FINANCIERE DE L'ECHIQUIER

ECHIQUIER MAJOR

PROSPECTUS ON 5 MAY 2014

I. General characteristics:

Fund governed by European Directive 2009/65/EC

I-1 Form of the fund

▶ **Name:**

ECHIQUIER MAJOR

▶ **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 11.03.05 for a term of 99 years.

▶ **Overview of management offering:**

Units	Characteristics				
	ISIN Code	Income distribution	Denomination currency	Investors concerned	Minimal subscription amount
Echiquier Major	FR0010321828	Capitalisation	Euro	All investors	None
Echiquier Major G	FR0010581728	Capitalisation	Euro	dedicated to marketing by financial intermediaries other than the management company	Initial subscription : minimum EUR 100,000
Echiquier Major I	FR0011188275	Capitalisation	Euro	Intended essentially for institutional investors	Initial subscription: minimum 3,000,000(1)

(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'ECHIQUIER
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 17/01/1991 by the French Financial Markets Authority (AMF) under number GP 91004 (general licence).

FINANCIERE DE L'ECHIQUIER
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:**

Only the administrative and accounting management has been delegated:

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 Major Units ISIN code:** FR0010321828
- **Echiquier Major G Units ISIN code:** FR0010581728
- **Echiquier Major I Units ISIN Code:** FR0011188275

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. 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:**

Tax treatment: the fund is eligible for PEA (equity savings scheme).

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 three 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:**

EU-COUNTRY EQUITIES

▶ **Investment objective:**

Echiquier Major is a dynamically managed fund seeking long-term performance through exposure to European equity markets.

▶ **Benchmark index:**
The MSCI EUROPE Index is a benchmark for the management of Echiquier Major. This index represents the share markets of Europe's most developed countries. It is calculated in EUR, with dividends reinvested.

▶ **Investment strategy:**

1. Strategies used

The fund manager focuses on equities on European markets. The fund is mainly exposed to European large caps. Up to 40% of the fund's net assets may be exposed to European small and mid caps.
The management of ECHIQUIER MAJOR is based on a rigorous selection of securities known as stock-picking, with the stocks chosen on the basis of an in-depth analysis of the companies in the portfolio.

This management method relies on 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;
- 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.

ECHIQUIER MAJOR uses derivatives solely to cover market risk and exchange rate risk.

2. Assets (excluding derivatives)

A/Equities:

ECHIQUIER MAJOR has exposure of at least 60% to European equities and no more than 10% to non-European equities.
At least 60% of the fund is exposed to large-cap stocks from all business sectors.
In addition, up to 40% of the fund's assets may be exposed to European small and mid caps.

However, in order for the fund to be eligible for the PEA (equity savings scheme), 75% of fund assets are invested in European equities.

B/Debt securities and money market instruments:

Up to 25% 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. 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. The longest maturity of bonds is 10 years. 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'ECHIQUIER. 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.
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 can deal in futures traded on European regulated, unregulated or over-the-counter markets. In doing so, the fund will take positions only to hedge the portfolio against market risk and, potentially, currency risk.

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 manager can invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds, etc.) traded on regulated or OTC markets. No rating constraints apply to convertible bonds.
Under this framework, the manager can take positions with a view to covering and/or exposing the portfolio to business sectors, geographical regions, bonds, equities (all capitalisations), currencies, securities and assimilated marketable securities or indices with the aim of achieving the management 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 or sales of securities

The fund manager may lend securities up to 100% of the net asset value of the fund solely for the purpose of maximising fund revenue.
Remuneration: additional information is available in the fees and commissions section.

▶ 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.
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 MAJOR has exposure of at least 60% to equities. If the equities or indices to which the portfolio is exposed decline, the fund's NAV could also decline.
On small- and medium-cap markets, the volume of securities listed on the stock exchange is relatively less, and therefore market downturns are more significant and rapid than on large-cap markets. The net asset value of the fund can therefore fall more rapidly and more sharply.

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 MAJOR 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 MAJOR has exposure of no more than 25% to fixed-income products. The net asset value of the fund can fall if interest rates rise.

Credit risk: Yes
Up to 25% 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.

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.

▶ Investors concerned and typical investor profile:

Investors concerned:

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

Typical investor profile:

The fund is aimed at individuals or institutional investors who are aware of the inherent risk in holding units in such a fund, that is to say, the equity market risk defined above.

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

ECHIQUIER MAJOR may be used to back investments in UCITS 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 MAJOR 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 Major, Echiquier Major G and Echiquier Major I units are denominated in EUR and decimalised in thousandths.

▶ Subscription and redemption conditions:

Subscriptions and redemptions are admissible in thousandths of units.

The launch value of an Echiquier Major unit is set at EUR 100.
The nominal value of an Echiquier Major G unit is identical to the value of an Echiquier Major unit calculated on the creation date of the new unit.
The launch value of an I unit is set at EUR 1,000.

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

The minimum initial subscription for Echiquier Major 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
They are executed on the basis of the next net asset value calculated as the closing price on the day that the requests are cleared. Subscription and redemption applications received after 12 noon are executed on the basis of the net asset value following that mentioned above.

In some countries different subscription terms may apply other than the single one-time option. For Italy, the subscription terms are indicated in the "subscription notice".
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 Major units	maximum 1%
		Echiquier Major Gunits	None
		Echiquier Major 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 Major units	Maximum 2,392% incl. taxes
	Management fees other than management company fees (auditors, custodian, distributors, lawyers)		Echiquier Major Gunits	Maximum 1,50% incl.taxes
			Echiquier Major I units	Maximum 1 % incl. taxes
2	Maximum indirect fees (management fees and commissions)	Net assets	(*)	
3	Transaction commissions	Deducted on each transaction	Maximum 0,598 % incl. taxes for equities	
4	Outperformance commission	Net assets	Echiquier Major, Echiquier Major G, and Echiquier Major I units	None

(*) 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'ECHIQUIER
53, avenue d'Iéna
75116 Paris
www.fin-echiquier.fr

The net asset value of the fund is available from the management company itself upon request or on the company's website. 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. The net asset value is reported on the management company's website (www.fin-echiquier.fr).

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 "EU-COUNTRY 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'ECHIQUIER

RULES FOR THE ECHIQUIER MAJOR 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. 214-24-41 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. 214-24-41 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.