

# PROSPECTUS

*The shares or units of the fund mentioned herein (“the Fund”) have not been registered under the US Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States of America (including its territories and possessions), to US persons, as defined in Regulation S (“US persons”).*

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## 1 GENERAL CHARACTERISTICS

**Name:**

**GROUPAMA ULTRA SHORT TERM BOND**

**Legal form and Member State in which the Fund was incorporated:**

French mutual fund (Fonds Commun de Placement, FCP).

**Formation date and planned term:**

23 March 2015. Fund initially formed for a 99-year term.

### Summary of the management offer:

Unit class	ISIN code	Distribution of distributable income	Base currency	Eligible subscribers	Minimum initial subscription	Initial net asset value
G unit	FR0012599637	Accumulation and/or distribution and/or retention	Euro	Reserved for Groupama Assurances Mutuelles' companies, subsidiaries and regional mutuals	€300,000	€10,000
IC unit	FR0012599645	Accumulation	Euro	Reserved for institutional investors	One thousandth of a unit	€10,000
ID unit	FR0012599660	Distribution	Euro	Reserved for institutional investors	One thousandth of a unit	€10,000
MC unit	FR0012599686	Accumulation	Euro	Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries	One thousandth of a unit	€1,000
R unit	FR0013304292	Accumulation	Euro	Reserved for investors subscribing via distributors or intermediaries providing advisory services as defined by the MiFID II European regulations, or individual portfolio management services under mandate when they are exclusively remunerated by their clients	One thousandth of a unit	€1,000
N unit	FR0013346079	Accumulation	Euro	All subscribers	1 thousandth of a unit	€100

\*\* Including all subscriptions processed before 5 July 2018.

### Address from which the Fund's regulations (if they are not attached) and the latest annual report and interim financial statement may be obtained:

The latest annual report and the composition of assets will be sent to unitholders within eight business days of receipt of a written request sent to:

Groupama Asset Management, 25 rue de la Ville l'Evêque, 75008 Paris, France.

These documents are also available on the company's website at [www.groupama-am.com](http://www.groupama-am.com)

### Contact details:

For corporate and institutional investors: Groupama Asset Management's Business Development Department (Sales office: +33 (0)1 44 56 76 76).

For individual investors: your distributor (GROUPAMA ASSURANCES MUTUELLES distribution networks; external distributors approved by Groupama Asset Management).

Additional information, if necessary, may be obtained from the Groupama Asset Management Business Development Department: +33 (0)1 44 56 76 76).

## 2 ADMINISTRATORS

### Management Company:

Groupama Asset Management, 25 rue de la Ville l'Evêque, 75008 Paris, France, a portfolio management company authorised by the Commission des opérations de bourse, now superseded by the Autorité des marchés financiers (French financial markets authority – AMF) under number GP 93-02 on 5 January 1993.

### Depositary – Custodian

CACEIS Bank, 1-3 place Valhubert, 75013 Paris - France, a credit institution authorised by the CECEI (now the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*, the French Prudential Supervisory Authority) on 1 April 2005.

The custodian's duties, as defined by the applicable regulations, include custody of the assets, checking that the management company's decisions are lawful and monitoring UCIs' cash flows.

The custodian is independent of the management company.

The description of the delegated custodial duties, the list of representatives and sub-representatives of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: [www.caceis.com](http://www.caceis.com).

Updated information is made available to investors upon request.

**Clearing house for subscriptions/redemptions:**

- **Groupama Asset Management**, for pure registered units.

Following collection of these orders, Groupama Asset Management will forward them to CACEIS Bank in its capacity as an affiliate of Euroclear France.

- And, by delegation of the management company, **CACEIS Bank** for bearer or administered registered units.

**Institution appointed to receive subscriptions and redemptions, and responsible for compliance with the clearing deadlines indicated in the prospectus, by delegation of the management company:**

- **CACEIS Bank**, for bearer or administered registered units

**Fund accounting:**

**CACEIS Bank** is responsible for the UCI's fund accounting, covering the clearance of subscription and redemption orders for units of the UCI. It will process these orders in partnership with Euroclear France, with which the UCI is listed, and manage the UCI's unit issuance account for bearer or administered registered units.

**Statutory auditor:**

Deloitte & Associés, 6 Place de la Pyramide, 92909 Paris-La-Défense, France, represented by Ms Virginie Gaitte.

**Distributors:**

GROUPAMA Assurances Mutuelles' distribution networks are based at 8-10 Rue d'Astorg, 75008 Paris, France, and external distributors are approved by Groupama Asset Management.

**Accounting representative:**

CACEIS FUND ADMINISTRATION, 1-3 place Valhubert, 75013 Paris, France, a credit institution authorised by the CECEI (now the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*, the French Prudential Supervisory Authority) on 1 April 2005.

**Conflict of interest management policy**

In order to identify, prevent, manage and monitor conflicts of interest that result from delegations, the management company has implemented a conflict of interest management policy available on request from your usual advisor or on the management company's website [www.groupama-am.com](http://www.groupama-am.com).

### 3 MANAGEMENT AND OPERATING PRINCIPLES

#### 3.1 General characteristics

##### **Characteristics of units:**

- Type of right attached to the unit class:  
Each unitholder has a shared ownership right in the assets of the Fund in proportion to the number of units held.
- Shareholder register and fund accounting:  
Fund accounting is provided by the custodian, CACEIS Bank.  
Unit administration is performed by Euroclear France.
- Voting rights:  
No voting rights are attached to the units, as decisions are made by the management company.
- Types of units:  
Units are registered and/or bearer units.
- Fractioning: G, IC, ID, MC, R and N units may be subscribed and redeemed in amounts or in thousandths of a unit.

The full redemption of units will only be possible as a quantity.

##### **Financial year end:**

- The last Paris Stock Exchange trading day in December.
- The first financial year end was the last Paris Stock Exchange trading day in December 2015.

##### **Tax system:**

- The Fund is not subject to corporation tax. In accordance with the principle of transparency, the tax authorities consider the unitholder to be the direct owner of a share of the financial instruments and cash held in the Fund.
- The tax treatment of any capital gains or income from holding Fund units depends on tax provisions specific to the unitholder's own particular circumstances and/or on the tax provisions in the country where the unitholder resides. Investors should seek professional financial advice.
- The French tax system considers a switch from one unit class to another unit class to be a sale subject to capital gains tax.

#### 3.2 Special provisions

##### **ISIN code for the different unit classes:**

G unit: FR0012599637  
IC unit: FR0012599645  
ID unit: FR0012599660  
MC unit: FR0012599686  
R unit: FR0013304292  
N unit: FR0013346079

##### **Classification:**

**“Bonds and other debt securities denominated in euros” UCITS**

**Investment in UCIs:** up to 10% of net assets.

**Investment objective:**

The Fund does not have a sustainability objective.

The investment objective is to outperform the capitalised EONIA index net of management fees, over rolling six-month periods.

If money-market interest rates are very low, the return generated by the Fund may not be sufficient to cover the management fees, resulting in a structural decline in the net asset value of the Fund.

**Benchmark index:**

The benchmark index is the capitalised EONIA index.

The capitalised EONIA (Euro Overnight Index Average) index is the average rate of the daily transactions on the interbank market in euros. It corresponds to the average overnight interbank rate communicated to the European Central Bank (ECB) by the reference banks and weighted by the volume of transactions processed. It is calculated by the European Central Bank. It is published by the European Banking Federation.

Bloomberg reference code: EONIA Index.

The Fund does not seek to replicate the benchmark, but to generate an outperformance.

As such, the performance of the benchmark may differ from that of the Fund. However, the Fund will maintain a level of risk that is comparable to that of its benchmark.

The EONIA index is authorised by ESMA until 1 January 2022; it will switch over before this deadline to the €STER.

In accordance with Article 52 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the European Money Markets Institute (EMMI), administrator of the EONIA index, is authorised on the register of administrators and indices held by ESMA.

The €STER (Euro Short-Term Rate) index, calculated by the **ECB**, will then become the new benchmark interbank interest rate.

The Administrator will make information on its indices available to the public on its website: <https://www.emmi-benchmarks.eu/>.

Groupama Asset Management has an internal action plan which will be implemented in the event of substantial modification or termination of the index.

**Investment strategy**

- Description of the strategies used

- Fund strategy:

The main sources of performance are:

1. Credit sensitivity, which is partly determined by our analysis of changes in risk premiums, the suggested yield gradient or the decisions of internal committees.
2. Rate sensitivity, which is partly derived from our analysis of central bank monetary policy and of short-term changes in indices.
3. Geographic allocation, based primarily on the decisions of internal committees.

- Asset portfolio composition strategy:

The strategy implemented aims to outperform the capitalised EONIA index over the recommended investment period, after deduction of management fees.

Its construction is based on the analysis of the money market environment using a combination of top down and bottom up approaches.

The top-down approach focuses on the analysis of major macro-economic and political trends and how they influence the monetary policy decisions of the central banks.

The bottom-up approach identifies opportunities and risks specific to certain sectors or issuers.

These two approaches combine to construct the portfolio.

The selection of public or private issuers included in the portfolio by the manager is based on his own analysis, which may be based on the expertise of the internal credit analysis team for the purposes of optimising the risk of the issuers in the portfolio and on credit ratings issued by external entities.

The UCITS does not have a sustainability objective, but remains exposed to sustainability risks. These sustainability risks are taken into account in investment decision-making and risk monitoring.

In accordance with the Groupama Asset Management policies, available on the Company's website ([www.groupama-am.fr](http://www.groupama-am.fr)), the investment universe will exclude companies whose business is involved in coal mining and coal-related energy production, as well as companies known to be involved in activities related to controversial weapons (cluster bombs and anti-personnel mines). Moreover, Groupama AM tracks a list of securities considered to carry significant environmental, social and governance risks ("Major ESG risks" list). Any investment made in a security from this list must be documented by the fund manager.

▸ Management style:

The Fund adopts an active management style aimed at outperforming its benchmark, net of management fees over rolling six-month periods.

• Assets, excluding embedded derivatives

▸ Debt securities and money market instruments:

The Fund's assets are invested in bonds and money-market instruments assessed by the management company as "investment grade" and in deposits made with credit institutions that comply with the following criteria:

Maximum Weighted Average Life <sup>1</sup>	18 months
Maximum Weighted Average Maturity <sup>2</sup>	6 months
Maximum residual life of securities and instruments	Fixed-rate instruments and securities: 3 years. Adjustable-rate instruments and securities within a maximum 3-year period:

The investment policy implemented aims to maintain the annualised volatility for the Fund below 0.50%. In order to maintain this volatility below 0.50%, the portfolio will be monitored ex ante and ex post by the manager and the Risk Department.

The overall sensitivity of the portfolio is between 0 and 0.50.

▪ Legal nature of the instruments used:

- short-term negotiable securities
- euro commercial paper
- treasury bills
- medium-term negotiable securities
- fixed-rate, variable-rate and inflation-linked bonds

The Fund may also use fixed-rate, variable-rate and inflation-linked bonds.

The Fund will be subject to the limits below:

<sup>1</sup> Weighted Average Life (WAL) Weighted average of the remaining terms until full repayment of the principal of the securities held by the Fund.

<sup>2</sup> Weighted Average Maturity (WAM) Weighted average of the remaining terms until the next revision of the money market rate rather than the time remaining to repayment of the principal.



- Derivative instruments

The use of derivatives is authorised subject to a maximum commitment of 100% of the Fund's net assets and therefore has an impact on both the performance and the investment risk of the portfolio.

These instruments will allow for:

- the Fund's overall exposure to interest-rate and credit risk to be increased or reduced;
- the portfolio to be hedged against exchange rate risk.

In this respect, they increase management flexibility. Derivatives are therefore used to maximise performance.

The manager may trade in the derivative instruments described in the table below:

Risks in which the manager intends to trade		Types of markets targeted			Types of trades			
		Regulated	Organised	Over the counter	Hedging	Exposure	Arbitrage	Other
Equities								
Interest rates	X							
Foreign exchange	X							
Credit	X							
<b>Types of instruments used</b>								
<b>Futures</b>								
- Equities								
- Interest rates		X	X		X	X	X	
- Currencies								
<b>Options</b>								
- Equities								
- Interest rates		X	X	X	X	X		
- Foreign exchange								
<b>Swaps</b>								
- Equities								
- Interest rates				X	X	X		
- Inflation				X	X			
- Foreign exchange				X	X			
- Total return swaps								
<b>Forward currency contracts</b>								
- Forward currency contracts				X	X			
<b>Credit derivatives</b>								
- Single entity credit default swaps and basket default swap(s)				X single entity	X single entity	X single entity	X single entity	
- Indices								
- Index options								
- Structuring for basket credit derivatives (CDO tranches, iTraxx tranches, FTD, NTD, etc.)								
<b>Other</b>								
- Equity								
Securities with embedded derivatives used								
<b>Warrants</b>								
- Equities								
- Interest rates								
- Foreign exchange								
- Credit								
<b>Other</b>								
- EMTN								
- Credit Link Notes (CLN)								
- Convertible bonds								
- Contingent convertible bonds (CoCo bonds)								
- Callable or puttable bonds		X	X	X		X	X	
- Subscription warrants								
- Equities								
- Interest rates								

- Cash borrowings:

On an exceptional and temporary basis, the manager may borrow cash from the custodian, CACEIS Bank, up to the value of 10% of the Fund's net assets.

- Temporary purchases and sales of securities
  - Types of trades used:
    - Repurchase and reverse repurchase agreements as defined by the French Monetary and Financial Code, carried out according to market convention with French credit institutions acting as a custodian, with the option to suspend agreements at any time within 24 hours, on the Fund's initiative.
    - Securities lending and borrowing is excluded.
    - Types of transactions, all of which must be limited to the achievement of the investment objective: these transactions will be made primarily as part of the Fund's cash management.
    - Types of trades: these are primarily used to adjust the portfolio to compensate for variations in the assets under management.
  - ▮ Types of assets that may be subject to such transactions:
    - Negotiable debt securities
    - Bonds.
  - ▮ Level of use anticipated and authorised:  
Temporary sales of securities:
    - Maximum use: 100% of net assets
    - Expected use: approximately 10% of net assets.  
Repurchase and reverse repurchase agreements:
    - Maximum use: 100% of net assets
    - Expected use: approximately 10% of net assets.
  - ▮ Criteria determining counterparty selection

These transactions will be concluded with credit institutions with a minimum rating of "Investment Grade" or deemed equivalent by the management company, whose registered office is located in an OECD member country.

As the Fund uses derivatives and may borrow cash, as well as use transactions involving temporary purchases and sales of securities, the portfolio's total level of exposure will not exceed 200% of the net assets.

**Information relating to the Fund's collateral:**

The GROUPAMA ULTRA SHORT TERM BOND mutual fund complies with the investment rules for financial collateral that are applicable to UCITS and does not apply specific criteria in addition to these rules.

The Fund may receive securities (such as corporate bonds and/or government bonds) or cash collateral in the context of temporary purchases and sales of securities and derivatives transactions traded over the counter. The collateral received and its diversification will comply with the restrictions of the Fund.

Only the cash collateral received will be reused, via reinvestment in accordance with the rules applicable to UCITS.

All of these assets received as collateral must be issued by high-quality, liquid, diversified issuers with low volatility that are not an entity of the counterparty or its group.

These assets received as collateral will be retained by the custodian of the Fund on specific accounts. Management of margin calls will be undertaken on a daily basis by the custodian.

The discounts applied to collateral received take into account the quality of credit, the price volatility of the securities and the result of stress tests carried out in accordance with the regulatory provisions.

The level of financial guarantees and the discount policy are determined in accordance with the regulations in force.

**Risk profile:**

- **Interest rate risk:**  
Investors are exposed to interest rate risk. Interest rate risk is the risk that bond market interest rates may rise, which would cause bond prices to fall and, as a consequence, the net asset value of the Fund would also fall.
  
- **Risk of capital loss:**  
Investors will be exposed to the risk of not recovering the full amount of the capital they invest, since the Fund does not offer any capital guarantee.
  
- **Use of derivatives:**  
The use of derivatives may increase or decrease the volatility of the Fund by respectively increasing or decreasing its exposure.
  
- **Risks associated with financing operations on securities and the management of financial collateral:**  
The use of temporary purchases and sales of securities may increase or reduce the net asset value of the Fund.  
The risks associated with these transactions and the management of financial collateral are credit risk, counterparty risk and liquidity risk as defined below.  
Furthermore, the operational or legal risks are very limited due to an appropriate operating process, the custody of collateral received by the custodian of the Fund and the supervision of this type of operation in framework agreements concluded with each counterparty.  
Finally, the risk of collateral reuse is very limited since only cash collateral is reused in accordance with the regulations relating to UCITS.
  
- **Credit risk:**  
This is the potential risk that the issuer's credit rating may be downgraded or that the issuer may default, causing it to default on payment, which will negatively impact the price of the security and thus the Fund's net asset value.  
Credit risk also exists in connection with temporary purchases and sales of securities if, at the same time, the counterparty for these transactions defaults and the issuer of the collateral received declares a default on the debt securities received as collateral.
  
- **Counterparty risk:**  
Counterparty risk is present and it is linked to temporary purchases and sales of securities and derivatives transactions traded over the counter. It consists of assessing the risks for an entity in terms of its commitments regarding the counterparty with which the agreement has been concluded. It therefore refers to the risk that a counterparty may default, causing it to default on payment. In accordance with regulations, this risk may not exceed 10% of the Fund's net assets per counterparty. This risk is, however, limited by the provision of collateral.
  
- **Liquidity risk:**  
Liquidity risk remains low owing to a rigorous choice of liquid securities carefully selected through our short-term management process. The Fund's liquidity is ensured by diversifying its issuers, the short duration of its securities, its spread of maturities and its closely calibrated cash equivalents.  
In the event of the default of a counterparty in a securities financing transaction, this risk will apply to collateral by way of the sale of securities received.
  
- **Exchange rate risk:**  
The portfolio will not be exposed to exchange rate risk.

- **Sustainability risk:**

Sustainability risks, comprising those on the Major ESG (Environmental, Social and Governance) Risks list and the coal policy, are taken into account during decision-making as follows:

Major ESG Risks list: this list comprises companies whose ESG risks could call into question their economic and financial viability, or could have a significant impact on the company's value and brand, thus resulting in a significant fall in market value or a significant downgrade by rating agencies. Investments in securities issued by these companies, with a maturity of more than one year, are excluded from the Fund.

Coal policy: the objective of this policy is to reduce the Fund's exposure to climate risks, including both physical and transition risks. In order to limit these risks, an excluded stocks list has been defined according to the criteria stipulated in Groupama AM's general policy, which is available at [www.groupama-am.com](http://www.groupama-am.com). These stocks are excluded.

There may be several impacts resulting from the emergence of a sustainability risk and they may vary depending on the specific risk, region and asset class. In general, when a sustainability risk occurs for an asset, it will cause a negative impact on the asset or a total loss in its value.

**Guarantee or protection:**

None.

**Eligible subscribers and typical investor profile:**

G units: Reserved for Groupama Assurances Mutuelles' companies, subsidiaries and regional mutuals

IC and ID units: Reserved for institutional investors

M units: Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries

R units: Reserved for investors subscribing via distributors or intermediaries providing advisory services as defined by the MiFID II European regulations, or individual portfolio management services under mandate when they are exclusively remunerated by their clients

N units: All subscribers

The GROUPAMA ULTRA SHORT TERM BOND mutual fund is aimed at investors seeking a low risk in the management of their investments as well as returns above those of the eurozone money market. This Fund may especially be used for short-term investments with a minimum recommended investment term of six months.

Investment diversification: this is achieved by investing in different classes of assets (money market instruments, bonds and equities) and in specific sectors and different geographical regions so as to spread risk more effectively and optimise portfolio management by taking market trends into account.

**Distributable income calculation and appropriation methods:**

This UCITS is a multi-class fund:

G units. Distribution and/or Accumulation. Interim dividend payments are authorised. Option to retain earnings in full or in part.

IC units: Accumulation

ID units: Distribution

MC units: Accumulation

R units: Accumulation

N units: Accumulation

**Characteristics of units:**

Initial net asset value of each unit class:

G units: €10,000

IC units: €10,000

ID units: €10,000

MC units: €1,000

R units: €1,000

N units: €100

Currency of units: euro.

**Subscription and redemption procedures:**

Orders are executed for all units in accordance with the table below:

G, I and N units

D	D	D: NAV calculation date	D+1 business day	D+1	D+1
Clearing of subscription orders before 12 noon <sup>1</sup>	Clearing of redemption orders before 12 noon <sup>1</sup>	Execution of the order no later than D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

R and M units

D	D	D: NAV calculation date	D+1 business day	D+2	D+2
Clearing of subscription orders before 12 noon <sup>1</sup>	Clearing of redemption orders before 12 noon <sup>1</sup>	Execution of the order no later than D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

Subscriptions and redemptions are cleared by CACEIS Bank and may be received every bank business day until 12 noon:

- at CACEIS Bank for bearer or administered registered units;
- and at Groupama Asset Management for pure registered units.

They are executed on an unknown net asset value basis with settlement on D+1 Euronext Paris for the I and G unit classes and on D+2 Euronext Paris for the R and M unit classes.

Investors are reminded that when sending instructions to distributors other than the institutions indicated above, they must take into account the fact that the cut-off time for clearing imposed by CACEIS Bank applies to these distributors. Consequently, these marketing agents may stipulate their own earlier cut-off time, which may precede the cut-off time mentioned above so that instructions can be sent to CACEIS Bank on time.

The Fund's net asset value is calculated every trading day except for official French public holidays. The reference calendar is that of the Paris Stock Exchange.

The net asset value may be obtained from the offices of Groupama Asset Management.  
 Units may be subscribed to in exact amounts or in thousandths of a unit for the MC unit class.

- Minimum initial subscription:

G units: minimum initial subscription: €300,000.  
 IC units: minimum initial subscription: one thousandth of a unit.  
 ID units: minimum initial subscription: one thousandth of a unit.  
 MC units: minimum initial subscription: one thousandth of a unit.  
 R units: minimum initial subscription: one thousandth of a unit.  
 N units: minimum initial subscription: one thousandth of a unit.

**Charges and fees:**

- Subscription and redemption fees:  
 Subscription and redemption fees increase the subscription price paid by the investor, or reduce the redemption price. Fees paid to the Fund are used to compensate the Fund for the expenses incurred in the investment or divestment of the Fund's assets. The remaining fees accrue to the management company, distributor and so on.

IC and ID units

<b>Fees payable by the investor at the time of subscription or redemption</b>	<b>Base</b>	<b>Rate scale</b>
Subscription fee not accruing to the Fund	Net asset value x Number of units or shares	0.50% incl. tax**
Subscription fee accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee not accruing to the Fund	Net asset value x Number of units or shares	0.50% incl. tax**
Redemption fee accruing to the Fund	Net asset value x Number of units or shares	None

\*\* In accordance with the current rate of VAT

G, MC, R and N units

<b>Fees payable by the investor at the time of subscription or redemption</b>	<b>Base</b>	<b>Rate scale</b>
Subscription fee not accruing to the Fund	Net asset value x Number of units or shares	4.00% incl. tax**
Subscription fee accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee not accruing to the Fund	Net asset value x Number of units or shares	4.00% incl. tax**
Redemption fee accruing to the Fund	Net asset value x Number of units or shares	None

\*\* In accordance with the current rate of VAT

- **Operating and management fees:**

These fees include all those charged directly to the Fund, except for transaction charges. Transaction charges include intermediary fees (e.g. brokerage fees and stock market taxes) and the transaction fee, if any, that may be charged, particularly by the custodian and the management company.

The following fees may be charged in addition to the operating and management fees:

- ▶ performance fees. These reward the management company if the Fund exceeds its objectives. They are therefore charged to the Fund;
- ▶ Transaction fees charged to the Fund;

For more information regarding the ongoing charges invoiced to the Fund, please refer to the “Charges” section of the Key Investor Information Document (KIID).

G unit:

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Net assets	Maximum rate 0.20% incl. tax**
Maximum indirect fees (management fees and charges)	Net assets	Maximum rate *:
Transaction fee accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity
Transaction fee accruing to the Management Company	Deducted from each transaction	By type of instrument (incl. tax)**: Equities and similar: max. 0.1% Bonds and similar: max. 0.03% Futures and options: max. €1 per lot
Performance fee	Net assets	None

IC, ID and MC units:

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Net assets excluding UCIs	Maximum rate** 0.20% incl. tax
Maximum indirect fees (management fees and charges)	Net assets	Maximum rate*:
Transaction fee accruing to the custodian, CACEIS Bank	Deducted from each transaction	From 0 to €63.38 incl. tax**.
Transaction fee accruing to the Management Company	Deducted from each transaction	By type of instrument (incl. tax)**: Equities and similar: max. 0.1% Bonds and similar: max. 0.03% Futures and options: max. €1 per lot
Performance fee	Net assets	10% incl. tax above the EONIA***

R unit:

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Net assets Deducted from Fund units or shares	Maximum rate 0.25% incl. tax
Maximum indirect fees (management fees and charges)	Net assets	Maximum rate *:
Transaction fee accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity
Transaction fee accruing to the Management Company	Deducted from each transaction	By type of instrument (incl. tax)**: Equities and similar: max. 0.1% Bonds and similar: max. 0.03% Futures and options: max. €1 per lot
Performance fee	Net assets	10% incl. tax above the EONIA***

N unit:

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Net assets Deducted from Fund units or shares	Maximum rate 0.40% incl. tax
Maximum indirect fees (management fees and charges)	Net assets	Maximum rate *:
Transaction fee accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument (incl. tax)**: Equities and similar: max. 0.1% Bonds and similar: max. 0.03% Futures and options: max. €1 per lot
Performance fee	Net assets	10% incl. tax above the EONIA***

\* Not significant, since the UCIs held in the portfolio account for less than 20%

\*\*VAT at the current rate

\*\*\* If the performance of the EONIA is positive, 10% of the performance above the capitalised EONIA. If the performance of the EONIA is negative, 10% of the performance above 0.

The performance fee will be subject to a provision for variable management fees when calculating the net asset value.

If, between two consecutive net asset values, the Fund's performance is negative, any prior provisions will be readjusted by a writeback up to the limit of the underperformance. Writebacks are capped at the level of existing provisions.

The total amount of operating, management and performance fees cannot exceed a total set at the beginning of each financial year by the management company, subject to the maximum rates indicated above. For redemptions, the portion of the variable management fee provision corresponding to the number of units redeemed accrues in full to the management company.

The variable portion at the end of the financial year will be equal to the total provisions and writebacks applied to each net asset value. All or part of this variable portion may be carried forward to the following financial year (the fee may be levied for the first time at the end of the 2017 financial year).

Further details about the method for calculating variable management fees are available from Groupama Asset Management.

Any exceptional legal costs related to recovery of the Fund's receivables may be added to the fees detailed above.

The contribution to the AMF will also be borne by the Fund.

The total income from transactions involving the temporary purchase and sale of securities accrues to the Fund.

Charges, costs and fees in respect of these transactions are charged by the custodian and paid by the Fund.

#### Selection of intermediaries:

Fund managers have a list of authorised intermediaries. A Broker Committee meets every six months to assess managers' evaluations of brokers and the entire value-added chain (analysts, middle office, etc.) and to justify the inclusion of new brokers and/or the exclusion of others.

Based on their expertise, each manager reports on the following criteria:

- ▶ Quality of research
- ▶ Quality of the order execution prices
- ▶ Liquidity offered
- ▶ Broker's longevity
- ▶ Quality of analysis, etc.

#### **Tax system:**

Disclaimer: Depending on your tax system, capital gains and income resulting from ownership of the Fund's units may be subject to tax. We recommend that you seek advice on this subject from your tax adviser.

## **4 COMMERCIAL INFORMATION**

Information relating to the Fund may be obtained by writing to:

Groupama Asset Management  
25 rue de la Ville l'Evêque – 75008 Paris – France  
or on the website: [www.groupama-am.com](http://www.groupama-am.com)

The Fund's net asset value is available at [www.groupama-am.com](http://www.groupama-am.com)

The latest annual and interim documents are available to unitholders on request from:

Groupama Asset Management  
25 rue de la Ville l'Evêque - 75008 Paris - France

Subscription and redemption requests are cleared at the following address:

CACEIS Bank  
1-3 Place Valhubert 75206 Paris Cedex 13 - France

Information on environmental, social and corporate governance (ESG) criteria:

Further information regarding the way the management company takes ESG criteria into account is available in the Fund's annual report and on the Groupama Asset Management website, [www.groupama-am.com](http://www.groupama-am.com).

## 5 INVESTMENT RULES

The Fund complies with the regulatory ratios applicable to UCITS, as defined by the French Monetary and Financial Code.

## 6 OVERALL RISK

The overall risk of this Fund is determined using the commitment method.

## 7 ASSET VALUATION AND ACCOUNTING RULES

The Fund complies with the accounting rules prescribed by current regulations, in particular those applying to UCITS.

### 7.1 Valuation methods

#### **Securities traded on a French or foreign regulated market:**

- French, Eurozone and foreign equities traded on the Paris Stock Exchange:  
=> Last price on the valuation day

For interest rate products, the management company reserves the right to use consensus prices when these are more representative of the market value.

Foreign securities denominated in currencies other than the euro are converted into euros at the exchange rate in Paris on valuation day.

#### **Fund shares and securities**

- These are valued at their last known net asset value.

#### **Negotiable debt securities**

Negotiable debt securities are valued in accordance with the following rules:

- ▶ Fixed-rate annual interest treasury bills (BTAN) and fixed-rate treasury bills (BTF) are valued on the basis of the day's prices published by the Banque de France.
- ▶ Other negotiable debt securities (e.g. certificates of deposit, commercial paper, bonds issued by financial companies and bonds issued by specialist financial institutions) are valued on the basis of:
  - the actual market traded price;
  - in the absence of a meaningful market price, by applying an actuarial method to increase the reference price by a margin reflecting the intrinsic characteristics of the issuer. If the issuer's situation changes significantly, this margin may be adjusted over the period during which the security is held.

Negotiable debt securities with a residual term of up to three months are valued on a straight-line basis.

### **Futures and options contracts**

- Futures contracts on derivatives markets are valued at the previous day's settlement price.
- Options on derivatives markets are valued at the previous day's closing price.

### **Over-the-counter transactions**

Transactions agreed on over-the-counter markets and authorised by the regulations applicable to UCIs are valued at their market value.

### **Temporary purchases and sales of securities**

- Temporary purchases of securities

Securities received under repurchase agreements or borrowed securities are entered in the long portfolio under "Receivables representing securities received under repurchase agreements or borrowed securities" at the amount provided for in the contract, plus interest receivable.

- Temporary sales of securities

Securities sold under repurchase agreements or loaned securities are entered in the portfolio and valued at their current value.

The debt representing the securities transferred under repurchase agreements such as in the case of loaned securities is entered in the short portfolio at the value set in the contract plus accrued interest. On settlement, the interest received or paid is recognised as income from receivables.

- Collateral and margin calls

Collateral received is valued at the market price (mark-to-market).

Daily fluctuation margins are calculated using the difference between the valuation at market price of collateral provided and the valuation at market price of collateralised instruments.

Generally, financial instruments for which the price has not been recorded on the valuation day or for which the price has been adjusted are valued at their likely trading price as determined by the SICAV's board of directors or management board or, for mutual funds, by the management company. Such valuations and their supporting documentation are communicated to the statutory auditor during audits.

#### 7.2 Valuation methods for off-balance sheet commitments

- Futures contracts are valued at nominal value x quantity x settlement price x (currency).
- Options contracts are valued at their underlying equivalent.
- Swaps:

- - ▶ Asset-backed or non-asset-backed swaps

Commitment = nominal value + valuation of the fixed-rate leg (if fixed/variable) or the variable-rate leg (if variable/fixed) at the market price.

- - ▶ Other swaps

Commitment = nominal value + market value (if the Fund has adopted a synthetic valuation method).

#### 7.3 Method used to recognise income from fixed-income securities

Accrued interest method.

#### 7.4 Method used to recognise expenses

Transactions are accounted for excluding fees and expenses.

## 8 REMUNERATION

Details of the updated remuneration policy are available on the Groupama Asset Management website: [www.groupama-am.com](http://www.groupama-am.com).

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