



FINANCIERE DE L'ECHIQUEUR

ECHIQUEUR GLOBAL

PROSPECTUS ON 5 MAY 2014

I. General characteristics:

I-1 Form of the fund

► **Name:**

ECHIQUEUR GLOBAL

► **Legal form and member state in which the fund was created:**

Mutual fund (FCP) under French law.

► **Date of creation and planned duration of fund:**

The fund was created on 16.04.10 for a term of 99 years.

► **Overview of management offering:**

**Fund governed by
European Directive
2009/65/EC**

Units	Characteristics				
	ISIN Code	Income distribution	Denomination currency	Investors concerned	Minimum subscription amount
Echiquier Global	FR0010859769	Capitalisation	Euro	All investors	None
Echiquier Global G	FR0010868174	Capitalisation	Euro	Dedicated to marketing by financial intermediaries other than the management company.	Initial subscription: minimum EUR 100,000
Echiquier Global I	FR0011188267	Capitalisation	Euro	Intended essentially for Italian institutional investors	Initial subscription: minimum EUR 3,000,000
Echiquier Global USD	FR0011473545	Capitalisation	dollar	All investors	None

(1) With the exception of the management company, which may acquire a single unit

► **Address where you can obtain the latest annual and interim reports:**

The latest annual and interim documents are available from the website at www.fin-echiquier.fr or may be sent out within a week of written request from the unitholder to:

FINANCIERE DE L'ECHIQUEUR
53, avenue d'Iéna
75116 Paris

Further information can be obtained if necessary from the management company by telephone on +33 (0)1 47 23 90 90.

I-2 Parties involved

► **Management company:**

The management company was authorised on 17.01.91 by the French Financial Markets Authority (AMF) under number GP 91004 (general licence).

FINANCIERE DE L'ECHIQUEUR
53, avenue d'Iéna
75116 Paris

► **Depository and custodian:**

BNP PARIBAS SECURITIES SERVICES
S.C.A, with its registered office at 3, rue d'Antin, 75002 Paris
Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin

BNP PARIBAS SECURITIES SERVICES (BP2S) is a credit institution authorised by the French supervisory body Autorité de contrôle prudentiel et de résolution (ACPR). It is also the issuer-accounting office (the fund's liabilities) and clearing house by delegation on behalf of the fund.

► **Auditor:**

MAZARS
Represented by Gilles DUNAND-ROUX
Exaltis
61, rue Henri Regnault
92075 La Défense Cedex

► **Promoter:**

FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris

The list of promoters is not exhaustive as the fund is admitted for trading on Euroclear. This means that some promoters may not be mandated by or known to the management company.

► **Delegated activities:**

The administrative and accounting management has been delegated to:

SOCIETE GENERALE Securities Services Net Asset Value
Public limited company under French law
Immeuble Colline Sud – 10, passage de l'Arche
92034 Paris La Défense Cedex

► **Advisers:**

None.

► **Clearing house:**

BNP PARIBAS SECURITIES SERVICES is in charge of receiving subscription and redemption orders.

II. Operating and management procedures:

II-1 General characteristics

► **Characteristics of units or shares:**

- **Echiquier Global Unit ISIN Code: FR0010859769**
- **Echiquier Global G Unit ISIN Code: FR0010868174**
- **Echiquier Global I Unit ISIN Code: FR001188267**
- **Echiquier Global USD Unit ISIN Code: FR0011473545**

Type of right attached to the unit class: Each unitholder has a co-ownership right in the fund's assets in proportion to the number of units held.

Liability accounting: Liability accounting is performed by the custodian BNP PARIBAS SECURITIES SERVICES. The units are administered under Euroclear France.

Voting rights: As the fund is an undertaking for collective investment in transferable securities, no voting rights are attached to the units held. Decisions concerning the fund are taken by the management company in the interest of the unitholders.

Type of units: Bearer units.

Decimalisation of units: Subscriptions and redemptions are admissible in thousandths of units.

► **Period-end date:**

Last trading day on the Paris stock market in December each year.

► **Information on the tax regime:**

This prospectus is not exhaustive of all possible tax consequences for each investor of subscribing, redeeming, holding and selling fund units. These consequences will vary in line with prevailing laws and practices in the country of residence, domicile or incorporation of the unitholder(s) as well as on the basis of his/her/its personal circumstances.

Depending on your tax regime, your country of residence, or the jurisdiction from which you invest in this fund, any capital gains and income from holding fund units may be subject to taxation. You should consult a tax adviser as to the possible consequences of buying, holding, selling or redeeming fund units under the laws of your country of tax residence, ordinary residence or of your domicile.

Neither the Management Company nor the promoters accept any responsibility whatsoever for the tax consequences that may arise for investors as a result of a decision to buy, hold, sell or redeem fund units.

The fund offers four capitalisation units; all unitholders are advised to consult a tax adviser regarding the regulations applicable in the unitholder's country of residence, having regard to the rules pertaining to his/her/its particular circumstances (individual, legal entity subject to corporation tax, other situations...). The rules applicable to French resident unitholders can be found in the French General Tax Code.

In general, fund unitholders should consult their tax adviser or their usual account manager to determine the tax rules applicable to their particular circumstances.

II-2 Specific clauses

► **Classification:**

INTERNATIONAL EQUITIES

► **Investment objective:**

ECHQUIER GLOBAL is a dynamically managed fund seeking long-term performance through exposure to growth stocks on international markets.

► **Benchmark index:**

There is no index that precisely reflects the investment objective of the fund. The closest, however, is the MSCI All Country World Index, converted into EUR. As the fund is neither an index fund nor has a benchmark index, the MSCI All Country World Index, converted into EUR, is used only as an indicator for an a posteriori performance comparison.

The MSCI All Country World Index is calculated in USD with dividends reinvested. It features the stocks listed in 45 countries in all geographical areas (data correct as at 27 May 2010).

► **Investment strategy:**

1. Strategies used

The fund manager focuses on the international equity markets.

The management of ECHQUIER GLOBAL is based on a rigorous selection of securities known as stock-picking, with the stocks chosen as a result of implementing a process involving direct meetings with the companies in which the fund invests.

Next is a fundamental analysis of each stock, based on an internally developed rating according to five criteria, which are:

- the quality of management of the company;
- the quality of its financial structure;
- the visibility of future profits of the company;
- the prospects for growth in its sector;
- and the speculative aspect of the stock.

The calculated values are used to set the purchase price and selling price targets.

The chosen stocks are thus subject to a very selective and qualitative process. The methodology involving setting a purchase price and a selling price allows the fund manager to position assets in stocks that show future market growth potential.

The investment strategy focuses on selecting securities that offer the best current or potential growth and are leaders on the major markets in all geographical areas.

The stocks will essentially be large caps. Up to 10% of the fund's assets may, however, be invested in small and mid caps.

ECHQUIER GLOBAL has exposure of at least 60% to eurozone equities and/or international and emerging-market equities.

- Depending on market trends and situations, ECHQUIER GLOBAL may also invest up to 40% of its net assets in investment grade bonds.

- Lastly, within the context of the fund's cash management, it may invest:
 - up to 40% of its assets in investment grade negotiable debt securities
 - up to 10% of its assets in units or shares of French and/or European UCITS or non-UCITS collective investment funds.

ECHIQUEUR GLOBAL may use derivative instruments as part of equity market risk hedging and exposure and, on an exceptional basis, as part of currency risk hedging.

2. Assets (excluding derivatives)

A/Equities:

ECHIQUEUR GLOBAL has permanent exposure of 60% to equity risk through investment in the stocks of companies listed throughout the world. The stocks will essentially be large caps. Up to 10% of the fund's assets may, however, be invested in small and mid caps.

B/Debt securities and money market instruments:

Up to 40 % of the fund may be invested in:

- negotiable debt securities. The longest maturity of debt instruments used in the fund's cash management is 5 years. Short-term securities used as such benefit from a short-term Standard & Poor's investment grade rating, or an equivalent rating by another ratings agency. Up to 10% of the fund's assets may be invested in "speculative" or unrated negotiable debt securities.
- in bonds. The longest maturity of bonds is 12 years. Within this framework, special attention is paid to the credit quality of corporate issuers. Eligible securities are "investment grade", i.e., have a Standard & Poor's minimum BBB- rating, or equivalent or considered as such by the management team. Up to 10% of the fund's assets may be invested in "speculative" or unrated bonds, and are subject to monitoring by the internal research team at FINANCIERE DE L'ECHIQUEUR. Management sets no limits in the breakdown between sovereign and private issuers.

When the securities are acquired or during monitoring the credit risk assessment is based on internal research and analysis of Financière de l'Echiquier and on the ratings provided by the rating agencies.

When securities are speculative or unrated, their issuers belong to groups followed by the internal research unit at Financière de l'Echiquier. The aforementioned ratings are those used by the fund manager at the time of initial investment. Should the rating deteriorate during the investment period, the fund manager will analyse each situation on a case-by-case basis and decide on whether or not to retain the holding in question. The investment limits set according to the risk assessment of credit rating agencies can be slightly modified depending on the management team analysis.

3. Investment in units or shares of other Undertakings for Collective Investment

Up to 10% of the fund assets may be invested in units or shares of French and/or European coordinated UCITS or non-coordinated UCITS. These will be funds of any AMF classification. The fund may invest in UCITS managed by the management society or by a linked society.

4. Derivative instruments

The fund may deal in futures traded on international regulated, unregulated or over-the-counter markets. Within this framework, the fund may take positions:

- in order to hedge the portfolio against equity market risk and, on an exceptional basis, against currency risk.
- in order to expose the portfolio to equity market risk in line with the investment objective.

The following instruments are used:

- index futures
- options on securities and indices
- currency options and futures

These transactions are limited to 100% of the fund's assets.

5. Securities with embedded derivatives

The fund manager may invest in European and/or international convertible bonds, particularly in the emerging countries.

The fund manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds etc.) traded on eurozone and/or international regulated or over-the-counter markets. No rating constraints apply to convertible bonds.

Within this framework, the fund manager may take positions with a view to hedging the portfolio and/or exposing it to business sectors, geographical areas, interest rates, equities (all capitalisations), currencies or securities in order to achieve the investment objective.

The use of securities with embedded derivatives, rather than other derivative instruments mentioned above, is justified notably by the manager's aim to optimise hedging or, if necessary, to stimulate the portfolio by reducing the cost associated with the use of these financial instruments in order to achieve the management objective.

In all cases, investments with embedded derivatives must not exceed 10% of net assets.

The risk associated with the type of investment is limited to the amount invested for the purchase.

6. Deposits: None

7. Cash borrowing

The fund may borrow cash. Without aiming to be a structural cash borrower, the fund may find itself in debit due to transaction-related cash flows (ongoing investments and divestments, subscriptions/redemptions, etc.) up to a limit of 10%.

8. Temporary purchases and sales: None

► **Risk profile:**

Your investment will be made primarily in financial instruments selected by the management company. These instruments are subject to market changes and risks.

The list of risks below is not exhaustive: Investors should analyse the risks inherent in each investment and draw their own conclusions.

The main risks to which investors are exposed are as follows:

Capital risk: Yes

The loss of capital arises when a unit is sold at a lower price than its purchase value. Unitholders are informed that the capital initially invested may not be returned. The fund has no capital guarantee or protection.

Equity risk: Yes

ECHIQUIER GLOBAL has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the net asset value of the fund could fall.

There is a risk associated with investing in the emerging countries, due essentially to the operating and supervision conditions on these markets, which may differ from the standards prevailing on the major international markets, and to political and regulatory factors.

Currency risk: Yes

This concerns the risk of a decline in investment currencies relative to the portfolio's benchmark currency, the euro. If a currency falls relative to the euro, the fund's net asset value could fall.

Risk arising from discretionary management: Yes

The discretionary management style applied to the fund relies on stock selection. There is a risk that at any given point in time ECHIQUIER GLOBAL will not be invested in the best-performing stocks. The fund's performance can therefore fall below the investment objective. The net asset value of the fund can also show negative performance.

Interest rate risk: Yes

ECHIQUIER GLOBAL has exposure of no more than 40% to fixed-income products. The net asset value of the fund can fall if interest rates rise.

Credit risk: Yes

Up to 40 % of the fund is exposed to money market instruments or bonds. The credit risk corresponds to the risk of a private issuer's credit quality falling or the issuer defaulting. The value of the debt securities or bonds in which the fund is invested can fall, causing a drop in the fund's net asset value.

► **Investors concerned and typical investor profile:**

Investors concerned:

- Echiquier Global units: all investors
- Echiquier Global G units: dedicated to marketing by financial intermediaries other than the management company
- Echiquier Global I units: intended essentially for institutional investors.
- Echiquier Global USD units: all investors

Typical investor profile:

The fund is aimed at individuals and institutional investors who are aware of the inherent risks in holding units in such a high-risk fund due to its investments in equities listed throughout the world.

ECHIQUIER GLOBAL can be used as an investment medium for unit-linked individual variable-capital life-insurance contracts.

ECHIQUIER GLOBAL may be used to back investments in funds managed by FINANCIERE DE L'ECHIQUIER.

The fund may invest in UCITS managed by FINANCIERE DE L'ECHIQUIER.

The amount that may reasonably be invested in ECHIQUIER GLOBAL depends on the unitholder's individual circumstances. Prospective investors are advised to take into consideration their personal and professional assets and wealth, their cash needs at present and over the next 5 years, as well as the degree to which they are willing to accept equity-market risks. They are also strongly advised to diversify their investments sufficiently so as not to expose them solely to the risks of this fund.

Recommended investment period: more than 5 years

► **Methods of determining and appropriating revenues:**

Capitalisation of all income. Accounting on the basis of coupons received.

► **Characteristics of units:** (denomination currency, division etc.)

Echiquier Global, Echiquier Global G and Echiquier Global I units are denominated in EUR and decimalised in thousandths. The Echiquier Global USD unit is denominated in USD and decimalised in thousandths.

► **Subscription and redemption conditions:**

Subscriptions and redemptions are admissible in thousandths of units. The launch value of an Echiquier Global unit is set at EUR 100. The nominal value of a GPF unit is identical to the value of an Echiquier Global unit calculated on the creation date of the new unit. The launch value of an I unit is set at EUR 1,000.

The launch value of the Echiquier Global USD unit is set at USD 100.

The minimum initial subscription for Echiquier Global G units is EUR 100,000. Subsequent subscriptions may be made in thousandths of units.

The minimum initial subscription for Echiquier Global I units is EUR 3,000,000, with the exception of the management company, which may acquire a single unit. Subsequent subscriptions may be made in thousandths of units.

Subscription and redemption applications are centralised each trading day before 12 noon with the custodian:

BNP PARIBAS SECURITIES SERVICES
Les Grands Moulins de Pantin
9, Rue du Débarcadère
93500 Pantin

and are executed on the basis of the next net asset value calculated on the closing price on the day that the applications are cleared. Subscription and redemption applications received after 12 noon are executed on the basis of the net asset value following that mentioned above.

Net asset value is calculated on every Paris stock exchange trading day.

In application of article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the fund of its units, as well as the issue of new units, may be temporarily suspended by the management company where required by exceptional circumstances and in the interests of the unitholders.

The net asset value is reported on the management company's website (www.fin-echiquier.fr).

► **Fees and Commissions:**

Fees charged to the investor, deducted upon subscription and redemption		Basis	Rate	
Subscription fee not retained by the fund	Net asset value × number of units		Echiquier Global and Echiquier Global USD units	maximum 1%
			Echiquier Global G units	None
			Echiquier Global I units	None
Subscription fee retained by the fund	None		None	
Redemption fee not retained by the fund	Net asset value × number of units		None	
Redemption fee retained by the fund	None		None	

Fees charged to the fund		Basis	Rate	
1	Management fees	Net assets	Echiquier Global and Echiquier Global USD units	Maximum 2,392% incl. taxes
	Management fees othe than management company fees (auditors, custodian, distributors, lawyers)		Echiquier Global G units	Maximum 1,50% incl. taxes
			Echiquier Global I units	Maximum 1% incl. taxes
2	Maximum indirect fees (management fees and commissions)	Net assets	(*)	
3	Transaction commissions perçues par la société de gestion	Deducted on each transaction	Maximum 0,598 % incl. Taxes for equities	

4	Outperformance commission	Net assets	Echiquier Global, Echiquier Global USD, Echiquier Global G and Echiquier Global I units	None
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(*) The fund may invest up to 10% in fund units or shares whose maximum management fees are 2.392%. For further information please contact the management society.

III. Commercial Information:

Requests for information and documents relating to the fund may be addressed directly to the management company:

FINANCIERE DE L'ECHIQUEUR
53, avenue d'Iéna
75116 Paris
www.fin-echiquier.fr

The net asset value of the fund is available from the management company on request.

Fund unitholders may obtain additional information from the company's website (www.fin-echiquier.fr) relating to consideration given in Financière de l'Echiquier's investment policy to environmental, social and quality of governance criteria.

IV. Investment rules:

Regulatory ratios applicable to the fund: The legal investment rules applicable to the fund are those that govern UCITS-compliant funds investing less than 10% of their assets in other such funds, as well as those applicable to its AMF classification "INTERNATIONAL EQUITIES". The fund has adopted the commitment method for the calculation of its overall risk.

V. Asset valuation and accounting rules:

V-1 - Asset valuation rules

A – Valuation method

- Financial instruments and securities traded on a regulated market are valued at market price.

Notwithstanding this, the instruments below are valued using specific methods:

- European equities and bonds are valued at the closing price, and foreign securities are valued at the last known price.
- Debt securities and equivalent negotiable instruments which are not involved in significant transactions are valued using an actuarial method. The rate used is that applied for issues of equivalent securities plus or minus, where necessary, a differential representative of the intrinsic characteristics of the issuer.
However, negotiable debt securities with a residual maturity of 3 months or less, in the absence of a particular sensitivity, may be valued using the straight-line method.
- Negotiable debt securities with a maturity of less than 3 months are valued at the purchase negotiating rate. The amortisation of the premium or the discount is applied on a straight-line basis over the term of the negotiable debt security.
- Negotiable debt securities with a maturity of more than 3 months are valued at market rate.
- Units or shares of funds are valued at the last known net asset value.
- Securities coming under temporary purchase or sale agreements are valued in accordance with the regulations in force, based on the terms of the original agreement.

- Financial instruments not traded on a regulated market are valued by the management company at their probable trading value.
- Warrants or subscription certificates obtained free of charge during private placements or capital increases are valued as of their admission to a regulated market or the organisation of an over-the-counter market.
- Contracts:
 - Futures are valued at the settlement price and options are valued on the basis of the vehicle used.
 - The market price for futures is equal to the price in EUR multiplied by the number of contracts.
 - The market price for options is equal to their conversion into the underlying equivalent.
 - Interest rate swaps are valued at market rate, in accordance with the contractual provisions.
 - Off-balance-sheet transactions are valued at market price.
- Financial instruments for which a price has not been recorded on the valuation date, or for which the price has been adjusted, are valued at their probable trading value by the Board of Directors of the management company. The auditor will be provided with these valuations and their justification when it carries out its audits.

B - Practical methods

- Shares and bonds are valued on the basis of prices taken from the Finalim and Bloomberg databases, depending on their listing market. The research options are completed by Télékurs' "Fin'xs" and Reuters' "Securities 3000":

- Asia-Oceania: taken at 12 noon for a quotation at the closing price of that day.
 - America: taken at 9 a.m. for a quotation at the closing price of D-1.
taken at 4.45 p.m. for a quotation at the opening price of that day.
 - Europe excluding France: taken at 7.30 p.m. for a quotation at the closing price of that day.
taken at 2.30 p.m. for a quotation at the opening price of that day.
taken at 9 a.m. for a quotation at the price of D-1.
 - France: taken at 12 noon and 4 p.m. for a quotation at the opening price of that day.
taken at 5.40 p.m. for a quotation at the closing price of that day.
 - Contributors: taken at 2 p.m. for a quotation subject to the availability of prices.
- Positions on the futures markets at each net asset value are valued on the basis of the settlement prices of that day.
- Positions on the options markets at each net asset value are valued according to the principles used for the underlying.
- Asia-Oceania: taken at 12 noon
 - America: taken at 9 a.m. on D+1
 - Europe excluding France: taken at 7.30 p.m.
 - France: taken at 18 noon

V-2 - Accounting method

- The accounting method used for recording income from financial instruments is the 'coupons received' method.
- The accounting method for recording transaction fees is exclusive of expenses.



FINANCIERE DE L'ECHIQUEUR

RULES FOR THE ECHIQUIER GLOBAL MUTUAL FUND

HEADING 1 – ASSETS AND UNITS

Article 1 – Co-ownership units

The rights of the co-owners are expressed in units, with each unit representing the same fraction of the fund's assets. Each unitholder has a right of co-ownership of the fund's assets in proportion to the number of units held.

The duration of the fund is 99 years from the date of its creation, except in the event of its early dissolution or extension as provided for in these rules.

Unit classes:

The characteristics of the various unit classes and their access conditions are specified in the fund's prospectus. The various share classes may:

- Benefit from different methods of income distribution; (distribution or capitalisation)
- Be denominated in different currencies;
- Have different management fees;
- Have different subscription and redemption fees;
- Have a different nominal value;
- Include systematic total or partial risk hedging, as set out in the prospectus. Said hedging is provided by means of financial instruments, thus minimising the impact of hedging transactions on other unit classes in the fund;

Be restricted to one or more sales networks.

The fund has scope to amalgamate or divide its units.

The fund management company's board of directors may decide to divide the units into tenths, hundredths, thousandths or ten thousandths, known as fractions of units.

The rules governing the issue and redemption of units are applicable to fractions of units whose value will remain proportional to the value of the unit that they represent. All other rules pertaining to units apply to fractions of units without it being necessary to specify this, except where stipulated otherwise.

Lastly, the fund management company's board of directors may decide to divide units by creating new units that are allocated to unitholders in exchange for old units.

Article 2 – Minimum amount of assets

No units may be redeemed if the assets of the fund (or a sub-fund) fall below EUR 300,000. If the assets remain below this threshold for thirty days, then the management company shall make the necessary provisions to wind up the fund in question, or to perform any of the operations referred to in Article 411-16 of the General Regulation of the AMF (fund transfers).

Article 3 – Issue and redemption of units

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

Redemptions and subscriptions are executed according to the terms and conditions defined in the prospectus.

The mutual fund units may be listed on an official stock exchange according to prevailing regulations.

Subscriptions must be fully paid up on net asset value calculation day. They may be paid in cash and/or by transfer of marketable securities. The fund management company has the right to refuse the proposed securities and, to this effect,

has a period of seven days from their submission to communicate its decision. In the event of acceptance, the proposed securities are valued according to the rules set out in Article 4 and the subscription is executed on the basis of the first net asset value following said acceptance.

Redemptions are paid solely in cash, except in the event of the fund's liquidation and where unitholders have indicated that they agree to be reimbursed in securities. Redemptions are settled by the issuance account holder within five days of the unit valuation.

In exceptional circumstances, however, if reimbursement requires assets included in the fund to be realised beforehand, this period may be extended to up to 30 days.

Except in the event of inheritance or an *inter vivos* gift, the sale or transfer of units between unitholders, or from unitholders to third parties, is treated as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where appropriate, be topped up by the beneficiary so as to attain at least the minimum subscription required by prospectus.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the fund of its units, as well as the issue of new units, may be temporarily suspended by the management company where required by exceptional circumstances and in the interests of the unitholders.

When the mutual fund's net assets are lower than the amount set out in the rules, the redemption of units is not permitted.

Possibility of minimum subscription conditions, as set out in the prospectus.

The fund may cease to issue shares, pursuant to paragraph two of Article L. 214-8-7 of the French Monetary and Financial Code, in objective situations entailing the closure of subscriptions, such as the issue of a maximum number of units or shares, a maximum amount of assets achieved or the expiry of a determined subscription period. Said objective situations are set out in the fund prospectus.

Article 4 – Calculation of net asset value

The net asset value of units is calculated by applying the valuation rules set out in the prospectus.

HEADING 2 – FUND OPERATION

Article 5 – The fund management company

The fund is managed by the fund management company in accordance with its defined orientation.

The fund management company acts in all circumstances on behalf of the unitholders and is the sole entity that can exercise the voting rights attached to the securities included in the fund.

Article 5b – Operating rules

The instruments and deposits eligible for the fund's assets, together with the investment rules, are described in the prospectus.

Article 6 – The depository

The custodian carries out the missions entrusted to it, pursuant to the legal and regulatory provisions in force, as well as those contractually assigned to it. In the event of a dispute with the management company, it shall inform the AMF.

Article 7 – The auditor

Subject to approval by the AMF, the fund management company's board of directors appoints an auditor for six financial years.

The auditor carries out the controls and preparatory work provided for by law. Upon each audit, it certifies the true and fair nature of the accounts and of the accounting material contained in the management report.

The auditor may have its mandate renewed.

The auditor must promptly notify the AMF of any information or decision relating to the undertaking for collective investment in transferable securities of which it became aware in the course of its duties, and which could:

- 1) Constitute a breach of the laws or regulations governing this undertaking, and which may significantly affect its financial position, results or assets and liabilities;
- 2) Adversely affect the operations or its ability to continue as a going concern;
- 3) Give rise to qualifications or a refusal to certify accounts.

The auditor shall supervise the valuation of assets and the calculation of exchange ratios for conversions, mergers or spin-offs.

The auditor shall assess all contributions in kind as part of its responsibilities.

It shall check the asset allocation and other items prior to publication.

The auditor's fees are agreed jointly with the board of directors or management board of the management company on the basis of an audit plan detailing the work deemed necessary.

The auditor shall certify the financial statements used to calculate interim dividends.

Article 8 – The accounts and management report

At the end of each financial year, the fund management company prepares the summary accounting documents and a report on the management of the fund during that financial year.

The inventory is certified by the depository and all of the above documents are audited by the auditor.

The fund management company keeps these documents available to unitholders in the four months following the end of the financial year and informs them of the amount of revenues to which they are entitled. The documents are either sent by mail at the express demand of unitholders or made available at the fund management company's premises.

HEADING 3 – METHODS FOR APPROPRIATING INCOME

Article 9

Net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and bonuses, directors' fees and all proceeds relating to securities in the fund's portfolio, plus the proceeds of sums temporarily available and less management fees and borrowing costs.

The sums distributable are equal to the net income for the financial year, plus retained earnings and plus or minus the balance of revenue accrual accounts relating to said financial year.

The fund management company decides the appropriation of income.

The sums distributable are fully capitalised, with the exception of those for which distribution is mandatory by virtue of law.

HEADING 4 - MERGER - DE-MERGER - DISSOLUTION - LIQUIDATION

Article 10 - Merger - De-merger

The fund management company may either transfer all or some of the assets included in the fund to another fund that it manages, or divide the fund into two or more mutual funds that it will manage.

These merger or de-merger transactions may take place no earlier than one month after the unitholders have been notified. They occasion the delivery of a new certification specifying the number of units held by each unitholder.

Article 11 - Dissolution - Extension

If the fund's assets remain below the amount set out in Article 2 above for a period of 30 days, the fund management company informs the AMF and proceeds with the dissolution of the fund, except in the event of a merger with another mutual fund.

The fund management company may dissolve the fund early. In this case, it informs the unitholders of its decision, and subscription and redemption requests are no longer accepted as of this date.

The fund management company also dissolves the fund in the event of a redemption request concerning all the units, the cessation by the depository of its functions – providing that no other depository has been appointed – or the expiry of the fund's duration, providing said duration has not been extended.

The fund management company informs the AMF by mail of the date and method of dissolution. It then sends the auditor's report to the AMF.

The fund management company may decide to extend the duration of the fund in agreement with the depository. This decision must be taken at least three months before the expiry of the fund's planned duration and communicated to unitholders and the AMF.

Article 12 - Liquidation

In the event of dissolution, the depository or the fund management company is responsible for undertaking liquidation operations ; failing this, the liquidator shall be appointed by the court at the request of any interested party. To this effect, they are invested with the broadest powers for the purposes of realising assets, paying any creditors and allocating the available balance between unitholders in the form of cash or securities.

The auditor and the depository continue to exercise their functions until liquidation operations have been completed.

HEADING 5 - DISPUTES

Article 13 - Jurisdiction – Choice of domicile

All disputes relating to the fund and arising during the duration of the fund's operations or during its liquidation, whether between unitholders or between unitholders and the management company or the depository, are subject to the jurisdiction of the competent courts.