

## INVESTMENT RULES

The Fund is subject to all the investment rules and regulatory ratios applicable to UCITS investing less than 10% of their assets in units or shares of French or European UCITS/AIF. The principal financial instruments and management techniques used by the Fund are described in the particular sections of the prospectus. The Fund respects the investments rules established by the European directive 2009/65/EC.

## GLOBAL RISK

The global risk is determined using the commitment approach.

## ASSET VALUATION AND ACCOUNTING RULES

The asset valuation rules are based on the valuation methods and the practices set out in the appendix to the annual accounts and in the prospectus. The valuation rules are established by the fund management company under its own responsibility. The net asset value is calculated on each trading day on the Paris stock market excluding legal holidays (Euronext Paris S.A official calendar) and is dated the same day.

### **I.1. ASSET VALUATION RULES**

The Fund complies with the accounting rules established by the accounting regulatory committee regulation no. 2003-02 dated 2 October 2003 relating to UCITS accounting practices as modified by regulations no. 2004-09 dated 23 November 2004 and no. 2005-07 dated 3 November 2005.

The accounts relating to the securities portfolio are established on the basis of historical costs. The entries (purchases or subscriptions) and the exits (sales or redemptions) are accounted for on the basis of the acquisition price excluding fees. All exits generate a capital gain or loss and potentially a redemption premium.

Accrued interest on negotiable debt securities is calculated as of the date of the net asset value.

The Fund values its securities portfolio at its current value based on market valuations or, in the absence of a market, on valuations calculated using financial methods. The difference between the entry value and the current value generates a capital gain or loss that will be recorded as a "difference in the estimated portfolio value".

### **Valuation methods applied to balance sheet assets:**

- **Negotiable securities**

Shares, bonds and related securities are valued on the basis of their closing prices or, if such prices are unavailable, on the basis of the last known prices, converted when necessary into the accounting currency based on the exchange rate in Paris on the valuation day.

- **UCITS units or shares/AIF**

UCITS/AIF units or shares are valued at their last known net asset value on the effective date of the calculation of the net asset value of the Fund. The valuation of UCITS/AIFs with monthly net asset values will be based on the last known net asset value (official or estimated) on the effective date of the calculation of the net asset value of the Fund.

- **Negotiable debt securities**

- Negotiable debt securities whose residual maturity is greater than three months are valued at market rates noted by the fund managers at the time of the publication of the interbank market rates by the EBF (*European Banking Federation*). In the absence of significant transactions, the rate used is the Euribor for securities maturing in less than one year and the BTAN (medium term French treasury note) rate (published by the principal primary dealers selected by the French treasury agency) for securities over one year, increased the case being by a spread corresponding to the intrinsic characteristics of the issuer of the securities.

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- Negotiable debt securities whose maturity at issue or acquisition or whose residual maturity is under three months are valued using a linear method through maturity at the issue or acquisition rate or at the latest rate used in their valuation at market rates.

**As an exception to the rules described above, those securities whose prices do not reflect their probable market value (for reasons of insignificant trading volumes, etc.) can be valued under the responsibility of the management company based information it has obtained from the market.**

**For those securities whose price has not been observed on the valuation day, the management company corrects their valuation based on the variations made probable by the events underway.**

- **Deposits**  
Deposits are valued at their face value.
- **Currencies**  
Currencies are valued at their daily rates published by the ECB at 3:00 pm (Paris time) on the day of the net asset value calculation.

**Off-balance sheet commitments:**

- **Transactions on regulated markets**
  - **Futures transactions:** These transactions are valued, depending on the market, based on the settlement price. The commitment is calculated in the following manner: futures contract price x nominal contract amount x quantity.
  - **Options transactions:** These transactions are valued, depending on the market, based on opening price or the settlement price. The commitment is equal to the translation of the option into an equivalent underlying. It is calculated in the following manner: delta x quantity x amount of shares or nominal contract amount x price of the underlying.
- **Over the counter transactions**
  - **Interest rate transactions:** valuation at the market price based on data from a financial information provider (Bloomberg, Reuters, etc.) and, if necessary, through the application of an actuarial method.
  - **Interest rate swaps:** for swaps with a residual lifespan greater than three months, valuation at the market price based on data from a financial information provider (Bloomberg, Reuters, etc.) and the application of an actuarial method.
  - **Asset backed or non-asset backed transactions:**
    - Fixed rate / variable rate: nominal contract value
    - Variable rate / fixed rate: nominal contract value
    - For transactions with residual lifespan less than or equal to three months: linear valuation.
    - In the case of an interest rate swap valued at the market price whose residual lifespan is less than or equal to three months, the last interest rate used will be fixed through the date of final settlement, except in case of particular sensitivity requiring valuation at the market price (see previous paragraph).The commitment is calculated in the following manner:
    - Asset backed transactions: nominal contract value
    - Non-asset backed transactions: nominal contract value
  - **Other over the counter transactions**
    - Interest rate, exchange rate or credit transactions: valuation at the market price based on data from a financial information provider (Bloomberg, Reuters, etc.) and, if necessary, through the application of an actuarial method.
    - The commitment is presented in the following manner: nominal contract value.

**Securities not negotiated on a regulated market**

Securities which are not traded on a regulated market are valued under the responsibility of the management company at their probable transaction value.

**ACCOUNTING METHOD**

- **Method used in the accounting for revenues from fixed rate securities:**  
Accrued interest included method.

- **Calculation of fixed management fees:**  
Management fees are charged directly on the Fund's P&L statement during the calculation of each net asset value.
- **Allocation of earnings to the units:**  
In conformity with the terms set out in the complete Prospectus certified by the Autorité des Marchés Financiers, no distributions will be made, as the Fund is a capitalisation fund.

## BYLAWS

### TITLE I – ASSET AND UNITS

#### **ARTICLE 1 – CO-OWNERSHIP UNITS**

The rights of the co-owners are expressed in units, each unit corresponding to an equal fraction of the fund's assets (or of the subfund's assets, as applicable). Each unit holder has a co-ownership right to the assets of the Fund in proportion to the number of units held.

The funds' duration is 99 years starting 20 December 2007, except in cases of early dissolution or extension as specified herein.

Categories of units: The characteristics of the different categories of units and the conditions for their acquisition are set out in the fund prospectus.

The different categories of units will be able to:

- Benefit from different revenue distribution schemes (distribution or capitalisation)
- Be denominated in different currencies
- Be subject to different management fees
- Be subject to different subscription and redemption fees
- Have different nominal values
- Feature total or partial systematic risk hedging as defined in the prospectus. This hedging is assured through the use of financial instruments that reduce to the minimum the impact of hedging transactions on the other categories of fund units.
- Be reserved for one or several distribution channels.

The units will be able to be fractioned on the decision of the Board of Directors of the management company into tenths, hundredths, thousandths or ten-thousandths, referred to as fractional units.

The bylaws governing the issue and redemption of units are applicable to fractional units, whose value will always be proportional to that of the unit they represent. All the other bylaws relating to units apply to fractional units without it being necessary to so specify this, except when exceptions are specifically made.

Finally, the Board of Directors of the management company can, on its sole initiative, proceed with the division of units by the creation of new units to be attributed to holders in exchange for their previous units.

#### **ARTICLE 2 – MINIMUM AMOUNT OF ASSETS**

No units can be redeemed if the assets of the fund (or a subfund) fall below 300,000 euros. If the amount of assets remains under this amount for thirty days, the management company will take the necessary measures within thirty days to proceed with the dissolution of the fund in question or with one of the transactions mentioned in article 411-16 of the AMF General Regulations (transfer of the fund).

#### **ARTICLE 3 – ISSUE AND REDEMPTION OF UNITS**

Units are issued at any time at the request of unit holders, on the basis of their net asset value plus subscription commissions, if applicable.

Redemptions and subscriptions are carried out under the conditions and in accordance with the terms defined in the prospectus.

Fund units may be listed on a stock exchange in accordance with the applicable regulations.

Subscriptions must be fully paid up on the net asset value calculation day. Subscriptions can be made in cash and/or in the form of securities. The management company reserves the right to refuse securities offered and has, to that effect, a period of seven days starting from the day of reception of the securities in order to make its decision known. In case of acceptance, the securities offered are evaluated according to the rules fixed in art. 4 and the subscription is realised on the basis of the first net asset value after the acceptance of the securities concerned. Redemptions are exclusively carried out in cash, except in the case of the liquidation of the Fund when unit holders have agreed to be reimbursed in securities. Redemptions are paid out by the depository within a maximum period of five days following the date of the unit's valuation.

However, should, in the event of exceptional circumstances, the redemption require the prior realisation of assets comprising the Fund, this period may be extended, but shall not exceed 30 days.

Except in case of inheritance or inter-vivos estate distribution, the disposal or transfer of units between holders or from holders to a third party is equivalent to a redemption followed by a subscription; if it involves a third party, the amount of the disposal or transfer must, where applicable, be completed by the beneficiary in order to reach at least the amount of the minimum subscription required by the prospectus.

Under the terms of article L. 214-8-7 of the Financial and Monetary Code, the redemption by the fund of its units or the issue of new units may be temporarily suspended by the management company, when required due to exceptional circumstances and if so required in the interest of holders.

When the assets of the fund (or a subfund, the case being) are lower than the amount set by the regulations, no redemption of units of the fund (or the subfund, the case being) can be made.

#### **ARTICLE 4 – CALCULATION OF THE NET ASSET VALUE**

The calculation of the unit's net asset value is performed on the basis of the valuation rules contained in the prospectus.

Subscriptions in the form of securities can only include securities, shares or contracts eligible to be including in fund assets and are valued in conformity with the valuation rules applicable to the calculation of the net asset value.

### **TITLE II – FUND OPERATIONS**

#### **ARTICLE 5 – THE MANAGEMENT COMPANY**

The management of the fund is carried out by the management company in accordance with the stated objectives of the fund.

The management company acts on behalf of the unit holders in all circumstances. It has the exclusive authority to exercise the voting rights attached to the securities included in the fund.

#### **ARTICLE 5 Bis – OPERATING RULES**

The eligible instruments and deposits held as assets by the fund as well as the investment rules are described in the prospectus.

#### **ARTICLE 6 – THE DEPOSITARY**

The depository assures the missions resulting from the application of the laws and regulations in force as well as those which were confided to it by the management company. In the event of any dispute with the management company, it shall inform the Autorité des Marchés Financiers (French financial regulatory authority).

#### **ARTICLE 7 – THE AUDITOR**

An auditor is appointed for six financial years, following approval from the Autorité des Marchés Financiers, by the the supervisory body of the management company. He certifies that the accounts are true and fair. His mandate may be renewed.

The auditor must inform the Autorité des marchés financiers promptly of any event or decision regarding the UCITS of which his was made aware during the financial year, such as:

- 1) To constitute a breach of the legislative or regulatory provisions applicable to this body and liable to have significant effects on the financial situation, the profits or the assets;
- 2) To jeopardise the conditions or the continuity of its operation;

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3) To lead to the issuance of reserves or the refusal to certify the accounts.

Asset valuation and determination of exchange parities during transactions relating to transformation, merger or division are carried out under the auditor's supervision. He shall assess any contribution in kind under his responsibility.

The auditor checks the composition of assets and of other information before publication.

The auditor's professional fees are determined by mutual agreement between its and the management company's Board of Directors or Executive Board on the basis of a work programme which specifies the diligences services deemed to be necessary.

The auditor certifies statements which are used as the basis for interim distributions.

#### **ARTICLE 8 – FINANCIAL ACCOUNTS AND MANAGEMENT REPORT**

At the end of each financial year, the management company prepares summary documents as well as a report on the management of the fund (relating, the case being, to each subfund) during the past financial year.

The management company establishes, at least each half year and under the supervision of the depository, the inventory of the fund's assets. All the above documents are verified by the auditor.

The management company makes these documents available to unit holders within four months following the end of the financial year and informs them of the amount of earnings to which they are entitled. These documents are either sent by mail at the express request of unit holders, or are made available to them at the management company's offices.

#### **TITLE III – ALLOCATION OF EARNING**

#### **ARTICLE 9 – ALLOCATION OF EARNINGS AND DISTRIBUTABLE SUMS**

The net earnings for the year is equal to interests, arrears, dividends, premiums and share of interests, directors fees as well as all income relating to the securities constituting the fund's portfolio, plus income from amounts temporarily available and less management fees and borrowing costs.

The distributable amounts are equal:

- 1) to the net income for the financial year plus the carry forward and plus/minus the balance of accruals pertaining to the pre-payment account
- 2) to capital gains realised, net of costs, minus the capital losses realised, net of costs, made during the financial year, plus the similar net capital gains made during the previous financial years which were not subject to capitalisation and minus or plus the balance of the net capital gains of the pre-payment account

The management company decides on the allocation of earnings. It can opt for capitalisation and/or distribution.

For each category of units, the case being, the fund can opt for one of the following formulas:

For the I, G, M, S, L, P, T, O and R units

- ☒ pure capitalisation: The amounts available for distribution are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
- ☐ pure distribution: the amounts are fully distributed, rounded to the nearest number; option to pay instalments;
- ☐ for mutual funds which wish to maintain the option to capitalise and/or distribute. The management company decides each year how to allocate profits. Foresees the possibility to pay instalments

For the I(D) units

- ☐ pure capitalisation: The amounts available for distribution are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
- ☐ pure distribution: the amounts are fully distributed, rounded to the nearest number; option to pay instalments;
- ☒ for mutual funds which wish to maintain the option to capitalise and/or distribute. The management company decides each year how to allocate profits. Foresees the possibility to pay instalments

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The management firm can decide, during a financial year, to make one or more interim distributions within the limits of recognised net revenues as of the date of the decision.

**TITLE IV - MERGER - DIVISION - DISSOLUTION - LIQUIDATION**

**ARTICLE 10 - MERGER – DIVISION**

The management company may either contribute, fully or partly, the assets included in the fund to another UCITS that it manages, or divide the fund in two or several other mutual funds which it will manage.

These merger or division operations can only be carried out one month after the holders have been notified. They are accompanied by the delivery of a new certificate specifying the number of units held by each holder.

**ARTICLE 11 - DISSOLUTION – EXTENSION**

If the assets of the fund (or, the case being, the subfund) remain lower, over thirty days, than the amount stipulated in Article 2 above, the management company must inform the Autorité des Marchés Financiers and, except in case of a merger with another fund, proceed with the dissolution of the fund (or, the case being, the subfund).

The management company can proceed with an early dissolution of the fund (or, the case being, the subfund). It informs the unit holders of its decision and as from the date of such notification, subscription or redemption requests are no longer accepted.

The management company also proceeds to the dissolution of the fund (or, the case being, the subfund) in the event of a redemption request for all the units, termination of the depository's function when no other depository has been appointed, or at the end of the Fund's duration, if it has not been extended.

The management company informs the Autorité des Marchés Financiers by mail of the chosen dissolution date and procedure. It subsequently sends the auditor's report to the Autorité des Marchés Financiers.

The extension of Fund's duration may be decided by the management company with the approval of the depository. This decision must be taken at least three months prior to the end of the fund's planned duration and must be notified to unit holders and the Autorité des Marchés Financiers.

**ARTICLE 12 – LIQUIDATION**

In the event of dissolution, the depository or the management company assumes the role of liquidator. By default, the liquidator is appointed by a court on the request of any interested party. The liquidator is vested with extended powers to sell the assets, pay creditors, if any, and distribute the available balance among the unit holders either in cash or in securities.

The auditor and the depository continue to exercise their functions up to the end of the liquidation operations.

**TITLE V - DISPUTES**

**ARTICLE 13 - JURISDICTION – ADDRESS FOR SERVICE**

All disputes arising out of or in connection with the fund which may arise during its operation or at the time of its liquidation, either among unit holders, or between the latter and the management company or the depository, shall be submitted to the jurisdiction of the competent courts.