Mandarine Improvers

Prospectus

01/01/2023

French Mutual Fund (Fonds Commun de Placement Français)
UCITS governed by French law covered by European Directive 2014/91/EU - UCITS V

MANDARINE

I. GENERAL CHARACTERISTICS

I.1 TYPE OF UCITS

UCITS governed by French law covered by Directive 2014/91/EU

I.2 NAME

Mandarine Improvers ("the Fund").

I.3 LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WAS ESTABLISHED

Fonds Commun de Placement (mutual fund) under French law.

I.4 DATE OF CREATION AND INTENDED DURATION

This Fund was created on 6 November 2014 for a period of 99 years.

I.5 OVERVIEW OF THE MANAGEMENT OFFER

	ISIN code	Allocation of distributable sums	Currency denomination	Target investors	Minimum initial subscription (1)	Minimum subsequent subscription	Initial net asset value	Decimalisation
R units	FR0012144590	Capitalisation	EUR	All investors	EUR 50	Ten thousandth of a unit	EUR 100	Yes ten thousandth
I units	FR0012221992	Capitalisation	EUR	Institutional and equivalent investors	EUR 1,000,000	Ten thousandth of a unit	EUR 1,000,000	Yes ten thousandth
F units	FR0013269909	Capitalisation	EUR	All investors	EUR 50	Ten thousandth of a unit	EUR 50	Yes ten thousandth
M units	FR0013297066	Capitalisation	EUR	Institutional and equivalent investors	EUR 40,000,000	Ten thousandth of a unit	EUR 40,000,000	Yes ten thousandth

(1)except the management company and its UCIs, which may only subscribe to one unit.

The UCITS is:
- -all subscribers: "R" units;
- -all institutional and equivalent subscribers: "I" and "M" units.
- For F units: units reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:

(i) Financial intermediaries who are not authorised, under the regulations applicable to them, to receive and/or hold on to any commissions or non-monetary benefits; or

(ii) Investors subscribing through a portfolio management service provider on behalf of a third party (management mandate) and/or investment advice provided independently within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, within the European Union (the MiFID II Directive);

(iii) Distributors subscribing in the context of investment advice not considered to be independent within the meaning of the MiFID II Directive on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit within the meaning of the MiFID II Directive.

I.6 INDICATION OF THE LOCATION WHERE THE MUTUAL FUND REGULATIONS, THE LATEST ANNUAL REPORT AND THE LATEST INTERIM REPORT ARE AVAILABLE

The Fund's prospectus and regulations, the annual and interim reports and the breakdown of assets are sent, within eight business days, free of charge upon written request from the holder to:

MANDARINE GESTION - 40, Avenue George V - 75008 Paris
Email: serviceclient@mandarine-gestion.com
The full Prospectus of the Fund, and the annual and interim documents are available at www.mandarine-gestion.com.

Additional explanations may be obtained from the sales department of the Management Company on +33 1 80 18 14 80

Dissemination of the portfolios.
The Management Company may be required to transmit all or part of the information concerning the composition of the portfolio of the UCITS to enable some of its investors, in particular institutional investors, to comply with their obligations derived notably from Directive 2009/138/EC ("Solvency II") in terms of transparency (*SCR – Solvency Capital Requirement*).The Management Company will ensure that each investor who is a recipient of this information has established the procedures for managing sensitive information prior to the transmission of the composition of the portfolio so that such information be used only for calculating prudential requirements. These procedures must also prevent the practices of *market timing* or *late trading*.

I.7 PUBLICATION OF INFORMATION ON SUSTAINABILITY AND SUSTAINABLE INVESTMENTS

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (known as the “Disclosure Regulation”)

As a player in the financial markets, the management company of the UCI is subject to Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (known as the “Disclosure Regulation”).

This Regulation lays down harmonised rules for financial market participants relating to transparency with regard to the integration of sustainability risks (Article 6 thereof), the taking into account of negative impacts in terms of sustainability, the promotion of environmental or social characteristics in the investment process (Article 8 thereof) or sustainable investment objectives (Article 9 thereof).

Sustainable investment is an investment in an economic activity that contributes to an environmental objective, measured for example by means of key indicators in terms of efficient use of resources concerning the use of energy, renewable energies, raw materials, water and land, in terms of waste production and greenhouse gas emissions or in terms of effects on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment which contributes to the fight against inequalities or which promotes social cohesion, social integration and labour relations, or an investment in human capital or in economically or socially disadvantaged communities, provided that these investments do not cause material prejudice to any of these objectives and that the companies in which the investments are made apply good governance practices – in particular with regard to sound management structures, employee relations, remuneration of competent staff and compliance with tax obligations.

Sustainability risk is defined as an environmental, social or governance event or situation which, if it occurs, could have a material adverse effect – actual or potential – on the value of the investment.

It should be noted that this risk can therefore be understood as a specific category of financial risk (measured by its potential negative impact on the portfolio's return).

Sustainability risk is primarily taken into account in the following way in the implementation of portfolio management:

-Like any other risk with a potential burden on the portfolio's return, sustainability risk is taken into account by management prior to acquiring a security and throughout the investment. To do so, management particularly relies on the expertise of Mandarine Gestion's team of ESG analysts.

A synthetic sustainability risk indicator (ISRD) has been developed and is used to measure the exposure of each portfolio to sustainability risk. Limits based on this indicator are applied to the Fund. If exceeded, adjustments to the portfolio may be required.

-The risk and ESG analysis teams draw up and maintain exclusion lists to prohibit the purchase of securities that pose a particularly high sustainability risk. In particular, issuers that are the subject of serious controversy may be placed under surveillance or banned for investment.

The Fund's exposure to sustainability risk is measured by a risk scale ranging from 1 to 5 (from negligible risk to severe risk), based on the level of the ISRD calculated for the Fund. At the date of publication hereof, the Management Company's analysis has determined that the Fund has exposure to level 3 sustainability risk, corresponding to a moderate level of risk.

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"), and amending Regulation (EU) 2019/2088 (the "Disclosure Regulation")

The Taxonomy Regulation sets out the criteria for determining whether an economic activity is considered environmentally and socially sustainable for the purpose of determining the degree of sustainability of an investment.

An economic activity is considered sustainable if:
· it contributes substantially to one or more environmental and/or social objectives;
· and does not cause significant harm to any of the said environmental and/or social objectives ("*do not significant harm*" or "DNSH" principle).

The six environmental objectives are: climate change mitigation; adaptation to climate change; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

It is recalled that the objective of the Fund is sustainable investment within the meaning of Article 8 of the SFDR Regulation; it is subject to the information publication requirements of the aforementioned Article 8. In this context, the attention of investors is drawn to the fact that the “do no material harm” principle applies only to investments underlying the Fund that meet the European Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

The Fund will invest a minimum of 0% of its portfolio in activities aligned with the European Taxonomy on climate change mitigation and adaptation. This percentage is a low alignment assumption based on the Management Company's estimates, which cannot be finalised at the time of writing and can only be finalised if the companies issuing the securities in the portfolio make the required technical standards available. In any case, as the level of transparency of issuers is expected to improve, the Management Company anticipates a gradual evolution of this level of alignment. Based on the estimated data currently available, which is not currently aligned with the regulatory requirements for equivalent data, the Fund could achieve a taxonomy alignment of 5%. This percentage does not represent a commitment and its achievement is not guaranteed.
The Management Company will announce no later than 30 December 2022 how the Fund views the negative impacts on the sustainability factors.

Pre-contractual information on sustainability, within the framework of this regulation (EU) 2019/2088 of 27 November 2019 known as the SFDR for "Sustainable Finance Disclosures Regulation", is available in a document in the appendix to this prospectus entitled "Pre-contractual information for financial products referred to in Article 8 of Regulation (EU) 2019/2088".

II. PARTICIPANTS

II.1 MANAGEMENT COMPANY

MANDARINE GESTION

Société Anonyme - 40, Avenue George V - 75008 PARIS

Portfolio management company approved by the Autorité des marchés financiers (Financial Markets Authority) on 28 February 2008 under GP No. 0800 0008.

II.2 DEPOSITARY AND CUSTODIAN

BNP PARIBAS

A public limited company registered with the Registre du Commerce et des Sociétés (Trade and Companies Register) of Paris under number 662 042 449.

A credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution.

Registered office: 16, Boulevard des Italiens - 75009 PARIS

Postal address: Grands Moulins de Pantin - 9, Rue du Débarcadère - 93500 PANTIN

As part of the Fund's liabilities management, the purchase, buy back and unit issuer account holding centralisation functions are carried out by the depositary in connection with Euroclear France, through whom the units are registered.

Description of the responsibilities of the Depositary and potential conflicts of interest

Directive 2009/65/EC, as amended by Directive 2014/91/EU, referred to as "UCITS 5", specifies the responsibilities of UCITS depositories.It entered into force on 18 March 2016.

The Depositary has three types of responsibilities: monitoring the compliance of the decisions of the Management Company (as defined in Article 22.3 of the Directive), monitoring UCITS cash flows (as defined in Article 22.4), and custody of UCITS assets (as defined in Article 22.5).All of these responsibilities are set out in a written contract between the Management Company, MANDARINE GESTION, and the depositary, BNP PARIBAS.

The primary objective of the Depositary is to protect the interests of unitholders/investors in the UCITS, which always prevail over commercial interests.

Potential conflicts of interest may be identified, in particular if the Management Company also maintains commercial relations with BNP Paribas SA in parallel to its appointment as Depositary (which may be the case if BNP Paribas Securities Services calculates, by delegation of the Management Company, the NAV of the UCITS for which BNP Paribas is the Depositary, or when a group relationship exists between the Management Company and the Depositary).

To manage these situations, the Depositary has implemented and maintains a management policy for conflicts of interest with the following objectives:

- Identifying and analysing situations involving potential conflicts of interest
- Recording, managing and monitoring situations involving potential conflicts of interest:
  - based on permanent measures in place to manage conflicts of interest, such as segregation of duties, separation of hierarchical and functional lines, monitoring of internal insider lists, and dedicated IT environments;
  - by implementing on a case-by-case basis:
    - ✓ preventive and appropriate measures such as the creation of ad hoc watchlists, new Chinese walls, or verifying that transactions are properly processed and/or informing affected customers
    - ✓ or by refusing to manage activities that may give rise to conflicts of interest.

Description of any custodial functions delegated by the Depositary, list of delegates and sub-delegates and identifying conflicts of interest likely to arise from such delegation

The UCITS Depositary, BNP Paribas SA, is responsible for the custody of the assets (as defined in Article 22.5 of Directive 2009/65/EC, as amended by Directive 2014/91/EU).In order to provide services related to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub-custodians in countries where BNP Paribas SA services has no local presence.These entities are listed on the following website: http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html

The appointment and monitoring process for sub-custodians adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

Up-to-date information on the above-mentioned points will be sent to the investor upon request.

The establishment responsible for maintaining the Issuer account and the unit or share registers is BNP PARIBAS, whose contact details are provided below.

II.3 STATUTORY AUDITOR

DELOITTE & ASSOCIES
Represented by Olivier Galienne
185, avenue Charles de Gaulle - 92524 NEUILLY-SUR-SEINE

II.4 MARKETER

MANDARINE GESTION
40, Avenue George V - 75008 PARIS

The Fund is registered with Euroclear France and its units may be subscribed or redeemed through financial intermediaries who are not known to the management company.

II.5 APPOINTED REPRESENTATIVES

Administrative management and accounting:

BNP PARIBAS
The delegation agreement covers the accounting management including the updating of the accounting, the NAV calculation, the preparation and presentation of the file required for the audit carried out by the statutory auditor and the keeping of accounting records.

ADVISORS:
None

II.6 CENTRALISING AGENT

Centralising agent for subscription and redemption orders by delegation:

BNP PARIBAS
A public limited company registered with the Registre du Commerce et des Sociétés (Trade and Companies Register) of Paris under number 662 042 449.
A credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution.
Registered office: 16, Boulevard des Italiens- 75009 PARIS
Postal address: Grands Moulins de Pantin - 9, Rue du Débarcadère – 93500 PANTIN CEDEX

III. OPERATING AND MANAGEMENT PROCEDURES

III.1. GENERAL CHARACTERISTICS

III.1.1 Features of the units or shares

ISIN codes :
R units : FR0012144590
I units : FR0012221992
F units : FR0013269909
M units : FR0013297066

- Type of rights attached to the unit category: each unitholder has a right of co-ownership of the Fund assets in proportion to the number of units held.
- Entry in a register or specification of the methods for managing liabilities: liabilities are managed by BNP PARIBAS.

- The Fund is registered with Euroclear France.

- Voting rights: no voting rights are attached to units, as decisions are taken by the Management Company.However, information on changes in the operation of the Fund is provided to the shareholders either personally, through the press or by any other means in accordance with the regulations.

- Form of units: all units are in bearer form.The Fund will be registered with Euroclear France.
- Decimalisation of the units:

✓ YES ✗ NO

- Number of decimal places:

✗ tenths ✗ hundredths ✗ thousandths ✓ ten thousandths

III.1.2 Closing date

Last trading day of December.The first financial year will began on the launch date of the Fund and will close on 31 December 2015.

III.1.3 Information on the tax system

The Fund itself is not subject to taxation.However, unitholders may incur taxation on any revenue distributed by the Fund, where paid, or when selling the securities.

The tax regime applicable to the amounts distributed by the Fund or any realised or unrealised capital gains or losses of the Fund depend on the tax provisions applicable to the investor's particular situation and their tax residency. Thus, certain revenue distributed in France by the Fund to non-residents is liable to withholding tax in this state.

Abroad (in the fund’s investment countries), capital gains realised on the sale of foreign transferable securities and income from foreign sources earned by the fund as part of its management may, where applicable, be subject to taxation (usually in the form of a withholding tax).Taxation abroad may, in certain limited cases, be reduced or nullified in the event of applicable tax agreements.

With regards to unitholders of the Fund:

- Unitholders residing in France: Capital gains or losses realised by the Fund, revenue distributed by the Fund and capital gains or losses recorded by the unitholder are subject to current tax legislation.

- Unitholders residing outside of France: Subject to tax agreements, the taxation provided for in Article 150-0 A of the CGI is not applicable to capital gains earned on the redemption or sale of units of the Fund by persons not fiscally resident in France under Article 4 B of the CGI or whose registered office is located outside of France, on condition that such persons have not held, directly or indirectly, more than 25% of the units at any time during the five years preceding the redemption or sale of their units (CGI Article 244a C).

Unitholders residing outside France shall be subject to the provisions of tax legislation in effect in their own country of residence.

Investors benefiting from the Fund as part of a life insurance contract shall be subject to taxation applicable to life insurance contracts.

Tax system in Germany:
The Fund is classed as an “Aktienfonds” under German tax law (§ 2(6) InvStG); investment in “Kapitalbeteiligungen” (“equity participations”) according to § 2(8) InvStG will continually exceed 50% of net assets.
N.B.: depending on your tax system, any capital gains and income associated with holding units in the Fund may be subject to taxation.We advise you to make inquiries about this with your tax adviser.

✓ Eligible for PEA (equity savings plan)	✗ DSK contract	✗ Madelin law	✗ PERP

Generally, the Fund’s unitholders are invited to consult their tax advisers or their usual customer relationship manager to determine the tax regulations applicable to their particular situation.

III.2SPECIAL PROVISIONS

III.1.4 ISIN codes

R units	:	FR0012144590
I units	:	FR0012221992
F units	:	FR0013269909
M units	:	FR0013297066

AMF classification:“Equities of eurozone countries”
Up to 60% of the Fund is permanently exposed to at least one or more markets for equities issued in one or more eurozone countries.

UCITS AND UNITS OR SHARES OF THE UCITS and the INVESTMENT FUND STATED in paragraph 3, Section I of Article L.214-20: less that 10% of net assets.

III.1.5 Management objective

The Fund aims to outperform the **EURO STOXX® Net Return EUR Index**, net of fees, over the recommended investment horizon by selecting companies in the eurozone via a stock-picking strategy.

This objective is associated with an extra-financial approach, integrating environmental, social and governance (ESG) criteria.

The Fund seeks to select issuers according to a ***Best-in-Universe*** approach.This ESG selection process consists of favouring the best rated companies in the investment universe from an extra-financial perspective, regardless of their sector of activity. The ***Best-in-Universe*** approach includes a ***Best-Effort*** approach that also aims to select companies that are initiating an ESG process and actively improving their ESG practices.

The Fund takes sustainability risks and ESG characteristics into account in its selection process.In this regard, the Fund promotes environmental or social characteristics within the meaning of Article 8 of the SFDR Regulation.The Fund is subject to a sustainability risk as defined in the risk profile of the prospectus.

III.1.6 Benchmark index

The Fund's performance is compared to the performance of the **EURO STOXX® Net Return EUR** *(hereinafter referred to as the "**Index**").* This Index is one of the benchmarks for large, medium and small capitalisation issuers on eurozone markets.

Codes: SXXT; ISIN: EU0009658194; Reuters: STOXXER; Bloomberg ID: BBG000P5MZD4.

The Index is denominated in euros. The performance of the index Includes the dividends generated by the equities that comprise the benchmark.

Information according to Q&A ESMA 34-43-362 "Actively Managed Fund"

The Fund is actively managed.
However, the Fund's objective is not to reproduce the performance of this index in any manner.The Fund's investments are made on the basis of criteria that could result in significant variations compared to the performance of this index.Investments in companies are made on the basis of weightings that are not based on the relative weighting of each company in the index.

Information concerning the benchmark index used by the Fund is provided in accordance with the provisions of EU Regulation 2016/1011.

In accordance with Article 52 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/45/EU and 2014/17/EU and Regulation (EU) No 596/2014 (hereinafter referred to as the ***Benchmark Regulation*** or ***BMR***), as the Management Company may refer to benchmark indices under the BMR regulation, it is considered a "User" of benchmark references:

- to ensure that the benchmark indices it uses within the European Union are supplied by administrators that are legally authorised or registered with the European Union as benchmark index Administrators, including the Administrator (Article 29); or to ensure that those originating from third countries respect the principle of equivalence and the regulatory requirements (Article 30-33);
- to establish a suitable monitoring procedure for benchmark indices allowing it to substitute a new index in the event that one or more of the benchmark indices, including that of the index provided by the Administrator, that it uses should be substantially modified or cease to be published (Article 28).

On the date of the latest update to this Prospectus, which is the date appearing on the first page, the Administrator has obtained a registration under Article 32 and is therefore listed in the publication of administrators and publication of benchmarks maintained by ESMA (hereinafter referred to as the "Benchmark Register – List of EU benchmark administrators and third country benchmarks").

In accordance with Article 28.2 of the BMR Regulation, the Management Company has a monitoring procedure for the benchmark indices used describing the measures to implement in the case of substantial modifications made to an index or in the event that this index is no longer available.

Information concerning the benchmark index used by the Fund is provided in accordance with the provisions of Regulation (EU) 2019/2088, the "Disclosure Regulation"

The attention of unitholders is drawn to the fact that the Index does not take into account environmental, social or governance issues.The index is not an *"EU Paris-Aligned and Climate Transition-Benchmark".*

III.1.7 Investment strategy

III.1.7.1. Strategy used

The investment strategy of this Fund is to gain exposure to the European equity markets by selecting securities which, in the opinion of the Management Company at the time of investment, offer the best opportunities in terms of financial and non-financial performance.

Investment universe

The initial investment universe is made up of European issuers denominated in euros; this investment universe consists of European stocks with a market capitalization of over 1 billion euros, or about 500 securities.

The Fund will not invest outside the European Union or in emerging countries.

Extra-financial strategy

To accommodate the quest for performance with the development of socially responsible practices, some ESG criteria are integrated and taken into consideration according to a *Best-in-Universe* approach incorporating a *Best-Effort* dynamic.

The **Best-in-Universe** approach is a type of **ESG selection** that prioritises issuers with the best ratings from a **non-financial** point of view irrespective of their **field of activity**, by assuming sectoral biases, since the sectors which are generally considered more virtuous will have a higher level of representation.The ***Best-in-Universe*** approach focuses on the best rated companies in the investment universe at a particular time "t", even if it means neglecting certain sectors of activity whose ESG contribution is not considered relevant or which are subject to an exclusion by the management company. The ***Best-Effort*** approach consists of favouring, within the investment universe, issuers demonstrating an improvement in their ESG practices over time, allowing them to capture attractive growth prospects.The integration of the ***Best-Effort*** dynamic in a ***Best-in-Universe*** approach aims to capture not only the best rated issuers from an ESG point of view but also those showing an improvement or favourable prospects in their ESG practices and performance. Conversely, this makes it possible to exclude issuers which could be rated well from an ESG point of view but whose ESG dynamics are the most severely degraded to which a "controversy" penalty has been applied.

The ESG rating is calculated and administered using the internal "proprietary" extra-financial analysis tool "Mandarine-ESG view®".

The ESG stock selection process is based on the collection of extra-financial information on companies in the Fund's Investment Universe, from which Mandarine Gestion's ESG division carries out an extra-financial analysis, which results in each company receiving an ESG rating between -2 and +2.

The ESG score is made up of four equally weighted pillars taking into account the following indicators (not exhaustive):

• **Environment**: CO2 emissions, environmental policy, biodiversity policy, waste management, alignment with the 2 °C scenario, energy mix, etc;
• **Social**: employee health and safety, training, job turnover rate, collective agreements, management of human rights in the value chain, etc;
• **Governance**: composition of the board of directors, rights of minority shareholders, remuneration of directors, whistleblowers, corruption, etc;
• **Stakeholders**: customer/employee satisfaction surveys, supplier audit, fiscal responsibility policy, etc.

This ESG analysis is based on the collection, cross-referencing and appropriation of qualitative and quantitative extra-financial information from multiple sources to allow for original hedging:
• the Extra-Financial Performance Report (EFPR) published by the companies in question;
• meetings with issuers, management and stakeholders (NGOs, unions, study reports, etc.);
• reports and analyses from brokers and extra-financial rating agencies such as Sustainalytics, Ethifinance, Trucost, Bloomberg, etc. The extra-financial data of the data suppliers are likely to be reworked by the ESG division following the aforementioned meetings.

The portion of ESG-rated issuers in the Fund's portfolio (excluding public debt and cash) will exceed 90% in the long term.

The evolution of this rating over time constitutes the "dynamic" part (***Best-Effort***) taking into account the improvement or deterioration of the good ESG practices of issuers.

The result of the implementation of this ESG strategy can be measured by excluding from the investment universe securities meeting one of the following criteria:

- issuers with an ESG rating below 0 and whose dynamics have deteriorated;
- issuers impacted by level 5 ESG controversies (on a scale of 1 to 5 according to Sustainalytics) and by human rights controversies higher than 7 (on a scale of 1 to 9) and validated by the ESG team;
- issuers showing the greatest deterioration in their extra-financial dynamics.

The ESG approach results in a selectivity rate (reduction of the initial Investment Universe as defined above) of at least 20%.

Extra-financial scores may go up or down over time. The are reviewed *at least* every 12 months, and depending on the frequency of updates from extra-financial rating agencies.Only part of the extra-financial ratings of the investment universe can be updated by the ESG team, based on meetings with companies. They may lead to investment or divestment decisions.

Exclusion

As part of our Socially Responsible Investment approach, the SRI exclusion policy is a complementary tool which ensures that no investment is made in activities having a proven negative impact on society or the environment. For example, companies in the coal sector (extraction and production of energy), tobacco sector or whose activities violate one of the principles of the United Nations Global Compact are excluded.

Methodological restrictions

The SRI analysis approach of companies implemented by the Management Company is based on a qualitative and quantitative analysis of the environmental, social and governance practices of these stakeholders. The approach put in place has limits and biases. Thus, several limits can be identified in connection with the Management Company's methodology but also more broadly with the quality of the information available (availability, reliability and representativeness of the data) given that the analyses are based on data provided by third parties, first and foremost the issuers themselves, suppliers of extra-financial data, and analysts. The results of the analyses therefore depend on the quality of this data, namely but not limited to: trust, credibility, reliability, accuracy, perception, relevance, data coverage, completeness and intelligibility of this information.

The ***Best-in-Universe*** approach is based on a subjective analysis of ESG criteria.Thus, the opinion of the Management Company on issuers may vary over time. With regard to the ***Best-Effort*** approach, which consists of selecting issuers which, in the opinion of the Management Company, are deploying or implementing a dynamic improvement in their ESG practices, it would not be possible to provide certainty as to the future progress of these issuers with regard to expectations.The results could thus prove to be insufficient compared to actual expectations.

The ESG policies (Transparency Code, Article 173 Report, Voting and Commitment Policy) and voting rights exercise reports are available on the Management Company's website in the “regulatory documents” section (www.mandarine-gestion.com).

Financial strategy

The Fund will select securities from all sectors and all capitalisations, with small cap securities being limited to 20% maximum of net assets. The Fund will select the securities by applying a qualitative and quantitative filter based on the following indicators (non-exhaustive list):

Quantitative analysis:
- EPS:
  - Review of EPS (earnings per share) for one year based on the past three months;
  - Percentage of analysts who revised their EPS forecasts upwards;
- See:
  - Review of CFs (cash flow) for one year based on the past three months;

  - Percentage of analysts who revised their CF forecasts upwards;
- DPS:
  - Review of DPS (dividend per share) for one year based on the past three months;
  - Percentage of analysts who revised their DPS forecasts upwards;
- Performance: Relative performance of the share over the past nine months

Stock selection through qualitative fundamental analysis:

- Quality of the business model;
- Financial solidity;
- Quality of management;
- Earnings per share;
- Dividend per share;
- Cash flow.

Through this financial filter, the Manager will select securities for which the financial outlook has been revised upwards by analysts (*financial momentum*).Stock selection will be made within each sector, based on the sector weighting determined by financial momentum.

III.1.7.2. In categories of assets and financial contracts in which the Fund intends to invest

III.1.7.2.1. In assets (excluding integrated derivatives)

The Fund's portfolio consists of the following categories of asset and financial instruments:

- Shares

The Fund is exposed at a minimum rate of 60% of its assets to the equities markets of eurozone countries. The Fund may invest in equities markets of other OECD countries. The overall equity exposure will be between 60% and 100% of the Fund's net assets.

Due to its eligibility for the PEA tax system, the Fund invests at least 75% of its net assets in PEA-eligible securities.

Opportunistic investments will be made at the discretion of the Fund Manager, without any geographical or sectoral constraints. The Fund is primarily invested in the equities of mid- and large-caps and retains the possibility of being invested up to 20% in the equities of small caps.Only the potential for appreciation will determine the selection and weighting of securities in the portfolio.

Besides the shares that constitute at least 75% of the Fund's assets, the following assets are likely to be included in the portfolio, up to a maximum of 10%:

- Debt securities and money market instruments

As part of the cash management of the Fund, the Fund Manager may use bonds, convertible bonds, debt securities, deposits and money market instruments.
The distribution of private/public debt is not determined in advance, as it will be based on the market opportunities.Similarly, the Fund Manager will determine the duration and the sensitivity of bonds held in the portfolio based on the management objectives and market opportunities.The Management Company carries out its own credit analysis when selecting securities to buy and before maturity. It does not rely exclusively on the ratings provided by the rating agencies and implements a thorough credit risk analysis and the necessary procedures to make decisions on whether to buy or hold these securities. The Management Company does not automatically rely on these ratings, but gives preference to its own credit analysis to evaluate the credit quality of these assets and decide upon the potential downgrading of the rating.

- UCITS, AIF, investment funds and trackers or Exchange Traded Funds (ETF)

In order to manage the cash or access to markets or specific management styles (sectoral or geographical, etc.), the Fund may invest up to 10% of its net assets in UCITS/AIFs stated in paragraph 3 of I of Article L.214-20 of the Monetary and Financial Code, where applicable managed by Mandarine Gestion

Investments will be made within the regulatory limits in:
- French or foreign UCITS (UCITS);

alternative investment funds (AIF) that comply with the criteria laid down in Article 50(1)(e)(i) to (ii) of Directive 2009/65 EC and any amendments.AMF classification of the eligible UCITS or AIFs: all AMF classifications as described in the AMF instructions specifying the operating regulations of the UCITS and AIFs

The Fund may invest in listed index-linked vehicles / Exchange Traded Funds (*trackers*).

III.1.7.2.2. Derivative instruments

The Fund may invest in financial futures (traded on regulated and organised markets, in France and abroad and/or OTC) within the limits laid down by the regulations. The total exposure of these financial futures shall not exceed 100% of its assets. In this context, the Fund may take positions to offset fluctuations in the market.

The Fund transactions may therefore be:
- either hedging the portfolio's equity risk, while meeting the permanent exposure constraint on equity markets in eurozone countries of at least 60%;
- or exposing the portfolio to industrial sectors, shares, currencies or market indices through the use of instruments such as futures or options contracts.

To a lesser extent, transactions may be entered into on the OTC markets as part of treasury management or currency transactions.
The Fund may use up to a limit of 100% of the assets on derivative instruments. It is not intended that the exposure of the portfolio shall exceed 100%; however, in the case of large subscriptions or redemptions or large market variations, the Fund may be temporarily and exceptionally exposed up to 110%.
All transactions are carried out within the global limit of the off balance sheet commitment of one times the Fund's net assets.

III.1.7.2.3. On the embedded derivatives (warrants, credit linked notes, EMTNs, subscription warrants, etc.)

Nature of instruments used: Essentially, warrants, subscription warrants, and all types of bonds to which a conversion or subscription right is attached.In particular, the Fund may invest in securities with exposure to shares (convertible bonds, exchangeable bonds or equity notes).

Strategy for using embedded derivatives to achieve the investment objective: Investments in securities with embedded derivatives will be of the same nature as those carried out on derivative instruments. The use of embedded derivatives is subject to their potential benefits in terms of cost/efficiency or liquidity.The Fund may use up to a limit of 100% of the net assets on embedded derivatives.

III.1.7.2.4. Deposits

The Fund may make deposits with a maximum term of 12 months with one or more credit institutions.The aim of these deposits is to contribute to the cash holdings.Deposits denominated in euros or other currencies which adhere to the four conditions of the Monetary and Financial Code can account for up to 100% of assets.

III.1.7.2.5. Cash loans

As part of its normal operation, the Fund may occasionally find itself in debt and may make use of cash loans in this case, up to a limit of 10% of its assets.

III.1.7.2.6. Temporary purchases and sales of securities

Not applicable.

III.1.7.3. Risk profile

Your money will primarily be invested in financial instruments selected by the Management Company.These instruments will be exposed to market trends and risks.The list of risk factors set out below is not exhaustive.

The Fund is classified as a "eurozone equities" UCITS. As such, investors are primarily exposed to the following risks:

Capital risk:
Investors should be aware that the performance of the Fund may not be in line with its objectives and, because the Fund is not capital protected or guaranteed, investors may not recover the full amount of their invested capital.

Equity market risk:
More than 60% of the Fund is exposed to one or more equity markets that could experience substantial fluctuations. Equity risk corresponds to a decline on the equity markets. As the Fund is exposed to equities, the net asset value may decline significantly.If the equity markets fall, the value of the portfolio may decline.

Risks linked to investments in small and mid-cap securities:
Given its management orientation, the Fund may be exposed to small and mid-cap securities, which may carry liquidity risk owing to their specific characteristics.Due to the restricted nature of the market, the performance of such securities is more pronounced and may rise or fall sharply. This may result in an increase in the volatility of the net asset value.Investments in small-cap companies will remain incidental and will represent only a minor portion of investments.

Interest-rate risk:
Given its management orientation, the Fund may be exposed to interest rate risk. Interest rate risk is represented by fluctuations in the yield curve.The interest rate markets move in the opposite direction of interest rates.This risk arises from the fact that, in general, the price of debt securities and bonds falls when interest rates rise.

Discretionary management risk:
The discretionary management style applied by the Fund is based on the selection of securities and on the expectations of the different markets.There is a risk that the Fund may not be invested in the best-performing securities at all times.As a result, the Fund's performance may be lower than the investment objective.Furthermore, the net asset value of the Fund may decline.Performance largely depends on the Fund Manager's ability to anticipate market movements.

Political risk:
This is any risk associated with a political or geopolitical situation, a decision or a lack of decision by the political authorities or national, transnational or supranational administrative authorities: nationalisation without sufficient compensation, embargoes, protectionist measures, exclusion of certain markets, discriminatory taxation, resulting in lasting damage to public order and economic stability: revolution, civil war, etc. When such intrinsically unpredictable events occur, there can be very significant financial consequences.

Sustainability risk:
An environmental, social or governance event or situation that, if it occurs, could have a material adverse effect – actual or potential – on the value of the investment. The occurrence of such an event or situation may also lead to a change in the Fund's investment strategy, including the exclusion of securities of certain issuers. More specifically, the negative effects of sustainability risks can affect issuers through a series of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or impairment of the value of assets; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific topics such as climate change, the likelihood of sustainability risks impacting financial product returns is likely to increase in the longer term.

Associated risks when taking into account sustainability risks:
Currently, there is no universally recognised framework or list of factors that must be considered to ensure that investments are sustainable, and the legal and regulatory framework governing sustainable finance is still under development.

The application of ESG criteria to the investment process in the context of taking into account sustainability risks may exclude securities of certain issuers for non-financial reasons, which may involve passing over certain market opportunities available to other funds that do not use ESG or sustainability criteria. The focus of the fund manager on issuers of securities that have sustainable features may affect the investment performance of a sustainable fund and lead to a return which, at times, will be lower than that of similar funds which do not have a sustainable approach or which apply non-financial criteria.The sustainable or non-financial characteristics used in a fund's investment policy may prevent it from buying certain securities which, in other circumstances, would offer advantages, and/or from selling securities because of their sustainable characteristics despite the harm that could thereby result.In the short term, a focus on securities from issuers with sustainable characteristics could positively or negatively affect the performance of the Fund's investments compared to similar funds without this focus.In the long term, this approach should have a favourable effect, but no guarantee is given in this regard.

The ESG information available, whether it comes from third-party data providers or the issuers themselves, may be incomplete, inaccurate, patchy, or unavailable, which can have a negative impact on a portfolio that relies on this data to assess the appropriate inclusion or exclusion of a security.In addition, it is possible that a security or a stock could be incorrectly valued.
The sustainable finance approach will have to evolve and develop over time, due to the refinement of investment decision-making processes aimed at taking ESG factors and risks into consideration, but also due to legal and regulatory developments.
No statement has been made and no warranty has been given regarding the impartiality, accuracy, completeness or coverage of the sustainable or extra-financial features.

However, it should be noted that, although sustainability risks are considered systematically, no single aspect (including extra-financial ratings) could prevent the Fund Manager from making an investment as investment decisions remain discretionary.

To a lesser extent, they are also exposed to the following risks:

Counterparty risk:
The Fund is exposed to the counterparty risk that results from the use of financial futures traded over-the-counter. Contracts for these financial instruments may be concluded with one or more credit institution(s) that is/are not able to honour their commitments under these instruments.Investors are reminded that this risk may result in a decrease in the Fund's net asset value.

Credit risk:
The credit risk means the risk that the issuer, whether public (government) or private (company), cannot follow through on their commitments. Credit risk is limited to debt securities and money-market instruments, which may not make up more than a maximum of 10% of net assets.Investors are reminded that this risk may result in a decrease in the fund's net asset value.

Exchange-rate risk:
The Fund may invest in instruments denominated in foreign currencies outside the eurozone. This carries a risk of the investment currencies dropping in comparison to the portfolio’s reference currency, the euro. If the value of a currency drops against the euro, the net asset value may also drop. The exchange-rate risk is limited to a maximum of 10% of the
Fund’s assets.

III.1.7.4. Target investors and typical investor profile

- I and M units: institutional and equivalent clients.
- R units: all investors.
- F units: units reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:

(i) Financial intermediaries who are not authorised, under the regulations applicable to them, to receive and/or hold on to any commissions or non-monetary benefits; or
(ii) Investors subscribing through a portfolio management service provider on behalf of a third party (management mandate) and/or investment advice provided independently within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, within the European Union (the MiFID II Directive);
(iii) Distributors subscribing in the context of investment advice not considered to be independent within the meaning of the MiFID II Directive on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit within the meaning of the MiFID II Directive.

This Fund is open to any investor looking for long-term capital growth, generated by a diversified portfolio in which the transferable securities are actively managed and who agrees to expose themselves to a large equity risk. The appropriate amount to be invested in the Fund depends on each investor's personal situation.To determine this, investors must take into account their personal assets, their current and future needs, investment horizon, and also their willingness to take risks or opt instead for a more cautious investment.Investors are also strongly advised to diversify their investments in order to avoid exclusive exposure to the risks of this Fund.

Recommended investment period: over 5 years.

Special warning "US Person" US SEC Regulation S (Part 230 – 17 CFR 2330.903):
The Fund units have not been registered and will not be registered under the US Securities Act of 1933. Consequently, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or to the benefit of a “US person” as defined by the US “Regulation S”.The definition of “US person(s)” as defined by Regulation S of the SEC (Part 230 - 17 CFR 230.903) is available at the following address: http://www.sec.gov/about/laws/secrulesregs.htm or according to “FATCA” (Foreign Account Tax Compliance Act) legislation http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA.

Any resale or disposal of units in the United States of America or to a "USPerson" may constitute a violation of US law and requires the prior written consent of the Fund's management company). Any persons wishing to acquire or subscribe to the Units will have to certify in writing that they are not "USPersons".

The Fund's management company has the power to impose restrictions (i) on the holding of Units by a "USPerson” and thus carry out the compulsory redemption of the Units held, or (ii) the transfer of Units to a "USPerson". This authority also extends to any person (a) who appears, directly or indirectly, to be in violation of the laws and regulations of any country or any government authority, or (b) who could, in the mutual fund's management company's opinion, cause the mutual fund to suffer damages that it would not otherwise have endured or suffered.
The offer of Units has not been authorised or rejected by the SEC, the specialised commission of a US State or any other US regulatory body, nor have the aforementioned authorities delivered a verdict or sanctioned the merits of this offer, or the accuracy or adequate nature of the documents relating to this offer.Any assertion to this effect is against the law.

Any unitholder must inform the mutual fund immediately in the event that they become a "USPerson". Any unitholder who becomes a USPerson will no longer be authorised to acquire new Units and they may be requested to give up their Units at any time to the benefit of persons who do not qualify as a "USPerson". The Fund's management company reserves the right to compulsorily redeem any Unit held directly or indirectly by a "USPerson", or if the ownership of Units by any person is contrary to the law or the interests of the Fund.

III.1.7.5. Methods of determining and allocating amounts available for distribution

Capitalisation UCITS for all its unit classifications.
The accounting method is the coupons received method and the capital gains generated are capitalised in full each year.

III.1.7.6. CHARACTERISTICS OF THE UNITS OR SHARES (CURRENCY DENOMINATION, FRACTIONING, ETC.)

	ISIN code	Allocation of distributable sums	Currency denomination	Target investors	Minimum initial subscription (1)	Minimum subsequent subscription	Initial net asset value	Decimalisation
R units	FR0012144590	Capitalisation	EUR	All investors	EUR 50	Ten thousandth of a unit	EUR 100	Yes, ten thousandths
I units	FR001221992	Capitalisation	EUR	Institutional and equivalent investors	EUR 1,000,000	Ten thousandth of a unit	EUR 1,000	Yes, ten thousandths
F units	FR0013269909	Capitalisation	EUR	Institutional and equivalent investors	EUR 50	Ten thousandth of a unit	EUR 100	Yes, ten thousandths
M units	FR0013297066	Capitalisation	EUR	Institutional	EUR 40,000,000	Ten thousandth of a unit	EUR 1,000	

ISIN code	Allocation of distributable sums	Currency denomination	Target investors	Minimum initial subscription (1)	Minimum subsequent subscription	Initial net asset value	Decimalisation
			and equivalent investors				Yes, ten thousandths

(1) except the management company and its UCIs, which may only subscribe to one unit.
The UCITS is:
-all investors: "R" units;
-all institutional and equivalent investors: "I" and "M" units.
- For F units: units reserved for all investors and, in the context of subscription or distribution within the European Union, that are intended solely for:
(iv) financial intermediaries who are not authorised, under the applicable regulations, to receive and/or hold on to any commissions or non-monetary benefits; or
(v) Investors subscribing to portfolio management services on behalf of third parties (management by mandate) and/or independently provided investment consulting within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments within the European Union (the MiFID II Directive);
(vi) Distributors subscribing in the context of investment advice not considered to be independent within the meaning of the MiFID II Directive on the basis of a contract with their customer, and/or where such a distributor neither receives nor holds on to any commission or other non-monetary benefit within the meaning of the MiFID II Directive.

III.1.7.7. SUBSCRIPTION AND REDEMPTION METHODS

Subscription and redemption requests are processed on every valuation day until 1 p.m. Paris time (*cut-off time*) via the centralising agent and are executed on the basis of the next net asset value, i.e. at an unknown price.Payments relating thereto are made on the second trading day following the net asset value date.

It is possible to invest in whole and/or fractions of units; redemptions are only made in quantities of units (ten thousandths).
Fund unit subscriptions and redemptions can be addressed to:

The centralising agent by delegation:

BNP PARIBAS
Registered office: 16, Boulevard des Italiens - 75009 PARIS.
Postal address: Grands Moulins de Pantin - 9, Rue du Débarcadère – 93500 PANTIN Cedex.

Subscriptions and redemptions are processed at **1 p.m.**, Paris time (*cut-off time*).

Date and frequency of calculation of the net asset value: daily, for all units.The net asset value is calculated every business trading day of the French financial markets (Euronext Paris S.A. Official Calendar).

The net asset value of the Fund is available on request from:
- MANDARINE GESTION – 40, Avenue George V – 75008 Paris;
- or at the following email address: serviceclient@mandarine-gestion.com.

Investors wishing to purchase Units and holders wishing to redeem Units are invited to contact their account holding institution regarding the cut-off time for processing their investment or redemption request. The latter may be before the centralisation cut-off time mentioned above.

Subscription and redemption transactions resulting from a order transmitted after the time mentioned in the prospectus (*late trading*) are prohibited.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, both the redemption by the Fund of its units and the issue of new units may be suspended temporarily by the Management Company if required by exceptional circumstances and if this is in the interests of the unitholders.

Orders are executed in accordance with the table below:

T (working day) in Paris (Valuation Day)	T - (working day) in Paris (Valuation Day)	T: day on which the NAV is established	T+1 trading day	T+2 trading days	T+2 trading days
Centralisation before 1pm for subscription orders[1]	Centralisation before 1 p.m. for redemption orders[1]	Execution of the order on T at the latest	Publication of the net asset value (dated Valuation Day)	Payment of subscriptions	Payment of redemptions

[1]*Excluding any specific delay agreed with your financial institution.*

Pre-processing with the Regional Transfer Agent before 11 a.m. for subscription and redemption orders on trading days in Luxembourg and Paris, which is 2 hours before Centralisation.

Time zone: CET (Central European Time) Standardised time UTC/GMT + 1 hour – CEST (Central European Summer Time) UTC/GMT +2

Temporary redemption cap mechanism ("Gates"):

Description of the mechanism:

In exceptional circumstances and to uphold the interests of unitholders, the Management Company may temporarily cap unit redemptions in order to spread redemption requests from the Fund's unitholders over several net asset values on condition that they exceed a certain determined level which has been set objectively.

The redemption cap mechanism may be triggered when redemption requests exceed a threshold of 5% (redemptions net of subscriptions and at the last known net asset).

It is specified that this mechanism will not be triggered systematically. Indeed, if the liquidity conditions allow it, the Management Company may decide to honour redemptions beyond this threshold and thus partially or totally execute orders that could be blocked.

This temporary cap on redemptions would be staggered, in any case, over a maximum number of twenty (20) net asset values over a period of three (3) months.

The unexecuted part of the order cannot, under any circumstances, be cancelled and is automatically carried forward to the next centralisation date and will not have priority over new orders. Subscription and redemption operations, for the same number of units, on the basis of the same net asset value and for the same holder or beneficial owner (known as round-trip transactions) are not affected by the redemption capping mechanism.

Description of the method used:

Fund holders are reminded that the trigger threshold for the redemption cap mechanism corresponds to the ratio between:

- the difference recorded, on the same centralisation date, between the number of units of the Fund for which redemption is requested or the total amount of such redemptions, and the number of units of the Fund for which subscription is requested or the total amount of such subscriptions; and
- the net assets or the total number of Fund units.

As the Fund has several categories of units, the trigger threshold for this mechanism will be the same for all categories of Fund units.

The threshold above which the cap on redemptions will be triggered is justified by the frequency of calculation of the net asset value of the Fund, its management orientation and the liquidity of the assets it holds. The latter is specified in the regulations of the UCI and applies to centralised redemptions for all of the assets of the UCI and not specifically according to the categories of units of the UCI.

Procedures for informing holders:

In the event that the redemption cap mechanism is activated, all Fund holders will be informed by any means, through the website of the Management Company (www.mandarine-gestion.com).

Fund holders whose orders have not been executed will be specifically informed as soon as possible. As this Fund is admitted to Euroclear France (CSD), they will be informed via their custodian in the Fund's register.

Processing of non-executed orders:

These orders will automatically be carried over to the next net asset value and will not have priority over new redemption orders placed for execution on the next net asset value. In any event, unexecuted and automatically deferred redemption orders may not be revoked by the Fund holders concerned.

***Swing pricing* mechanism or adjustable rights.**

The Fund has not provided for any swing price or adjustable rights mechanism.

III.1.7.8. Fees and commissions

The subscription and redemption fees are added to the subscription price paid by the investor or are deducted from the redemption price.The fees paid to the Fund are used to offset the costs incurred by the Fund for investing or divesting assets.The fees not paid to it are paid to the Management Company or marketer.

Fees charged to the investor levied on subscriptions and redemptions	Base	Rate/scale All Units
Subscription fee not paid to the Fund	Net asset value X number of units	2% Maximum
Subscription fee paid to the Fund		None
Redemption fee not paid to the Fund		None
Redemption fee paid to the Fund		None

Operating and management fees:
These fees cover all costs charged directly to the Fund, apart from transaction fees.
Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and any turnover fees (see table below "fees charged to the Fund").

In addition to operating and management fees, there may also be:
- outperformance fees.These are paid to the management company when the Fund exceeds its objectives. They are therefore charged to the Fund.
- Turnover fees charged to the Fund.

	Fees invoiced to the Fund	Base	Rate/scale R units	Rate/scale F units	Rate/scale I units	Rate/scale M units
1	Maximum financial management fees	Net assets	2.20% incl. tax Maximum rate	1.10% incl. tax Maximum rate	0.90% incl. tax Maximum rate	0.60% incl. tax Maximum rate
2	Operating expenses and other services	Net assets	0.17% Maximum rate			
3	Maximum indirect fees (Commissions and management fees)	Net assets	- (*)			
4	Maximum turnover fees paid to the management company	Amount of the transaction	0 to 0.18% incl. tax on the gross amount of the trade			
	Maximum turnover fees paid to the depositary/custodian (2)	Fixed commission per operation/ transaction	€0 to €115 incl. taxes			
5	Outperformance fee (1)	Net assets	15% of the outperformance over the **EURO STOXX® Net Return EUR**			

(*) UCITS of UCITS or AIF: less than 10%

(1) The outperformance fee will be calculated as follows:

The outperformance fee corresponds to a variable charge and is contingent on the Fund achieving a positive performance over the financial year and outperforming its benchmark over the observation period. The performance fee is calculated independently for each unit class of the Fund.

Calculation method
The amount of the performance fee is calculated based on a comparison between the performance of the Fund and that of a notional UCI that achieves the performance of its benchmark and has the same subscription and redemption pattern as the actual Fund.
The outperformance generated by the Fund on a given date is defined as the difference between the net assets of the Fund and the assets of the notional fund on the same date.

Provisioning

Each time the net asset value (NAV) is established, the outperformance fee is subject to a provision (of 15% of the outperformance) if the Fund's performance exceeds that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance.

Catching up on underperformance and reference period

The reference period is the period during which the performance is measured and compared to that of the benchmark index and at the end of which it is possible to reset the compensation mechanism for the underperformance (or negative performance) passed. This period is fixed at five years.

Condition of positivity

A provision cannot be made and a fee can only be collected if the fund's performance is strictly positive over the year (NAV greater than the NAV at the start of the year).

Crystallisation

The crystallisation period, i.e. the frequency with which the accrued outperformance fee, if any, must be paid to the management company, is twelve months.

The initial crystallisation period will end on the last day of the financial year ending on 31 December 2022.

Observation period

The initial observation period will start with a duration of 12 months starting at the beginning of 2022.

At the end of a crystallisation period, one of the following three situations may occur:

- The Fund underperforms over the observation period. In this case, no provision is taken, and the observation period is extended by one year, up to a maximum of five years (reference period).
- The Fund posts outperforms over the observation period but underperforms over the year. In this case, no provision is taken, but a new observation period of twelve months shall begin.
- The Fund posted an outperformance over the observation period and a positive absolute performance over the year. In this case, the management company shall receive the provisioned fee (crystallisation) and a new observation period of twelve months shall begin.

In the event of redemptions during the period, the portion of the provision set aside corresponding to the number of shares redeemed will be definitively acquired and deducted by the Investment Manager.

Life of the Fund

In the event of closure of an existing unit class during the financial year, any provision potentially accumulated by this unit class in respect of the outperformance fee will be definitively acquired by the management company.

In the event of creation of a new unit class during the financial year, the initial observation period will be automatically extended by a further 12 months to end at the end of the financial year following that of the creation of the unit, in order to ensure an observation period of at least 12 months.

Illustration

	Year 1	Year 2	Year 3	Year 4	Year 5
Performance of Fund units	10%	-4%	-7%	6%	3%
Performance of the benchmark	5%	-5%	-3%	4%	0%
Outperformance/underperformance	5%	1%	-4%	2%	3%
Cumulative performance of the Fund over the observation period				-1%	2%
Cumulative performance of the benchmark over the observation period				1%	1%
Cumulative outperformance/ underperformance				-2%	1%
Fee collected?	Yes	No, because the performance of the Fund is negative, although it has outperformed the benchmark index	No, because the fund has underperformed the benchmark (and has also underperformed over the year)	No, because the Fund has underperformed over the whole current observation period, starting in year 3	Yes
Start of a new observation period?	Yes, a new observation period starts in year 2	Yes, a new observation period starts in year 3	No, the observation period is extended to cover years 3 and 4	No, the observation period is extended to cover years 3, 4 and 5	Yes, a new observation period starts in year 6

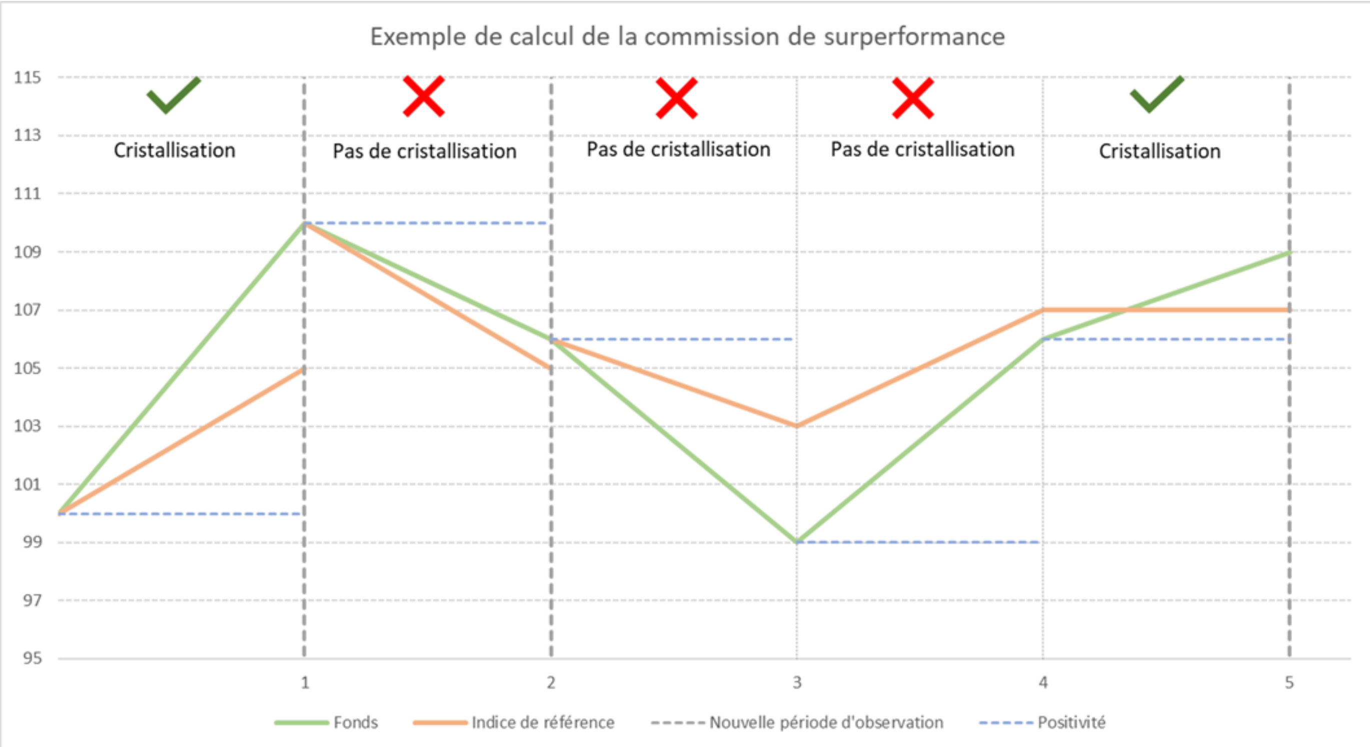
NB: To make the example easier to understand, we have shown the performance of the Fund and the benchmark in percentages. In fact, the outperformance/underperformance will be measured as an amount, by the difference between the net assets of the Fund and that of a notional fund as described in the aforementioned methodology.

TREATMENT OF UNCOMPENSATED PERFORMANCE BEYOND 5 YEARS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Performance of Fund units	0%	5%	3%	6%	1%	5%
Performance of the benchmark	10%	2%	6%	0%	1%	1%
A: Outperformance/ underperformance current year	-10%	3%	-3%	6%	0%	4%
B1: Carryforward of uncompensated underperformance Year 1	N/A	-10%	-7%	-7%	-1%	Out of scope
B2: Carryforward of uncompensated underperformance Year 2	N/A	N/A	0%	0%	0%	0%
B3: Carryforward of uncompensated underperformance Year 3	N/A	N/A	N/A	-3%	-3%	-3%
B4: Carryforward of uncompensated	N/A	N/A	N/A	N/A	0%	0%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
underperformance Year 4						
B5: Carryforward of uncompensated underperformance Year 5	N/A	N/A	N/A	N/A	N/A	0%
Outperformance/ underperformance observation period	-10% (A)	-7% (A + B1)	-10% (A + B1 + B2)	-4% (A + B1 + B2 + B3)	-4% (A + B1 + B2 + B3 + B4)	1% (A + B2 + B3+ B4 + B5)
Collection of a fee?	No	No	No	No	No	Yes

The underperformance generated during Year 1 and partially compensated in the following years is forgotten in Year 6.



(2) In exercising its duties, the Depositary acting in its capacity as custodian of the Fund uses a fixed or flat fee per transaction depending on the nature of the securities, markets and financial instruments traded. Any additional charges paid to an intermediary are passed on completely to the Fund and are recognised as turnover fees in addition to the fees charged by the Depositary and the Custodian.

The operating and management fees are allocated directly to the Fund's income when calculating each net asset value.

The fees stated below are outside the scope of the fees set out above:
- the contributions due for the Fund management in application of Section II, paragraph 3, point d) of Article L.621-5-3 of the Monetary and Financial Code;
- exceptional and non-recurring taxes, duties, charges and government rights (in relation to the Fund);
- exceptional and non recurring costs to recover debt (e.g. *Lehman, Aberdeen tax*, etc.) or procedures to assert a right (*e.g. class action* procedure).

Further information concerning these fees is outlined, ex post, in the Fund's annual report.

Practice in selecting entities that provide investment decision support services: Mandarine Gestion has chosen a method of selecting intermediaries that provide investment decision support services based on several criteria: Independent research must add value to the manager's investment decisions, be composed of original ideas based on proven assumptions, must have the necessary intellectual rigour to achieve meaningful and consistent conclusions. Research fees will be charged to the Fund.

Payment of retrocessions and remuneration of intermediaries in connection with the distribution of UCITS:
As part of its business development policy, the Management Company may decide, in conjunction with one or more of the UCIs, including this Fund, to develop contacts with various financial intermediaries, insurance companies, banks, distribution platforms, funds purchasing and placing order rooting platforms, which, in turn, are in contact, directly or indirectly, particularly with sub-distributors, with client segments likely to invest in UCIs of the Management Company.The Management Company applies a strict selection policy for its partners and determines their occasional or recurring remuneration conditions, calculated either on a flat-rate basis or in proportion to the management fees collected in order to preserve the long-term stability of the relationship. Unitholders may contact their financial intermediary to obtain information regarding their remuneration conditions in connection with this Fund.

Methods for calculating and distributing payments on temporary purchases and sales of securities: Not applicable.

Short description of the procedure for choosing intermediaries:
Mandarine Gestion employs a multi-criteria approach to select intermediaries that guarantees the very best execution of stock market orders.The criteria are both quantitative and qualitative and depend on the markets in which the intermediaries provide services, both in terms of geographical area and instruments.The analysis criteria include, in particular, the availability and proactivity of the intermediaries, as well as timeliness, processing and execution quality, and brokerage costs.

Operating expenses and other services:
These fees are subject to a flat-rate charge up to the limit of the maximum rate indicated in the table above and are provisioned for each net asset value. The maximum flat rate could be deducted even if the actual costs are lower than this and, conversely, if the actual costs are higher than the indicated rate, the overrun of this rate will be borne by the management company. These service fees are used, but not exclusively, to cover fund registration and listing fees, fees related to informing distributors, fees related to compliance with regulatory and reporting obligations, operational costs and KYC fees.The rate may be revised annually.

IV. COMMERCIAL INFORMATION

Fund unit subscriptions and redemptions can be addressed to:

The centralising agent by delegation:

BNP PARIBAS
Registered office: 16,Boulevard des Italiens - 75009 Paris.
Postal address: Grands Moulins de Pantin - 9, Rue du Débarcadère – 93500 Pantin Cedex.
Subscriptions and redemptions are processed at 1 p.m., Paris time (cut-off time).

Unitholders are informed of changes affecting the Fund in accordance with the procedures defined by the Financial Markets Authority: specific information or by any other means (financial notices, periodic documents, etc.).
The Fund's prospectus, net asset value, the latest annual and interim documents and the report on the management company's voting rights policy, as well as the report on the conditions for exercising these same voting rights, are available and sent free of charge, within eight business days, upon written request by the investor to:
- MANDARINE GESTION – 40, Avenue George V – 75008 Paris;
- or at the following email address: serviceclient@mandarine-gestion.com.

Information on the inclusion of ESG criteria in the investment strategy is available on the Management Company's website at www.mandarine-gestion.com, as well as in the Fund's annual report.

V. INVESTMENT RULES

The Fund is subject to all investment rules and regulatory ratios applicable to UCITS investing less than 10% of their assets in units or shares of French and European UCITS/AIF.The main financial instruments and management techniques used by the Fund are listed in the special provisions of the Prospectus.The Fund complies with the investment rules of European Directive 2009/65/EC, known as the “UCITS IV”, as amended.

VI. GLOBAL RISK

The global risk is determined using the *commitment approach*.
The Fund will ensure that its global exposure to derivative instruments does not exceed the Net Asset Value of its portfolio.

VII. RULES FOR ASSET ACCOUNTING METHODS AND VALUATION

The asset valuation rules are based, in part, on the valuation methods used, and also on the practices specified in the notes to the financial statements and in the Prospectus. The Fund Management Company is responsible for establishing the valuation rules. The net asset value is calculated for every business trading day of the French markets in Paris (Euronext Paris S.A. official calendar) and is dated to this same day.

VII.1 ASSET VALUATION RULES

The Fund has complied with the accounting rules set down by the Accounting Regulatory Committee in regulation No 2003-02 of 2 October 2003 on the UCITS chart of accounts, as amended by Regulation No 2004-09 of 23 November 2004 and No. 2005-07 of 3 November 2005, as amended by Regulation No. 2011-05 of 10 November 2011 approved by order of 27 December 2011 published in the Official Gazette of 30 December 2011.
The accounts relating to the securities portfolio are kept on a historical cost basis: incomings (purchases or subscriptions) and outgoings (sales or redemptions) are booked on the basis of the purchase price, excluding any fees.Any outgoings generate a

capital gain or a capital loss on the sale or buy back and also possibly a buy back premium.

Accrued coupons on debt securities are calculated at the closing date of the NAV.

The UCITS values its securities portfolio at the current value, based on the market value or, if there is no market, using financial methods. The incoming value - current value difference generates a capital gain or capital loss which is recorded in the "portfolio valuation difference".

Description of the methods used for valuing balance sheet items:

- **Transferable securities**

Stocks, bonds and similar securities are valued based on the closing price or, failing that, on the basis of the last known prices, converted into the accounting currency according to the exchange rate in Paris on the day of valuation.

- **UCITS/AIF units or shares**

Target UCITS/AIF units or shares are valued at the last known net asset value on the actual date of calculation of the Fund's net asset value.Monthly valuation of the net asset value of target UCITS/AIF will be based on the last known net asset value (official or estimated) published on the actual date of calculation of the Fund's net asset value.

- **Negotiable debt securities (NDS)**
- NDS with a residual maturity of more than three months are valued at the market rates identified by managers at the time of publication of the interbank market rates by the EBF (European Banking Federation).The rate used in the absence of significant transactions is the Euribor for securities of less than one year, and the BTAN rate (published by the Primary Dealers (SVT) selected by the French Treasury) for securities over one year, plus (where applicable), a representative margin of the intrinsic characteristics of the issuer.
- Any NDSs whose life at issue, purchase or residual is less than three months, are valued using a linear method to maturity at the issue or acquisition rate or the last rate used for valuation at market rates.

Notwithstanding the aforementioned rules, any transferable securities whose listed prices do not reflect their probable trading value (insignificant transaction volumes, etc.) can be valued by the Management Company based on information provided by the market.

For securities whose price has not been determined on the valuation day, the Management Company corrects their valuation based on variations made likely by current events.

- **Deposits**

Deposits are valued at their net asset value.

- **Foreign currency**

Currencies are valued at the rates published by the ECB at 3 p.m. (Paris time) on the day of the NAV.

Description of off-balance sheet commitments:

- **Official market transactions**

- Futures: these transactions are valued according to the markets on the basis of the settlement price.The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.
- Options: these transactions are valued according to the markets on the basis of the first price or the settlement price.The commitment is equal to the conversion of the option into the underlying equivalent.It is calculated as follows: delta x quantity x amount or nominal value of the contract x underlying price.

- **OTC market transactions**

- Interest rate transactions are valued at market prices based on feeds sourced from a financial information platform (Bloomberg, Reuters, etc.) and, where necessary, by applying an actuarial method.

- Exchange rate transactions: transactions whose residual maturity is greater than three months are valued at market prices based on feeds sourced from a financial information platform (Bloomberg, Reuters, etc.) and by applying an actuarial method.
- Backed or non-backed transactions:
- Fixed rate/Variable rate: nominal value of the contract
- Variable rate/Fixed rate: nominal value of the contract
- Transactions with a residual maturity below or equal to 3 months are valued on a linear basis.
- In the case of an exchange rate transaction valued at market price with a maximum residual maturity below or equal to 3 months, the last rate used shall be frozen until the final repayment date, except in the case of special sensitivity requiring valuation at market prices (see previous paragraph).

The commitment is calculated as follows:
- Backed transactions: nominal value of the contract
- Non-backed transactions: nominal value of the contract
- **Other transactions on OTC markets**
- Interest rate, currency or credit transactions are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
- The commitment is shown as follows: nominal value of the contract.

Securities not traded on a regulated market

Securities that are not traded on a regulated market are valued by the Management Company at their probable trading value.

VII.2 ACCOUNTING METHOD

- Description of the accounting method for income on fixed income securities:

Accrued coupons method included.

- **Description of the method for calculating fixed management fees:**

Management fees are charged directly to the Fund's profit and loss account when calculating each net asset value.

- Allocation of income for the units:

In accordance with the provisions set out in the Prospectus approved by the Financial Markets Authority, no distribution is made in the case of a capitalisation Fund.

VIII. REMUNERATION

The Management Company's remuneration policy complies with the provisions of European Directive 2014/91/EU ("UCITS V Directive") and related articles of the AMF General Regulation that apply to UCITS.

The remuneration policy promotes sound and efficient risk management and does not encourage risk taking that is incompatible with the risk profiles of the UCITS which it manages.The Management Company has implemented adequate measures able to prevent any conflict of interests.

The remuneration policy applies to all Management Company employees considered to have a material impact on the risk profile of the UCITS and identified each year as such via a process involving the General Management as well as the risk and compliance teams.
The Management Company staff hereby identified shall receive remuneration comprised equally of a fixed component and a variable component. This is subject to annual review and is based on individual and collective performance.The principles of the remuneration policy are reviewed on a regular basis and adapted according to regulatory changes.The remuneration policy is approved by the administrators of the Management Company. Full details of the Management Company's remuneration policy are available on the Company's website: www.mandarine-gestion.com.A written copy of the policy is available free of charge upon request to the Management Company.

IX. REGULATIONS

SECTION I - ASSETS AND UNITS

ARTICLE 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of Fund assets (or, where applicable, of sub-fund assets).Each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.

The term of the fund is 99 years beginning from the date of its launch, except in the event of early dissolution or extension provided for in this Regulation.

Categories of units: the features of the different unit categories and their access conditions are specified in the Fund Prospectus.

The different categories of shares may:

- benefit from different income distribution methods (distribution or capitalisation);
- be denominated in different currencies;
- have different management fees;
- have different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged against risk, in part or in full, as defined in the Prospectus.This hedging is achieved by means of financial instruments minimising the impact of hedging transactions on other categories of units of the UCITS;
- be confined to one or more marketing channels.

The Board of Directors of the Management Company may decide to split the units into tenths, hundredths, thousandths or ten thousandths, known as fractional units.

The provisions of the Regulations governing the issue and redemption of units shall also apply to fractional units, the value of which is always proportional to that of the unit they represent.Unless otherwise stipulated, all other provisions of these Regulations relating to units shall also apply to fractional units, without it being necessary to state this explicitly.
Finally, the Board of Directors of the Management Company may, at its sole discretion, split the units by creating new units that are allocated to unitholders in exchange for old units.

ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the assets of the mutual fund (or the sub-fund) fall below 300,000 euros. If the assets remain below this amount for a period of thirty days, the management company shall take the necessary steps to liquidate the UCITS in question, or to carry out one of the operations stipulated in Article 411-16 of the AMF General Regulation (transfer of the UCITS).

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time at the request of the unitholders, based on their net asset value plus any subscription fees, where applicable.

Redemptions and subscriptions are carried out according to the terms and conditions set out in the Prospectus.

Units of the Fund may be admitted for listing in accordance with the regulations in force.

Investments must be fully paid up on the date on which the net asset value is calculated.They may be paid for in cash and/or transferable securities.The Management Company shall be entitled to reject securities offered to it, and shall therefore have a

period of seven days from the date of receipt of the securities to announce its decision.If the securities are accepted, they are valued in accordance with the rules set out in Article 4 and the subscription is carried out on the basis of the net asset value immediately following acceptance of the securities in question.
All redemptions are made exclusively in cash, except where the Fund is liquidated and where unitholders have expressed their consent to reimbursement in the form of securities.They are paid by the Depositary within a maximum period of five days from the valuation of the unit.

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

Except in the case of inheritance or inter vivos distribution, the transfer of units from one unitholder to another, or to a third party, is treated as a redemption followed by a subscription. In the case of a third party, the amount of the sale or transfer must, if necessary, be made up by the beneficiary to the minimum subscription amount specified in the Simplified Prospectus and the Prospectus.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, both the redemption by the FCP of its units and the issue of new units may be suspended temporarily by the Management Company if required by exceptional circumstances and if this is in the interests of the unitholders.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, in exceptional circumstances and to uphold the interests of unitholders, the Management Company may temporarily cap unit redemptions in order to spread redemption requests from the Fund's unitholders over several net asset values on condition that they exceed a certain determined level which has been set objectively.
If liquidity conditions permit, the management company may decide not to trigger the redemption cap mechanism and thus partially or fully execute orders that could be blocked.
The operating procedures for the cap and information mechanism for unitholders are described in the Fund's prospectus.

When the mutual fund's net assets (or, where applicable, those of a sub-fund) is less than the amount fixed by the regulations, no units may be redeemed (on the relevant sub-fund, if applicable). Minimum subscription conditions may be set out in the Prospectus.

The mutual fund’s Management Company may restrict or prevent ownership of Units of the Mutual Fund by any person or entity who is forbidden from owning Units of the Mutual Fund (hereinafter, the “Ineligible Person”). A Non-Eligible Person is a "USPerson" as defined by SEC Regulation S (Part 230 - 17 CFR 230.903) and specified in the Prospectus.

To this end, the mutual fund’s Management Company can:
(i) refuse to issue any unit once it appears that such an issuance would or could have resulted in the units being directly or indirectly held by for the benefit of an Ineligible Person;
(ii) at any time request that a person or intermediary whose name appears in the Registers of Unitholders provide them with all information, accompanied by a sworn statement, that it considers necessary in order to determine if the beneficial owner of the Units or Shares in question is an Ineligible Person or not; and
(iii) when it believes that a person or entity is (i) an Ineligible Person and, (ii) alone or jointly, the effective beneficiary of the Units, compulsorily redeem all Units held by such a unitholder, during which the beneficial owner of the Units may make representations. The compulsory redemption will occur at the last known asset value, plus, if necessary, the applicable fees, duties and commissions, which will remain at the expense of the ineligible person.
(The definitions of a “US Person” or an “effective beneficiary” are available at the following address: http://www.sec.gov/about/laws/secrulesregs.htm or http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA).

ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE

The net asset value of the units is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind may only consist of securities, stocks or contracts in which UCITS are authorised to invest; such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

SECTION II – FUND OPERATION

ARTICLE 5 - THE MANAGEMENT COMPANY

The Fund is managed by the Management Company in accordance with the strategy defined for the Fund.

In all circumstances, the Management Company shall act in the interest of the unitholders and may alone exercise the voting rights attached to the securities held in the fund.

ARTICLE 5A - OPERATING RULES

The instruments and deposits in which the UCITS may invest and the investment rules are specified in the Prospectus.

ARTICLE 6 - THE DEPOSITARY

The depositary carries out the tasks that are their responsibility in application of the laws and regulations in effect, as well as those to which they are contractually bound by the management company.They must notably ensure the regularity of decisions made by the portfolio's management company.They must, where applicable, take all precautionary measures that they deem appropriate.In the event of any dispute with the Management Company, they shall inform the Financial Markets Authority.

ARTICLE 7 - THE STATUTORY AUDITOR

An auditor is appointed for a period of six years, following approval by the Financial Markets Authority, the management company's governance body. They certify the compliance and veracity of the accounts.The statutory auditor’s term of office may be renewed.
The auditor is responsible for reporting, as soon as possible, any fact or decision of which they are made aware as part of their role, concerning the collective investment undertaking for transferable securities, to the Financial Market Authority, of a nature:
1 To constitute a violation of legal or regulatory provisions applicable to this undertaking and likely to have significant effects on the financial situation, the results or the holdings;
2 To undermine the conditions or the continuity of its use;
3 To lead to the issuance of reserves or the refusal of account certification.
The valuations of the assets and the calculation of the exchange parities in conversion, merger or demerger transactions shall be supervised by the statutory auditor.They shall assess any contribution or redemption in kind under their responsibility, except in the context of redemptions in kind for an ETF on the primary market.
They shall check the composition of the assets and other elements prior to publication.
The statutory auditor's fees are determined by mutual agreement between the statutory auditor and the Board of Directors or the Executive Board of the Management Company on the basis of a work schedule specifying the duties considered necessary.
He shall certify the situations on the basis of which interim distributions are made.

ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the Management Company shall draw up summary documents and a report on the management of the fund (and, where applicable, on each sub-fund) for the past financial year.

The Management Company shall draw up the inventory of assets of the UCI at least twice a year and under the supervision of the Depositary.All of the above documents shall be inspected by the statutory auditor.

The Management Company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled: these documents are either sent by post at the express request of the unitholders, or made available at the Management Company.

SECTION III – INCOME ALLOCATION PROCEDURES

ARTICLE 9 – PROCEDURES FOR ALLOCATING INCOME AND AMOUNTS AVAILABLE FOR DISTRIBUTION

Net income for the financial year is equal to the total interest payments, arrears, dividends, bonuses and lots, fees and all earnings from securities held in the Fund (and/or each sub-fund) portfolio, plus earnings from sums held as liquid assets, minus management fees and borrowing costs.

The amounts available for distribution are equal:
1)to net income for the financial year plus the amount carried forward, plus or minus the balance of accrued income,
2)to the capital gains earned, net of fees, minus the capital losses incurred, net of fees, recorded during the financial year, plus the net capital gains of the same kind recorded during previous financial years that have not been capitalised and are decreased or increased by the balance of the accrued income of the capital gains

The Management Company decides on the allocation of income.It may opt for capitalisation and/or distribution.

For each category of unit, if any, the mutual fund may opt for one of the following formulas:

For I, M, R and F units
- ✓ full capitalisation: the amounts available for distribution are fully capitalised, except those subject to mandatory distribution by law;
- ✗ full distribution: the amounts are fully distributed, rounded to the nearest number; possibility of making interim distributions;
- ✗ for mutual funds that wish to retain the freedom to capitalise and/or to distribute.The Management Company decides on the allocation of income each year.It provides for the possibility of making interim distributions.

The Management Company may decide, during the financial year, to make one or more interim distributions within the limit of the net revenues accounted at the date of the decision.

SECTION IV - MERGERS - DEMERGERS - DISSOLUTION - LIQUIDATION

ARTICLE 10 - MERGERS - DEMERGERS

The Management Company may transfer all or part of the assets held in the Fund to another UCITS which it manages, or it may split the Fund into two or more other mutual funds which it will manage.

Unitholders must be given one month's notice before any such merger or demerger takes place. A new statement will then be issued showing the number of units held by each unitholder.

ARTICLE 11 - DISSOLUTION - EXTENSION

If the Fund's assets (or, where applicable, those of a sub-fund) remain below the amount laid down in Article 2 above for a period of thirty days, the Management Company shall inform the Financial Markets Authority and dissolve the Fund (or, where applicable, the sub-fund), unless there is a merger operation with another mutual fund.

The Management Company may dissolve the Fund (or, where applicable, the sub-fund) early. It shall inform the unitholders of its decision, and subscription and redemption requests will not be accepted after this date.
The Management Company shall also dissolve the Fund (or, where applicable, the sub-fund) in the event of a redemption request for all of the units, or where the Depositary is relieved of its responsibilities and no other Depositary has been appointed, or on expiry of the term of the Fund, if not extended.
The Management Company shall inform the Financial Markets Authority by post of the date and of the procedure adopted for the dissolution.Subsequently, the Management Company shall send the auditor's report to the Financial Markets Authority.

The Management Company may decide to extend a Fund in agreement with the Depositary.Its decision must be taken at least three months prior to expiry of the Fund's term and must be notified to the unitholders and the Financial Markets Authority.

ARTICLE 12 - LIQUIDATION

In the event of dissolution, the Management Company shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party.To this end, they are vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.

The statutory auditor and the Depositary shall continue to perform their duties until the liquidation operations have been completed.

SECTION V - DISPUTES

ARTICLE 13 - JURISDICTION - CHOICE OF DOMICILE

Any disputes concerning the Fund that may arise during the operation thereof, or upon its liquidation, whether between unitholders or between unitholders and the Management Company or Depositary, shall be subject to the jurisdiction of the competent courts.