
Class R (SEK)

Class D-R (GBP)  
Class D-R (EUR)  
Class D-R (USD)  
Class D-R (CHF)  
Class D-R (SEK)

Class RP (EUR)  
Class RP (USD)  
Class RP (GBP)  
Class RP (CHF)  
Class RP (JPY)  
Class RP (SEK)  
Class RP (NOK)  
Class RP (HKD)

Class D-N (EUR)  
Class D-N (USD)  
Class D-N (CHF)

Class X-M (EUR)  
Class X-M (USD)  
Class N (EUR)  
Class N (USD)  
Class N (CHF)

Class A Shares are Capitalisation Shares and are available to all investors.

Class AS Shares are Capitalisation Shares and are only available to Japanese institutional investors within the meaning of article 174 of the 2010 Law.

Class M Shares are Capitalisation Shares and are only available to investors through distributors.

Class I Shares are Capitalisation Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class X-M Shares are Capitalisation Shares and are available to specific investors.

Class D-A Shares are Distribution Shares only available to all investors.

Class D-M Shares are Distribution Shares and are only available to investors through distributors.

Class D-I Shares are Distribution Shares only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class B Shares are Capitalisation Shares and are available to all investors.

Class R Shares are Capitalisation Shares and are available to all investors.

Class D-B Shares are Distribution Shares and are available to all investors.

Class D-R Shares are Distribution Shares and are available to all investors.

Class SI Shares are Capitalisation Shares and are available to institutional investors within the meaning of article 174 of the 2010 Law.

Class D-SI Shares are Distribution Shares only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class X-M will be available for subscription until 30<sup>th</sup> September 2012 unless the Board of Directors decides to allow subscription after such above mentioned deadline.

Class N Shares are Capitalisation Shares and are only available to investors through distributors.

Class D-N Shares are Distribution Shares and are only available to investors through distributors.

Class RP Shares are Capitalisation Shares and are available to

- financial intermediaries and distributors that are prohibited by local laws or regulations applicable to them to receive and / or keep any commissions on management fees;
- financial intermediaries and distributors providing portfolio management and investment advisory services on an independent basis (as defined by EU Directive 2014/65/EU on markets in financial instruments ("MiFID II")) within the European Union;
- financial intermediaries and distributors providing investment advisory services on a non-independent basis (as defined by MiFID II) within the European Union and who have agreed with their client not to receive and retain any commissions on management fees; and
- any other investors who have agreed with their clients not to receive any commissions on management fees.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated in EUR will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

## MINIMUM INVESTMENT

Class A (EUR): EUR 1,000  
 Class A (USD): USD 1,000  
 Class A (GBP): GBP 1,000  
 Class A (CHF): CHF 1,000  
 Class A (JPY): JPY 100,000  
 Class A (SEK): SEK 10,000  
 Class A (NOK): NOK 10,000  
 Class A (HKD): HKD 10,000

Class AS (USD): USD 1,000  
 Class AS (AUD): AUD 1,000

Class I (EUR): EUR 500,000  
 Class I (USD): USD 500,000  
 Class I (GBP): GBP 500,000  
 Class I (CHF): CHF 500,000  
 Class I (JPY): JPY 50,000,000  
 Class I (SEK): SEK 5,000,000  
 Class I (NOK): NOK 5,000,000  
 Class I (HKD): HKD 5,000,000

Class M (EUR): EUR 100  
 Class M (USD): USD 100  
 Class M (GBP): GBP 100  
 Class M (CHF): CHF100  
 Class M (JPY): JPY 10,000  
 Class M (SEK): SEK 1,000  
 Class M (NOK): NOK 1,000  
 Class M (HKD): HKD 500

Class D-A (EUR): EUR 1000  
 Class D-A (USD): USD 1000  
 Class D-A (GBP): GBP 1000  
 Class D-A (CHF): CHF 1000  
 Class D-A (JPY): JPY 100,000  
 Class D-A (SEK): SEK 10,000  
 Class D-A (NOK): NOK 10,000  
 Class D-A (HKD): HKD 10,000

Class D-I (EUR): EUR 500,000  
 Class D-I (USD): USD 500,000  
 Class D-I (GBP): GBP 500,000  
 Class D-I (CHF): CHF 500,000  
 Class D-I (JPY): JPY 50,000,000  
 Class D-I (SEK): SEK 5,000,000  
 Class D-I (NOK): NOK 5,000,000  
 Class D-I (HKD): HKD 5,000,000

Class D-M (EUR): EUR 100  
 Class D-M (USD): USD 100  
 Class D-M (GBP): GBP 100  
 Class D-M (CHF): CHF100  
 Class D-M (JPY): JPY 10,000  
 Class D-M (SEK): SEK 1,000

Class D-M (NOK): NOK 1,000  
 Class D-M (HKD): HKD 500  
 Class X-M (EUR): EUR 100  
 Class X-M (USD): USD 100

Class B (GBP): GBP 250,000  
 Class B (EUR): EUR 250,000  
 Class B (USD): USD 250,000  
 Class B (CHF): CHF 250,000  
 Class B (SEK): SEK 2,500,000

Class R (GBP): GBP 1,000  
 Class R (EUR): EUR 1,000  
 Class R (USD): USD 1,000  
 Class R (CHF): CHF 1,000  
 Class R (SEK): SEK 10,000

Class D-B (GBP): GBP 250,000  
 Class D-B (EUR): EUR 250,000  
 Class D-B (USD): USD 250,000  
 Class D-B (CHF): CHF 250,000  
 Class D-B (SEK): SEK 2,500,000

Class D-R (GBP): GBP 1,000  
 Class D-R (EUR): EUR 1,000  
 Class D-R (USD): USD 1,000  
 Class D-R (CHF): CHF 1,000  
 Class D-R (SEK): SEK 10,000

Class SI (EUR): EUR 75,000,000  
 Class SI (USD): USD 75,000,000  
 Class SI (GBP): GBP 75,000,000  
 Class SI (CHF): CHF 75,000,000  
 Class SI (JPY): JPY 7,500,000,000  
 Class SI (SEK): SEK 750,000,000  
 Class SI (NOK): NOK 750,000,000  
 Class SI (HKD): HKD 750,000,000

Class D-SI (EUR): EUR 75,000,000  
 Class D-SI (USD): USD 75,000,000  
 Class D-SI (GBP): GBP 75,000,000  
 Class D-SI (CHF): CHF 75,000,000  
 Class D-SI (JPY): JPY 7,500,000,000  
 Class D-SI (SEK): SEK 750,000,000  
 Class D-SI (NOK): NOK 750,000,000  
 Class D-SI (HKD): HKD 750,000,000

Class N (EUR): EUR 100  
 Class N (USD): USD 100  
 Class N (CHF): CHF 100

Class D-N (EUR): EUR 100  
 Class D-N (USD): USD 100  
 Class D-N (CHF): CHF 100

Class RP (EUR): EUR 100,000  
 Class RP (USD): USD 100,000  
 Class RP (GBP): Equivalent to EUR 100,000  
 Class RP (CHF): Equivalent to EUR 100,000  
 Class RP (JPY): Equivalent to EUR 100,000  
 Class RP (SEK): Equivalent to EUR 100,000  
 Class RP (NOK): Equivalent to EUR 100,000  
 Class RP (HKD): Equivalent to EUR 100,000

Additional minimum subscription amount:

Class A (EUR): one Share  
 Class A (USD): one Share  
 Class A (GBP): one Share  
 Class A (CHF): one Share  
 Class A (JPY): one Share  
 Class A (SEK): one Share  
 Class A (NOK): one Share  
 Class A (HKD): one Share

Class AS (USD): one Share  
 Class AS (AUD): one Share

Class I (EUR): one Share  
 Class I (USD): one Share  
 Class I (GBP): one Share  
 Class I (CHF): one Share  
 Class I (JPY): one Share  
 Class I (SEK): one Share  
 Class I (NOK): one Share  
 Class I (HKD): one Share

Class M (EUR): one Share  
 Class M (USD): one Share  
 Class M (GBP): one Share  
 Class M (CHF): one Share  
 Class M (JPY): one Share  
 Class M (SEK): one Share  
 Class M (NOK): one Share  
 Class M (HKD): one Share

Class D-A (EUR): one Share  
 Class D-A (USD): one Share  
 Class D-A (GBP): one Share  
 Class D-A (CHF): one Share  
 Class D-A (JPY): one Share  
 Class D-A (SEK): one Share  
 Class D-A (NOK): one Share  
 Class D-A (HKD): one Share

Class D-I (EUR): one Share  
 Class D-I (USD): one Share  
 Class D-I (GBP): one Share  
 Class D-I (CHF): one Share  
 Class D-I (JPY): one Share  
 Class D-I (SEK): one Share  
 Class D-I (NOK): one Share  
 Class D-I (HKD): one Share

Class D-M (EUR): one Share  
 Class D-M (USD): one Share  
 Class D-M (GBP): one Share  
 Class D-M (CHF): one Share  
 Class D-M (JPY): one Share  
 Class D-M (SEK): one Share  
 Class D-M (NOK): one Share  
 Class D-M (HKD): one Share

Class X-M (EUR): one Share  
 Class X-M (USD): one Share

Class B (GBP): one thousandth of Share  
 Class B (EUR): one thousandth of Share  
 Class B (USD): one thousandth of Share  
 Class B (CHF): one thousandth of Share  
 Class B (SEK): one thousandth of Share  
 Class R (GBP): one thousandth of Share  
 Class R (EUR): one thousandth of Share  
 Class R (USD): one thousandth of Share  
 Class R (CHF): one thousandth of Share  
 Class R (SEK): one thousandth of Share

Class D-B (GBP): one thousandth of Share  
 Class D-B (EUR): one thousandth of Share  
 Class D-B (USD): one thousandth of Share  
 Class D-B (CHF): one thousandth of Share  
 Class D-B (SEK): one thousandth of Share

Class D-R (GBP): one thousandth of Share  
 Class D-R (EUR): one thousandth of Share  
 Class D-R (USD): one thousandth of Share  
 Class D-R (CHF): one thousandth of Share  
 Class D-R (SEK): one thousandth of Share

Class SI (EUR): one Share  
 Class SI (USD): one Share  
 Class SI (GBP): one Share  
 Class SI (CHF): one Share  
 Class SI (JPY): one Share  
 Class SI (SEK): one Share  
 Class SI (NOK): one Share  
 Class SI (HKD): one Share

Class D-SI (EUR): one Share  
 Class D-SI (USD): one Share  
 Class D-SI (GBP): one Share

Class D-SI (CHF): one Share  
 Class D-SI (JPY): one Share  
 Class D-SI (SEK): one Share  
 Class D-SI (NOK): one Share  
 Class D-SI (HKD): one Share

Class N (EUR): one Share  
 Class N (CHF): one Share  
 Class N (USD): one Share

Class D-N (EUR): one Share  
 Class D-N (CHF): one Share  
 Class D-N (USD): one Share

Class RP (EUR): one Share  
 Class RP (USD): one Share  
 Class RP (GBP): one Share  
 Class RP (CHF): one Share  
 Class RP (JPY): one Share  
 Class RP (SEK): one Share  
 Class RP (NOK): one Share  
 Class RP (HKD): one Share

Minimum holding requirement:  
 none

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

## **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than three Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

## REDEMPTION OF SHARES

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than three Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

## FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND

- Subscription charge

A Subscription Charge of up to 2% of the Issue Price may be added to the Issue Price by distributors of the Shares of the Sub-Fund.

The Board of Directors reserves the right to waive Subscription Charges.

No Subscription Charge will be applied to Classes I, D-I, SI and D-SI Shares.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes M, D-M, A, D-A, AS, I, D-I, SI, D-SI, B, D-B, R, R-DR, X-M, N, D-N Shares.

## DISTRIBUTION POLICY

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment

income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

## DEFINITIONS

**"Business Day":**

- any full working day in Luxembourg, New York and Paris when banks are opened for business;
- and exchanges are open for trading in the US, European Union and the UK during their respective regular trading sessions;
- or otherwise determined by the Board of Directors.

**"Valuation Day":** any day which is a Business Day or otherwise determined by the Board of Directors.

**"Subscription Deadline"** and **"Redemption Deadline":** any Valuation Day at 12:00 (Luxembourg time) at the latest.

## INVESTMENT MANAGEMENT FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company and the Investment Manager will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class A: up to 0.95% per year (inclusive of VAT) of the Net Asset Value
- Class D-A: up to 0.95% per year (inclusive of VAT) of the Net Asset Value
- Class AS: up to 0.85% per year (inclusive of VAT) of the Net Asset Value
- Class M: up to 1.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-M: up to 1.50% per year (inclusive of VAT) of the Net Asset Value

- Class X-M: up to 1.35% per year (inclusive of VAT) of the Net Asset Value
- Class I: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-I: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class B: up to 0.75% per year (inclusive of VAT) of the Net Asset Value
- Class R: up to 1.00% per year (inclusive of VAT) of the Net Asset Value
- Class D-B: up to 0.75% per year (inclusive of VAT) of the Net Asset Value
- Class D-R: up to 1.00% per year (inclusive of VAT) of the Net Asset Value
- Class SI: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-SI: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class N: up to 1.75% per year (inclusive of VAT) of the Net Asset Value
- Class D-N: up to 1.75% per year (inclusive of VAT) of the Net Asset Value
- Class RP: up to 0.60% per year (inclusive VAT) of the Net Asset Value

Portions of Management Fees related to the Class RP may be paid by the Management Company to local paying/informative agents or to other entities involved in the settlement process of orders.

The Management Fee will be shared between the Investment Manager and the Management Company.

#### INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class A (EUR): EUR 1,000  
Class A (USD): USD 1,000

Class A (GBP): GBP 1,000  
Class A (CHF): CHF 1,000  
Class A (JPY): JPY 100,000  
Class A (SEK): SEK 10,000  
Class A (NOK): NOK 10,000  
Class A (HKD): HKD 10,000  
Class AS (USD): USD 100  
Class AS (AUD): AUD 100

Class I (EUR): EUR 1,000  
Class I (USD): USD 1,000  
Class I (GBP): GBP 1,000  
Class I (CHF): CHF 1,000  
Class I (JPY): JPY 100,000  
Class I (SEK): SEK 10,000  
Class I (NOK): NOK 10,000  
Class I (HKD): HKD 10,000

Class M (EUR): EUR 100  
Class M (USD): USD 100  
Class M (GBP): GBP 100  
Class M (CHF): CHF 100  
Class M (JPY): JPY 10,000  
Class M (SEK): SEK 1,000  
Class M (NOK): NOK 1,000  
Class M (HKD): HKD 1,000

Class D-A (EUR): EUR 1,000  
Class D-A (USD): USD 1,000  
Class D-A (GBP): GBP 1,000  
Class D-A (CHF): CHF 1,000  
Class D-A (JPY): JPY 100,000  
Class D-A (SEK): SEK 10,000  
Class D-A (NOK): NOK 10,000  
Class D-A (HKD): HKD 10,000

Class D-I (EUR): EUR 1,000  
Class D-I (USD): USD 1,000  
Class D-I (GBP): GBP 1,000  
Class D-I (CHF): CHF 1,000  
Class D-I (JPY): JPY 100,000  
Class D-I (SEK): SEK 10,000  
Class D-I (NOK): NOK 10,000  
Class D-I (HKD): HKD 10,000

Class D-M (EUR): EUR 100  
Class D-M (USD): USD 100  
Class D-M (GBP): GBP 100  
Class D-M (CHF): CHF 100  
Class D-M (JPY): JPY 10,000  
Class D-M (SEK): SEK 1,000  
Class D-M (NOK): NOK 1,000  
Class D-M (HKD): HKD 1,000

Class X-M (EUR): EUR 100  
Class X-M (USD): USD 100

Class B (GBP): GBP 1,000  
 Class B (EUR): EUR 1,000  
 Class B (USD): USD 1,000  
 Class B (CHF): CHF 1,000  
 Class B (SEK): SEK 10,000

Class R (GBP): GBP 1,000  
 Class R (EUR): EUR 1,000  
 Class R (USD): USD 1,000  
 Class R (CHF): CHF 1,000  
 Class R (SEK): SEK 10,000

Class D-B (GBP): GBP 1,000  
 Class D-B (EUR): EUR 1,000  
 Class D-B (USD): USD 1,000  
 Class D-B (CHF): CHF 1,000  
 Class D-B (SEK): SEK 10,000

Class D-R (GBP): GBP 1,000  
 Class D-R (EUR): EUR 1,000  
 Class D-R (USD): USD 1,000  
 Class D-R (CHF): CHF 1,000  
 Class D-R (SEK): SEK 10,000

Class SI (EUR): EUR 1,000  
 Class SI (USD): USD 1,000  
 Class SI (GBP): GBP 1,000  
 Class SI (CHF): CHF 1,000  
 Class SI (JPY): JPY 100,000  
 Class SI (SEK): SEK 10,000  
 Class SI (NOK): NOK 10,000  
 Class SI (HKD): HKD 10,000  
 Class SI (EUR): EUR 1,000  
 Class SI (USD): USD 1,000  
 Class SI (GBP): GBP 1,000  
 Class SI (CHF): CHF 1,000  
 Class SI (JPY): JPY 100,000  
 Class SI (SEK): SEK 10,000  
 Class SI (NOK): NOK 10,000  
 Class SI (HKD): HKD 10,000

Class N (EUR): EUR 100  
 Class N (USD): USD 100  
 Class N (CHF): CHF 100

Class D-N (EUR): EUR 100  
 Class D-N (USD): USD 100  
 Class D-N (CHF): CHF 100  
 Class RP (EUR): EUR 100  
 Class RP (USD): USD 100  
 Class RP (GBP): GBP 100  
 Class RP (CHF): CHF 100  
 Class RP (JPY): JPY 10,000  
 Class RP (SEK): SEK 1,000  
 Class RP (NOK): NOK 1,000

Class RP (HKD): HKD 1,000

## PERFORMANCE FEE

In addition to Management Fees, the Management Company and/or the Investment Manager shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance. No Performance Fee will be charged to Classes AS, B, R, SI, D-B, D-R, D-SI, N, D-N.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark.

On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

In this section:

The "**Performance Rate**" means up to 10%.

"**Class Incentive Period (n)**" shall be the period of one year starting as from each 1<sup>st</sup> January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31<sup>st</sup> December of the year (n) or if it is not a Business Day, on the following Business Day.

"**High Water Mark (0)**", of the relevant Class means, for the initial Class Incentive

Period, the initial Net Asset Value accrued with the Benchmark Performance.

**"High Water Mark (n)"** of the relevant Class means the Net Asset Value accrued with the Benchmark Performance of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Benchmark Performance of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Benchmark Performance.

**"Benchmark Value"** of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Benchmark Performance of the relevant Class.

**"Benchmark Index"** means the compounded value of the:

- €STR for Classes denominated in EUR;
- Fed Funds for Classes denominated in USD;
- SONIA for Classes denominated in GBP;
- SARON for Classes denominated in CHF;
- TONA for Classes denominated in JPY;
- STIBOR 1M for Classes denominated in SEK;
- NIBOR 1M for Classes denominated in NOK;
- HKD HIBOR 1M compounded rate for Classes denominated in HKD.

For the avoidance of doubt, the Benchmark Indices defined above are compounded on each Business Day at the prevailing rate.

**"Benchmark Performance"** means the performance over the Class Incentive Period of the Benchmark Index.

If the Benchmark Performance of the relevant Class is lower than 0, it will be valued at 0.

**"Class Excess Performance"** means, for any Class Incentive Period (n), the

difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

#### Performance fee scenarios:

	At launch	31/12 (Y1)	31/12 (Y2)	31/12 (Y3)
Benchmark Performance		1.5%	2%	2.5%
Fund Performance (before Performance Fees)		1%	5%	10%
HWM* (Y-1) accrued at Benchmark Performance		101.50	103.53	108.44
Sub-Fund NAV (Y) (before Performance Fees)		101.00	106.05	116.38
Class Excess Performance		-0.50	2.52	7.93
Performance Fees		0.00	0.252	0.79
Fund NAV (Y) Net of Performance Fees	100	101.00	105.80	115.58
HWM (Y)*	100	101.50	105.80	115.58

\* HWM = High Water Mark

#### Performance Fee calculation example on Class I (EUR):

Launch of the Class I (EUR) on beginning of Y1 at 100 EUR, the initial High-Water Mark (0) is set at 100 EUR.

- **On December 31 (1):** if the net performance of the Class I (EUR) is 1% and the Benchmark Performance is 1.5%. Then the High-Water Mark (1) will be: HWM (0) accrued at Benchmark Performance  $100 \times 1.5\% = 101.50$  EUR;
  - The SIP (EUR) NAV before Performance fee will be  $100 \times 1\% = 101$  EUR;
  - Class Excess Performance (Y1) will be:  $101 - 101.5 = -0.50$  EUR;
  - No performance fee is paid for Y1;
- The High-Water Mark (1) is set at 101.50 EUR.

- **On December 31 (2):** if the net performance of the Class I (EUR) is 5% and the Benchmark Performance is 2%. Then the High-Water Mark (2) will be: HWM (1) accrued at Benchmark Performance  $101.5 \times 2\% = 103.53$  EUR;
  - The I (EUR) NAV (2) before performance fee will be  $101 \times 5\% = 106.05$  EUR;
  - Class Excess Performance (2) will be:  $106.05 - 103.53 = 2.52$  EUR;
- Performance fee paid to the management company will be:  $2.52 \times 10\% = 0.252$  EUR;

- The Class I (EUR) NAV (2) net of performance fee will be:  $106.05 - 0.252 = 105.80$  EUR;
- The High-Water Mark (2) will be 105.80 EUR.

Performance Fee shall not be charged in the event of negative performance over the year.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

The Performance Fee (if any) is crystallised on the last Business Day of each year. The Performance Fee (if any) shall be paid to the Management Company within the first quarter following crystallization.

The performance reference period is set to a period of five years on a rolling basis. During this period, any underperformance previously incurred should be recovered before a performance fee becomes payable.

For the avoidance of doubt, distribution of dividends will be taken into account when calculating the Performance Fee in relation to Class D-A, D-I and D-M Shares.

Investors should further note that, in the case where they have redeemed their shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding during such Period will be kept and paid to the Management Company and/or the Investment Manager, even if this Performance Fee should not be paid to him at the end of the said period.

## **THE ADMINISTRATOR, REGISTRAR AGENT AND DEPOSITARY FEES**

By derogation the provisions of "Company Charges" set out in the Prospectus, the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent will receive a fee (the "**Administrative Fees**") payable monthly in arrears out of the Sub-Fund's assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Sub-Fund as applicable. Such Administrative Fees may be paid to the Management Company and/or the Investment Manager which will subsequently pay the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent. For Class AS, the Administrative Fees are included in the Management Fee.

## **OTHER CHARGES AND EXPENSES**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly.

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not

exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

## **LISTING**

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

## **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published on [www.fundsquare.net](http://www.fundsquare.net).

## **RISKS WARNING**

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down.

The Sub-Fund, entering into financial derivative instruments, might be subject to higher volatility and potential counterparty risk. In the event of the insolvency or default of the counterparty, the Sub-Fund could suffer a loss (however this loss could be reduced by the use of collateral). Certain financial derivative instruments may result in leverage or gearing effect (e.g. listed future contracts). This may subject the Sub-

Fund to higher volatility and an amplification of market fluctuations.

### *Risks relating to distribution:*

For Distribution Shares, there is no guarantee that the Sub-Fund will make distribution. Further where the income and/or capital gain generated by the Sub-Fund is insufficient to pay a distribution as the Sub-Fund declares, the Sub-Fund may at its discretion make such distributions out of the capital of the Sub-Fund. Investors should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount they originally invested or capital gains attributable to that and will generally result in an immediate decrease in the value of Shares.

### *Risk linked to Non-Investment Grade (High Yield) securities:*

The Sub-Fund may be exposed directly or indirectly to bonds that are rated sub-investment grade, or bonds which are unrated but judged to be of comparable quality with sub-investment grade bonds. Those securities may be subject to a greater risk of loss of income and/or principal in case of default or insolvency of the issuer than similar higher rated securities and their market value may also be more volatile.

### *Sustainability Risks:*

The Sub-Fund is exposed to Sustainability Risks. By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, it is intended to mitigate Sustainability Risks of the Sub-Fund. However, *no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.*

## **Taxonomy Regulation**

In accordance with the article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying

this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

### **The Volcker Rule**

Recent legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Fund and the Shareholders. On July 21, 2010, President Obama signed into law the Dodd-Frank Act. Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "Volcker Rule") restrict the ability of a banking entity, such as most entities within the Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as a commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

The Volcker Rule excludes from the definition of covered fund some foreign public funds that meet certain conditions.

In order for a fund to qualify as a foreign public fund, the following requirements must be satisfied:

- 1) the fund must be organized or established outside of the United States (including any state, possession, or territory);
- 2) the ownership interests of the fund are authorized to be offered and sold to retail investors in the fund's home jurisdiction;
- 3) the ownership interests of the fund are sold predominately through one or more public offerings outside the United States (sold "predominately" outside the United States requires that, in the initial offering, 85% or more of the vehicle's interests are sold to investors that are not residents of the United States);
- 4) if the fund is effectively invested by retail investors,
  - a. ETF must be quoted on an exchange
  - b. non ETF must be effectively invested by retail with minimum investment amount less than 25 K-Euros;

5) the offering disclosure documents must be publicly available.

6) An additional condition is required for United States organized or located banking entities with respect to the foreign public fund they sponsor: the fund's ownership interest are sold predominately to persons other than the sponsoring organized or located United States banking entity, the foreign public fund, affiliates of the sponsoring United States banking entity and the foreign public fund, and directors and employees of such entities.

The statutory effective date of the Volcker Rule is July 21, 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on July 21, 2015. The U.S. Federal Reserve Board has granted two one-year extensions of the conformance period for "legacy covered funds" sponsored or acquired on or before December 31, 2013, extending the conformance period for such funds to July 21, 2017.

The Management Company and its Affiliated Entities provide no assurances to Shareholders regarding the treatment of the Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any units in the Fund.

## APPENDIX 3

<b>Lyxor Investment Funds - EUROGOVIES RISK BALANCED</b>
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The Reference Currency of the Sub-Fund is the Euro (EUR).

**INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The investment objective of "**Lyxor Investment Funds- EuroGovies Risk Balanced**" (the "**Sub-Fund**") is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) over a 3 to 5 years period.

The Sub-Fund actively invests, based on a proprietary risk-based asset allocation methodology developed by Amundi, in a universe of debt securities primarily issued or guaranteed by Austria, Belgium, Finland, France, Germany, the Grand Duchy of Luxembourg and the Netherlands as long as their debt is rated investment grade or any other EU Member States with a credit rating of AA- or above (i.e. average Fitch Ratings, Standard and Poor's and Moody's ratings) (a "**Core Member State of the European Union (EU)**") or by other Eligible Issuers (as defined hereafter). The debt securities invested by the Sub-Fund are high quality liquid assets (HQLA) and are eligible to the Liquidity Coverage Ratio (LCR) within meaning of the European Union Capital Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013).

**INVESTMENT POLICY**

The Sub-Fund seeks to achieve its objective by applying an active debt securities selection overlay to the proprietary risk-based asset allocation methodology developed by Amundi (the "**Methodology**") (as detailed hereafter).

Based on the principle of risk diversification, the Methodology relies on a risk budgeting approach where the amount invested in debt securities of Eligible Issuers is calibrated according to their marginal risk contributions. In order to estimate risk, the

Methodology uses risk measures such as asset swap spreads, volatility or correlation. Based on market conditions, the Management Company will assign a target risk budget to each Core EU Member State and Supranational Entities (as defined below). The amount of capital invested in debt securities of any given Eligible Issuer will be based on this target risk budget. The Management Company will then discretionarily select individual debt securities to be purchased or sold in order to achieve the desired level of exposure to each Core EU Member State (including Supranational Entities, as defined below).

In order to enable the Sub-Fund to be eventually eligible to the Liquidity Coverage Ratio (LCR), the Sub-Fund will invest in debt securities (the "**Bonds**") issued by Level-1 Eligible Issuers, as defined in the Basel III Accord implemented within the European Union under the Capital Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013).

The Bonds invested by the Sub-Fund can pay fixed or variable coupons, can be linked to inflation or not, or can be interest or non-interest bearing (or zero-coupon) bonds.

To be eligible for investment, Bonds will need to be issued or guaranteed by (i) the central authority of a Core EU Member State, (ii) a central bank of a Core EU Member State in the domestic currency of the central bank, (iii) a non-central government public sector entity in the domestic currency of the public sector entity, (iv) the Bank for International Settlements, the International Monetary Fund, the EU Commission, a multilateral development bank, or (v) the European Financial Stability Facility or the European Stability Mechanism (each (iv) and/or (v) referred to as a "**Supranational Entities**" and (i) to (v) being hereafter referred to as the "**Eligible Issuers**"). All capital letter terms in this paragraph have the meaning given in the European Union Capital Requirement Regulation (n° 575/2013).

The Sub-Fund will apply the following diversification constraints to its investments:

- The total combined investments in Bonds issued or guaranteed by EU Members States other than France and Germany or by Supranational Entities will not in aggregate exceed 50% of the Net Asset Value of the Sub-Fund. In order to be eligible for investment by the Sub-Fund, these Bonds must be issued by a Core EU Member State having a rating equivalent to at least AA- provided by any of the following rating agencies: Fitch Ratings, Standard and Poor's or Moody's.
- The total combined investments in Bonds issued or guaranteed by Supranational Entities will not exceed 30% of the Net Asset Value of the Sub-Fund.
- The Sub-Fund will not invest in Bonds issued by corporate issuers or other issuers that are not guaranteed by an Eligible Issuer.

Subject to the foregoing, the Sub-Fund may invest up to 100% of its net assets in Bonds issued by Germany and/or France provided that such Bonds are part of at least six different issues and the Bonds from any one issue do not account for more than 30% of the net assets of the Sub-Fund.

The Sub-Fund will also invest in financial derivative instruments in order to hedge part of the risk related to interest rate movements, which could negatively affect the price of the Bonds within the Sub-Fund. The Sub-Fund will nevertheless remain exposed to the credit (or default) risk of the issuers of the Bonds within the Sub-Fund.

The financial derivative instruments may be either listed or dealt over-the-counter (OTC) (respectively "**Listed Derivatives**" or "**OTC Derivatives**"). The valuation of the OTC Derivatives will be provided by the counterparty but the Management Company will make its own independent valuation thereof.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular

14/592), any transactions for the purpose of efficient portfolio management.

The counterparties to these transactions will not assume any discretion over the composition of the Sub-Fund's or over the underlying of the OTC Derivatives.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

The Sub-Fund may enter into any collateral transactions if required to do so when using other OTC Derivatives as described above in which case the collateral transaction will be dealt with in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592) and the restrictions contained in section E.3 of the section "Investment Powers and Restrictions" of the main part of the Prospectus. The collateral received by the Sub-Fund will be limited to cash in the reference currency of the Sub-Fund or securities that would be eligible to the Sub-Fund for direct investment, as described above.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

Within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets (cash, deposits, money market instruments and money market funds) on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

Despite all measures taken by the Sub-Fund to reach its objectives, these measures are subject to independent risk factors like changes in the fiscal, banking or commercial regulations. No guarantee whatsoever may be offered to the investors in the Sub-Fund in respect of the impact of these changes on the Sub-Fund.

The Sub-Fund may be eligible to the Liquidity Coverage Ratio (LCR) within meaning of the European Union Capital

Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013). However, the Management Company and/or the Company make no representation nor provide any warranty regarding the fiscal, accounting, regulatory or any other treatment of the Shares. Investors must consult their advisors before investing in the Sub-Fund.

## **INVESTMENT TECHNIQUES**

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a punctual basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

Maximum proportion of assets under management for which TRS may be entered into: up to 20% of the Sub-fund's assets.

Expected proportion of assets under management for which TRS may be entered into: 0% of the Sub-fund's assets.

The Sub-Fund will not enter into any securities lending transactions and/or repurchase agreements.

## **ELIGIBILITY OF THE SUB-FUND**

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

## **TARGETED INVESTORS**

The Sub-Fund is offered to investors wishing to obtain a diversified, risk-based exposure to fixed income debt securities

issued (or guaranteed) by Eligible Issuers as detailed above.

US Persons may not invest in the Sub-Fund.

## **RISK MANAGEMENT**

The global exposure determination methodology used for the risk monitoring of the Sub-Fund is the commitment approach.

## **CLASSES OF SHARES**

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class I (EUR)	Class D-I (EUR)
Class I (USD)	Class D-I (USD)
Class I (GBP)	Class D-I (GBP)
Class I (CHF)	Class D-I (CHF)
Class I (JPY)	Class D-I (JPY)
Class I (SEK)	Class D-I (SEK)
Class I (NOK)	Class D-I (NOK)
Class I (HKD)	Class D-I (HKD)
Class I (CZK)	Class D-I (CZK)
Class I (BGN)	Class D-I (BGN)
Class I (RON)	Class D-I (RON)
Class I (HRK)	Class D-I (HRK)
Class I (ZAR)	Class D-I (ZAR)
Class SI (EUR)	Class D-SI (EUR)
Class SI (USD)	Class D-SI (USD)
Class SI (GBP)	Class D-SI (GBP)
Class SI (CHF)	Class D-SI (CHF)
Class SI (JPY)	Class D-SI (JPY)
Class SI (SEK)	Class D-SI (SEK)
Class SI (NOK)	Class D-SI (NOK)
Class SI (HKD)	Class D-SI (HKD)
Class SI (CZK)	Class D-SI (CZK)
Class SI (BGN)	Class D-SI (BGN)
Class SI (RON)	Class D-SI (RON)
Class SI (HRK)	Class D-SI (HRK)
Class SI (ZAR)	Class D-SI (ZAR)
Class B (EUR)	Class D-B (EUR)
Class B (USD)	Class D-B (USD)
Class B (GBP)	Class D-B (GBP)
Class B (CHF)	Class D-B (CHF)
Class B (JPY)	Class D-B (JPY)
Class B (SEK)	Class D-B (SEK)
Class B (NOK)	Class D-B (NOK)
Class B (HKD)	Class D-B (HKD)
Class B (CZK)	Class D-B (CZK)
Class B (BGN)	Class D-B (BGN)

Class B (RON)      Class D-B (RON)  
 Class B (HRK)      Class D-B (HRK)  
 Class B (ZAR)      Class D-B (ZAR)  
 Class XI (EUR)

Classes I Shares are Capitalisation Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Classes D-I Shares are Distribution Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class SI Shares are Capitalisation Shares and Class D-SI Shares are Distribution Shares. Both Classes SI and D-SI Shares are available to specific institutional investors.

Class B Shares are Capitalisation shares and Class D-B Shares are Distribution Shares. Both Classes B and D-B Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class XI Shares are Capitalisation Shares and only available to specific institutional investors.

Shares will be issued in registered form. Fractions of Shares will be issued to four decimal places.

In order to protect Shareholders of Classes from the impact of currency movements, assets will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

## **MINIMUM INVESTMENT**

Initial minimum subscription amount:

Classes I and D-I (EUR): EUR 1,000,000  
 Classes I and D-I (USD): USD 1,000,000  
 Classes I and D-I (GBP): GBP 1,000,000  
 Classes I and D-I (CHF): CHF 1,000,000  
 Classes I and D-I (JPY): JPY 100,000,000  
 Classes I and D-I (SEK): SEK 10,000,000  
 Classes I and D-I (NOK): NOK 10,000,000  
 Classes I and D-I (HKD): HKD 10,000,000

Classes I and D-I (CZK): CZK 25,000,000  
 Classes I and D-I (BGN): BGN 2,000,000  
 Classes I and D-I (RON): RON 5,000,000  
 Classes I and D-I (HRK): HRK 10,000,000  
 Classes I and D-I (ZAR): ZAR 15,000,000

Classes SI and D-SI (EUR): EUR 250,000,000  
 Classes SI and D-SI (USD): USD 250,000,000  
 Classes SI and D-SI (GBP): GBP 250,000,000  
 Classes SI and D-SI (CHF): CHF 250,000,000  
 Classes SI and D-SI (JPY): JPY 25,000,000,000  
 Classes SI and D-SI (SEK): SEK 2,500,000,000  
 Classes SI and D-SI (NOK): NOK 2,500,000,000  
 Classes SI and D-SI (HKD): HKD 2,500,000,000  
 Classes SI and D-SI (CZK): CZK 6,250,000,000  
 Classes SI and D-SI (BGN): BGN 500,000,000  
 Classes SI and D-SI (RON): RON 1,250,000,000  
 Classes SI and D-SI (HRK): HRK 2,500,000,000  
 Classes SI and D-SI (ZAR): ZAR 3,750,000,000

Classes B and D-B (EUR): EUR 100,000  
 Classes B and D-B (USD): USD 100,000  
 Classes B and D-B (GBP): GBP 100,000  
 Classes B and D-B (CHF): CHF 100,000  
 Classes B and D-B (JPY): JPY 10,000,000  
 Classes B and D-B (SEK): SEK 1,000,000  
 Classes B and D-B (NOK): NOK 1,000,000  
 Classes B and D-B (HKD): HKD 1,000,000  
 Classes B and D-B (CZK): CZK 3,000,000  
 Classes B and D-B (BGN): BGN 200,000  
 Classes B and D-B (RON): RON 500,000  
 Classes B and D-B (HRK): HRK 1,000,000  
 Classes B and D-B (ZAR): ZAR 2,000,000  
 Class XI (EUR): EUR 1,000,000

Additional minimum subscription amount:

All Share Classes: 1 share

Minimum holding requirements:

Class I Shares: 1 Share  
 Class D-I Shares: 1 Share

Class SI Shares: 1 Share  
 Class D-SI Shares: 1 Share  
 Class B Shares: 1 Share  
 Class D-B Shares: 1 Share  
 Class XI Shares: 1 Share

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount, the additional minimum subscription amount and the minimum holding requirements.

## **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before Subscription Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after Subscription Deadline on a Valuation Day shall be deemed to have been received before Subscription Deadline on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than two Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

## **REDEMPTION OF SHARES**

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before Redemption Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after Redemption Deadline on a Valuation Day shall be deemed to have been received before Redemption Deadline on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than two Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made

through intermediaries (including but not limited to correspondent banks appointed in any given country).

## **FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND**

Subscription Charges:

For any request for subscription:

- up to an aggregate amount of 2.5% of the Net Asset Value per Share of Class I, D-I, SI, D-SI, B and D-B Shares multiplied by the number of Shares subscribed payable to the Management Company or any distributor or placing agent of the Shares.
- up to an aggregate amount of 5% of the Net Asset Value per Share of Class XI Shares multiplied by the number of Shares subscribed payable to the Management Company or any distributor or placing agent of the Shares.

The Board of Directors reserves the right to waive Subscription Charges.

Redemption Charges:

For any request for redemption: no Redemption Charges will be applied.

## **DISTRIBUTION POLICY**

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

## DEFINITIONS

**"Business Day"**: any full working day in Luxembourg and in Paris when the banks are opened for business.

**"Valuation Day"**: any Business Day.

**"Subscription Deadline"** and **"Redemption Deadline"**: any Valuation Day at 11:00 am (Luxembourg time).

## MANAGEMENT COMPANY FEES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, quarterly in arrears, as follows:

- Class I: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class D-I: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class SI: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class D-SI: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class B: up to 0.30% per year (inclusive of VAT) of the Net Asset Value
- Class D-B: up to 0.30% per year (inclusive of VAT) of the Net Asset Value
- Class XI: up to 0.15% per year (inclusive of VAT) of the Net Asset Value

The Investment Management Fee will be shared between the Investment Manager and the Management Company.

## INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the Inception Date (as defined hereafter) is given in the table below.

Classes I and D-I (EUR): 100,000  
 Classes I and D-I (USD): 100,000  
 Classes I and D-I (GBP): 100,000  
 Classes I and D-I (CHF): 100,000  
 Classes I and D-I (JPY): 10,000,000  
 Classes I and D-I (SEK): 1,000,000

Classes I and D-I (NOK): 1,000,000  
 Classes I and D-I (HKD): 1,000,000  
 Classes I and D-I (CZK): 1,000,000  
 Classes I and D-I (BGN): 100,000  
 Classes I and D-I (RON): 100,000  
 Classes I and D-I (HRK): 1,000,000  
 Classes I and D-I (ZAR): 1,000,000  
 Classes SI and D-SI (EUR): EUR 100,000  
 Classes SI and D-SI (USD): USD 100,000  
 Classes SI and D-SI (GBP): GBP 100,000  
 Classes SI and D-SI (CHF): CHF 100,000  
 Classes SI and D-SI (JPY): JPY 10,000,000  
 Classes SI and D-SI (SEK): SEK 1,000,000  
 Classes SI and D-SI (NOK): NOK 1,000,000  
 Classes SI and D-SI (HKD): HKD 1,000,000  
 Classes SI and D-SI (CZK): CZK 1,000,000  
 Classes SI and D-SI (BGN): BGN 100,000  
 Classes SI and D-SI (RON): RON 100,000  
 Classes SI and D-SI (HRK): HRK 1,000,000  
 Classes SI and D-SI (ZAR): ZAR 1,000,000

Classes B and D-B (EUR): 100,000  
 Classes B and D-B (USD): 100,000  
 Classes B and D-B (GBP): 100,000  
 Classes B and D-B (CHF): 100,000  
 Classes B and D-B (JPY): 10,000,000  
 Classes B and D-B (SEK): 1,000,000  
 Classes B and D-B (NOK): 1,000,000  
 Classes B and D-B (HKD): 1,000,000  
 Classes B and D-B (CZK): 1,000,000  
 Classes B and D-B (BGN): 100,000  
 Classes B and D-B (RON): 100,000  
 Classes B and D-B (HRK): 1,000,000  
 Classes B and D-B (ZAR): 1,000,000

Class XI (EUR): 10,000

The Sub-Fund has been launched on November 18, 2014 (the **"Inception Date"**).

## PERFORMANCE FEE

In addition to Management Company Fees, the Investment Manager shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

The Performance Fee is equal to the Performance Rate multiplied by the Class Excess Performance.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark.

On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

For each of Classes SI and D-SI Shares only, the total amount of Performance Fee paid to the Management Company at the end of any given Class Incentive Period will not exceed 0.20% of the average Net Asset Value. The excess, if any, shall be carried over to the immediately following Class Incentive Period (as defined below).

In this section:

The **"Performance Rate"** means:

- up to 10% for Class I Shares;
- up to 10% for Class D-I Shares;
- up to 10% for Class SI Shares;
- up to 10% for Class D-SI Shares;
- up to 10% for Class B Shares;
- up to 10% for Class D-B Shares;
- up to 10% for Class XI Shares.

**"Class Incentive Period (n)"** shall be the period of one year starting as from each 1<sup>st</sup> January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31<sup>st</sup> December of the year (n) or if it is not a Business Day, on the following Business Day.

**"High Water Mark (0)"**, of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Benchmark Performance.

**"High Water Mark (n)"** of the relevant Class means the Net Asset Value accrued with the Benchmark Performance of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Benchmark Performance of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Benchmark Performance.

**"Benchmark Value"** of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Benchmark Performance of the relevant Class.

**"Benchmark Index"** means the compounded value for the:

- €STR rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;
- SONIA rate for Classes denominated in GBP;
- SARON rate for Classes denominated in CHF;
- TONA rate for Classes denominated in JPY;
- STIBOR 1M rate for Classes denominated in SEK;
- NIBOR 1M rate for Classes denominated in NOK;
- HKD HIBOR 1M rate for Classes denominated in HKD;
- Czech Interbank Offered Rate (CZK) 1M rate for Classes denominated in CZK;
- LEONIA Plus rate for Classes denominated in BGN;
- ROBOR (RON) 1M rate for Classes denominated in RON;
- Croatia Zagreb Interbank Offer Rate (ZIBOR) 1M rate for Classes denominated in HRK;
- South Africa Johannesburg Interbank Agreed Rate (JIBAR) 1M rate for Classes denominated in ZAR.

**"Benchmark Performance"** means the performance over the Class Incentive Period of the Benchmark Index.

If the Benchmark Performance of the relevant Class is lower than 0, it will be valued at 0.

For the avoidance of doubt, the Benchmark Indices defined above are compounded on each Business Day at the prevailing rate.

**"Class Excess Performance"** means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

#### Performance fee scenarios:

	At launch	31/12 (Y1)	31/12 (Y2)	31/12 (Y3)
Benchmark Performance		1.5%	2%	2.5%
Fund Performance (before Performance Fees)		1%	5%	10%
HWM* (Y-1) accrued at Benchmark Performance		101.50	103.53	108.44
Sub-Fund NAV (Y) (before Performance Fees)		101.00	106.05	116.38
Class Excess Performance		-0.50	2.52	7.93
Performance Fees		0.00	0.252	0.79
Fund NAV (Y) Net of Performance Fees	100	101.00	105.80	115.58
HWM (Y)*	100	101.50	105.80	115.58

\* HWM = High Water Mark

#### Performance Fee calculation example on Class I (EUR):

Launch of the Class I (EUR) on beginning of Y1 at 100 EUR, the initial High-Water Mark (0) is set at 100 EUR.

- **On December 31 (1):** if the net performance of the Class I (EUR) is 1% and the Benchmark Performance is 1.5%. Then the High-Water Mark (1) will be: HWM (0) accrued at Benchmark Performance  $100 \times 1.5\% = 101.50$  EUR;
- The I (EUR) NAV before Performance fee will be  $100 \times 1\% = 101$  EUR;
- Class Excess Performance (Y1) will be:  $101 - 101.5 = -0.50$  EUR;
- No performance fee is paid for Y1;

The High-Water Mark (1) is set at 101.50 EUR.

- **On December 31 (2):** if the net performance of the Class I (EUR) is 5% and the Benchmark Performance is 2%. Then the High-Water Mark (2) will be: HWM (1) accrued at Benchmark Performance  $101.5 \times 2\% = 103.53$  EUR;
- The I (EUR) NAV (2) before performance fee will be  $101 \times 5\% = 106.05$  EUR;
- Class Excess Performance (2) will be:  $106.05 - 103.53 = 2.52$  EUR;
- Performance fee paid to the management company will be:  $2.52 \times 10\% = 0.252$  EUR;
- The Class I (EUR) NAV (2) net of performance fee will be:  $106.05 - 0.252 = 105.80$  EUR;
- The High-Water Mark (2) will be 105.80 EUR.

Performance Fee shall not be charged in the event of negative performance over the year.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

The Performance Fee (if any) is crystallised on the last Business Day of each year. The Performance Fee (if any) shall be paid to

the Management Company within the first quarter following crystallization.

The performance reference period is set to a period of five years on a rolling basis. During this period, any underperformance previously incurred should be recovered before a performance fee becomes payable.

Investors should further note that, in the case where they have redeemed their Shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding (irrespective of any applicable maximum as the case may be) during such Period will be kept and paid to the Management Company, even if this Performance Fee should not be paid to him at the end of the said period.

#### **THE ADMINISTRATOR, REGISTRAR AGENT AND DEPOSITARY FEES**

By derogation the provisions of "Company Charges" set out in the Prospectus, the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent will receive a fee (the "**Administrative Fees**") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Shares. Such Administrative Fees may be paid to the Management Company which will subsequently pay the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent.

#### **OTHER CHARGES AND EXPENSES**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly.

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the

Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

#### **LISTING**

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

#### **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published on [www.fundsquare.net](http://www.fundsquare.net).

#### **COMPULSORY REDEMPTION**

In accordance with the provisions of the Articles of Incorporation, the Company is entitled to compulsorily redeem all Shares of the Sub-Fund where the aggregate Net Asset Value of the Sub-Fund at any time falls below EUR 50 million.

#### **RISKS WARNING**

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider,

amongst others, the following factors before subscribing for Shares:

**Risk of loss of invested capital**

Despite all measures taken by the Company to reach its objectives, no guarantee whatsoever may be offered to the investor in this regard. Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down. Investors' attention is drawn on the fact that there is no capital protection or guarantee so that, investors can lose their capital in part or in whole.

**Counterparty risk**

The Sub-Fund shall be exposed to the counterparty risk resulting from the use of OTC Derivatives. The Sub-Fund is therefore exposed to the risk that the counterparty, if it defaults, may not be able to honour its commitments with regard to the OTC Derivatives. When summed over all OTC Derivatives, the counterparty risk cannot exceed 10% of the Sub-Fund's Net Asset Value by counterparty, provided such counterparty is a credit institution referred to in Article 45 paragraph (1) point f) of the 2010 Law.

**Credit Risk**

The Sub-Fund will be exposed to the credit risk of the issuers of the Bonds in which it invests. Any deterioration in the intrinsic credit quality of the issuer or in the rating provided by rating agencies, or any adverse movement in the credit spread associated with the issuer could negatively affect the value of the Bonds and cause losses or a diminution of the Shares' Net Asset Value.

If any of the Bonds issuers were to delay or forego the payment of coupons or capital (in other words, to default) on any securities it has issued, the Sub-Fund would suffer severe losses whether or not the specific issue on which the default event occurred is invested by the Sub-Fund.

**Concentration Risk**

Even if the Management Company will aim

at diversifying the risk across issuers and issues, the Sub-Fund could remain exposed to a relatively limited number of Bonds issuers or issues according to the applicable laws and regulations (including but not limited to the 2010 Law). This concentration could amplify the effects of certain risk factors, in particular the "Credit Risk" described above.

**Interest Rate Risk**

The Sub-Fund could use OTC Derivatives or Listed Derivatives to cover (or hedge) part of the interest rate risk associated to the Bonds invested by the Sub-Fund. However, investors' attention is drawn to the fact that this hedge will not be perfect and the Sub-Fund will remain partly exposed to movements in the interest rate curve.

**Inflation Risk**

The Sub-Fund could invest in fixed income securities paying coupons and/or return an amount of capital that is based (or indexed) on some measure of inflation, the example the Consumer Price Index. In such a case, the Sub-Fund would be negatively impacted by adverse movements in the expected rate of inflation.

**Foreign Exchange Risk**

The Sub-Fund will use OTC or Listed Derivatives to cover (or hedge) part of the foreign exchange risk associated with classes denominated in a currency other than the assets of the Sub-Fund. However, Investors' attention is drawn to the fact that this hedge will not be perfect and the Sub-Fund will remain partly exposed to movements in the foreign exchange rates.

**Model Risk**

The Sub-Fund's performance largely depends on a risk-based asset allocation methodology, in which credit spreads, their volatility and their correlation are used as issuers' risk measures. The model or its risk measures might prove inefficient or sub-optimal. In addition, Investors' attention is drawn to the fact that the model aims at diversifying risk and does not aim at allocating the assets to generate the

highest possible level of return for a given level of risk, which might prove sub-optimal for Investors who wish to obtain the highest possible level of return on investment.

#### **Listed Derivatives and OTC Derivatives Risk**

The Sub-Fund may make use of both exchange-traded and over-the-counter financial derivative instruments, including, but not limited to, forwards and swaps for hedging purpose. Fluctuations in the price of a financial derivative instrument and its underlying may differ, hence financial derivative instruments might not perfectly cover (or hedge) the risk. In addition, daily limits on price fluctuations may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter financial derivative instruments may involve additional risks as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to accurately assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies of over-the-counter transactions can also increase risk.

#### **Sustainability Risks**

The Sub-Fund is exposed to Sustainability Risks. By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, it is intended to mitigate Sustainability Risks of the Sub-Fund. However, *no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.*

#### **Taxonomy Regulation**

In accordance with the article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

#### **The Volcker Rule**

Legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Sub-Fund and the Shareholders. On 21 July 2010, President Obama signed into law the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "**Volcker Rule**") restrict the ability of a banking entity, such as most entities within Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

Notwithstanding the foregoing, the Volcker Rule permits non-US banking entities to sponsor, and acquire or retain ownership interests in foreign funds not offered into the United States that meet certain conditions (so called "**foreign excluded funds**"). In order for a fund to qualify as a foreign excluded fund, the following requirements must be satisfied: (1) the banking entity must be a non-US banking entity; (2) the fund must be organized or established outside the United States; and (3) either the fund must not be a "commodity pool" as defined under the US Commodity Exchange Act, or if it is a commodity pool, it must not have a commodity pool operator that relies on, or could have relied on, CFTC Rule 4.7 as an exemption from certain obligations under the US Commodity Exchange Act.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The US Federal Reserve has granted two one-year extensions of the conformance period for "legacy covered fund" sponsored or acquired on or before 31 December 2013, extending the conformance period for such funds to 21 July 2017.

Shareholders that are themselves banking entities subject to the Volcker Rule in certain circumstances may be unable to acquire or retain ownership interests in the Sub-Fund due to the restrictions of the Volcker Rule. A fund that is not advised or sponsored by the Management Company (or any other company within the Crédit Agricole Group) may not be subject to these considerations.

The Management Company and its affiliated entities (the "**affiliated entities**" defined as, with respect to any entity, any other entity controlling, controlled by, or under common control with, such entity, as those terms are used under the United States Bank Holding Company Act of 1956) provide no assurances to Shareholders regarding the treatment of the Sub-Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any Shares in the Sub-Fund.

## APPENDIX 4

**Lyxor Investment Funds – LYXOR SILVER MULTI ASSET**

The Reference Currency of the Sub-Fund is the Euro (EUR).

**INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The "Lyxor Investment Funds – LYXOR SILVER MULTI ASSET" Sub-Fund's investment objective is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) above Euro Short-Term Rate (the "€STR") or the equivalent money market rate in the relevant currency of the Class of Shares (the "**Benchmark Index**"), over a 3 to 5 year horizon with an annual volatility lower than target level of 8%.

The Sub-Fund has a flexible investment approach to generate performance in most market environments. It will invest in a diversified portfolio of liquid instruments.

**BENCHMARK INDEX**

The index used as benchmark index is the €STR rate (the "**Benchmark Index**") (or the equivalent overnight money market rate for the currency of the related share class).

The €STR (Euro short-term rate) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.

The €STR rate is published by the European Central Bank. The method of calculation is defined in the €STR methodology and policies available at [https://www.ecb.europa.eu/paym/interest\\_rate\\_benchmarks/WG\\_euro\\_risk-free\\_rates/shared/pdf/ecb.ESTER\\_methodology\\_and\\_policies.en.pdf](https://www.ecb.europa.eu/paym/interest_rate_benchmarks/WG_euro_risk-free_rates/shared/pdf/ecb.ESTER_methodology_and_policies.en.pdf).

The European Central Bank reviews the €STR methodology and publishes a report every year.

The European Central Bank is the administrator of the Benchmark Index and

has overall responsibility for providing the rate. €STR is exclusively based on borrowing transactions in euro conducted with financial counterparties that banks report to the European Central Bank in accordance with Regulation (EU) No 1333/2014 concerning statistics on the money markets.

The Benchmarks Regulation does not apply to central banks.

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Management Company and/or the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Management Company and/or the Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

**INVESTMENT POLICY**

The Sub-Fund seeks to achieve its objective by using a dynamic asset allocation process on a broad and diversified set of liquid asset classes.

The Sub-Fund will invest in eligible assets, including but not limited to equities, bonds, exchange traded funds, UCITS, money market instruments, securities with embedded derivatives and derivative instruments (such as listed futures, listed options, forwards and swaps linked notably to equities, bonds, currencies, commodities indices, and interest rates).

Should the Sub-Fund be exposed to any financial index, such financial index will be eligible for investment by UCITS in accordance with the requirements of applicable laws and regulations including article 44 of the 2010 Law and article 8 and 9 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002

on undertakings for collective investment and CSSF Circular 14/592 (the "**Eligible Index**").

The composition of Eligible Indices is usually reviewed and rebalanced on a daily, weekly, monthly, quarterly, semi-annual or annual basis.

Rebalancing operations could have an impact in terms of costs paid or incurred by the Sub-Fund and could consequently affect the performance of the Sub-Fund.

More specifically the Sub-Fund will use a Core-Satellite investment process.

The **Core** is the centrepiece of the portfolio. The Core is a diversified portfolio invested in financial instruments linked to equities, fixed income and commodities indices: it corresponds to the major part of the directional exposures of the portfolio.

The Core will be determined pursuant to the Strategic Allocation and the Tactical Allocation as follows:

- *Strategic Allocation is notably based on:*
  - Risk budgeting methodology
    - The risk is split among asset classes to obtain a diversified portfolio.
  - According notably to
    - Market volatility
    - Market cross-correlation
- *Tactical Allocation:*
  - Modulate the Strategic Allocation based, among other things, on a trend-following analysis and a global macro analysis
  - According notably to
    - Market volatility
    - Market prices
    - Macroeconomic indicators.

The Satellite is composed of strategies aiming at generating additional returns.

The Core and the Satellite of the Sub-Fund will be monitored by a risk control process, on a daily basis, in order to maintain the average level of annual volatility of the Sub-Fund below 8%.

The Sub-Fund will endeavour to maintain its overall exposure to the following diversification criteria:

- *Exposure to global equity markets between 0% and 100% of the Net Asset Value;*
- *Exposure to developed markets investment grade bonds between 0% and 200% of the Net Asset Value (excluding positions invested in government bonds having a residual maturity of less than 12 months);*
- *Exposure to non-investment grade bond markets with a residual maturity over 12 months between 0% and 50% of the Net Asset Value;*
- *Exposure to non-investment grade bond markets with a residual maturity of less than 12 months between 0% and 50% of the Net Asset Value;*
- *Exposure to global commodities markets between 0% and 50% of the Net Asset Value.*

For each of the limits mentioned above, the exposure is defined as the difference between long and short positions.

In order to ensure best execution of the Sub-Fund's main transactions in its underlying investments, the Management Company and/or the Investment Manager intends to pursue competitive bidding with first class financial institutions.

The valuation of the over-the-counter financial derivative instruments will be provided by the counterparty but the Management Company and/or the Investment Manager will make their own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company and/or the Investment Manager.

Despite all measures taken by the Company to reach its objectives, these are subject to independent risk factors like changes in the fiscal or commercial regulations. No guarantee whatsoever may be offered to the investor in this regard.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions including efficient portfolio management techniques.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

Within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets (cash, deposits, money market instruments and money market funds) on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

### INVESTMENT TECHNIQUES

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a continuous basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

The Sub-Fund's exposure to TRS is as set out in the table below (as a percentage of the total assets). In certain circumstances this proportion may be higher.

	Expected level (in % of the NAV)	Maximum level (in % of the NAV)
TRS	25%	35%

### ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

### TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have a diversified exposure to financial markets while benefiting from an enhanced performance.

US Persons may not invest in the Sub-Fund.

### RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the absolute VaR approach. The expected level of leverage (calculated as the sum of notionals of the derivatives used) of the Sub-Fund is about 250% and is not expected to exceed a maximum of 500%.

### CLASSES OF SHARES

The Sub-Fund will issue the following **Classes of Shares**, subject to different terms and conditions described below:

Class EUR – D Shares are available to all investors and are Distribution Shares.

Class EUR – I Shares are available to institutional investors selected by the Management Company and are Distribution Shares.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

### MINIMUM INVESTMENT

Initial minimum subscription amount:

Class EUR - D Shares: one Share  
Class EUR - I Shares: 10 000 Shares

Additional minimum subscription amount:

Class EUR - D Shares: one Share  
Class EUR - I Shares: one Share

Minimum holding requirement:

Class EUR - D Shares: None  
Class EUR - I Shares: 10 000 Shares  
The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

## **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than three Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

## **REDEMPTION OF SHARES**

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than three Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

## **FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND**

- Subscription charge

A Subscription Charge of up to 3% of the Issue Price may be added to the Issue Price by distributors of the Shares of the Sub-Fund.

The Board of Directors reserves the right to waive Subscription Charges.

No Subscription Charge will be applied to Classes EUR - I Shares.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes of Shares.

## **DISTRIBUTION POLICY**

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

## **DEFINITIONS**

**"Business Day":**

- any full working day in Luxembourg, New York and Paris when banks are opened for business.
- and exchanges are open for trading in the US, European Union and the UK during their respective regular trading sessions;

- or otherwise determined by the Board of Directors.

**"Valuation Day"**: any day which is a Business Day or otherwise determined by the Board of Directors.

**"Subscription Deadline"** and **"Redemption Deadline"**: any Valuation Day at 12:00 (Luxembourg time) at the latest.

## **INVESTMENT MANAGEMENT FEE**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company and the Investment Manager will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class EUR - D Shares: up to 2% per year (inclusive of VAT) of the Net Asset Value
- Class EUR - I Shares: up to 0.75% per year (inclusive of VAT) of the Net Asset Value
- The Management Fee will be shared between the Investment Manager and the Management Company.

## **INITIAL NET ASSET VALUE**

Class EUR - I Shares of the Sub-Fund have been launched on 25 May 2016.

## **PERFORMANCE FEE**

In addition to Management Fees, the Management Company and/or the Investment Manager shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance.

The Performance Fee becomes due in the event of outperformance, that is, if the performance of the relevant Class during the relevant Class Incentive Period exceeds the performance in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark.

On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

In this section:

The **"Performance Rate"** means up to 10%.

**"Class Incentive Period (n)"** shall be the period of one year starting as from each 1<sup>st</sup> January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31<sup>st</sup> December of the year (n) or if it is not a Business Day, on the following Business Day.

**"High Water Mark (0)"**, of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Benchmark Performance.

**"High Water Mark (n)"** of the relevant Class means the Net Asset Value accrued with the Benchmark Performance of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Benchmark Performance of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Benchmark Performance.

**"Benchmark Value"** of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Benchmark Performance of the relevant Class.

"**Benchmark Index**" means the compounded value for the:

- €STR rate for Classes EUR – I and EUR – D;

For the avoidance of doubt, the Benchmark Index defined above is compounded on each Business Day at the prevailing rate.

"**Benchmark Performance**" means the performance over the Class Incentive Period of the Benchmark Index.

If the Benchmark Performance of the relevant Class is lower than 0, it will be valued at 0.

"**Class Excess Performance**" means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

#### Performance fee scenarios:

	At launch	31/12 (Y1)	31/12 (Y2)	31/12 (Y3)
Benchmark Performance (Ester +2%)		1.5%	2%	2.5%
Fund Performance (before Performance Fees)		1%	5%	10%
HWM* (Y-1) accrued at Benchmark Performance		101.50	103.53	108.44
Sub-Fund NAV (Y) (before Performance Fees)		101.00	106.05	116.38
Class Excess Performance		-0.50	2.52	7.93
Performance Fees		0.00	0.252	0.79
Fund NAV (Y) Net of Performance Fees	100	101.00	105.80	115.58
HWM (Y)*	100	101.50	105.80	115.58

\* HWM = High Water Mark

#### **Performance Fee calculation example on Class EUR – I:**

Launch of the Class EUR-I on beginning of Y1 at 100 EUR, the initial High-Water Mark (0) is set at 100 EUR.

- **On December 31 (1):** if the net performance of the Class EUR-I is 1% and the Benchmark Performance is 1.5%. Then the High-Water Mark (1) will be: HWM (0) accrued at Benchmark Performance  $100 \times 1.5\% = 101.50$  EUR;

- The EUR-I NAV before Performance fee will be  $100 \times 1\% = 101$  EUR;
  - Class Excess Performance (Y1) will be:  $101 - 101.5 = -0.50$  EUR;
  - No performance fee is paid for Y1;
- The High-Water Mark (1) is set at 101.50 EUR.

- **On December 31 (2):** if the net performance of the Class EUR-I is 5% and the Benchmark Performance is 2%. Then the High-Water Mark (2) will be: HWM (1) accrued at Benchmark Performance  $101.5 \times 2\% = 103.53$  EUR;
  - The EUR-I NAV (2) before performance fee will be  $101 \times 5\% = 106.05$  EUR;
  - Class Excess Performance (2) will be:  $106.05 - 103.53 = 2.52$  EUR;
- Performance fee paid to the management company will be:  $2.52 \times 10\% = 0.252$  EUR;
- The Class EUR-I NAV (2) net of performance fee will be:  $106.05 - 0.252 = 105.80$  EUR;
  - The High-Water Mark (2) will be 105.80 EUR.

Performance Fee shall not be charged in the event of negative performance over the year.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

For the avoidance of doubt, distribution of dividends will be taken into account when calculating the Performance Fee in relation to Class EUR D and EUR - I Shares.

The Performance Fee (if any) is crystallised on the last Business Day of each year. The Performance Fee (if any) shall be paid to the Management Company within the first quarter following crystallization.

The performance reference period is set to a period of five years on a rolling basis. During this period, any underperformance previously incurred should be recovered before a performance fee becomes payable.

Investors should further note that, in the case where they have redeemed their shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding during such Period will be kept and paid to the Management Company and/or the Investment Manager, even if this Performance Fee should not be paid to him at the end of the said period.

#### **THE ADMINISTRATOR, REGISTRAR AGENT AND DEPOSITARY FEES**

By derogation from the provisions of "Company Charges" set out in the Prospectus, the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent will receive a fee (the "**Administrative Fees**") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Sub-Fund as applicable. Such Administrative Fees may be paid to the Management Company and/or the Investment Manager which will subsequently pay the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent.

#### **OTHER CHARGES AND EXPENSES**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-

Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly.

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

#### **LISTING**

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

#### **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published on [www.fundsquare.net](http://www.fundsquare.net).

#### **RISKS WARNING**

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down.

The Sub-Fund, entering into financial derivative instruments, might be subject to higher volatility and potential counterparty risk. In the event of the insolvency or default of the counterparty, the Sub-Fund could suffer a loss (however this loss could be reduced by the use of collateral). Certain financial derivative instruments may result in leverage or gearing effect (e.g. listed future contracts). This may subject the Sub-Fund to higher volatility and an amplification of market fluctuations.

*Risks relating to distribution:*

For Distribution Shares, there is no guarantee that the Sub-Fund will make distribution. Further where the income and/or capital gain generated by the Sub-Fund is insufficient to pay a distribution as the Sub-Fund declares, the Sub-Fund may at its discretion make such distributions out of the capital of the Sub-Fund. Investors should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount they originally invested or capital gains attributable to that and will generally result in an immediate decrease in the value of Shares.

*Risk linked to Non-Investment Grade (High Yield) securities:*

The Sub-Fund may be exposed directly or indirectly to bonds that are rated sub-investment grade, or bonds which are unrated but judged to be of comparable quality with sub-investment grade bonds. Those securities may be subject to a greater risk of loss of income and/or principal in case of default or insolvency of the issuer than similar higher rated securities and their market value may also be more volatile.

*Sustainability Risks:*

The Sub-Fund is exposed to Sustainability Risks. By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, it is intended to mitigate Sustainability Risks of

the Sub-Fund. However, *no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.*

## TAXONOMY REGULATION

In accordance with the article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

## THE VOLCKER RULE

Legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Sub-Fund and the Shareholders. On 21 July 2010, President Obama signed into law the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**").

Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "**Volcker Rule**") restrict the ability of a banking entity, such as most entities within Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

Notwithstanding the foregoing, the Volcker Rule permits non-US banking entities to sponsor, and acquire or retain ownership interests in foreign funds not offered into the United States that meet certain conditions (so called "**foreign excluded funds**"). In order for a fund to qualify as a foreign excluded fund, the following requirements must be satisfied: **(1)** the banking entity must be a non-US banking entity; **(2)** the fund must be organized or established outside the United States; and **(3)** either the fund must not be a "commodity pool" as defined under the US Commodity Exchange Act, or if it is a

commodity pool, it must not have a commodity pool operator that relies on, or could have relied on, CFTC Rule 4.7 as an exemption from certain obligations under the US Commodity Exchange Act.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The US Federal Reserve has granted two one-year extensions of the conformance period for "legacy covered fund" sponsored or acquired on or before 31 December 2013, extending the conformance period for such funds to 21 July 2017.

Shareholders that are themselves banking entities subject to the Volcker Rule in certain circumstances may be unable to acquire or retain ownership interests in the Sub-Fund due to the restrictions of the Volcker Rule. A fund that is not advised or sponsored by the Management Company (or any other company within the Crédit Agricole Group) may not be subject to these considerations.

## APPENDIX 5

**Lyxor Investment Funds – GARI EUROPEAN EQUITY**

The Reference Currency of the Sub-Fund is the Euro (EUR).

**INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The investment objective of **Lyxor Investment Funds – GARI European Equity** (the "**Sub-Fund**") is to outperform the MSCI Europe Index Net Total Return (EUR) over a long-term horizon by exploiting investment opportunities on the equity markets.

The recommended investment period for any investment in the Sub-Fund is 5 years.

**BENCHMARK INDEX**

The benchmark index is the MSCI Europe Index Net Total Return (EUR) (net dividends reinvested) (the "**Benchmark Index**").

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Management Company is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Management Company is not in any way constrained by the benchmark in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

The Benchmark Index is an equity index calculated and published by international index provider MSCI.

The Benchmark Index features the basic characteristics of MSCI indices, which include:

- Free-float adjustment of index components.

- Classification by sector in accordance with the Global Industry Classification Standard (GICS).

As of May 2020, the Benchmark Index captures large and mid-cap representation across 15 Developed Markets countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. With 437 constituents, the Benchmark Index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity Universe.

**INVESTMENT POLICY**

The Management Company's objective is to build a Growing And Resilient Investment ("**GARI**") portfolio over the long term.

The Sub-Fund seeks to achieve its objective by investing primarily in equity listed on stock exchanges referred in sub-section A.1 "Investment in transferable securities and liquid assets" of section "Investment powers and restrictions" of the main part of the Prospectus (the "**Stock Exchanges**") and equity related instruments.

The Sub-Fund will be primarily exposed to a selection of equities of issuers which have their registered office or carry out their predominant activities in Europe (including the United Kingdom) and which form part of the Benchmark Index. Such selection will notably use signals from a proprietary scoring methodology (the "**GARI Scoring Selection**") of the Management Company which ranks the equities based on a combination of scores such as growth, valuation and sustainability indicators.

Secondarily, the Sub-Fund may, on an ancillary basis, be exposed to equities following a discretionary portfolio management implemented by the Management Company which will rely on internal and external researches to determine selected equities. Exposure to

non-European equities will be limited to 10% of the Sub-Fund's Net Asset Value. In order to support the equity allocation the Management Company intends to use a risk budgeting methodology but may deviate at any time from such risk budgeting methodology depending on the Management Company's convictions. Such risk budgeting methodology should nevertheless contribute to achieve a diversified portfolio taking into account the equities' volatility and cross-correlation.

The Sub-Fund will apply the following constraints to its investments:

- the Sub-Fund is expected to be exposed at 100% of the Sub-Fund's Net Asset Value to equity markets. On an exceptional basis, the Sub-Fund's exposure to equity market could range from 0% to 100% of the Net Asset Value.
- within the limits set forth in this Prospectus, the Sub-Fund may hold liquid assets such as cash deposits with credit institutions, short term investment grade government debt securities, deposits, money markets instruments and money market funds (or funds providing returns linked to money market rates such as Amundi Smart Cash) that are eligible for investment by a UCITS on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

Subject to the foregoing, the Sub-Fund will also invest in financial derivative instruments such as:

- Currency forwards or currency swaps in order to hedge all or part of the foreign exchange risk.
- Equity futures in order to hedge equity market risk.
- Contracts for Difference to get exposure to equity stock if needed.

The Fund may borrow up to 10% of its Net Asset Value.

The financial derivative instruments may be either listed or OTC (respectively "**Listed Derivatives**" or "**OTC Derivatives**"). The valuation of the OTC Derivatives will be provided by the counterparty but the Management Company will make its own independent valuation thereof.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions for the purpose of efficient portfolio management.

The counterparties to these transactions will not assume any discretion over the composition of the Sub-Fund's or over the underlying of the OTC Derivatives.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

The Sub-Fund may enter into any collateral transactions if required to do so when using other OTC Derivatives as described above in which case the collateral transaction will be dealt with in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592) and the restrictions contained in section E.3 of the section "Investment Powers and Restrictions" of the main part of the Prospectus. The collateral received by the Sub-Fund will be limited to cash in the reference currency of the Sub-Fund.

Despite all measures taken by the Sub-Fund to reach its objectives, these measures are subject to independent risk factors like changes in the fiscal, banking or commercial regulations. No guarantee whatsoever may be offered to the investors in the Sub-Fund in respect of the impact of these changes on the Sub-Fund.

The Sub-Fund will invest on a continual basis at least 75% of its assets into qualifying securities (include equity

securities issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) country (other than Liechtenstein) and subject to corporate income tax under normal conditions in order for French investors to take advantage of the French PEA Saving Plan (*Plan d'Épargne en Actions*).

## INVESTMENT TECHNIQUES

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a punctual basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

Maximum proportion of assets under management for which TRS may be entered into: up to 10% of the Sub-fund's assets.

Expected proportion of assets under management for which TRS may be entered into: 0% of the Sub-fund's assets.

The Sub-Fund will not enter into any securities lending transactions and/or repurchase agreements.

## ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

## TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have an exposure to European equity markets more interested to achieve

long-term capital growth than to minimise short-term losses.

US Persons may not invest in the Sub-Fund.

## RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the commitment approach.

## CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class SB (EUR)	Class SI (EUR)
Class SB (GBP)	Class SI (GBP)
Class SB (CHF)	Class SI (CHF)
Class SB (USD)	Class SI (USD)

Class B (EUR)	Class I (EUR)
Class B (GBP)	Class I (GBP)
Class B (CHF)	Class I (CHF)
Class B (USD)	Class I (USD)

Class G (EUR)	Class R (EUR)
Class G (GBP)	Class R (GBP)
Class G (CHF)	Class R (CHF)
Class G (USD)	Class R (USD)

Class N (EUR)	Class X (EUR)
Class N (GBP)	
Class N (CHF)	
Class N (USD)	

Class SB, SI, B and I Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class G and R Shares are available to all investors.

Class N Shares are only available to investors through distributors.

Class X Shares are only available to feeder funds managed by the Management Company and its affiliates.

Class SB, SI, B, I, G, R, N and X Shares are Capitalisation Shares.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

### **MINIMUM INVESTMENT**

The initial minimum subscription amounts are:

Class SB (EUR): EUR 30,000,000  
Class SB (GBP): GBP 30,000,000  
Class SB (CHF): CHF 30,000,000  
Class SB (USD): USD 30,000,000

The initial minimum subscription amounts are:

Class SI (EUR): EUR 30,000,000  
Class SI (GBP): GBP 30,000,000  
Class SI (CHF): CHF 30,000,000  
Class SI (USD): USD 30,000,000

Class B (EUR): EUR 500,000  
Class B (GBP): GBP 500,000  
Class B (CHF): CHF 500,000  
Class B (USD): USD 500,000

Class I (EUR): EUR 500,000  
Class I (GBP): GBP 500,000  
Class I (CHF): CHF 500,000  
Class I (USD): USD 500,000

Class G (EUR): EUR 10,000  
Class G (GBP): GBP 10,000  
Class G (CHF): CHF 10,000  
Class G (USD): USD 10,000

Class R (EUR): EUR 100  
Class R (GBP): GBP 100  
Class R (CHF): CHF 100  
Class R (USD): USD 100

Class N (EUR): EUR 100  
Class N (GBP): GBP 100  
Class N (CHF): CHF 100

Class N (USD): USD 100

Class X (EUR): none

Additional minimum subscription amount:

Class SB (EUR): one Share  
Class SB (GBP): one Share  
Class SB (CHF): one Share  
Class SB (USD): one Share

Class SI (EUR): one Share  
Class SI (GBP): one Share  
Class SI (CHF): one Share  
Class SI (USD): one Share

Class B (EUR): one Share  
Class B (GBP): one Share  
Class B (CHF): one Share  
Class B (USD): one Share

Class I (EUR): one Share  
Class I (GBP): one Share  
Class I (CHF): one Share  
Class I (USD): one Share

Class G (EUR): one Share  
Class G (GBP): one Share  
Class G (CHF): one Share  
Class G (USD): one Share

Class R (EUR): one Share  
Class R (GBP): one Share  
Class R (CHF): one Share  
Class R (USD): one Share

Class N (EUR): one Share  
Class N (GBP): one Share  
Class N (CHF): one Share  
Class N (USD): one Share

Class X (EUR): one Share

Minimum holding requirement:  
None

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

### **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or

the number of Shares and shall be centralised by the Registrar Agent before 12:00 pm (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 pm (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 pm (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Depositary Bank and Paying Agent not later than five Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

### REDEMPTION OF SHARES

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 pm (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 pm (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 pm (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than five Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

### FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND

- Subscription charge

No Subscription Charge will be applied to the Classes SB, SI, B, I and X Shares.

A Subscription Charge of up to 2.5% of the Issue Price may be added to the Issue Price by distributors of the Class G, R and N Shares.

The Board of Directors reserves the right to waive Subscription Charges.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes of Shares.

### INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class SB (EUR): EUR 1,000  
Class SB (GBP): GBP 1,000  
Class SB (CHF): CHF 1,000  
Class SB (USD): USD 1,000

Class SI (EUR): EUR 1,000  
Class SI (GBP): GBP 1,000  
Class SI (CHF): CHF 1,000  
Class SI (USD): USD 1,000

Class B (EUR): EUR 1,000  
Class B (GBP): GBP 1,000  
Class B (CHF): CHF 1,000  
Class B (USD): USD 1,000

Class I (EUR): EUR 1,000  
Class I (GBP): GBP 1,000  
Class I (CHF): CHF 1,000  
Class I (USD): USD 1,000

Class G (EUR): EUR 1,000  
Class G (GBP): GBP 1,000  
Class G (CHF): CHF 1,000  
Class G (USD): USD 1,000

Class R (EUR): EUR 100  
Class R (GBP): GBP 100  
Class R (CHF): CHF 100  
Class R (USD): USD 100

Class N (EUR): EUR 100  
Class N (GBP): GBP 100  
Class N (CHF): CHF 100  
Class N (USD): USD 100

Class X (EUR): EUR 1,000

## DEFINITIONS

**"Business Day"**: any full working day in Luxembourg, New York and in Paris when the banks are opened for business.

**"Valuation Day"**: any day which is (i) a Business Day and (ii) a day which is also a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially exposed (more than 10% of the Sub-Fund's net assets) are open for trading. The days which are not Valuation Days will be available for the current year at the registered office of the Company and on the following website: [www.amundi.com](http://www.amundi.com).

**"Subscription Deadline"** and **"Redemption Deadline"**: any Valuation Day at 12:00 pm (Luxembourg time) at the latest.

## MANAGEMENT COMPANY FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class SB Shares: up to 0.45% per year (inclusive of VAT) of the Net Asset Value
- Class SI Shares: up to 0.20% per year (inclusive of VAT) of the Net Asset Value
- Class B Shares: up to 0.65% per year (inclusive of VAT) of the Net Asset Value
- Class I Shares: up to 0.40% per year (inclusive of VAT) of the Net Asset Value
- Class G Shares: up to 1.15% per year (inclusive of VAT) of the Net Asset Value
- Class R Shares: up to 1.15% per year (inclusive of VAT) of the Net Asset Value

- Class N Shares: up to 1.85% per year (inclusive of VAT) of the Net Asset Value
- Class X Shares: up to 0.35% per year (inclusive of VAT) of the Net Asset Value

## PERFORMANCE FEE

A performance fee for the benefit of the Management Company may be charged on Class SI and I Shares (the **"Performance Fee"**).

The Performance Fee is crystallised at each end of financial year (i.e. December 31). The Sub-Fund use a performance fee model based on a benchmark index and ensure that any underperformance of the Sub-Fund compared to the Benchmark Index over a maximum period of five years (or since launch of the Sub-Fund if it has been in existence for less than five years) is clawed back before any Performance Fee becomes payable. To this end, the performance reference period is fixed to five years.

Investors should note that for the calculation of the Performance Fee, the principles of the high water mark mechanism will not apply.

The Performance Fee will be charged if there is a positive difference in favour of the Sub-Fund between the evolution of the Net Asset Value per Share and the Benchmark Index (the **"Excess Performance"**) even if the absolute performance of the Sub-Fund is negative. In this perspective, the Shareholder's attention is drawn to the fact that a Performance Fee may be charged even in the event of negative performance over the year.

The Performance Fee per Share will be equivalent to 15 percent of the Excess Performance since the end of the last financial year.

The Performance Fee is calculated and accrued on each Valuation Day on the basis of the Net Asset Value after deduction of all Operating Fee and Management Fee (but not the Performance

Fee) and after adjusting for repayments over the period.

The Performance Fee will be payable annually in arrears.

If a Shareholder redeems its Shares before the end of the financial year, the Performance Fee accrued and unpaid relating to such Shares will be retained and paid to the Management Company at the end of the financial year. The amount of the Performance Fee is equal to the product of performance fee accruals on the Net Asset Value of the previous Valuation Day by the proportion of Shares repurchased. The first performance period for the Shares of any Class will begin on the day of the first subscription and will end at the end of the financial year.

Performances Fee explanations and examples:

Share Class outperformance	Benchmark Index positive performance	Performance Fee on a financial year
YES	YES	YES
YES	NO	YES
NO	YES	NO
NO	NO	NO

Outperformance calculation's examples on Class SI (EUR):

- launch of the Class SI (EUR) on year N
- December 31 N: If the net performance of the Class SI (EUR) is 10% from the launch versus 5% for the Benchmark Index, then the Performance Fee will be  $15\% \times (10\% - 5\%) = 0.75\%$ .
- December 31 N+1: performance net of the Class SI (EUR) on N+1 is -2% versus -4% for the Benchmark Index, then the Performance Fee will be  $15\% \times (-2\% - (-4\%)) = 0.3\%$ .
- December 31 N+2: performance net of the Class SI (EUR) on N+2 is 3% versus 5% for the Benchmark Index, then no Performance Fee will be payable.

## OPERATING FEE

By derogation to the provisions of section "Company Charges" set out in the Prospectus, an operating fee (the "**Operating Fee**") may be paid to the Management Company in order to cover fees and expenses of the Depositary, the Paying Agent, the Administrative Agent, legal and audit fees as well as fees of other service providers. The Operating Fee is payable in arrears out of the Sub-Fund 'assets of:

- up to 0.30% per year for Class SB, SI, B, I and X Shares (inclusive of VAT) of the Net Asset Value of the Class as applicable.
- up to 0.60% per year for Class G, R and N Shares (inclusive of VAT) of the Net Asset Value of the Class as applicable.

Such Operating Fee may also be paid directly by the Company to the Depositary, the Paying Agent, the Administrative Agent, the Registrar and Transfer Agent, the auditor and other service providers (including legal advisers).

## LISTING

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

## PUBLICATION OF THE NET ASSET VALUE

The Net Asset Value per Share will be available at the registered office of the Company and will be published on [www.fundsquare.net](http://www.fundsquare.net).

## RISKS WARNING

Among the different risks described in the Section "Investment Risks", the Sub-Fund is more specifically exposed to the following risks: Capital at risk, Equity Risk, Currency Risk, Financial Derivative Instruments Risk, Counterparty Risk, Risk that the Sub-Fund's investment objective is only partially achieved, Risk of investments in Small and Medium Capitalization Stocks,

Interest Rate Risk, Collateral Management Risk, Legal Risk.

Other risks are:

**Class Currency Hedge Risk:** In order to hedge the currency risk for Classes denominated in currency other than the Reference Currency, the Sub-Fund may use a hedging strategy which attempts to minimize the impact of changes in value of the relevant Class currency against the currencies of the assets that the Sub-Fund is exposed to. However, the hedging strategy used by the Sub-Fund remains imperfect due to the rebalancing frequency and instruments used. The Net Asset Value of the relevant Class can then be impacted by Foreign Exchange market upwards and downwards. Moreover, the hedging cost can negatively impact the Net Asset Value of the concerned Class.

The adoption of a currency hedging strategy for a Class may substantially limit the ability of holders of such Class to benefit if the currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated.

**Risk related to the deleveraging of the Fund's assets:** A Sub-Fund may reduce its exposure to the Index (or to any other assets it is exposed to) at any time in order to eliminate any risk of the maximum acceptable loss being exceeded. Deleveraging of the Sub-Fund's exposure after losses involves a potential significant opportunity cost. The Sub-Fund could indeed be prevented from being exposed or fully exposed during what could otherwise have been highly profitable periods, and consequently substantially underperform an otherwise identical portfolio not subject to such risk control policy. Deleveraging the Sub-Fund's assets may correspondingly reduce its potential profit.

**Risk of the Sub-Fund going to cash:** On an exceptional basis, the Management Company may reduce the exposure of the Sub-Fund to equity market and potentially reduce such exposure to zero. In such case, the Sub-Fund will cease to be exposed to

equity market and its performance might not be above the level of the €STR.

**Discretionary Sub-Fund's management risk:** The Sub-Fund strategy and hence asset selection are discretionary, and as such they rely on market forecasts for the various markets the Sub-Fund is exposed to. The Management Company's forecasts may prove wrong and lead to poor performance. As a consequence, there is a risk that the Sub-Fund may not be fully exposed at every moment to the markets or to the best performing assets, and therefore that the Investment Objective of the Sub-Fund may not be fully achieved.

**Performance Fee Risk:** The payment Performance Fee may create an incentive on the Management Company to select riskier or more speculative trades than it would be the case in the absence of such a fee arrangement. Due to the absence of "High Water Mark" mechanism, the Performance Fee may be paid to the Management Company even if cumulative underperformance that may have been recorded during the preceding calendar year(s) has not been totally offset by the outperformance of the Sub-Fund during the current calendar year.

**Operational Risk:** In the event of an operational failure of the Management Company or one of its representatives, investors could experience delays in the processing of subscriptions, conversions and redemptions of Shares, or other disruptions.

**Lack of Operating History:** The Sub-Fund is only recently established and therefore has a limited history for the purposes of evaluating its performance. Any back-testing or similar analysis performed by any person in respect of the Sub-Fund must be considered illustrative only and may be based on estimates or assumptions.

**Risk of investment in Emerging and Developing Markets:** Exposure to emerging markets carries a greater risk of potential loss than investment in developed markets. Specifically, market operating and supervision rules may differ from standards applicable in developed markets. In

particular, exposure to emerging markets is subject to factors such as: market's greater volatility, lower trading volumes, a risk of economic and/or political instability, an uncertain or variable tax regime and regulatory environment, market closure risks, government restrictions on foreign investments, interruption or limitation of convertibility or transferability of the currency of an emerging country.

**Sustainability Risks:** The Sub-Fund is exposed to Sustainability Risks. By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, it is intended to mitigate Sustainability Risks of the Sub-Fund. However, no insurance can be given that Sustainability Risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.

### Taxonomy Regulation

In accordance with article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

### The Volcker Rule

Recent legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Fund and the Shareholders. On 21 July 2010, President Obama signed into law the Dodd-Frank Act. Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "Volcker Rule") restrict the ability of a banking entity, such as most entities within the Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as a commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

The Volcker Rule excludes from the definition of covered fund some foreign public funds that meet certain conditions. In order for a fund to qualify as a foreign public fund, the following requirements must be satisfied:

- 1) the fund must be organized or established outside of the United States (including any state, possession, or territory);
- 2) the ownership interests of the fund are authorized to be offered and sold to retail investors in the fund's home jurisdiction;
- 3) the ownership interests of the fund are sold predominately through one or more public offerings outside the United States (sold "predominately" outside the United States requires that, in the initial offering, 85% or more of the vehicle's interests are sold to investors that are not residents of the United States);
- 4) if the fund is effectively invested by retail investors,
  - a. ETF must be quoted on an exchange;
  - b. non ETF must be effectively invested by retail with minimum investment amount less than 25 K-Euros;
- 5) the offering disclosure documents must be publicly available.
- 6) An additional condition is required for United States organized or located banking entities with respect to the foreign public fund they sponsor: the fund's ownership interest are sold predominately to persons other than the sponsoring organized or located United States banking entity, the foreign public fund, affiliates of the sponsoring United States banking entity and the foreign public fund, and directors and employees of such entities.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The U.S. Federal Reserve Board has granted two one-year extensions of the conformance period for "legacy covered

funds" sponsored or acquired on or before 31 December 2013, extending the conformance period for such funds to 21 July 2017.

The Management Company and its Affiliated Entities provide no assurances to Shareholders regarding the treatment of the Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any units in the Fund.

## APPENDIX 6

### **Lyxor Investment Funds – PLANET GLOBAL EQUITY**

The Reference Currency of the Sub-Fund is the Euro (EUR).

#### **INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The investment objective of Lyxor Investment Funds – Planet Global Equity (the "**Sub-Fund**") is to seek to provide capital appreciation over the investment horizon by actively investing in equity markets.

The Sub-Fund will be actively managed, with a systematic approach and within a strict risk control environment. The Sub-Fund will provide a global exposure to the equity market mainly through investments in shares of Exchange Traded Funds ("**ETF**"), UCITS, and other UCIs.

The Sub-Fund performance will be measured against a composite benchmark (the "**Benchmark Index**").

The recommended investment period for any investment in the Sub-Fund is a minimum of 5 years.

#### **BENCHMARK INDEX**

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Management Company is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Management Company is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be significant.

The Benchmark Index is composed of 60% Eurostoxx50 and 40% MSCI World EUR Hedged.

The Eurostoxx50 is an equity index covering 50 stocks from 17 European countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The MSCI World EUR Hedged is a broad global equity benchmark calculated and published by international index provider MSCI, which represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.

#### **INVESTMENT POLICY**

The Sub-Fund will be mainly exposed, via eligible assets (as described hereafter) to global equity markets, with bias on the European equity market. The Sub-Fund may be exposed, to a lesser extent, to money markets, cash instruments and currencies.

The Sub-Fund will invest in eligible assets including but not limited to:

- Exchange Traded Funds and/or UCITS and other UCIs, principally managed by Amundi Asset Management or any of its affiliates, providing exposure to financial indices, as referred in sub-section A. "Investment in transferable securities and liquid assets" of section "Investment powers and restrictions" of the main part of the Prospectus;
- Financial derivative instruments such as listed futures linked notably to various equity indices and/or currencies;
- money market instruments and/or money market funds.

The Sub-Fund's investment strategy is based on a proprietary and systematic methodology, using tools developed by the Management Company. The allocation process rests on a core-satellite approach

relying on geographical, sector-based and thematic equity themes, providing a diversified exposure to global equity markets with a focus on European markets. The core portfolio is the centrepiece of the Sub-Fund. The core portfolio is a geographically diversified portfolio (notably among European countries) invested in financial instruments providing exposure to European or global equity markets (the "**Core Portfolio**").

The satellite portfolios are portfolios that may invest across one or several sectors (financial, services, technology, consumer goods, etc.), and equity themes (value, growth, large capitalisation, small capitalisation, quality, low beta...), each one a "**Satellite Portfolio**".

Allocations within the Core Portfolio rely on a two step methodology:

- (i) A risk budgeting methodology. With this methodology, amounts invested in the different components of the Core Portfolio are calibrated according to their marginal risk contribution to the portfolio's risk.
- (ii) A systematic trend following process. The allocation calibrated in (i) above is amended according to proprietary indicators reflecting markets trends.

Allocations within the Satellite Portfolios rely on a single methodology based on a trend following process (as described in step (ii) above).

The total equity exposure of the Sub-Fund will be of maximum 100% and minimum 80%. Cash or money market instruments may be used to preserve capital in adverse equity market conditions within a flexible allocation.

The Core Portfolio of the Sub-Fund will be monitored by a stringent risk control process.

The Sub-Fund will apply the following constraints to its investments:

- Exposure to global equity markets may not exceed 100% of the Net Asset Value;
- Exposure to global equity markets will be of minimum 80% of the Net Asset Value;
- within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets such as cash deposits with credit institutions, short term investment grade government debt securities, deposits, money market instruments and money market funds (or funds providing returns linked to money market rates such as Amundi Smart Cash) that are eligible for investment by a UCITS on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

Subject to the foregoing, the Sub-Fund will also invest in financial derivative such as: currency forwards or currency swaps in order to hedge all or part of the foreign exchange risk.

The valuation of the over-the-counter (OTC) financial derivative instruments will be provided by the counterparty but the Management Company will make its own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company.

The composition of the underlying index of index-based financial derivative instruments is usually reviewed and rebalanced on a weekly, monthly, quarterly or semi-annual basis. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Sub-Fund.

The Sub-Fund may borrow up to 10% of its Net Asset Value in accordance with the rules in sub-section D. "Investment in other assets", item e) of section "Investment Powers and Restrictions".

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to

CSSF Circular 08/356 and CSSF Circular 14/592), any transactions for the purpose of efficient portfolio management.

The counterparties to these transactions will not assume any discretion over the composition of the Sub-Fund's or over the underlying of the OTC Derivatives. Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

The Sub-Fund may enter into any collateral transactions if required to do so when using other OTC Derivatives as described above in which case the collateral transaction will be dealt with in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592) and the restrictions contained in section E.3 of the section "Investment Powers and Restrictions" of the main part of the Prospectus.

Despite all measures taken by the Sub-Fund to reach its objectives, these measures are subject to independent risk factors like changes in the fiscal, banking or commercial regulations. No guarantee whatsoever may be offered to the investors in the Sub-Fund in respect of the impact of these changes on the Sub-Fund.

#### **ELIGIBILITY OF THE SUB-FUND**

The Sub-Fund is eligible to the French equity savings plans (**PEA**) which means that the Sub-Fund invests at least (i) 75% of its assets in a diversified portfolio of equities issued by an issuer incorporated either in European Union member state or in a member state of the European Economic Area ("**European Equities**") or (ii) 90% of its assets in shares of Exchange Traded Funds and/or UCITS and other UCIs investing at least 75% of their assets in a diversified portfolio of European Equities, provided that the remaining portion of assets is composed of non-remunerated cash or cash equivalents.

#### **INVESTMENT TECHNIQUES**

The Sub-Fund will use TRS as further described hereafter.

Where the Sub-Fund uses TRS, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Policy. In particular, the Sub-Fund aims to use TRS on a punctual basis for investment purposes in order to implement its investment strategy. The extent of the use of TRS will be dependent on market conditions and/or if deemed an appropriate way for the Sub-Fund to gain economic exposure to its investment strategy.

Maximum proportion of assets under management for which TRS may be entered into: up to 10% of the Sub-fund's assets.

Expected proportion of assets under management for which TRS may be entered into: 0% of the Sub-fund's assets.

The Sub-Fund will not enter into any securities lending transactions and/or repurchase agreements.

#### **TARGETED INVESTORS**

The Sub-Fund is offered to investors wishing to have an exposure to global equity markets with a focus on European equity markets, more interested to achieve long-term capital growth than to minimise short-term losses.

US Persons may not invest in the Sub-Fund.

#### **RISK MANAGEMENT**

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the commitment approach.

#### **CLASSES OF SHARES**

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class I  
Class F  
Class AR  
Class A  
Class M

Class I is available to institutional investors within the meaning of article 174 of the 2010 Law.

Class F is only available to the investment of funds managed by Société Générale Private Wealth Management SA ("**SGPWM**").

Class AR and A are only available to investors through distributors approved by the Management Company.

Class M is available to all investors.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

#### **MINIMUM INVESTMENT**

Initial minimum subscription amount:

Class I: EUR 1,000,000  
Class F: EUR 1,000,000  
Class AR: EUR 10,000  
Class A: EUR 1,000  
Class M: None

Additional minimum subscription amount:

Class I: 1 Share  
Class F: 1 Share  
Class AR: 1 Share  
Class A: 1 Share  
Class M: 1 Share

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

#### **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 4:00 pm (Luxembourg time), on the Business Day preceding the relevant Valuation Day (as defined hereafter). Requests for subscriptions forwarded after 4:00 pm (Luxembourg time) on a Business Day shall be deemed to have been received before 4:00 pm (Luxembourg time) on the following Business Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than two Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

#### **REDEMPTION OF SHARES**

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 4:00 pm (Luxembourg time), on the Business Day preceding the relevant Valuation Day (as defined hereafter). Requests for redemptions forwarded after 4:00 pm (Luxembourg time) on a Business Day shall be deemed to have been received before 4:00 pm (Luxembourg time) on the following Business Day.

Payment for Shares redeemed will be effected as soon as possible but not later than two Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

## FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND

- Subscription charge

No Subscription Charge will be applied to the I Shares.

A Subscription Charge of up to 2% of the Issue Price may be added to the Issue Price by distributors of the AR, A and M Shares.

A Subscription Charge of up to 5% of the Issue Price may be added to the Issue Price by distributors of the F Shares.

The Board of Directors reserves the right to waive Subscription Charges.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes of Shares.

## INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class I: EUR 100  
Class F: EUR 100  
Class AR: EUR 100  
Class A: EUR 100  
Class M: EUR 100

## DEFINITIONS

**"Business Day"**: any full working day in Luxembourg and in Paris when the banks are opened for business.

**"Valuation Day"**: any day which is (i) a Business Day and (ii) a day which is also a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially exposed (more than 10% of the Sub-Fund's net assets) are open for trading. The days which are not Valuation Days will be available for the current year at the registered office of the Company and on the following website: [www.amundi.com](http://www.amundi.com).

## MANAGEMENT COMPANY FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class I Shares: up to 0.40% per year (inclusive of VAT) of the Net Asset Value
- Class F Shares: up to 0.30% per year (inclusive of VAT) of the Net Asset Value
- Class AR Shares: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class A Shares: up to 1.10% per year (inclusive of VAT) of the Net Asset Value
- Class M Shares: up to 1.25% per year (inclusive of VAT) of the Net Asset Value

## UNDERLYING FEE

In addition to the provisions of section "Investment in UCITS and other UCIs" of the main part of the Prospectus, the maximum aggregate management fees that may be paid by the Sub-Fund to the Exchange Traded Funds and/or UCITS and other UCIs in which the Sub-Fund intends to invest shall not exceed 1.00% of the Net Asset Value of the Sub-Fund.

For the avoidance of doubt, such Underlying Fees are paid out of the assets of the Sub-Fund, in addition to the Management Company Fee.

## OPERATING FEE

By derogation to the provisions of section "Company Charges" set out in the Prospectus, the Depositary, the Paying Agent, the Administrative Agent, the Registrar and Transfer Agent, the legal advisers, the auditor and other service providers will receive a fee (the **"Operating Fee"**) payable monthly in arrears out of the Sub-Fund's assets of up to 0.15% per year

(inclusive of VAT) of the Net Asset Value of the Class as applicable.

Such Operating Fee may be paid to the Management Company which will subsequently pay the Depositary, the Paying Agent, the Administrative Agent, the Registrar and Transfer Agent, the legal advisers, the auditor and other service providers.

## **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published one Business Day after the relevant Valuation Day on [www.fundsquare.net](http://www.fundsquare.net).

## **RISKS WARNING**

Among the different risks described in the Section "Investment Risks", the Sub-Fund is more specifically exposed to the following risks: Capital at risk, Equity Risk, Currency Risk, Financial Derivative Instruments, Counterparty risk, Investment in Emerging and Developing Markets, Risk that the Sub-Fund's investment objective is only partially achieved, Risk of investments in Small and Medium Capitalization Stocks, Low Diversification Risk, Risk of using systematic investment processes.

### **Other risks are:**

#### **Lack of Operating History**

The Sub-Fund is only recently established and therefore has a limited history for the purposes of evaluating its performance. Any back-testing or similar analysis performed by any person in respect of the Sub-Fund must be considered illustrative only and may be based on estimates or assumptions.

#### **Sustainability Risks**

This Sub-Fund does not promote ESG characteristics and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks and the occurrence of such risks could cause a negative material

impact on the value of the investments made by the Sub-Fund. Further information can be found in the "Sustainability-related disclosures" Section of the Prospectus.

## **Taxonomy Regulation**

In accordance with the article 7 of the Taxonomy Regulation, the Management Company draws the attention of investors to the fact that the investments underlying this Sub-Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

## **The Volcker rule**

Legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Sub-Fund and the Shareholders. On 21 July 2010, President Obama signed into law the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "**Volcker Rule**") restrict the ability of a banking entity, such as most entities within Crédit Agricole Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

Notwithstanding the foregoing, the Volcker Rule permits non-US banking entities to sponsor, and acquire or retain ownership interests in foreign funds not offered into the United States that meet certain conditions (so called "foreign excluded funds"). In order for a fund to qualify as a foreign excluded fund, the following requirements must be satisfied: (1) the banking entity must be a non-US banking entity; (2) the fund must be organized or established outside the United States; and (3) either the fund must not be a "commodity pool" as defined under the US Commodity Exchange Act, or if it is a commodity pool, it must not have a commodity pool operator that relies on, or could have relied on, CFTC Rule 4.7 as an

exemption from certain obligations under the US Commodity Exchange Act.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The US Federal Reserve has granted two one-year extensions of the conformance period for "legacy covered fund" sponsored or acquired on or before 31 December 2013, extending the conformance period for such funds to 21 July 2017.

Shareholders that are themselves banking entities subject to the Volcker Rule in certain circumstances may be unable to acquire or retain ownership interests in the Sub-Fund due to the restrictions of the Volcker Rule. A fund that is not advised or sponsored by the Management Company (or any other company within the Crédit Agricole Group) may not be subject to these considerations.

The Management Company and its affiliated entities (the "**affiliated entities**" defined as, with respect to any entity, any other entity controlling, controlled by, or under common control with, such entity, as those terms are used under the United States Bank Holding Company Act of 1956) provide no assurances to Shareholders regarding the treatment of the Sub-Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any Shares in the Sub-Fund.

## APPENDIX 7

<b>Lyxor Investment Funds – LYXOR EURO 6M</b>
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The Reference Currency of the Sub-Fund is the Euro (EUR).

This Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR as further described in the Appendix B - ESG Related Disclosures to this Prospectus.

**INVESTMENT OBJECTIVE**

This Sub-Fund is an active UCITS.

The investment objective of "**Lyxor Investment Funds – Lyxor Euro 6M**" (the "**Sub-Fund**") is to provide a net performance above the Euro Short-Term Rate (the "**€STR**") over a six-month investment horizon.

The recommended investment period is 6 months.

**BENCHMARK INDEX**

The index used as benchmark index is the €STR rate (the "**Benchmark Index**") (or the equivalent overnight money market rate for the currency of the related share class).

The €STR (Euro short-term rate) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.

The €STR rate is published by the European Central Bank. The method of calculation is defined in the €STR methodology and policies available at [https://www.ecb.europa.eu/paym/interest\\_rate\\_benchmarks/WG\\_euro\\_risk-free\\_rates/shared/pdf/ecb.ESTER\\_methodology\\_and\\_policies.en.pdf](https://www.ecb.europa.eu/paym/interest_rate_benchmarks/WG_euro_risk-free_rates/shared/pdf/ecb.ESTER_methodology_and_policies.en.pdf).

The European Central Bank reviews the €STR methodology and publishes a report every year.

The European Central Bank is the administrator of the Benchmark Index and has overall responsibility for providing the

rate. €STR is exclusively based on borrowing transactions in euro conducted with financial counterparties that banks report to the European Central Bank in accordance with Regulation (EU) No 1333/2014 concerning statistics on the money markets.

The Benchmarks Regulation does not apply to central banks.

Pursuant to Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"), the management company maintains a contingency plan for the indices it uses as benchmarks, within the meaning of the Benchmarks Regulation.

In accordance with the Benchmarks Regulation, the administrator of the Index must apply for approval or registration, as the case may be, with the competent authority by 1st January 2020, at the latest.

The Sub-Fund uses the Benchmark Index for performance comparison purposes.

The Sub-Fund is actively managed. This means the Investment Manager is taking investment decisions with the intention of achieving the Sub-Fund's investment objective with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

**INVESTMENT POLICY**

The Sub-Fund seeks to achieve its objective by applying an active investment strategy. The investment strategy is divided in 3 phases: (i) investment universe definition, (ii) portfolio construction and (iii) portfolio maintenance.

**Investment universe definition**

The investment universe of the Sub-Fund is composed of debt securities rated, at their purchasing date, at least BBB- and with a residual maturity of no more than 36 months issued mainly in euro by

governments (inc. securities with a state explicit guarantee), state agencies, supranational entities, corporates and financial institutions of OECD member countries (Hong-Kong added).

The debt securities rating is defined as the worst rating granted by Fitch Ratings, Standard and Poor's and Moody's.

### **Portfolio construction**

The portfolio construction is an iterative process between:

- a quantitative optimisation; and
- a qualitative optimisation.

In addition, the portfolio allocation relies on an environmental, social and governance (ESG) approach.

#### Quantitative optimisation:

The Management Company uses a proprietary tool in order to obtain a portfolio that maximises the yield-to-maturity under a set of pre-defined guidelines.

The quantitative optimisation aims to diversify the portfolio from a geographical and sector perspective while favouring debt securities with the lowest price volatility, the lowest liquidity risk and with the shortest maturity for a given yield.

In particular, the portfolio complies with the following sensitivity guidelines:

- Weighted average maturity<sup>1</sup> ≤ 6 months
- Weighted average life<sup>2</sup> ≤ 18 months
- Maximum residual maturity: 36 months
- Maximum volatility difference between the Sub-Fund and the Benchmark Index: 0.50%

#### Qualitative optimisation:

The Management Company relies on the studies performed within the Management Company or by other financial institutions to combine a top-down and a bottom-up approach to optimise the portfolio:

- Through the top-down approach, the Management Company shall seek to rebalance the portfolio in order to increase or decrease, as relevant, its exposure to specific geographical zones, sectors or portion of the yield curve. Depending on the interest rates outlook, the portfolio management team may decide to cover part or all of the interest rate risk of the portfolio.
- The bottom-up approach focuses on the business and financial prospects of corporates and financial institutions. The Management Company objective is to minimise the specific risks associated with a particular issuer (headline risk, growing default probability...).

Within the limits set forth in this Prospectus, the Sub-Fund may also hold liquid assets (deposits at sight, deposits, money market instruments and money market funds) on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

#### ESG approach:

Environmental and/or social characteristics promoted by the Sub-Fund are met through this ESG approach, as more further described in section "Overview of the Responsible Investment Policy.

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<sup>1</sup> Weighted Average Maturity: WAM is a measure of the average length of time to maturity of all of the underlying securities in the fund weighted to reflect the relative holdings in each instrument, assuming that the maturity of a floating rate instrument is the time remaining until the next interest rate reset to the money market rate, rather than the time remaining before the principal value of the security must be repaid. In practice, WAM is used to measure the sensitivity of a money market fund to changing money market interest rates.

<sup>2</sup> Weighted Average Life: WAL is the weighted average of the remaining life (maturity) of each security held in a fund, meaning the time until the principal is repaid in full (disregarding interest and not discounting). Contrary to what is done in the calculation of the WAM, the calculation of the WAL for floating rate securities and structured financial instruments does not permit the use of interest rate reset dates and instead only uses a security's stated final maturity. WAL is used to measure the credit risk, as the longer the reimbursement of principal is postponed, the higher is the credit risk. WAL is also used to limit the liquidity risk.

The Sub-Fund has designated the “ICE BofA 1-3 Year Global Corporate Index” as a reference benchmark for the purpose of SFDR (the “**Reference Index**”), meaning that it is used in the context of beat-the-benchmark from an ESG performance comparison purposes as further described below. The Reference Index is a broad market index, which does not assess or include its constituents according to environmental and/or social characteristics and therefore is not aligned with the environmental and/or characteristics promoted by the Sub-Fund.

The Sub-Fund aims to promote such characteristics through increased exposure to sustainable assets gained by seeking to achieve an ESG score of the Sub-Fund’s portfolio greater than of the Benchmark Index.

The ESG rating coverage rate is higher than 90% of the portfolio pursuant to criteria of *position-recommandation 2020-03* of the *Autorité des Marchés Financiers*.

#### **Portfolio maintenance**

The portfolio management team constantly monitors the portfolio to preserve an optimised risk-return portfolio and to benefit from market opportunities.

#### **Securities used**

The debt securities can pay fixed or variable coupons, can be linked to inflation or not, or can be interest or non-interest bearing (or zero-coupon) debt securities. The Sub-Fund may be exposed to subordinated debt, collateralized notes with money market returns, secured notes, covered bonds or products with options owned by the issuer. In particular, the Sub-Fund may invest in bonds with make whole call provision and bonds with up to 3-month par call. The Sub-Fund is not authorised to invest in securitization products.

The Sub-Fund may invest up to 10% of its NAV in money market UCITS and UCI and in Amundi Smart Cash.

Within the limits set forth in this Prospectus, the Sub-Fund may hold cash and money market instruments.

The Management Company may or may not hedge part of or all the interest rate risk through financial derivatives instruments (such as asset swaps).

The Sub-Fund will also invest in financial derivative instruments (such as forward or swaps) in order to hedge all of the currency risk of non-euro denominated assets.

The Management Company will hedge all the currency risk of non-euro denominated share classes.

The financial derivative instruments may be either listed or dealt over-the-counter (OTC) (respectively “Listed Derivatives” or “OTC Derivatives”). The valuation of the OTC Derivatives will be provided by the counterparty but the Management Company will make its own independent valuation thereof.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions for the purpose of efficient portfolio management.

The counterparties to these transactions will not assume any discretion over the composition of the Sub-Fund’s portfolio or over the underlying of the OTC Derivatives.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

The Sub-Fund may enter into any collateral transactions if required to do so when using other OTC Derivatives as described above in which case the collateral transaction will be dealt with in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592) and the restrictions contained in section “Collateral Policy” of

the main part of the Prospectus. The collateral received by the Sub-Fund will be limited to cash in the reference currency of the Sub-Fund or securities that would be eligible to the Sub-Fund for direct investment, as described above and that comply with the section "Collateral Policy" of the main part of the Prospectus.

Despite all measures taken by the Sub-Fund to reach its objectives, these measures are subject to independent risk factors like changes in the fiscal, banking or commercial regulations. No guarantee whatsoever may be offered to the investors in the Sub-Fund in respect of the impact of these changes on the Sub-Fund.

### **INVESTMENT TECHNIQUES**

The Sub-Fund will not enter into any TRS.

### **ELIGIBILITY OF THE SUB-FUND**

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

The Sub-Fund does not operate as a VNAV money market fund, a public debt CNAV money market fund or a LVNAV money market fund within the meaning of the regulation (EU) 2017/1131 of the European Parliament and of the council of 14 June 2017 on money market funds.

### **TARGETED INVESTORS**

The Sub-Fund is offered to investors wishing to have a low risk investment management of their cash and to obtain a performance above the eurozone money market rates.

US Persons may not invest in the Sub-Fund.

### **RISK MANAGEMENT**

The global exposure determination methodology used for the risk monitoring of the Sub-Fund is the commitment approach.

### **CLASSES OF SHARES**

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class EB (EUR)	Class SI (EUR)
Class EB (USD)	Class SI (USD)
Class EB (GBP)	Class SI (GBP)
Class EB (CHF)	Class SI (CHF)
Class EB (JPY)	Class SI (JPY)
Class I (EUR)	Class R (EUR)
Class I (USD)	Class R (USD)
Class I (GBP)	Class R (GBP)
Class I (CHF)	Class R (CHF)
Class I (JPY)	Class R (JPY)

The Management Company will hedge all of the currency risk of non-euro denominated share classes.

Class EB Shares are Capitalisation Shares and are available to specific institutional investors. The capacity of the Class EB Shares is limited. Once the maximum capacity of the Class EB is reached, the Class EB will be closed to further subscriptions.

Classes SI Shares are Capitalisation Shares and are available to specific institutional investors.

Classes I Shares are Capitalisation Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Classes R Shares are Capitalisation Shares and are available to all investors.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

### **MINIMUM INVESTMENT**

Initial minimum subscription amount:

Class EB (EUR): EUR 20,000,000.00  
 Class EB (USD): USD 20,000,000.00  
 Class EB (GBP): GBP 20,000,000.00  
 Class EB (CHF): CHF 20,000,000.00

Class EB (JPY): JPY 2,000,000,000.00

Class SI (EUR): EUR 10,000,000.00

Class SI (USD): USD 10,000,000.00

Class SI (GBP): GBP 10,000,000.00

Class SI (CHF): CHF 10,000,000.00

Class SI (JPY): JPY 1,000,000,000.00

Class I (EUR): EUR 1,000,000.00

Class I (USD): USD 1,000,000.00

Class I (GBP): GBP 1,000,000.00

Class I (CHF): CHF 1,000,000.00

Class I (JPY): JPY 100,000,000.00

Class R (EUR): EUR 100

Class R (USD): USD 100

Class R (GBP): GBP 100

Class R (CHF): CHF 100

Class R (JPY): JPY 100

Additional minimum subscription amount:

All Share Classes: 1 share

Minimum holding requirements:

Class SI Shares: 1 Share

Class I Shares: 1 Share

Class R Shares: 1 Share

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount, the additional minimum subscription amount and the minimum holding requirements.

## **SUBSCRIPTION OF SHARES**

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before Subscription Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after Subscription Deadline on a Valuation Day shall be deemed to have been received before Subscription Deadline on the following Valuation Day.

Payment for Shares must be received by the Depositary and Paying Agent not later than one Business Days after the relevant

Valuation Day, except that the Board of Directors may decide otherwise.

## **REDEMPTION OF SHARES**

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before Redemption Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after Redemption Deadline on a Valuation Day shall be deemed to have been received before Redemption Deadline on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than one Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

## **FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND**

Subscription Charges:

For any request for subscription: up to an aggregate amount of 2.5% of the Net Asset Value per Share of Class SI, I and R Shares multiplied by the number of Shares subscribed payable to the Management Company or any distributor or placing agent of the Shares.

The Board of Directors reserves the right to waive Subscription Charges.

Redemption Charges:

For any request for redemption: no Redemption Charges will be applied.

## **DISTRIBUTION POLICY**

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment

income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

## DEFINITIONS

**"Business Day"**: any day which is:

- a full working day in Luxembourg and in Paris when the banks are opened for business, and
- a full trading day on Euronext Paris

**"Valuation Day"**: any Business Day.

**"Subscription Deadline"** and **"Redemption Deadline"**: any Valuation Day at 11:00 am (Luxembourg time).

## MANAGEMENT COMPANY FEES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, quarterly in arrears, as follows:

- Class EB: up to 0.05% per year (inclusive of VAT) of the Net Asset Value
- Class SI: up to 0.11% per year (inclusive of VAT) of the Net Asset Value
- Class I: up to 0.16% per year (inclusive of VAT) of the Net Asset Value
- Class R: up to 0.26% per year (inclusive of VAT) of the Net Asset Value

The Investment Management Fee will be shared between the Investment Manager and the Management Company.

## INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the Inception Date (as defined hereafter) is given in the table below.

Class EB (EUR): 1,000.00

Class EB (USD): 1,000.00  
Class EB (GBP): 1,000.00  
Class EB (CHF): 1,000.00  
Class EB (JPY): 1,000.00

Class SI (EUR): 1,000.00  
Class SI (USD): 1,000.00  
Class SI (GBP): 1,000.00  
Class SI (CHF): 1,000.00  
Class SI (JPY): 1,000.00

Class I (EUR): 1,000.00  
Class I (USD): 1,000.00  
Class I (GBP): 1,000.00  
Class I (CHF): 1,000.00  
Class I (JPY): 1,000.00

Class R (EUR): 100  
Class R (USD): 100  
Class R (GBP): 100  
Class R (CHF): 100  
Class R (JPY): 100

The Sub-Fund has been launched on 8 June, 2018 (the **"Inception Date"**).

## PERFORMANCE FEE

In addition to Management Company Fees, the Investment Manager shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the High Water Mark principle.

The Performance Fee is equal to the Performance Rate multiplied by the Class Excess Performance.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the Benchmark Value, in accordance with the High Water Mark principle.

On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value, the provision made is returned to the relevant Class. The accounting provision may never be negative.

In this section:

The "**Performance Rate**" means:

- up to 15% for Class EB Shares;
- up to 15% for Class SI Shares;
- up to 15% for Class I Shares;
- up to 15% for Class R Shares.

"**Class Incentive Period (n)**" shall be the period of one year starting as from each 1<sup>st</sup> January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31<sup>st</sup> December of the year (n) or if it is not a Business Day, on the following Business Day.

"**High Water Mark (0)**", of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Benchmark Performance.

"**High Water Mark (n)**" of the relevant Class means the Net Asset Value accrued with the Benchmark Performance of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Benchmark Performance of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Benchmark Performance.

"**Benchmark Index**" means the compounded value of the:

- €STR rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;
- SONIA rate for Classes denominated in GBP;
- SARON rate for Classes denominated in CHF;

- TONA rate for Classes denominated in JPY;

For the avoidance of doubt, the Benchmark Index defined above is compounded on each Business Day at the prevailing rate.

"**Benchmark Value**" of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Benchmark Performance of the related Class.

"**Class Excess Performance**" means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the Benchmark Value.

#### Performance fee scenarios:

	At launch	31/12 (Y1)	31/12 (Y2)	31/12 (Y3)
Benchmark Performance		1.5%	2%	2.5%
Fund Performance (before Performance Fees)		1%	5%	10%
HWM* (Y-1) accrued at Benchmark Performance		101.50	103.53	108.44
Sub-Fund NAV (Y) (before Performance Fees)		101.00	106.05	116.38
Class Excess Performance		-0.50	2.52	7.93
Performance Fees		0.00	0.378	1.189
Fund NAV (Y) Net of Performance Fees	100	101.00	105.67 2	115.19 1
HWM (Y)*	100	101.50	105.67 2	115.19 1

\* HWM = High Water Mark

#### Performance Fee calculation example on Class EB (EUR):

Launch of the Class EB (EUR) on beginning of Y1 at 100 EUR, the initial High-Water Mark (0) is set at 100 EUR.

- **On December 31 (1):** if the net performance of the Class EB (EUR) is 1% and the Benchmark Performance is 1.5%. Then the High-Water Mark (1) will be: HWM (0) accrued at Benchmark Performance  $100 \times 1.5\% = 101.50$  EUR;
- The SIP (EUR) NAV before Performance fee will be  $100 \times 1\% = 101$  EUR;
- Class Excess Performance (Y1) will be:  $101 - 101.5 = -0.50$  EUR;
- No performance fee is paid for Y1;

The High-Water Mark (1) is set at 101.50 EUR.

- **On December 31 (2):** if the net performance of the Class EB (EUR) is 5% and the Benchmark Performance is 2%. Then the High-Water Mark (2) will be: HWM (1) accrued at Benchmark Performance  $101.50 \times 2\% = 103.53$  EUR;
- The EB (EUR) NAV (2) before performance fee will be  $101 \times 5\% = 106.05$  EUR;
- Class Excess Performance (2) will be:  $106.05 - 103.53 = 2.52$  EUR;
- Performance fee paid to the management company will be:  $2.52 \times 15\% = 0.378$  EUR;
- The Class EB (EUR) NAV (2) net of performance fee will be:  $106.05 - 0.378 = 105.672$  EUR;
- The High-Water Mark (2) will be 105.672 EUR.

Performance Fee shall not be charged in the event of negative performance over the year.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

The Performance Fee (if any) is crystallised on the last Business Day of each year. The Performance Fee (if any) shall be paid to

the Management Company within the first quarter following crystallization.

The performance reference period is set to a period of five years on a rolling basis. During this period, any underperformance previously incurred should be recovered before a performance fee becomes payable.

Investors should further note that, in the case where they have redeemed their Shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding (irrespective of any applicable maximum as the case may be) during such Period will be kept and paid to the Management Company, even if this Performance Fee should not be paid to him at the end of the said period.

#### **THE ADMINISTRATOR, REGISTRAR AGENT AND DEPOSITARY FEES**

By derogation the provisions of "Company Charges" set out in the Prospectus, the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent will receive a fee (the "**Administrative Fees**") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Shares. Such Administrative Fees may be paid to the Management Company which will subsequently pay the Depositary and Paying Agent, the Administrative Agent and the Registrar and Transfer Agent.

#### **OTHER CHARGES AND EXPENSES**

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly.

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the

Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

## **LISTING**

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

## **PUBLICATION OF THE NET ASSET VALUE**

The Net Asset Value per Share will be available at the registered office of the Company and will be published on <http://www.fundsquare.net>.

## **COMPULSORY REDEMPTION**

In accordance with the provisions of the Articles of Incorporation, the Company is entitled to compulsorily redeem all Shares of the Sub-Fund where the aggregate Net Asset Value of the Sub-Fund at any time falls below EUR 50 million.

## **RISKS WARNING**

Among the different risks described in the Section "Investment Risks", the Sub-Fund is more specifically exposed to the following risks: Capital at risk, Credit Risk, Currency Risk, Financial Derivative Instruments Risk, Counterparty risk, Risk that the Sub-Fund's investment objective is only partially achieved, Low Diversification Risk.

Other risks are:

### **Interest Rate Risk**

The Sub-Fund is exposed to moves in money markets following a decision from the respective Central Bank. As a result, a decrease in the monetary interest rates under the level of management fees and structuring costs of the Sub-Fund could lead to a decrease in the Net Asset Value of the Sub-Fund.

The €STR reference rate may be negative for a given period, which could result in a negative performance of the Sub-Fund for this period.

### **Inflation-linked instruments Risk**

An inflation-linked bond offers a return guaranteed at a fixed real interest rate and all its cash flows (coupons and principal) are indexed on the inflation rate of the country or the zone of issue. Besides the interest rate risk presented above (applied to the real interest rates, i.e. net of the inflation rate), this bond is thus exposed to the variations in the realized inflation and in the inflation anticipated up to the maturity date of the security. A decrease of the inflation rate will result in a decrease of the value of the inflation-linked bond. The variation in the inflation rate can thus have an impact on the Net Asset Value of the Sub-Fund.

The inflation rate to which the bonds are indexed is generally associated to a consumer price index in the country or the zone of issue and thus linked to the economic situation of this country or this zone.

### **Subordinated Debt Securities Risk**

Investments in subordinated debt securities involve greater credit risk of default than the senior securities of the same issuer. Certain subordinated securities absorb all losses from default before any more senior securities.

The market values of subordinated securities tend to be more sensitive to changes in economic conditions than senior securities. The value of such subordinated securities may also be more affected by changes in the market's

perception of the entity issuing them, or by changes in government regulations and tax policies.

**Risk arising from the use of efficient portfolio management techniques**

If a borrower of securities defaults on its obligation there could be a risk that the value of the collateral received by the Sub-Fund is less than the value of the securities lent. This risk could arise, for example, in the event of (i) an inaccurate valuation of the securities lent and/or (ii) unfavorable market movements and/or (iii) the lowering of the credit rating(s) of the issuer(s) of securities taken as collateral and/or (iv) the illiquidity of the market in which the collateral received is listed or traded. If cash collateral is reinvested this could (i) result in leverage that entails a risk of loss and volatility and/or (ii) expose the Sub-Fund to a market that is inappropriate for its investment objective, and/or (iii) generate less income than the amount of collateral the Sub-Fund must repay. The Sub-Fund could also fail to receive the securities lent by the date specified.

**Liquidity Risk**

In certain circumstances, financial instruments held by the Sub-Fund or to which the value of the Sub-Fund is linked could suffer a temporary lack of liquidity. This could cause the Sub-Fund to lose value.

**Lack of Operating History**

The Sub-Fund is only recently established and therefore has a limited history for the purposes of evaluating its performance. Any back-testing or similar analysis performed by any person in respect of the Sub-Fund must be considered illustrative only and may be based on estimates or assumptions.

**Discretionary Sub-Fund's management risk**

The Sub-Fund strategy and hence asset selection are discretionary, and as such they rely on market forecasts for the various markets the Sub-Fund is exposed to. The Management Company's forecasts may prove wrong and lead to poor performance. As a consequence, there is a risk that the Sub-Fund may not be fully

exposed at every moment to the markets or to the best performing assets, and therefore that the Investment Objective of the Sub-Fund may not be fully achieved.

**Performance Fee Risk**

The payment of a Performance Fee may create an incentive on the Management Company to select riskier or more speculative trades than would be the case in the absence of such a fee arrangement. The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Incentive Period and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised. The Performance Fee will include a High Water Mark mechanism which should be fully understood by potential investors when considering an investment in the Sub-Fund. It is possible that incentive fees in respect of performances achieved may be payable to the Management Company even though the overall Net Asset Value of the Sub-Fund may not have increased since the beginning of the relevant period.

**Class Currency Hedge Risk**

In order to hedge the currency risk for Classes denominated in currency other than the Reference Currency, the Sub-Fund may use a hedging strategy which attempts to minimize the impact of changes in value of the relevant Class currency against the currencies of the assets that the Sub-Fund is exposed to. However, the hedging strategy used by the Sub-Fund remains imperfect due to the rebalancing frequency and instruments used. The Net Asset Value of the relevant Class can then be impacted by Foreign Exchange market upwards and downwards. Moreover, the hedging cost can negatively impact the Net Asset Value of the concerned Class.

The adoption of a currency hedging strategy for a Class may substantially limit the ability of holders of such Class to benefit if the currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated.

**Sustainability Risks**

The Sub-Fund is exposed to sustainability

risks.

By using the Management Company's ESG ratings and implementing the ESG approach (as described in section "Investment Policy" above), the Investment Manager is taking into account Sustainability Risks in their investment decisions.

By taking into account sustainability criteria within its investment process, it is intended that the overall sustainability risk of the Sub-Fund should be mitigated, and therefore, the potential impact of such sustainability risks on the value of the Sub-Fund's investments should also be mitigated. However, no insurance can be given that sustainability risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Sub-Fund. Further information can be found in the Section "Sustainability-related disclosures" of the Prospectus.

### Third Party Data

The Management Company's ESG rating methodology may depend on third party data that may be incomplete, inaccurate or unavailable from time to time, which could adversely affect the analysis of the ESG factors relevant to a particular investment. As a result, there is a risk that the Management Company may incorrectly assess a security or an issuer.

### TAXONOMY REGULATION

The Sub-Fund promotes environmental characteristics within the meaning of Article 6 of the Taxonomy Regulation.

### THE VOLCKER RULE

Legislative and regulatory changes in the United States are relevant to Crédit Agricole, the Sub-Fund and the Shareholders. On 21 July 2010, President Obama signed into law the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Section 619 of the Dodd-Frank Act and its implementing regulations (commonly known as the "**Volcker Rule**") restrict the ability of a banking entity, such as most entities within Crédit Agricole

Group, from, among other things, acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring (including serving as commodity pool operator for), a "covered fund" (which term includes certain hedge funds and private equity funds).

Notwithstanding the foregoing, the Volcker Rule permits non-US banking entities to sponsor, and acquire or retain ownership interests in foreign funds not offered into the United States that meet certain conditions (so called "foreign excluded funds"). In order for a fund to qualify as a foreign excluded fund, the following requirements must be satisfied: (1) the banking entity must be a non-US banking entity; (2) the fund must be organized or established outside the United States; and (3) either the fund must not be a "commodity pool" as defined under the US Commodity Exchange Act, or if it is a commodity pool, it must not have a commodity pool operator that relies on, or could have relied on, CFTC Rule 4.7 as an exemption from certain obligations under the US Commodity Exchange Act.

The statutory effective date of the Volcker Rule is 21 July 2012 and a banking entity, subject to certain exceptions, was required to bring its activities and investments into compliance with the Volcker Rule by the end of the conformance period, on 21 July 2015. The US Federal Reserve has granted two one-year extensions of the conformance period for "legacy covered fund" sponsored or acquired on or before 31 December 2013, extending the conformance period for such funds to 21 July 2017.

Shareholders that are themselves banking entities subject to the Volcker Rule in certain circumstances may be unable to acquire or retain ownership interests in the Sub-Fund due to the restrictions of the Volcker Rule. A fund that is not advised or sponsored by the Management Company (or any other company within the Crédit Agricole Group) may not be subject to these considerations.

The Management Company and its affiliated entities (the "**affiliated entities**")

defined as, with respect to any entity, any other entity controlling, controlled by, or under common control with, such entity, as those terms are used under the United States Bank Holding Company Act of 1956) provide no assurances to Shareholders regarding the treatment of the Sub-Fund under the Volcker Rule. Shareholders should seek legal advice regarding the implications of the Volcker Rule to the investors' purchase of any Shares in the Sub-Fund.

#### **CASH EQUIVALENT QUALIFICATION**

Investors are reminded that it is their responsibility to classify the Sub-Fund as a cash equivalent.

## B. ESG RELATED DISCLOSURES OF THE RELEVANT SUB-FUND

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:  
Lyxor Investment Funds – LYXOR EURO  
6M

Legal entity identifier:  
549300X3WLGS8HUX7N91

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10%** of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The management team incorporates sustainability factors into its investment process by taking issuers' ESG ratings into account when constructing the portfolio. The ESG analysis of issuers aims to assess their ability to manage the potential adverse impact of their activities on sustainability factors. This analysis therefore aims to assess issuers based on their Environmental, Social and Governance behaviours by assigning them an ESG rating ranging from A (best rating) to G (worst rating), so as to make a more global assessment of the risks. The analysis is based on a set of generic criteria shared by all issuers, as well as criteria specific to each sector, based on a Best-in-Class approach. The upstream ESG analysis methodology and consideration of the overall ESG rating in the construction of the portfolio (excluding issuers with the lowest ratings and favouring those with the highest ratings) therefore make it possible to promote the three factors (environmental, social and governance).

The Sub-Fund does not use a benchmark for the purpose of attaining the ESG Characteristics promoted by the Sub-Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicator is the average ESG rating of the portfolio, which must be higher than the ESG rating of the investment universe (the average rating of the investment universe being calculated after eliminating at least 20% of issuers with the lowest ratings).

Amundi has developed its own internal ESG rating process based on the Best-in-Class approach. Ratings adapted to each sector of activity aim to assess the dynamics in which companies operate.

The Amundi ESG rating used to determine the ESG score is an ESG quantitative score translated into seven ratings, ranging from A (the best scores in the universe) to G (the worst scores). On the Amundi ESG rating scale, those securities on the exclusion list correspond to a score of G. For corporate issuers, ESG performance is assessed overall and according to relevant criteria, by comparison with the average performance of its sector of activity, through the combination of three ESG factors:

- the environmental factor: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse gas emissions, combating resource depletion and protecting biodiversity.
- the social factor: this measures how an issuer operates according to two distinct concepts: the issuer's strategy to develop its human capital and respect for human rights in general:
- the governance factor: this assesses the issuer's ability to provide the bases for an effective corporate governance framework and to generate value in the long term.

The methodology applied by Amundi ESG ratings is based on 38 criteria, which are either generic (common to all companies regardless of their activity) or sector-specific, which are weighted by sector and considered according to their impact on an issuer's reputation, operational efficiency and regulations. Amundi ESG ratings are likely to be expressed globally on the three factors - E, S and G - or individually on any environmental or social factor. For more information on ESG scores and criteria, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.lu](http://www.amundi.lu)

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments consist of investing in companies that satisfy two criteria:

- 1) follow best environmental and social practices; and
- 2) not generate products and services that harm the environment and society.

The definition of "best performing" company is based on a proprietary Amundi ESG methodology that aims to measure a company's ESG performance. To be considered "best performing", a company must obtain the best score from the first three scores (A, B or C, on a rating scale of A to G) in its sector on at least one material environmental or social factor. Material environmental and social factors are identified at sector level. The identification of these factors is based on Amundi's ESG analysis framework, which

combines non-financial data with a qualitative analysis of the associated sector and sustainability themes. Factors identified as material make a contribution of over 10% to the overall ESG score. For the energy sector, material factors are emissions and energy, biodiversity and pollution, health and safety, local communities and human rights.

In order to contribute to the above objectives, the investee company should not have any significant exposure to activities (e.g., tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticides manufacturing, single-use plastic production) that are not compatible with these criteria.

The sustainable nature of an investment is assessed at the level of the investee company.

### ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that sustainable investments do not cause any significant harm ("DNSH" or Do No Significant Harm principle), Amundi uses two filters:

- the first "DNSH" filter is based on the monitoring of mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS (for example, the greenhouse gas or GHG intensity of companies), using a combination of indicators (for example, carbon intensity) and specific thresholds or rules (e.g. carbon intensity is not within the last decile in the sector). Amundi already considers specific Principal Adverse Impacts in its exclusion policy, as part of its Responsible Investment Policy. These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions concerning controversial weapons, violations of the United Nations Global Compact Principles, coal and tobacco.

- Apart from the specific indicators of the sustainability factors covered by the first filter, Amundi has defined a second filter which does not take into account the mandatory indicators of the Principal Adverse Impacts above, in order to check that a company does not present an overall poor environmental or social performance compared to other companies in its sector, which corresponds to an environmental or social score of E or higher on the Amundi rating scale.

### ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

As detailed above, the adverse impact indicators are taken into account in the first DNSH filter (do no significant harm): this is based on the monitoring of the mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS when reliable data are available through a combination of the following indicators and specific thresholds or rules:

- having a CO2 intensity that does not fall within the last decile of companies in the sector (applies only to high intensity sectors), and
- having board gender diversity that does fall within the last decile of companies in its sector, and
- being free from any controversy regarding labour conditions and human rights
- being free from controversies regarding biodiversity and pollution.

Amundi already considers specific Principal Adverse Impacts in its exclusion policy, as part of its Responsible Investment Policy. These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions concerning controversial weapons, violations of the United Nations Global Compact Principles, coal and tobacco.

### ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are incorporated into Amundi's ESG rating methodology.

The proprietary ESG scoring tool assesses issuers, using data available from data providers. For example, the model includes a dedicated criterion called “Community involvement and human rights” which is applied to all sectors in addition to other human rights criteria, including socially responsible supply chains, working conditions and labour relations. In addition, controversies are monitored on at least a quarterly basis, and this includes companies identified for human rights violations. When controversies arise, analysts assess the situation and apply a score to the controversy (using the proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly, in order to track trend and remediation efforts.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Yes, Amundi considers the mandatory Principal Adverse Impact indicators in accordance with Annex 1, Table 1 of the RTS applying to the UCI’s strategy, and relies on a combination of exclusion policies (normative and sector-based), the incorporation of the ESG rating into the investment process, engagement and voting approaches:

- Exclusion: Amundi has defined normative exclusion rules, by activity and by sector, covering some of the main sustainability indicators listed in the Disclosure Regulation.

- Incorporation of ESG factors: Amundi has adopted minimum ESG incorporation standards, applied by default to its actively managed open-ended funds (excluding issuers rated G and the best weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi’s ESG rating approach have also been designed to take into account key impacts on sustainability factors, as well as the quality of the mitigation.

- Engagement: engagement is a continuous and focused process aimed at influencing companies’ activities or behaviour. The objective of engagement can be divided into two categories: to engage an issuer in improving the way it incorporates the environmental and social factor, and to engage an issuer in improving its impact on environmental, social and human rights issues or other sustainability issues that are important to society and the global economy.

- Voting: Amundi’s voting policy responds to a holistic analysis of all long-term issues that may influence value creation, including material ESG issues (Amundi’s voting policy can be found on its website).

- Monitoring controversies: Amundi has developed a controversy monitoring system that relies on three external data providers to systematically monitor controversies and their level of severity. This quantitative approach is then enriched by an in-depth assessment of each severe controversy, conducted by ESG analysts, and a periodic review of progress. This approach is applied to all Amundi funds.



No



## What investment strategy does this financial product follow?

**Objective:** The investment strategy consists of outperforming, thanks to bond premiums, the composite benchmark (80% €STR capitalised + 20% ICE BofA 1-3 Year Euro Corporate Index), while incorporating ESG criteria into the fund's stock picking process.

**Investments:** At least 90% of the Sub-Fund's securities and instruments are subject to an ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy. In addition, the Sub-Fund undertakes to hold a minimum of 10% in sustainable investments, as shown in the table below.

The Sub-Fund makes use of derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities and foreign exchange).

**Benchmark:** The Sub-Fund is actively managed and seeks to outperform the composite benchmark mentioned above. The Sub-Fund is mainly exposed to the issuers of the benchmark, however, the management of the Sub-Fund is discretionary, and will invest in issuers not included in the composite benchmark. The Sub-Fund monitors risk exposure in relation to the composite benchmark however the extent of deviation from the composite benchmark is expected to be material. The composite benchmark derived from broad market indexes, which do not assess or include constituents according to environmental characteristics, and therefore are not aligned with the environmental characteristics promoted by the Sub-Fund.

**Management Process:** The Sub-Fund integrates Sustainability Factors in its investment process as outlined in more detail in section "Sustainable Investing" of the Prospectus. The investment manager uses a combination of overall market data and fundamental analysis of individual issuers to identify equities with superior long-term prospects.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

First, the fund applies Amundi's exclusion policy, including the following rules:

- legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons, etc.);
- companies which seriously and repeatedly contravene one or more of the Ten Principles of the UN Global Compact, without any credible corrective measures;
- the Amundi Group sector-based exclusions on Coal and Tobacco (details about this policy can be found in the Amundi Responsible Investment Policy available at [www.amundi.fr](http://www.amundi.fr)).

The fund also applies the following rules:

- exclusion of issuers rated F and G for purchasing;
- what is known as the "rating improvement" approach: the weighted average ESG rating for the portfolio must be higher than the weighted average ESG rating for the UCI's investment universe, after elimination of 20% of issuers with the lowest ratings;
- the coverage ratio is 90% (in accordance with the AMF rules). The fund has been awarded the French Government SRI Label. In this respect, it monitors four indicators on the E, S and G factors: the energy and ecological transition, diversity of managers (percentage of female managers within companies), independence of the board of directors and respect for human rights. On these 4 indicators, a

minimum coverage of 90% as an ESG rating is required and the fund's objective is the mandatory improvement of two indicators.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of these investments.

- ***What is the policy to assess good governance practices of the investee companies?***

The management team relies on Amundi's ESG rating methodology. This rating is based on a proprietary ESG analysis framework, which takes into account 38 general and sector-specific criteria, including governance criteria. For the Governance factor, Amundi assesses an issuer's ability to ensure an effective corporate governance framework guaranteeing the attainment of its long-term objectives (e.g. ensuring the value of the issuer in the long term) The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholder rights, ethics, tax practices and ESG strategy.

Amundi's ESG rating scale comprises seven ratings, ranging from A to G, with A being the highest rating and G, the lowest. Companies rated G are excluded from the investment universe.

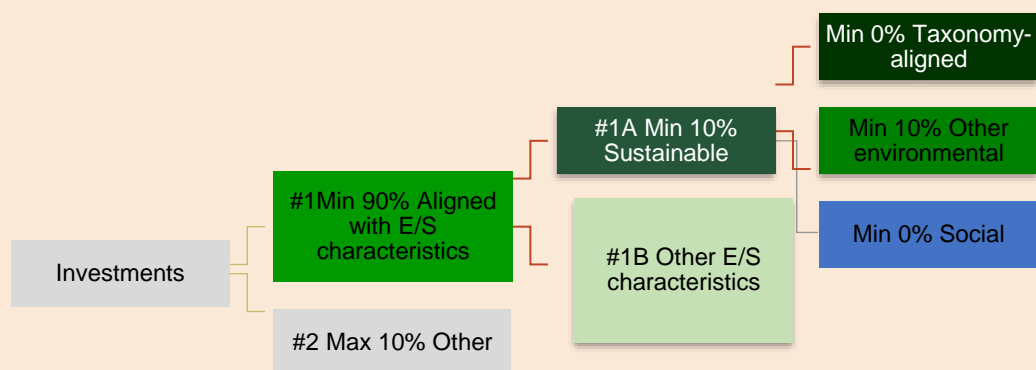


## **What is the asset allocation planned for this financial product?**

At least 90% of the Sub-Fund's securities and instruments are subject to an ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy. In addition, the Sub-Fund undertakes to hold a minimum of 10% in sustainable investments, as shown in the table below. Investments aligned with other E/S characteristics (#1B) will represent the difference between the actual proportion of investments aligned with environmental or social characteristics (#1) and the actual proportion of sustainable investments (#1A).

The planned proportion of other environmental investment represents a minimum of 10% and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.

**Asset allocation** describes the share of investments in specific assets.



**Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the Sub-Fund's ESG objective.



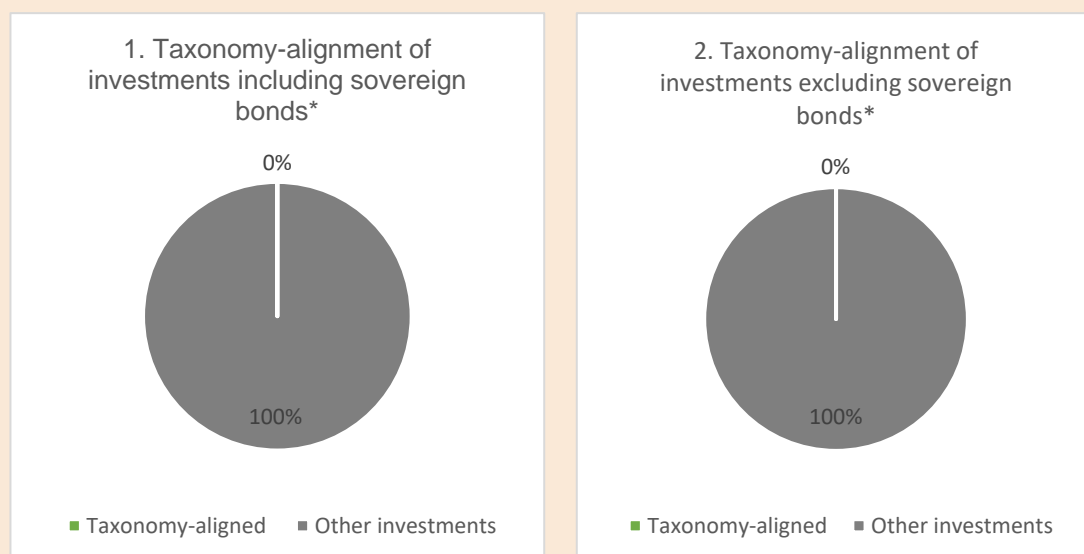
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

### ● **What is the minimum share of investments in transitional and enabling activities?**

The Sub-Fund has no commitment in terms of a minimum share of investments in transitional and enabling activities.



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Sub-Fund currently has 10% minimum commitment in favour of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



### **What is the minimum share of socially sustainable investments?**

The sub-Fund has no minimum share of sustainable investments with a social objective.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The following are included under “#2 Other”: cash and instruments not covered by an ESG analysis (which may include securities for which the data necessary for measuring attainment of environmental or social characteristics are not available).



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The benchmark index does not evaluate or include its constituents based on environmental and/or social characteristics, and is therefore not aligned with the ESG characteristics promoted by the portfolio.

### Reference

**benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### ● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

### ● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

### ● **How does the designated index differ from a relevant broad market index?**

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[www.amundi.fr](http://www.amundi.fr)

## **Additional Information for Investors in the Federal Republic of Germany**

1. Société Générale S.A. Frankfurt branch, Neue Mainzer Straße 46-50 – 60311 Frankfurt am Main assumes the function of the German Paying- and Information Agent ("the German Paying and Information Agent") in the Federal Republic of Germany.
2. Redemption and exchange requests for the shares can be submitted at the German Paying- and Information Agent. Upon request, the redemption proceeds, distributions or other payments, if any, to the shareholder are paid in Euro via the German Paying- and Information Agent.
3. The current prospectus, the Key Investor Information Document (KIID), the Articles of Association of the Company as well as the semi-annual and annual report may be inspected at and can be received free of charge at the German Paying- and Information Agent by mail or by e-mail.

Further shareholder information, if any, is available at the German Paying- and Information Agent and will be published on the website [www.lyxoretf.de](http://www.lyxoretf.de).

4. The net asset value per share of the share classes of the sub-funds and the purchase, exchange and redemption prices are available at the German Paying- and Information Agent on every banking business day in Frankfurt. Furthermore, the purchase and redemption prices of the share classes of sub-funds together with the interim profit and the aggregate amount of income deemed to be received by the holder for the foreign investment units after 31 December 1993, are published on the website [www.lyxoretf.de](http://www.lyxoretf.de).
5. In addition to a publication on the website [www.lyxoretf.de](http://www.lyxoretf.de) shareholders will be informed via shareholder letter about the following changes:

- the suspension of redemption of the Sub-Fund's shares;

- the termination of the management of a Sub-Fund or the liquidation thereof,
  - changes being made to the Memorandum and Articles of Association which are not in compliance with the existing investment principles or which affect material investor rights or which relate to fees and cost refunds that may be withdrawn from the Sub-Fund's assets;
  - the merger of a Sub-Fund; and, where applicable,
  - the conversion of a Sub-Fund into a feeder fund and a change of a master.
6. For a transparent and, thus, investor-favorable taxation of income of the Company in accordance with the German Investment Tax Act (Investmentsteuergesetz, InvStG) all bases of taxation within the meaning of Section 5 sub-section 1 InvStG must have been disclosed by the Company (so-called tax disclosure requirement). This also applies to the extent the Company has acquired units in other domestic investment funds and investment stock companies, EC investment units and foreign investment units, which do not qualify as EC investment units (target fund within the meaning of Section 10 InvStG) and they comply with the tax disclosure requirements.

The Company endeavors to disclose all bases of taxation available to it. However, it cannot be guaranteed that the required notification will be made. The Company cannot guarantee, in particular, that the required disclosure is made, if the Company acquires target funds that do not comply with the tax disclosure requirements incumbent on them.

7. The following sub-funds of the Company are not registered in Germany according to Section 310 of the Investment Code (KAGB):

EuroGovies Risk Balanced  
 GARI Euro Equity Dynamic Overlay  
 GARI European Equity  
 Lyxor Conservative Allocation  
 Lyxor Euro 6M  
 Lyxor Flexible Allocation

Shares of the above mentioned sub-fund are not allowed to be distributed in Germany.