

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so that you can make an informed decision about whether to invest.

## ELLIPSIS EUROPEAN CONVERTIBLE FUND

J EUR units - ISIN: FR0010868919

Ellipsis Asset Management – EXANE Group

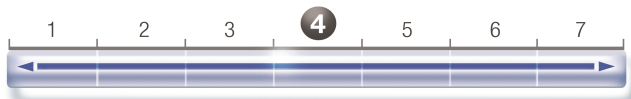
### OBJECTIVES AND INVESTMENT POLICY

- The Ellipsis European Convertible Fund, categorised as “Diversified”, aims to deliver the best possible performance over the recommended 5-year investment horizon through active directional management of European convertible bonds.
- The Fund's performance may be compared ex-post to that of the Exane ECI Europe index. This index is representative of the European convertible bond market, weighted according to capitalisation. The Exane ECI Europe index is available on the [www.exane-eci.com](http://www.exane-eci.com) website as well as from Bloomberg (code EECI) and Reuters (code ECIP).
- The investment strategy is based on discretionary management that capitalises on the research teams of the Exane Group. The decision-making process favours stock-picking based on the assessment of three criteria:
  - ① a quantitative analysis based on an assessment of the technical profile (convexity, yield to maturity, distance to the bond floor) and relative valuations and on an analysis of the contractual clauses;
  - ② a fundamental analysis of the underlying stock and of its upside potential, together with an analysis of the credit risk of the issuer of the convertible bond;
  - ③ an analysis of information flows, the supply/demand equilibrium and liquidity.
- The Fund is exposed at a level of at least 60% of the net assets to convertible bonds and similar European securities (of which the principal market for the underlying stock is located in the European Economic Area or Switzerland). It may also be exposed up to a maximum 40% to bonds, transferable debt securities and money market instruments of public or private issuers in order to manage the Fund's cash or diversify its portfolio. The Fund's assets are allocated between the major European markets without any geographic, sector or size bias or any rating restrictions. The levels of exposure to the equity, credit and fixed income markets are monitored in line with the analysis of the macroeconomic context developed at Ellipsis AM. The portfolio's range of average sensitivity to underlying stocks lies between 10% and 90% and its average modified duration is between 0 and +7. The Fund is hedged against currency risk, i.e. against the risk of a change in the currency of denomination of the convertible bond and against the risk of a change in the currency of denomination of the underlying stock against the euro, in proportion to exposure.
- Derivatives and instruments with embedded derivatives are used in order to recreate synthetic exposure to one or more risks, in line with the investment objective, but without exceeding an overall exposure limit of 110% of net assets. Derivatives may also be used to hedge the portfolio. The Fund may also enter into temporary securities purchases and sales transactions to optimise its income.
- For this unit class, distributable sums will be accumulated in full.
- Subscription and redemption requests are centralised on every business day at 11:00 by Société Générale (32 rue du Champ de Tir, 44000 Nantes, +33 (0)2 51 85 57 09) and executed on the basis of the net asset value determined on the same day and calculated on the next business day.
- **Recommendation: this Fund may not be suitable for investors planning to withdraw their investment within five years.**

### RISK AND REWARD PROFILE

With lower risk,  
Potentially lower return

With higher risk,  
Potentially higher return



The Fund has been placed in this category because it invests in convertible bonds that are highly sensitive to their underlying stocks. The partial swing pricing mechanism might affect the category

of the synthetic indicator due to the fact that it is likely to increase the volatility of the fund's net asset value.

This data is based on previous volatility figures. Historical data, such as is used to calculate the synthetic indicator, may not be a reliable indication of the Fund's future risk profile. The Fund's risk category is not guaranteed and may shift over time.

The lowest category does not mean a risk-free investment.

The Fund does not guarantee or protect the capital invested.

- Material risks not taken into account by this indicator that may cause the Fund's net asset value to fall

**Credit risk:** the possibility of an issuer being downgraded or even defaulting, thus negatively impacting the valuation or price of the affected security.

**Risk associated with illiquid securities:** the Fund may be invested in securities of a low issuance volume whose liquidity may be limited, thus amplifying the market's swings.

**Risks associated with derivative financial instruments:** risk linked to differences in variations between the price of these instruments and the value of such instruments' underlyings.

**Counterparty risk:** the possible failure to pay a flow (or liability) by a counterparty with which positions have been exchanged and undertakings signed.

**Operational risk :** risk resulting from inadequate internal processes, human error or failed systems of the Management Company, or resulting from external events.

## CHARGES

The charges and fees paid are used to cover the Fund's operating costs, including the cost of marketing and distributing the units. These charges reduce the investments' potential growth.

One-off charges taken before or after you invest	
Entry charge:	5% maximum
Exit charge:	None

This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out. In some cases you may pay less.

The investor can obtain details of the actual amount of entry and exit charges from their financial adviser or distributor.

*\*The percentages shown are based on the financial year ending 31 December 2016. These figures may vary from year to year.*

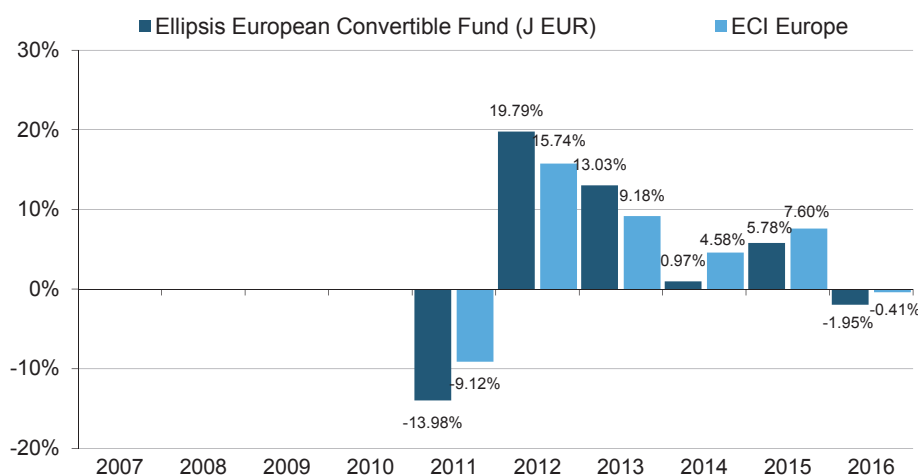
Ongoing charges do not include performance or intermediary fees except for subscription and redemption fees paid by the Fund when it buys or sells units in another Fund and turnover fees.

Charges taken by the fund over a year	
Ongoing charges:	1.02% of the net assets*

For more information about charges, investors should refer to the Charges and Fees section of this Fund's prospectus, which is available online at [www.ellipsis-am.com](http://www.ellipsis-am.com) or on request from [client\\_service@ellipsis-am.com](mailto:client_service@ellipsis-am.com).

Charges taken from the fund under certain specific conditions	
Performance fee:	0% of the net assets* (15% inclusive of tax, of the outperformance relative to the reference indicator)

## PAST PERFORMANCE



J EUR units were created on 31 March 2010.

The valuation currency is the euro (EUR).

Past performance is not a reliable indicator of future performance.

The calculation of past performance takes into account all fees except for subscription and redemption fees not payable to the fund.

Performance is calculated with net coupons reinvested.

## PRACTICAL INFORMATION

**Depositary:** Société Générale

Further information on the Fund (prospectus/annual report/half-yearly document) can be obtained in French by writing to the management company, Ellipsis Asset Management, 6 rue Menars, 75002 Paris, by emailing [client\\_service@ellipsis-am.com](mailto:client_service@ellipsis-am.com) or visiting the [www.ellipsis-am.com](http://www.ellipsis-am.com) website. The net asset value is available at [www.ellipsis-am.com](http://www.ellipsis-am.com) or upon simple request from the management company.

**Taxation:** The Fund is "in scope" within the meaning of Directive 2003/48/EC of the Council of 3 June 2003 on taxation of savings income in the form of interest payments. Income received in the form of interest payments by natural persons who have deposited their savings outside their tax residency are subject to a system of automatic information sharing or to withholding tax.

This UCITS may not be subscribed or held by Ineligible Persons or by Ineligible Intermediaries (see the "Target investors" section of the prospectus). Its FATCA status is non-reporting deemed compliant financial institution (CCIV, Annex II, II, B). Its CRS/DAC status is non-reporting financial institution (exempt collective investment vehicle).

**Remuneration policy:** the Management Company's updated policy, including a description of the method used to calculate remuneration and benefits, and the composition of the Remuneration Committee responsible for the allocation of remuneration and benefits, is available at [www.ellipsis-am.com](http://www.ellipsis-am.com) and on request.

ELLIPSIS ASSET MANAGEMENT may be held liable for statements in this document only if they prove to be misleading, inaccurate or inconsistent with the corresponding sections of the Fund's prospectus. This Fund is approved in France and regulated by the Autorité des Marchés Financiers (AMF). Ellipsis Asset Management is authorised in France and regulated by the Autorité des marchés financiers (AMF). The key investor information provided herein was accurate and up-to-date at 15 March 2017.