



# Tikehau 2027

## PROSPECTUS AT 24 MARCH 2022

### UCITS authorised under Directive 2009/65/EC

*This English version is provided to you for information purposes only. Only the French version is binding and enforceable on the parties and the investors and, in case of discrepancy between the two versions, the French version will prevail.*

*By subscribing or purchasing Units of the Fund, the investors expressly acknowledge and accept the above.*

## I. GENERAL CHARACTERISTICS

### 1. Form of the UCITS:

French mutual fund (Fonds Commun de Placement)

### 2. Name:

Tikehau 2027 ("the FCP" and/or "the Fund")

### 3. Legal form and Member State in which the Fund was set up:

Mutual fund (Fonds Commun de Placement) governed by French law

### 4. Inception date and intended life span:

The Fund was authorised by the French Financial Markets Authority (Autorité des Marchés Financiers) on 28 April 2020.

It was created on 24 March 2020.

The Fund was set up for a period of 99 years.

### 5. Summary of the investment offer:

Name	ISIN code	Initial NAV	Type of distribution	Currency	Minimum initial subscription amount	Eligible investors	Frequency of the NAV calculation
R-Acc-EUR	FR0013505450	€100	Capitalisation	Euro	€100	All investors	Daily
E-Acc-EUR	FR0013505468	€100	Capitalisation	Euro	€100	Corporate officers and employees (investing either directly or via any company they control), companies or funds controlled by (i) the Management Company or (ii) any company controlling the Management Company, directly or indirectly, within the meaning of Article L233-3 of the French Commercial Code.	Daily
I-Acc-EUR	FR0013505476	€100	Capitalisation	Euro	€1,000,000	All investors, more specifically intended for institutional investors.	Daily
F-Acc-EUR	FR0013505484	€100	Capitalisation	Euro	€100	Subscribers investing via (i) an intermediary providing a management mandate service	Daily

						(discretionary portfolio management) or an Independent Advice service, as defined by the European regulation set forth in MiFID; and/or (ii) non-independent or restricted advisors who have agreed not to receive retrocessions or are not authorised to receive retrocessions in accordance with the requirements imposed by the local regulators; and/or (iii) the Management Company.	
R-Dis-EUR	FR0013505492	€100	Distribution	Euro	€100	All investors	Daily
F-Dis-EUR	FR0013505500	€100	Distribution	Euro	€100	Subscribers investing via (i) an intermediary providing a management mandate service (discretionary portfolio management) or an Independent Advice service, as defined by the European regulation set forth in MiFID; and/or (ii) non-independent or restricted advisors who have agreed not to receive retrocessions or are not authorised to receive retrocessions in accordance with the requirements imposed by the local regulators; and/or (iii) the Management Company.	Daily

I-Acc-USD-H*	FR0013513827	€100	Capitalisation	USD	USD 1,000,000	All investors, especially all institutional investors.	Daily
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\*The I-Acc-USD-H unit is hedged against the dollar/euro exchange rate risk in order to limit variations in the currency of this unit in relation to the Fund's reference currency (euro), with, however, a residual exchange rate risk.

## 6. Where the latest annual report and interim statement can be obtained:

The latest annual and interim documents as well as the remuneration policy will be sent to unitholders within eight business days on written request addressed to:

Tikehau Investment Management  
32 rue de Monceau 75008 Paris  
Tel: +33 (0)1 53 59 05 00  
Contact: [client-service@tikehaucapital.com](mailto:client-service@tikehaucapital.com)

## II. PARTIES

### 1. Management company:

Tikehau Investment Management, an asset management company authorised by the French Financial Markets Authority (Autorité de Marchés Financiers) on 19 January 2007 under number GP-07000006 (the "Management Company").

Registered office: 32 rue de Monceau 75008 Paris

### 2. Depositary and custodian:

CACEIS BANK  
1-3 Place Valhubert, 75013 Paris, France

Main activity: Bank and investment services company authorised by the French *ACPR* (previously *CECEI*) on 1 April 2005.

The depositary's functions include the tasks, as defined by the applicable Regulation, of the safe-keeping of assets and ensuring that the decisions taken by the Management Company are lawful.

The depositary is independent from the Management Company and no conflicts of interest can arise from this situation.

The description of the delegated safe-keeping functions, the list of delegates and sub-delegates of CACEIS Bank and information relating to the potential conflicts of interest that could arise from these delegations are available on CACEIS's website: [www.caceis.com](http://www.caceis.com).

Updated information is made available to investors on request.

In some countries, the delegate sub-delegates the custody function. The list of delegates and sub-delegates is available on the website [www.caceis.com](http://www.caceis.com). A paper copy of this list is made available free of charge on request to Tikehau Investment Management.

### 3. Statutory auditors:

Ernst & Young  
Tour First  
TSA 14444  
1-2 Place des Saisons  
92037 Courbevoie - PARIS LA DEFENSE CEDEX

### 4. Promoter:

The Management Company, Tikehau Investment Management.

The list of marketers is not exhaustive, notably as the UCITS is admitted to circulation on Euroclear. Some of the marketers thus may not be mandated or may not be known by the Management Company.

## 5. Delegations:

### Delegation of the administrative and accounting management:

CACEIS FUND ADMINISTRATION

1-3 Place Valhubert, 75013 Paris, France

Main activity: asset valuation, calculating the net asset value of the Fund and drawing up the interim statements.

CACEIS Fund Administration is the entity of the CREDIT AGRICOLE group specialised in fund administration and accounting for UCIs intended for investors that are both internal and external to the group.

As such, CACEIS Fund Administration was appointed by the Management Company as the delegated accounting manager for the valuation and accounting administration of the Fund.

### Delegation of the financial management:

Tikehau Investment Management Asia PTE LTD - a portfolio Management Company authorised by the MAS (Monetary Authority of Singapore) under number CMS100458-1.

12 Marina View, #23-06 Asia Square Tower 2, Singapore 018961

The Management Company can delegate the financial management of its investments made in Asia to Tikehau Investment Management Asia PTE LTD.

## 6. Centralisation of subscription and redemption orders by delegation by the Management Company:

CACEIS BANK

1-3 Place Valhubert, 75013 Paris, France

Main activity: Bank and investment services company authorised by the French *ACPR* (previously *CECEI*) on 1 April 2005.

The depositary, by delegation by the Management Company, is also in charge of the Fund's assets and liabilities management, which includes the centralisation of orders for the subscription and redemption of Fund units as well as holding the Fund's issuing account. As the issuing account holder for the Fund, CACEIS Bank manages the relationship with Euroclear France for all transactions involving it.

## III. OPERATING AND MANAGEMENT PROCEDURES

### General characteristics

#### 1. Characteristics of the units:

##### a) **Nature of the rights attached to the units:**

Each unitholder has a right of co-ownership of the Fund's assets in proportion to the number of units held.

##### b) **Nature of units:**

The units are in bearer form. The administration of units is done through Euroclear France. The liabilities management is done by: CACEIS BANK 1-3 Place Valhubert, 75013 Paris, France

##### c) **Voting rights:** No voting rights are attached to the Fund units. Decisions are taken by the Management Company in the interest of the unitholders.

##### d) **Fractions:** Fractions are issued in thousandths of units.

#### 2. Financial year-end:

The financial period ends on the last net asset value date of June. The end of the first financial year is the last net asset value date of June 2021.

### 3. Tax treatment:

The Fund is not subject to corporation tax. Depending on your tax status, any capital gains or income arising from holding units in this Fund may be subject to taxation. Investors should consult a financial advisor or tax professional for more information on this subject.

## **Special provisions**

### 1. ISIN code:

Unit R-Acc-EUR ISIN code: FR0013505450  
Unit E-Acc-EUR ISIN code: FR0013505468  
Unit I-Acc-EUR ISIN code: FR0013505476  
Unit F-Acc-EUR ISIN code: FR0013505484  
Unit R-Dis-EUR ISIN code: FR0013505492  
Unit F-Dis-EUR ISIN code: FR0013505500  
Unit I-Acc-USD-H ISIN code: FR0013513827

### 2. Classification: Bonds and other international debt securities.

### 3. Investment objective:

The Fund seeks to generate returns over the medium to long term on a portfolio primarily made up of high-yield debt securities that can have speculative characteristics, as well as investment grade securities.

The Fund's objective is to achieve a performance after deduction of management fees of higher than:

- For R-Acc-EUR and R-Dis-EUR Units 3.60% over a minimum investment period of five years;
- For F-Acc-EUR and F-Dis-EUR Units: 4.15% over a minimum investment period of five years;
- For I-Acc-EUR and I-Acc-USD-H Units: 4.25% over a minimum investment period of five years;
- For E-Acc-EUR Units: 4.75% over a minimum investment period of five years.

In no way does this objective represent a guarantee. Depending on the market conditions at the launch, the manager will endeavour to invest the Fund in a bond portfolio with a net actuarial yield that takes this objective into account. This objective may not be achieved in the event of an issuer default or if later reinvestments do not generate sufficient returns.

Its portfolio will consist primarily of bonds, with a residual maturity at 31 December 2027 that will be less than or equal to six months, or negotiable debt securities.

The performance objective, indicated under the "Investment objective" section, is based on the materialisation of market assumptions made by the Management Company at a given time, taking account of the default risk and expenses, including hedging costs.

The Management Company draws the attention of potential investors to the fact that this performance objective is in no way a promise of returns or of Fund performance. In the event of an unfavourable trend in expected market conditions, and in particular in the case of defaults, the investment objective may not be achieved.

Depending on market conditions, the Management Company could also, before the end of the Fund's term at 31 December 2027, liquidate or merge the Fund.

The investment objective of the Fund does not entail any specific sustainable investment objective pursuant to article 9 of European Regulation 2019/2088 on sustainability disclosures in the financial services sector ("**SFDR**"), The Fund incorporates nonetheless an extra-financial approach whereby the weighted average carbon intensity of the FCP (greenhouse gas ("**GHG**") emissions per million euros of turnover) must be at least 20% lower than that of its index BofA Merrill Lynch Euro High Yield Constrained (HECO).

### 4. Benchmark:

The Fund does not have a benchmark.

## 5. Investment strategy:

### a) Strategy implemented

In order to achieve its investment objective, the Fund will invest up to 100% of its net assets in high-yield debt securities, which may have speculative features, or in securities rated investment grade (having lower credit risk but also lower returns), issued by private or public sector companies, with no restrictions in terms of geographical region or business sector. At 31 December 2027, the bonds in the portfolio will have a residual maturity of no more than six months (final maturity of the product or early redemption options for the Fund). The Management Company will, moreover, incorporate environmental, social and governance (“**ESG**”) criteria throughout its investment process according to the terms specified below. The Management Company will conduct its own analysis on the debt securities independently of ratings issued by the rating agencies. The Fund’s management is completely discretionary.

The Fund aims to invest in issuers committed or with the potential to enable the transition to a low-carbon world, and reconciling financial and non-financial performance. The Management Company will thus incorporate non-financial criteria throughout its investment process, under the conditions set out below in the description of the Non-Financial Approach (*the “Non-Financial Approach”*).

The Fund will also invest in money market instruments.

The Fund may also invest up to 100% of its net assets in derivative instruments (resulting in a total maximum exposure to fixed-income products of 200% of its net assets). The initial objective is to receive income generated by the portfolio and to optimise that income via these instruments, which are used to obtain exposure or overexposure. These instruments will also be used to partially or fully hedge the currency risk, with nevertheless a residual risk of a maximum of 10% of net assets.

The portfolio will have sensitivity to interest rates, its duration will be managed according to the manager’s forecasts and will probably be between -2 and +8.

Duration range	Issuers	Geographical region of the issuers	Corresponding range of exposure
Between -2 and +8	Public and private sector companies	World	Up to 200%

The Fund can invest in different types of debt securities (notably bonds, bonds redeemable in shares, perpetual bonds and, within the limit of 25% of its net assets, subordinated financial bonds) in order to provide management with the choice of the most appropriate vehicle depending on market conditions.

The Fund’s strategy is linked to the intrinsic characteristics of the asset class invested in. Securities belonging to the speculative-grade high yield category carry a greater risk of default and offer high returns. Moreover, the company considers that the default risk is often poorly assessed by the market. Thus, and given their experience, the managers consider that in many situations the high yield more than offsets the true risk of these securities.

Therefore, the Fund’s investment strategy will be primarily based on the general level of risk premiums, which represent the compensation for the risk of the asset class.

The Fund can invest in securities issued in hard currencies (i.e. which are reserve currencies on forex markets, for example: the US dollar, the euro, the Swiss franc, the pound sterling, the Japanese yen) within the limit of 10% of its net assets, and the Fund’s currency is the euro.

For each investment, the research and management teams carry out in-depth due diligence based on a constant back and forth between their top-down view (directional analysis of the market) and bottom-up view (fundamental analysis of each issuer leading to a selection of securities that the portfolio will invest in). The Management Company will also incorporate an ESG approach into the fundamental analysis of the issuers, in addition to the financial, economic and operational criteria, it being specified that the objective of this ESG approach is not to lead to a significant reduction in the Fund’s initial investment universe, but to improve the issuer selection process.

From the point of view of the Management Company, these components, along with the whole palette of debt instruments, will allow for optimal management of the portfolio.

The issuing companies will be selected based on a large number of criteria, such as:

- Size;
- Operating margin;
- The company's sector and positioning;
- Cash flow stability;
- Debt level;
- The management team's competence;
- The company's prospects and developments on its markets;
- ESG policy implemented by issuers: (i) how they manage non-financial risks and their main negative impacts on society and the environment (through their products & services, transactions, and supply chain) and (ii) their ability to offer solutions through their products and services that contribute positively to the UN Sustainable Development Goals (SDG), , in particular SDG 13 (Climate Action).

The companies, of all capitalisations, will belong to all sectors of the economy (except those excluded by the Management Company's ESG policy).

The Fund thus will not rule out opportunistically looking at small or medium-sized companies, the aim being to maximise the risk/reward trade-off while maintaining reasonable liquidity.

Any position taken on a given issuer will, moreover, be subject to a detailed analysis to assess the probability of a default occurring. For issuers whose credit is not followed by rating agencies, the manager will:

- Make a comparative review of the issuer and its main sector rivals, notably with respect to its balance sheet structure;
- Derive a credit spread from the analysis of financial ratios, using structural models. The spread obtained should be compared to the spread observed on the market (based on the prices of listed credit derivatives such as CDS).

In the case of an unrated issuer, the credit spread and level of subordination will be used as criteria for determining the risk limits per issuer.

As the strategy is not limited to bond carry, the Management Company can thus make trades, in the event of new market opportunities or identification of a rise in the risk of default of one of the issuers in the portfolio.

In addition, the Fund can be exposed to the equity market within the limit of 10% of its net assets. This exposure will be obtained through direct investments in equities, funds (UCITS or AIFs) or ETFs, and derivatives.

#### **b) Maximum level of use of the different instruments**

<b>Instrument</b>	<b>% Limit of net assets</b>
Equities	10%
Debt securities and money market instruments	200%
Units of UCITS/AIFs and shares in securitisation companies	10%
Interest rate swaps	100%
Currency swaps	100%
Options traded over the counter (OTC)	100%
CFDs (contracts for difference)	100%
Credit derivatives, including TRS (total return swaps)	25%

Moreover, within the regulatory limit of 10% of net assets (other eligible assets), the Fund can invest in unlisted bond vehicles.

### **c) Non-Financial Approach**

The purpose of this Non-Financial Approach is to improve the issuer selection process from its investment universe by particularly taking into account criteria associated primarily with the reduction of the Fund's carbon footprint and also but not in a preponderant manner, environmental, social and governance ("ESG") criteria within the meaning of Article 8 SFDR. This Non-Financial Approach as well as its limitation in methodology are further described below.

The Management Company ensures that at least 90% of portfolio securities (as a percentage of Net Assets they represent) are subject to an ESG and carbon footprint analysis, it being specified that (i) bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and joint assets, (ii) derivative instruments for hedging purposes and (iii) securities whose performances are swapped via TRS over a period exceeding one month, are not taken into account in the context of this Non-financial approach.

#### Identification of the Fund's investment universe

For the purpose of defining an investment universe that is consistent with the Non-Financial Approach, the Management Company applies the exclusion policy adopted by Tikehau Capital Group, excluding companies operating in the controversial weapons, pornography and prostitution sectors, and companies earning more than 30% of their revenue from thermal coal (extraction, trading or power generation), tobacco and/or marijuana for recreational purposes (growing and manufacturing of products). Moreover, the Tikehau Capital Group has defined a three-level watchlist that seeks to identify the geographical areas (e.g. non-cooperative or sanctioned countries) and behaviours (e.g. allegations of corruption, tax evasion or money-laundering and other allegations of breaches of the United Nations Global Compact etc.) that may entail increased risks and/or may have negative external impacts on the environment or the society.

Based on the exclusion and extra-financial supervision policy set forth in the ESG Criteria Section and the fundamental analysis carried out in accordance with the Fund's investment strategy described above, the Management Company identifies an investment universe of approximately 100-150 issuers most of which belong to the BofA Merrill Lynch Euro High Yield Constrained (HECO) index. Some of these issuers may not be included in this index.

#### Carbon footprint reduction

The primary objective of the Non-Financial Approach is to ensure that the weighted average carbon intensity of the FCP (greenhouse gas ("GHG") emissions per million euros of turnover) must be at least 20% lower than that of the BofA Merrill Lynch Euro High Yield Constrained (HECO) index. This index does not necessarily take into account, in its composition or methodology, the non-financial characteristics promoted by the Fund. The Management Company considers that the dispersion of this index would not question the significance of its carbon footprint reduction approach.

The carbon intensity of a company is the ratio of its GHG emissions, calculated in tonnes of CO<sub>2</sub> equivalent, to its total turnover converted into the reference currency, it being specified that the Fund will take into account emissions calculated on scopes 1 (carbon footprint from fixed or mobile sources controlled by the organisation) and 2 (indirect emissions linked to energy consumption to produce goods and services) only, as defined by the Greenhouse Gas Protocol. At this stage, the FCP does not take into account the data falling under scope 3 of the said protocol (other indirect emissions linked to the upstream and downstream value chain) in its calculation).

The sources used to determine GHGs may include information published by emitters as well as sector averages calculated from major databases such as Bloomberg or Trucost. However, the Fund may exclude specific issuers from the calculation where no information is available and where sector averages are not considered relevant by the Management Company, particularly in view of recent developments relating to contemplated issuer.

The weighted average intensity of the portfolio is calculated weekly and represents the arithmetic average of the carbon intensities of each of the companies in the portfolio (total greenhouse gas

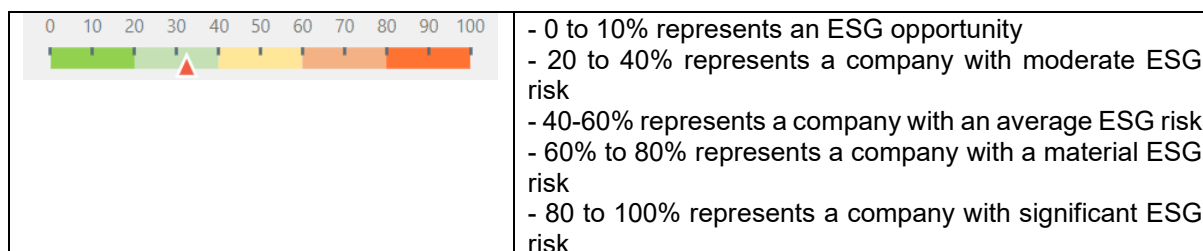
emissions on scopes 1 and 2 divided by total turnover) weighted by their weighting in the portfolio, pursuant to the following formula:

$$\text{weighted average intensity}_{\text{portfolio}} = \sum_{\text{inv}=1}^{n_{\text{investments}}} \text{Poids}_{\text{inv}} \cdot \text{portion}_{\text{companies}} \cdot \text{portfolio}_x \times \frac{\text{company global emission}_{\text{inv}}}{\text{company total turnover}_{\text{inv}}}$$

The Management Company will monitor compliance with this 20% threshold in connection with any investment or divestment decision. In the event that the 20% threshold is exceeded during the course of the investment as a result of a deterioration in the carbon intensity of one or more issuers in the portfolio, the Fund will carry out the necessary arbitrages in order to ensure that the weighted average carbon intensity of the Fund is again at least 20% lower than that of its index at the end of the quarter following the quarter in which the excess was observed.

### Promotion of ESG Criteria

For the purposes of the bottom-up analysis conducted prior to any investment, the Management Company will also assign to each company an ESG score (the “ESG Score”), ranging from 0% to 100%, (0% representing an ESG opportunity and 100% the highest- ESG risk company) :



This ESG Score is determined pursuant to the ESG Criteria defined in paragraph 4.4 “Information on ESG criteria” below by applying a proprietary tool developed with an ESG expert.

To ensure appropriate implementation of such ESG approach, the Fund will exclude any companies having an ESG profile of more than 80% from its portfolio. Furthermore, the Fund will systematically submit issuers with an ESG profile ranging from 60% to 80% to the ESG Committee, which holds veto power.

In any case, the initial ESG score of each portfolio company of the Fund shall be reviewed on a periodic basis. If, following a downgrading of its ESG Note, an issuer from the Fund’s portfolio is no longer eligible under the above criteria, the Fund must remove the issuer from its investment universe and divest within 12 months, unless the issuer manages to correct its ESG Score before the end of this period.

### Limitation in methodology

This Non-Financial Approach presents certain methodological limitations according to the Management Company:

- a limited number of companies publish audited GHG data on scopes 1, 2 and 3 (upstream and/or downstream), the Management Company may have difficulties in identifying data relating to a given emitter and using, for example, data from its sector of activity;
- due to the lack of robust data, the Management Company does not take into account GHG data on Scope 3 (upstream and/or downstream), which leads to not taking into account greenhouse gas emissions linked to the value chain which may represent the bulk of the emissions. Therefore, not considering scope 3 in the selection of emitters represents a significant risk of under-optimising indirect emissions;
- the GHG data available for an emitter may be erroneous or incomplete either because of the databases of data providers such as Bloomberg or Trucost, or because of emitters who, when carrying out voluntary GHG reporting, may vary the scope of this reporting without the figures being corrected. In such cases, the Management Company may have to make certain

restatements or additions to complete the available data in the light of the information available to it;

- the Internal ESG Note is relies on a tool developed by an external service provider and based on sources which must be updated periodically and which may become obsolete between two updates;
- with the exception of sectors identified under the group exclusion policy described above, the investment strategy does not exclude per se any specific economic sector and may be exposed to certain controversies related to some of these sectors as described in the description of Sustainability Risk hereafter.

### Taxonomy Regulation

The Fund promotes environmental characteristics and does not have a sustainable investment objective but it will invest to some extent in economic activities that contribute to an environmental objective. As such, the Fund is required to disclose information about the environmentally sustainable investments made in compliance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “**Taxonomy Regulation**”).

The Fund intends to contribute to the following environmental objectives set out in the Article 9 of the Taxonomy Regulation: climate change mitigation and climate change adaptation. In order to contribute to these objectives, it is expected that this Fund will make investments in EU Taxonomy-eligible economic activities, including but not limited to low carbon transport, renewable energy and sustainable real estate.

In line with the current state of the SFDR and the Taxonomy Regulation, the Management Company ensures cumulatively that such investments deemed sustainable (i) are eligible under the Taxonomy Regulation, (ii) meet the relevant technical criteria to evidence a substantial contribution to one of the objectives of the Taxonomy Regulation, (iii) do not significantly harm the remaining objectives of the Taxonomy Regulation pursuant to the “do not significantly harm” criteria (iv) respect human and social rights under international law (also designated as minimum social guarantees). In order to evaluate the investments deemed sustainable, the Management Company mainly relies on the analysis provided by the ESG specialist ISS ESG and reserves the right to complement this analysis with internal studies.

The Management Company has decided not to commit on a minimum alignment's level of the portfolio's sustainable activities, pursuant to article 3 of the Taxonomy Regulation. Indeed, the Management Company considers that the portion of the Fund's investments for which a contribution to the Taxonomy Regulation's objectives is measurable is too low.

The Management Company anticipates an increase of the portion of its investments deemed sustainable pursuant to the Taxonomy Regulation as it will progressively be able to identify more companies whose business activities are aligned with such environmental objectives. In such case, the Management Company will commit within its Prospectus on a minimum alignment's level of the portfolio's activities qualified as sustainable pursuant to the Taxonomy Regulation. The Management Company will provide its best effort to communicate a realistic objective and calculate the most exact portfolio alignment's level with the European taxonomy.

Finally, the Fund is required as per Article 6 of the Taxonomy Regulation to state that the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### **d) Financial instruments concerned**

##### Assets used excluding derivatives:

The Fund will favour listed instruments, but nevertheless may invest in OTC financial instruments.

- Debt securities and money market instruments: exposure of up to 200% of net assets.
  - The Fund will invest in private or public debt (bonds or convertible bonds),
  - The debt securities making up the Fund's portfolio will be chosen among all rating grades, and notably high-yield  
(the Management Company carries out its own analysis of the debt securities that is independent of the agency ratings). The Fund can invest up to 20% of its net assets in high-yield securities that are rated below CCC+ on their acquisition date, it being specified that the percentage of these securities can be as high as 25% of net assets in the event of a downgrade of the ratings of securities already in the portfolio.
  - The Fund can invest in certain perpetual bonds as well as bonds issued by securitisation funds that comply with the provisions of Article R214-9 of the French Monetary and Financial Code (including securitisation funds managed by Tikehau Investment Management and for which the Management Company may receive structuring and management fees).

- Units or shares in French or foreign UCITS and investment funds (AIFs): up to 10% of net assets.

As part of a diversification approach (all classifications), the Fund can invest up to 10% of its net assets in:

- units and shares of French or foreign UCITS that comply with Directive 2009/65/EC,
- units and shares of other French or foreign UCIs or foreign investment funds that meet the conditions set out in 1° to 4° of Article R. 214-13 of the French Monetary and Financial Code.

The Fund reserves the right to acquire units or shares in UCITS and/or AIFs managed by the Management Company or a company related to it.

- shares of listed or unlisted securitisation companies that comply with the provisions of Article R214-9 of the French Monetary and Financial Code. The Fund can invest in the shares of securitisation companies managed by Tikehau Investment Management and for which the Management Company may receive structuring and management fees.
- Exposure to equity markets: up to 10% of net assets.
  - The Fund may hold equities that are directly admitted for trading or when the debt securities held by the Fund are converted into or redeemed in equity. The Fund can invest in the equities of all capitalisations and from all geographical regions. Furthermore, the Fund may be exposed to the equity market through investments in the units or shares of UCITS/AIFs or in derivatives.
- Securities with embedded derivatives: up to 100% of net assets via convertible bonds.
  - The Fund may also invest in convertible bonds for up to 100% of its net assets, as well as EMTNs, warrants, Credit Linked Notes (CLNs), callable/puttable bonds and similar, and, within 25% of net assets, subordinated financial bonds, including contingent convertibles (CoCos) that represent subordinated debt securities issued by credit institutions or insurance or reinsurance companies that are eligible in terms of regulatory own funds, and which could be converted into shares or see their nominal value decrease (through a write-down) in the case of a trigger event that has been pre-defined in the prospectus of these securities;
  - The Fund is also authorised to invest in asset-backed securities (ABS) that comply with the provisions of Article R214-9 of the French Monetary and Financial Code, within the limit of 10% of its net assets.

## Derivatives:

### ○ Types of markets:

Transactions on regulated, organised or over-the-counter markets in the aim of achieving the investment objective.

### ○ Risks the manager wishes to transact on:

- Interest rate risk
- Exchange rate risk, with a maximum residual risk of 10%.
- Credit risk
- Equity risk

### ○ Purpose of the transactions:

- Hedging
- Exposure

### ○ Type of instruments used:

- Interest rate swaps;
- Currency swaps: assets can include a currency exposure in order to obtain a revaluation or higher income (example: part of the assets may be invested in £ without hedging the currency);
- Options traded over the counter (OTC);
- Contracts for difference (CFDs);
- Interest rate and index futures;
- Bond and index options;
- Credit derivatives, including (i) CDS on iTraxx used to obtain a synthetic exposure or overexposure to the bond markets or a single issuer, and (ii) TRS on iBoxx bond indices, also used to obtain a synthetic exposure or overexposure to certain segments of the bond market;
- The Fund may use OTC options on liquid underlyings that are not difficult to value (vanilla options). The managers do not intend to use truly complex OTC financial instruments for which the valuation may be uncertain or partial;
- Asset swaps: a contract by which a bond (traditional or convertible) is acquired through the exchange of the physical security in return for its par and the set-up of an interest rate swap that includes a spread. The seller of the asset swap is hedged against the credit risk.

### ○ Strategy for the use of derivatives:

- To hedge the portfolio against the foreign exchange risk, with a maximum exchange rate risk of 10%;
- To gain exposure to the interest rate risk;
- To recreate a synthetic exposure to assets and risks (interest rates, credit);
- Equity risk (exposure and overexposure).

The maturity of the financial contracts will be consistent with the Fund's investment horizon.

### ○ Authorised counterparties

For OTC transactions, the counterparties will be financial institutions specialised in this type of transaction. Additional information about counterparties to the transactions will be provided in the Fund's annual report. These counterparties will have no discretionary power over the composition or management of the Fund's portfolio.

### ○ Collateral management

In connection with the conclusion of financial contracts, the Fund may receive/remit financial guarantees in the form of full ownership transfer of securities and/or of cash.

Securities received as collateral must meet the criteria set by regulations and must be granted by credit institutions or other entities that meet the criteria of legal form, country and other financial criteria set out in the French Monetary and Financial Code.

Financial guarantees received must be able to be fully enforced by the Fund at any time and without consulting or obtaining the approval of the counterparty. The level of financial guarantees and the discount policy are set by the internal processes of the Management Company in accordance with the regulations in force and cover the categories below:

- financial guarantees in cash;
- financial guarantees in debt securities or in equity securities according to a precise nomenclature.

The eligibility policy for financial guarantees explicitly defines the required level of guarantee and the discounts applied for each financial guarantee according to rules that depend on their specific characteristics. It also specifies, in accordance with the regulations in force, rules for risk diversification, correlation, valuation, credit quality and regular stress tests on the liquidity of guarantees.

In the event that financial guarantees in cash are received, these may, under conditions set by regulation, only be:

- placed in deposit;
- invested in high-quality government bonds;
- used in a reverse repurchase agreement;
- invested in short-term monetary undertakings for collective investment (funds).

Financial guarantees other than received cash may not be sold, reinvested or used as collateral. The Management Company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market). Margin calls will be made on a daily basis.

The guarantees received by the Fund will be kept by the Fund's depositary or, failing that, by any third-party depositary subject to prudential supervision and which has no connection with the provider of the guarantee.

The risks associated with financial contracts and the management of inherent collateral are described in the risk profile section.

### Deposits

The Fund can deposit its surplus cash in term accounts. These deposits may amount to up to 100% of the Fund's assets.

### Cash borrowings

The Fund may temporarily borrow cash, notably with a view to optimising its cash management. This type of transaction will nevertheless only be used on an ancillary basis.

As a guarantee for the overdraft facility granted by the Bank or Depositary, the Fund provided a financial guarantee in simplified form in accordance with the provisions of Articles L. 211-38 and following of the French Monetary and Financial code.

### Securities financing transactions

None.

### Authorised counterparties:

The selection of counterparties for OTC transactions involving derivatives is done according to a best selection process.

Counterparties have no discretionary power over the composition or management of the Fund's investment portfolio or the underlying asset of the derivative.

## 6. Risk profile:

**Warning:** *Your money will be primarily invested in financial instruments selected by the Management Company. These instruments will fluctuate and be affected by changes in market conditions.*

### **Risk of loss of capital:**

The Fund does not offer any capital guarantee protection. Investors are informed that their capital is not guaranteed and may not be returned to them in full or only in part. The value of the assets in the portfolio will depend on developments and unexpected movements on the markets, and no guarantee can be given regarding their future profitability.

The Fund seeks to obtain a net annualised performance for each unit in line with the indications given in paragraph 3 (Investment objective).

In no way does this objective represent a guarantee. Depending on the market conditions at the launch, the manager will aim to invest the Fund in a bond portfolio with a net actuarial return of over 4 on acquisition. This objective may not be achieved in the event of issuer default or if later reinvestments can not be done at a sufficient return.

### **Risk related to investing in high-yield securities:**

This Fund should be regarded as partially speculative and intended especially for investors who are aware of the risks involved in investing in low-rated or unrated securities that could result in a drop in the net asset value.

### **Credit risk:**

The Fund can be entirely exposed to the credit risk related to private and public issuers. In the event that their financial position deteriorates, or that they default, the value of the debt securities could fall and result in a decrease in the net asset value.

### **Interest rate risk:**

The Fund can, at any time, be fully exposed to the interest rate risk, and its sensitivity to interest rates can vary depending on the fixed-income securities it holds and result in a decrease in its net asset value.

### **Risk of a triggering of the hybrid bond mechanism:**

The Fund may be exposed to a direct or indirect equity or interest rate/credit risk, related to its potential investments in hybrid bonds (subordinated bonds, convertible bonds, bonds redeemable in shares, etc.). The value of these securities depends on several factors: the level of interest rates, early repayment/late or stopped repayments on subordinated securities. These various elements can result in a drop in the net asset value of the Fund.

### **Specific risks related to investments in contingent convertible bonds:**

*Risk linked to the trigger level:* trigger levels determine the risk of conversion of the instrument, depending on the distance of the core capital ratio of the issuer in question and can differ from one issue to another.

*Risk of cancellation of the coupon:* coupon payments on AT1 instruments are fully discretionary and can be cancelled by the issuer at any time, for any reason and for any length of time.

*Risk of inversion of the capital structure:* contrary to traditional capital hierarchy, Cocom investors may suffer a loss of capital when equity holders do not.

*Risk of non-repayment of the principle:* AT1 Cocos are issued as perpetual instruments, which are callable at pre-determined dates with the approval of the competent authority.

*Yield/estimation risk:* the often attractive yield on Cocos can be viewed as a complexity premium.

### **Risks related to derivatives with forward commitments:**

As the Fund can invest in derivatives with a maximum exposure of 100% of net assets (i.e. a total exposure 200%), the net asset value of the Fund can thus drop more sharply than the markets to which it is exposed.

**Counterparty risk:**

The Fund may enter into transactions with counterparties that hold cash or assets for a certain period of time. The counterparty risk can be generated by the use of derivatives. The Fund thus bears the risk that the counterparty does not complete the transactions instructed by the Management Company due to the insolvency, failure or other of the counterparty, which could result in a drop in the net asset value. This risk is managed by the counterparty selection process for both intermediation transactions and OTC transactions.

**Liquidity risk:**

Liquidity, notably on OTC markets, is sometimes low. Notably, in turbulent market conditions, the prices of the portfolio securities can undergo significant fluctuations. It can sometimes become difficult to unwind certain positions under favourable conditions over several consecutive days.

As a result, the Fund's assets may be negatively impacted by unfavourable market trends that could make the possibility of adjusting positions under good conditions more difficult.

These factors can result in a drop in the net asset value of the Fund.

**Emerging market risk:**

Market and credit risks are amplified for investments in emerging countries, where both upwards and downwards market movements can be stronger and quicker than on the major international markets.

**Equity risk:**

The Fund can have exposure of a maximum of 10% of its net assets, and its net asset value will decrease in the event of a decline of equity markets.

**Currency risk:**

The base currency of the Fund is the euro. The Fund may be exposed to the currency risk in proportion to the percentage of net assets invested in unhedged non-euro denominated securities, which could cause the net asset value to decrease. The exchange rate risk borne by the Fund is a maximum of 10%.

In addition, unit classes denominated in foreign currencies will be hedged against the exchange rate risk specific to those units in order to limit fluctuations in their currency in relation to the Fund's reference currency (euro), with a residual exchange rate risk. The cost of this hedging as well as the residual exchange rate risk may generate a difference in performance with units denominated in different currencies.

**Risk of conflicts of interest:**

The Fund can invest in UCIs managed by Tikehau IM or a company related to it or securities issued by these UCIs. This situation could be a source of conflicts of interest.

**Sustainability Risk:**

"Sustainability Risk" refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by this Fund.

The Fund takes into account risks and sustainability factors through sector exclusion measures and the rating of the non-financial profile implemented by the Fund as described in the section "Investment Strategy - Extra-Financial Approach".

Such risk is linked to a variety of risks which may result in unanticipated losses that could affect this Fund's investments and financial condition. Three risks appear to dominate in terms of likelihood and materiality if they unfold:

(i) Environmental risks: comprise adverse effects on living organisms and the environment by effluents, emissions, wastes, resource depletion, etc., arising out of an organization's activities. Climate risks comprise both an organization's activities' effect on climate change and the effect of climate change on the organization itself.

The Management Company specifically considers climate-related events and biodiversity loss resulting from climate change (a.k.a physical risks such as sustained increased temperatures, sea level rise, flooding, fire, droughts, and other weather calamities) or to the organization's response to climate change (a.k.a transition risks related to regulatory, technology, market risks, etc.). As the frequency of extreme weather events increases, the exposure of this Fund's assets to these events increases too.

(ii) Social risks: include risks associated with health and safety, social risks in the supply chain, management of the social climate and development of human capital, management of quality and risks

associated with consumers' safety, management and materiality of social/society-related controversies, management of the innovation capabilities and the immaterial capital.

The Management Company specifically considers pandemic risks. On average, a new infectious disease emerges in humans every four months. In a connected world, an outbreak anywhere can become a global risk and halt the economy. A pandemic is defined as an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people. Despite significant medical progress over the last centuries, infectious diseases represent a considerable threat to society and to a wide array of economic sectors.

(iii) Governance risks: refer to risks around an organization functional management, regulatory risks, management and integration of sustainability into the business' strategy quality. Governance shortcomings e.g. significant breach of international agreements, non-respect for human rights, corruption and bribery issues, etc. translate into material Sustainability Risks.

Management Company specifically considers cybersecurity risks results from the increasing use of digital technologies across all sectors. As cyber-attacks become more sophisticated, the exposure of this Fund's assets to data fraud, theft and cyberattacks increases.

Social events (e.g. inequality, inclusiveness, labour relations, accident prevention, investment in human capital, changing customer behavior, product quality and safety, selling practices, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, etc.) also translate into Sustainability Risks.

The Management Company incorporates these sustainability risks into its due diligence process prior to each investment, in particular their potential occurrence. When assessing such sustainability risks associated with the underlying investments, the Management Company will assess the risk that the value of such investment may be adversely affected by an ESG related issue. These risks will be identified, monitored and controlled by the Management Company using a qualitative process (i.e. a policy of exclusion, negative and positive screening, review of controversies...) and in the best interest of investors. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. Assessment of the likely impacts of Sustainability Risks on the returns of the Fund is therefore conducted at the portfolio level. Further details on the relevant Sustainability Risks to which the FCP is exposed is made available in the periodic reports.

**Risk relating to transactions involving total return swap contracts (CFD/TRS) and the management of financial guarantees:**

Total return swaps (TRS) and contracts for difference (CFD) are liable to create risks for the Fund, such as a counterparty risk as defined above. The management of collateral is likely to create risks for the Fund such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event of a counterparty default) and, where applicable, risks relating to the re-use of cash collateral (i.e. mainly the risk that the Fund may not be able to reimburse the counterparty).

## **7. Guarantee and protection:**

The Fund does not provide any guarantee or protection.

## **8. Eligible investors and typical investor profile:**

### **a) US Persons**

The units of this Fund are not available to investors who are "U.S. Persons", as defined by SEC Regulation S (Part 230-17 CFR230.903).

The Fund is not, and will not be, registered under the United States Investment Company Act of 1940. Any sale or transfer of units within the United States or to a US Person may be considered a violation of US law, and requires the prior written consent of the Fund's Management Company. Investors wishing to acquire or subscribe to such units must certify in writing that they are not "US Persons".

The Fund's Management Company has the power to (i) restrict a US Person from holding units, and thus trigger mandatory redemption of the units held, or (ii) prevent the transfer of units to a US Person. This power may also apply to any person (a) who seems to be directly or indirectly in violation of the

laws and regulations of any country or any government authority, or (b) who may, according to the Fund's Management Company, cause damage to the Fund that it would not have otherwise suffered or incurred.

The unit offer has not been authorised or rejected by the SEC, a specialised commission of any US State or any other US regulatory body, nor have any of said authorities issued statements in favour or against this offer, or the accuracy or adequacy of the documents pertaining to the offer. Any assertions made in this regard are contrary to law.

If a unitholder becomes a US Person, they must inform the Fund's Management Company immediately. All unitholders who are US Persons will no longer be authorised to acquire new units and may at any time be asked to transfer their units to a person who is not a US person. The Fund's Management Company reserves the right to carry out the mandatory redemption of all units held directly or indirectly by a US Person, or when the holding of units by any other person is contrary to law or the interests of the Fund.

The definition of a "U.S. Person" according to SEC Regulation S (Part 230-17 CFR230.903) is available at the following address:

<http://www.sec.gov/laws/secrulesregs.htm>

#### **b) Recommended investment period**

The recommended investment period is five years, bearing in mind that the Fund is to be dissolved on 31 December 2027.

The reasonable amount for each investor to invest in this Fund depends on their personal situation. To determine this amount, investors must consider their personal assets, the applicable regulation, their current needs over an investment period of at least five years, and whether they wish to take risks or rather favour a prudent investment. Investors are also strongly advised to sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

#### **c) Typical investor profile and minimum initial subscription amount**

**R-Acc-EUR and R-Dis-EUR Units:** All investors, with a minimum initial subscription amount of 100 euros (€).

**F-Acc-EUR and F-Dis-EUR Units:** Reserved for investors investing through (i) an intermediary providing a management mandate service (discretionary portfolio management) or Independent Advice service, as defined by the European regulation set forth in MiFID; (ii) non-independent or restricted advisors who have agreed not to receive retrocessions or are not authorised to receive retrocessions in accordance with the requirements imposed by the local regulators ; (iii) and/or the Management Company, and whose minimum initial subscription is 100 euros (€).

**E-Acc-EUR Units:** Reserved exclusively for corporate officers and employees (investing either directly or via any company they control), companies or funds controlled by (i) the Management Company or (ii) any company controlling the Management Company, directly or indirectly, within the meaning of Article L233-3 of the French Commercial Code, and whose minimum initial subscription is 100 euros (€).

**I-Acc-EUR Units:** All investors, intended especially for institutional investors, with a minimum initial subscription amount of 1,000,000 euros (€).

**I-Acc-USD-H Units:** All investors, intended especially for institutional investors, with a minimum initial subscription amount of 1,000,000 dollars (USD).

#### **d) Form of the units**

The units are in bearer form.

### **9. Methods for determining distribution amounts:**

**R-Acc-EUR, E-Acc-EUR, I-Acc-EUR, I-Acc-I USD-H and F-Acc-EUR units:** as these units are capitalisation units, no distribution is made. The distributable amounts relating to these units are fully capitalised.

**R-Dis-EUR and F-Dis-EUR units:** the distributable amounts are distributed in full, to the nearest rounding. It is possible to make interim distributions.

The distributable amounts are made up of:

1° The net result increased by retained earnings and increased or decreased by the balance of the income adjustment account;

2° Realised capital gains, net of expenses, decreased by the realised capital losses, net of expenses, recorded during the financial year, increased with net capital gains of the same nature recorded during previous financial years that have not been distributed or capitalised, increased or decreased by the balance of the capital gains adjustment account.

## 10.Characteristics of the units:

The units are denominated in euro and fractions are issued in thousandths of units.

## 11.Subscription and redemption terms:

Orders are executed according to the table below:

Business day D	Business day D, date of calculation of the net asset value	Business day D+1	Business day D+2
Centralisation of subscription and redemption orders before 12:00 noon <sup>1</sup>	Execution of the order at the latest on D	Publication of the net asset value	Settlement of subscriptions and redemptions

<sup>1</sup>Except in the case of a specific deadline agreed on with your financial institution.

**Subscription and redemption orders received after 12:00 noon will be considered as having been received the next dealing day.**

Subscriptions can be made in amount, in number of full units or fractions, as each unit is fractioned into thousandths.

Redemptions can be made in amount, in number of full units or fractions, as each unit is fractioned into thousandths.

Unitholders should be aware that orders transmitted to marketers other than the institutions mentioned in point 2.4 Parties must take account of the fact that the order centralisation deadline applies to these marketers with regard to CACEIS BANK France.

Thus, these marketers can apply their own deadlines, earlier than the one indicated above, to allow them to meet their deadlines for transmitting orders to CACEIS BANK.

### **Institution designated to receive subscription and redemption requests:**

CACEIS BANK

1-3 Place Valhubert, 75013 Paris, France

**Date and frequency of the publication of the net asset value:** The Fund's net asset value is determined daily except on days the Paris Stock Exchange is closed and national holidays in France. It is available from the Management Company Tikehau Investment Management.

### **Gates:**

In the event of exceptional circumstances and when in investors' interest, the Management Company can invoke a "gates" mechanism, which enables it to defer Fund holder redemption requests over several net asset values when the ratio between (i) the amount of redemptions net of subscriptions and (ii) the last net asset value exceeds a certain threshold, determined objectively, according to the rules described below (the "**Trigger Threshold**").

In accordance with Article 3 of the Rules, the Trigger Threshold is set at 5%, it being specified that the Gates will not be automatically triggered when this threshold is exceeded: if liquidity conditions permit, the Management Company can decide to honour its redemptions beyond the Trigger Threshold. The maximum period the Gates can be applied is set at 20 net asset values over three months.

The Fund has several units, and the Trigger Threshold of the mechanism will be the same for all of the Fund's units.

Terms for invoking the Gates provision: When redemption requests at a given centralisation date exceed the Trigger Threshold, the Management Company can decide to defer execution of the fraction of redemption requests that exceed the Trigger Threshold. The Management Company nevertheless maintains the possibility to honour redemption requests beyond the set threshold, and thus partially or fully execute the orders that could be blocked.

The Fund's unitholders are reminded that, in order to verify the possible activation of the Gates, the Trigger Threshold is compared at each centralisation date to the ratio between (i) the difference recorded, at a same centralisation date, between the number of Fund units for which redemptions have been requested, or the total amount of these redemptions, and the number of Fund units for which subscriptions have been requested, or the total amount of these subscriptions; and (ii) the net assets or total number of Fund units.

The Trigger Threshold is justified with respect to the frequency of the calculation of the Fund's net asset value (daily), its management guidelines and the liquidity of the assets it holds. It is specified in the Fund Rules and applies to the centralised redemptions for all of the Fund's assets and not specifically for each Fund share class.

Information to unitholders: In the event that the Gates are activated, all of the Fund holders will be informed by any means, via the Management Company's website (<https://www.tikehaucapital.com/en/funds-and-portfolio/tikehauim/liquid-strategies>).

Regarding the Fund holders whose orders were not executed, they will be specifically informed as soon as possible.

Processing of orders not executed: If the Gates are triggered, the redemption requests received at a same centralisation date will be executed in the same proportions for Fund holders who requested a redemption on that date, up to the Trigger Threshold. Regarding the orders that are not executed, beyond the Trigger Threshold, they will be automatically deferred to the next net asset value and will not have priority over the new redemption requests submitted for execution on the following net asset value. In any case, the redemption orders that are not executed and automatically deferred cannot be revoked by the unitholders of the Fund in question.

Example illustrating the mechanism in place: For example, if total requests for redemption of fund units are 10% and the Trigger Threshold is set at 5% of net assets, the Fund will honour the redemption requests up to this threshold and only 50% of these redemption requests will be honoured by the Fund at the net asset value concerned. However, the Management Company could also decide that the Fund will honour the redemption requests for up to 7.5% of net assets (and thus execute 75% of these redemption requests instead of 50% if it had strictly applied the Trigger Threshold at 5%).

## **12. Subscription and marketing periods:**

The Fund will be open for subscription and marketing for a fixed period expiring four years after the last day of the year of the Fund's launch. The Fund will thus be closed to subscriptions from 31 December 2024, at the centralisation time. From this date onwards, only subscriptions preceded by a redemption carried out the same day for a same number of units and on the same net asset value and by a same holder can be transmitted. The subscription period can be extended on decision by the Management Company.

## **13. Fees and expenses:**

### **a) Subscription and redemption fees**

The subscription and redemption fees are added to the subscription price paid by the investor or deducted from the redemption price.

Fees retained by the Fund are used to offset the charges it incurs when investing and divesting the entrusted assets.

The Management Company reserves the right not to deduct subscription fees not retained by the Fund. The fees not retained by the Fund are paid to the Management Company or marketer, etc.

Fees charged to the investor, deducted at the time of subscription and redemption	Base	Rate
Subscription fee not accruing to the Fund	Net Asset Value x number of units subscribed	R-Acc-EUR, F-Acc-EUR, R-Dis-EUR and F-Dis-EUR units: 3% maximum E-Acc-EUR units: none I-Acc-EUR and I-Acc-USD-H units: none
Subscription fee accruing to the Fund	Net Asset Value x number of units subscribed	None
Redemption fee not accruing to the Fund	Net Asset Value x number of units redeemed	None
Redemption fee accruing to the FundS	Net Asset Value x number of units redeemed	None

*Conditions for exemption: Simultaneous subscriptions and redemptions can be exempt from all fees (retained or not by the Fund) under the following conditions:*

- the transactions are carried out the same day, for the same amount and based on the same NAV, and when these transactions are economically neutral for the Fund and do not require investments or divestments to be made,
- they are carried out by the same holder (buy/sell transactions) or by persons, entities or companies linked by a control relationship or under the same control (reclassification transactions),
- the Management Company is informed with a minimum notice of three business days, in order to give it time to verify that all of the exemption conditions are met.

The Fund's net asset value (NAV) can decrease as a result of the subscription/redemption orders made by investors, at a price that does not reflect the adjustment costs associated with the portfolio's investment or divestment transactions required to honour these orders. In order to reduce the impact of this dilution and protect the interests of existing unitholders, the Fund implements a swing pricing mechanism with a trigger threshold.

This mechanism, defined by a swing pricing policy, enables the Management Company to ensure that the readjustment costs are borne by the investors requesting the subscriptions or redemptions of Fund units, thus protecting the existing unitholders.

Investors should be aware that the volatility of the Fund's NAV may not reflect just that of the securities held in portfolio due to the application of the swing pricing mechanism.

For more information about this mechanism, please refer to the "ASSET VALUATION RULES AND METHOD" section at the end of this prospectus.

**b) Operating expenses and management fees and performance fees:**

	<b>Costs charged to the Fund</b>	<b>Base</b>	<b>Rate</b>
<b>a</b>	Financial management and administrative costs external to the Management Company	Net assets	R-Acc-EUR Units: 1.30% R-Dis-EUR Units: 1.30% I-Acc-EUR and I-Acc-USD-H Units: 0.65% F-Acc-EUR Units: 0.75% F-Dis-EUR Units: 0.75% E-Acc-EUR Units: 0.15%
	Maximum indirect charges	Net assets	None
	Turnover fees Service providers receiving turnover fees: Depositary only	Charged on each trade or transaction	€70 maximum incl. tax on each transaction
<b>b</b>	Performance fees	Net assets	For each of the Fund's reference periods, 10% including all taxes of the positive performance of the Fund's net annualised performance of:  - R-Acc-EUR and R-Dis-EUR Units: 3.60%  - F-Acc-EUR and F-Dis-EUR Units: 4.15%  - I-Acc-EUR and I-Acc-USD-H Units: 4.25%  - E-Acc-EUR Units: N/A  (precision starting from July 1 <sup>st</sup> 2022 : provided that this performance is greater than 0 during the reference period in question)

▪ **Operating expenses and management fees**

These fees cover all costs charged directly to the Fund with the exception of transaction costs. Transaction costs include trade-related charges (brokerage fees, stamp duties, etc.) and turnover fees, where applicable, which may notably be paid to the depositary and the Management Company.

In addition to the operating expenses and management fees, the following may be charged:

- turnover fees charged to the Fund;
- **Performance fees applicable to R-Acc-EUR, I-Acc-EUR, F-Acc-EUR, R-Dis-EUR, I-Acc-USD-H and F-Dis-EUR units:**

Calculation method applicable until 30<sup>th</sup> June 2022

These fees are paid to the Management Company when the Fund exceeds its objectives. They are therefore charged to the Fund.

The amount of the performance fee corresponds to 10% including all taxes of the positive performance of the Fund's net assets above a net annualised performance of the Fund of (i) 3.60% for units R-Acc-

EUR and R-Dis-EUR, (ii) 4,15% for units F-Acc-EUR and F-Dis-EUR and (iii) 4,25% for units I-Acc-EUR and I-Acc-USD-H calculated after deduction of all management fees (the **"Performance"**).

For each unit, the Performance, determined at each Net Asset Value calculation date, is equal to the positive difference between (i) the net assets at the calculation date, and (ii) a reference net asset value corresponding to the net asset value calculated at the previous calculation date, and then adjusted according to the investment objective (the **"Reference Net Asset Value"**).

On each net asset value calculation during a given financial year, and for each unit, the amount of variable fees will be taken and provisioned as follows in accordance with the High Water Mark principle:

- i. If the net asset value of the unit concerned (after deduction of fixed management fees) is lower than (a) the theoretical net asset value calculated on the basis of the Reference Net Asset Value or (b) the High Water Mark, no provision is made for a performance fee;
- ii. If the net asset value of the unit concerned (after deduction of fixed management fees) is higher than (a) the theoretical net asset value calculated on the basis of the Reference Net Asset Value and (b) the High Water Mark, a provision is made for a performance fee to be paid for the Performance.

The definitive payment of the potential amounts provisioned for the performance fee to be paid to the Management Company is made at the end of each reference period as defined below, it being specified that, in the event that the Fund underperforms compared to the last calculated net asset value, the provision is adjusted via a reversal. Provision reversals are capped at the amount provisioned.

The reference period for the calculation of performance fees is the Fund's financial year. The first performance fee, if one is calculated, will be charged at the close of the financial year ended 30 June 2021.

In the case of a redemption of units during the financial year, the performance fee that corresponds to these units, if there is one, is immediately locked in and retained by the Management Company.

#### Calculation method applicable starting from July 1st 2022:

In respect of the unit classes that charge an performance fee as identified in the above table, the Management Company is entitled to receive from the net assets of the relevant unit class a performance-based incentive fee. The performance fee is calculated, and where applicable accrued on each valuation date, using the methodology described below.

#### Definitions

For the purpose of this Fund:

- The reference period (the **"Reference Period"**) is the time horizon over which (i) the performance is measured and compared with that of the Reference Indicator, and (ii) past underperformance or negative performance of a unit class compared to the Reference Indicator must be clawed back before an outperformance fee becomes payable.

The Reference Period shall have a length of five (5) rolling Crystallisation Periods (as defined below), with an anticipated reset every date on which an outperformance fee is paid to the Management Company (other than anticipated payments mentioned below) At the end of every Reference Period, the mechanism for the compensation for past underperformance or negative performance can be reset.

- Crystallisation Period begins on the first valuation date of each financial year following the previous Crystallisation Period and ends on the last valuation date of December of the same year, subject to the below (the **"Crystallisation Period"**). The first Crystallisation Period of a given unit class shall be understood as being the period starting as of the launch date of the unit class and ending the immediately following 31st of December.
- the Reference Net Asset Value used for a given Crystallisation Period is defined as the highest net asset value in respect of which an outperformance fee was calculated and paid over the Reference Period, it being provided that the initial net asset value of a given unit class shall be set as the first Reference Net Asset Value thereof (the **"Reference Net Asset**

**Value”).** If no such outperformance fees have been paid over the Reference Period, the Reference Net Asset Value shall be set to the net asset value calculated on the first valuation day of the Reference Period. The Reference Net Asset Value is adjusted in case of distributions.

#### Calculation method for the outperformance fee

The outperformance fee mechanism that is employed is the outperformance fee reference indicator mechanism. The reference indicator with which the performance of the relevant unit classes will be compared is indicated in the above table (including the hurdle) for each unit class (the “Reference Indicator”). This mechanism seeks to ensure that the Management Company cannot (i) earn a performance fee as a consequence of previous underperformance against the Reference Indicator over the Reference Period, nor (ii) claim performance fees unless the net asset value at the end of a Crystallisation Period is higher than the applicable Reference Net Asset Value.

A performance fee in respect of any unit class is calculated during each Crystallisation Period considering the spread between (i) the positive performance of the net asset value of a unit class over a given Crystallisation Period above the Reference Net Asset Value (the “Performance”) and (ii) the performance of the Reference Indicator against the Reference Net Asset Value (the “Benchmark Performance”).

In case of a positive spread (the “Positive Relative Performance”), the outperformance fee shall be calculated on the basis of such Positive Relative Performance and due at the end of the relevant Crystallisation Period. Given that the Performance is calculated with respect to the Reference Net Asset Value, a Positive Relative Performance may only exist and hence outperformance fees may only be paid if the absolute Performance is positive over the entire Reference Period.

In addition, (i) if a unit class is closed or subject to a merger in the course of a Crystallisation Period and (ii) where unit classes are redeemed on a date other than that on which an outperformance fee is paid while provisions have been made for the outperformance fee, the outperformance fee will in principle be crystallised at the date of the event triggering the end of the Crystallisation Period for such units and the outperformance fee will be paid, even if an outperformance fee is no longer payable at the end of the ongoing Reference Period.

The outperformance fee is calculated on the basis of the net asset value per unit after deducting all expenses, fees (but not any accrued unpaid outperformance fee except for the unpaid outperformance fee in respect of units redeemed during the Reference Period, as further described below) and adjusting for subscriptions, redemptions, and distributions orders executed from date of the previous Reference Net Asset Value, so that these will not affect the due outperformance fee.

The Reference Indicator and the Reference Period will be periodically reset to take into account the length of the Reference Period representing a duration of five (5) rolling Crystallisation Periods, provided that such reset will only pertain to the fraction of the underperformance coming from the elapsed fiscal year (N-5) that was not yet compensated over the on-going reference period.

#### Outperformance fee provision mechanism

A provision in respect of outperformance fee will be made on each valuation date if an outperformance fee is due according to the previous paragraphs. For this purpose, those conditions will be assessed for each unit class by reference to the Performance and the Benchmark Performance over the period from the first day of the Reference Period up to such valuation date. If no outperformance fees are due, no accrual will be made in respect of the valuation date in question.

The outperformance fee provision on a specific valuation date is calculated, where applicable, by multiplying the Positive Relative Performance by the performance fee rate indicated in the above table and the number of units outstanding on such valuation date, adjusted for subscriptions, redemptions and distributions.

On each valuation date, the outperformance fee accounting provision made on the immediately preceding valuation date is adjusted to reflect the units’ Relative Performance, positive or negative. Accordingly, except with respect to any outperformance fee that has accrued as of that point when distributions or redemptions proceeds are paid out and which is considered earned, previously accrued

outperformance fees will be cancelled out by any subsequent underperformance in comparison with the Benchmark Performance. The outperformance fee accounting provision may, however, never be negative and under no circumstances will the Management Company pay money into the Fund or to any unitholder thereof for any such underperformance.

Subject to the above, if at the end of a Crystallisation Period, an accrual for outperformance fees is booked in the statement of operations of any unit class, it will become payable to the Management Company.

#### Anticipated crystallisation of accrued outperformance fees

In the event that a unitholder redeems units prior to the end of the Crystallisation Period, any accrued but unpaid outperformance fee relating to those redeemed units shall be immediately crystallised and will be paid to the Management Company at the end of the considered Crystallisation Period according to the following formula:

Crystallised outperformance fee on a valuation day = (number of units redeemed on the valuation date / total number of units on the previous valuation date) \* outperformance fee accrued on the previous valuation date

If a unit class is closed or (subject to the best interest of investors of both the merging and the receiving fund or unit class) merged before the end of the Crystallisation Period, the outperformance fee accrued as of the closing or merger of the unit class, if any, will be paid as if the date of closing was the end of the Crystallisation Period.

Example of determination of outperformance Fee (illustration with respect to a A-Acc-EUR share):

Year	Net Asset Value (end of the year)	Reference Net Asset Value	Performance vs. Reference Net Asset Value	Benchmark Performance	Benchmark Performance vs. Reference Net Asset Value	Relative Performance	Payment of performance fees (Yes/No)
0	100			100			
1	102	100	2.00%	104	3.60%	-1.60%	No
2	104	100	4.00%	104	3.60%	0.40%	No
3	105	100	5.00%	104	3.60%	1.40%	<b>Yes (*)</b> <b>Amount : 0.14€</b>
4	102	105 (*)	-2.86%	107	3.60%	-6.46%	No
5	104	105	-0.95%	107	3.60%	-4.55%	No
6	107	105	1.90%	107	3.60%	-1.70%	No
7	110	105	4.76%	107	3.60%	1.16%	No
8	111	105	5.71%	107	3.60%	2.11%	No (**)
9	112	105	6.67%	107	3.60%	3.07%	No
10	114	105	8.57%	107	3.60%	4.97%	<b>Yes (*)</b> <b>Amount : 0.52 €</b>

(\*) Update of the Reference Net Asset Value following the payment of performance fees

(\*\*) Update of the Reference Net Asset Value following the end of the 5th year of the 5 years rolling Reference Period, in the absence of payment of performance fees.

## IV. COMMERCIAL INFORMATION

### 1. Distributions:

The FCP is distributed by the Management Company directly or indirectly. The FCP is admitted to circulation on Euroclear. Therefore, certain marketers may not be authorised or known by the Management Company.

## 2. Subscriptions and redemptions:

Subscription and redemption orders are executed on the basis of the next net asset value. They must be received by the depositary before 12:00 noon on the day of the calculation of the net asset value (D) and will be settled on business day D+2 (D being the date of determination of the net asset value).

## 3. Circulation of information concerning the Fund:

The net asset value is available from the Management Company Tikehau Investment Management.

The Fund's full prospectus, latest annual and interim documents and the remuneration policy are sent within one week on simple written demand by the unitholder to:

Tikehau Investment Management  
32 rue de Monceau - 75008 Paris  
Tel: +33 (0)1 53 59 05 00  
Contact: [client-service@tikehaucapital.com](mailto:client-service@tikehaucapital.com)

Additional information about the list of regulatory documents and all provisions relating to investor protection can be found on the AMF's website [www.amf-france.org](http://www.amf-france.org).

The Management Company may transmit the composition of the assets of the Fund it manages, notably to professional investors under the supervision of the CSSF, the ACPR, the AMF or equivalent European authorities for the purposes of calculating the regulatory requirements in relation to the Solvency II Directive. In order to ensure that such transmission of information does not facilitate market timing operations, the Management Company shall in particular respect the following time period before any disclosure:

- (i) for professional investors subject to prudential constraints, as exemplified above, the transmission of information may take place within a period of not less than 48 hours after publication of the Net Asset Value;
- (ii) for other investors, this transmission may be made within a period of not less than 3 weeks after the publication of the Net Asset Value (except, for instance, in exceptional market conditions, during which the Management Company may apply longer non-disclosure time period).

Any investor wishing to receive this portfolio composition must have in place procedures for managing such sensitive information prior to receiving it, so that it is used solely for the calculation of prudential requirements.

## 4. Information on ESG criteria:

As a signatory of the United Nations Responsible Investment Principles (UNPRI) since 2014, the Management Company incorporates ESG criteria throughout the investment cycle and reports on its progress. At the Tikehau Capital Group level, extra-financial information is published at least annually on the website <https://www.tikehaucapital.com/>.

The Fund's investment universe excludes companies involved in sectors excluded in accordance with Article 3.2.5 "Investment strategy".

The Management Company also conducts an ESG analysis based on a non-financial profile rating scale covering Environmental, Social and Governance criteria, and also considers any controversies from the standpoint of materiality and probability. The rating scale may include the following ESG criteria:

- Governance: quality and transparency of financial and non-financial information, sector risks associated with bribery and cybersecurity (based on the ESG expert analysis), quality of the management team and governance bodies, Corporate Social Responsibility (CSR) policy (e.g.

signature of the United Nations Global Compact or other international initiatives), management and materiality of governance-related controversies.

- Societal/Social: sector risks associated with health and safety (based on European and local statistics by sector), environmental and social risks in the supply chain, management of quality and risks associated with consumer safety, management and materiality of social/society-related controversies, contribution of products and services to the betterment of society.
- Environment: sector risks associated with the environmental footprint of the business (based on an ESG expert input by sector), physical risks and transition risks associated with climate change, participation to climate related initiatives (Carbon Disclosure Project (CDP), the Science Based Targets Initiative (SBTi), Renewable 100, the United Nations Race to Zero, CarbonCare®, etc.), management and materiality of environment-related controversies, contribution of products and services to the preservation of the environment.

ESG criteria (particularly relating to governance or best practices in terms of non-financial communication) vary significantly depending on the region. For some ESG criteria deemed material, the Fund will compare a given company's practices to those of its peers (companies of similar size in the same region).

Information about how ESG criteria are incorporated in the investment policy is available in the annual reports of the Fund in question.

Over the life of the investment, the portfolio management teams perform an annual review of a sample of ESG criteria. In line with the Group's voting policy, the portfolio management teams vote at the General Meetings held by portfolio companies, irrespective of their nationality, provided that the issuer (or, where applicable, the voting platform) provides sufficient information and its depositaries are capable of counting the votes.

Additionally, the Management Company undertakes to consider principal adverse impacts on the climate and the environment (e.g. induced GHG emissions or companies and assets' exposure to biodiversity-sensitive areas) as well as on governance, social and employee matters (e.g. board gender diversity or gender pay gap where possible). One or more external providers (e.g. Bloomberg ESG database, or the specialist ISS ESG for the carbon assessment), sometimes completed by internal research (based on public information) will be used to compute weighed averages of principal adverse impacts indicators. Within this framework, a carbon assessment is carried out annually at the level of the FCP and the nature of the main negative impacts observed in terms of sustainability will be the subject of an annual statement made available as part of the Fund's ESG report.

## **5. Policy for the management of conflicts of interest:**

The Management Company has in place effective organisational and administrative procedures for identifying, managing and monitoring conflicts of interest. It has also implemented a procedure for selecting and monitoring its delegates and a contractual policy with regard thereto, with a view to identifying any potential conflicts of interest.

Our conflicts of interest policy is available on the website <http://tikehaucapital.com>

## **6. Intermediary selection:**

A procedure for the selection and review of intermediaries, taking into account objective criteria such as the quality of research, commercial follow-up and execution is in place within the Management Company. This procedure is available on the website [www.tikehaucapital.com](http://www.tikehaucapital.com)

## **V. INVESTMENT RULES**

The regulatory ratios applicable to the Fund are those mentioned in Article R. 214-2 and following of the French Monetary and Financial Code.

In accordance with Articles 411-72 and 411-80 of the AMF General Regulation, and Instruction N° 2011-15 of 3 November 2011 relative to the methods for calculating the overall risks of UCITS, as subsequently updated, the Management Company chose the commitment method (as defined in Article 6 of the Instruction).

## **VI. ASSET VALUATION RULES AND RECOGNITION METHODS**

### **1. Principles:**

The Management Company Tikehau Investment Management is responsible for valuing the different instruments that make up the Fund. It delegates the calculation of the Fund's net asset value (NAV) to the valuer:

CACEIS Fund Administration  
1-3 Place Valhubert, 75013 Paris, France

The principle used is to ensure that the NAVs are calculated in an identical manner from one NAV to the next.

Financial instruments for which a price was not recorded on the valuation date or for which the price has been adjusted are valued at their probable trading value under the responsibility of the Management Company. These valuations and their justification are communicated to the statutory auditor at the time of the audit controls.

### **Valuation rules:**

- a) Equities and equity-related securities are valued at the last known closing price at the time of the valuation of the Fund.
- b) The bonds are valued at MID price (corresponding to the average of the BID and ASK prices), on the basis of contributors' prices.
- c) Negotiable debt securities are valued at their current value, in the absence of significant transactions, an actuarial method is applied. In the case of negotiable debt securities with a residual life of less than three months, the straight-line method can be used.
- d) Units or shares of UCITS are valued at the last published net asset value.
- e) Futures traded on organised markets are valued at settlement price.
- f) Options traded on organised markets are valued at settlement price.
- g) Credit derivatives are valued at their current value on the basis of the prices of contributors.
- h) Swaps are valued at their current value on the basis of the prices of contributors.
- i) OTC products (including debt securities) are valued at their current value on the basis of the prices of contributors.
- j) Foreign currency is valued at the exchange rate on the NAV calculation date.
- k) Forex forwards are valued at the forward rate on the NAV calculation date.
- l) Deposits are valued at their current value on the NAV calculation date.
- m) The Management Company will, in accordance with the valuation rules provided for in this prospectus, carry out a daily valuation of the guarantees received on a market price basis (mark-to-market).

### **Swing pricing mechanism of the net asset value with a trigger threshold**

- a) The Management Company has a method in place for adjusting the net asset value (NAV) with a trigger threshold.
- b) This mechanism ensures that the costs associated with purchasing or selling the underlying assets in the Fund as a result of the liabilities movements (subscriptions/redemptions) are borne by the investors subscribing to or redeeming their units. The aim of this mechanism, defined by a policy, is to protect the Fund's current unitholders by reducing their burden of these costs. The result is the calculation of an adjusted, or "swinging" NAV.
- c) Therefore, if on the day of calculation of the NAV, aggregate subscription/redemption orders for units of all classes of the Fund's exceed a pre-set threshold determined by the Management Company, based on objective criteria, as a percentage of net assets, the NAV can be adjusted upwards or downwards to take into account the adjustment costs incurred by the net subscription/redemption transactions. Where the Fund issues several unit classes, the NAV of each unit class is calculated separately, but any adjustment will have an identical impact, in percentage, on all of the NAVs of the Fund's unit classes.
- d) The parameters of the adjustment costs and trigger threshold are determined by the Management Company and reviewed periodically. These costs are estimated by the Management Company on the basis of transaction costs, buy-sell ranges and any taxes that may be applicable to the Fund.

- e) It is not possible to predict exactly if the adjustment mechanism will be applied at a given time in the future, nor the frequency at which the Management Company will make such adjustments.
- f) Investors should be aware that the volatility of the Fund's NAV may not solely reflect that of the securities held in portfolio due to the application of the adjustment mechanism. The swinging NAV is the only net asset value of the Fund, and the only one communicated to the Fund's unitholders. However, in the case of a performance fee, it will be calculated on the NAV before application of the adjustment mechanism.

## **2. Accounting of income and expenses on transactions:**

The option chosen is the cash basis method of accounting (coupon and income received).  
The transaction costs on the financial instruments held by the Fund are excluded from their purchase or sale price.

The Fund's accounting is carried out in euros (€).

## **VII. REMUNERATION**

The Management Company is subject to remuneration policies, procedures and practices (collectively referred to as the "Remuneration Policy") in compliance with the UCITS V directive (the "Directive").

The Remuneration Policy is consistent with and encourages sound and effective risk management. It is designed so as not to encourage risk-taking that is not consistent with the Fund's risk profile. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company and the funds that it manages, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profiles of the Management Company or the funds that they manage, and guarantees that no employee will be involved in the calculation or validation of their own remuneration.

A summary of the Remuneration Policy is available on the website <http://www.tikehaucapital.com>.  
A printed copy of this Remuneration Policy is available free of charge on simple request.

## Information for Luxembourg Residents

### Paying and Information Agent

At the date hereof, units of TIKEHAU 2027 (the “**Fund**”) have been notified for public distribution in Luxembourg, all to be issued as provided for in the Prospectus.

CACEIS Bank, Luxembourg Branch established at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg has been appointed as paying agent (the “**Paying Agent**”) in respect of the units of the Fund (the “**Shares**”). Accordingly, CACEIS Bank, Luxembourg Branch is acting as agent of the Fund for the payment of distributions (if any) and the payment in relation to repurchases of Shares in Luxembourg to unitholders in the Fund (the “**Shareholders**”). Shareholders may also present applications and repurchases requests of Shares to the Paying Agent.

Copies of all documents referred to in the section “Documents” of the Prospectus are available for inspection at the offices of the Paying Agent. Copies of the Prospectus and the annual and half-yearly reports of the Fund may be obtained at the offices of the Paying Agent.

The net asset value of the Shares as well as the applications and repurchases prices of the Shares can be obtained on the website [www.tikehauim.com](http://www.tikehauim.com), and at such other sources as the Fund may deem appropriate.

Any notice to the Shareholders will be duly notified by mail to their registered address unless Shareholders have elected to receive them electronically.

Sales of the Units in Luxembourg will only take place through banks and distributors.

# FUND RULES

## SECTION 1 – ASSETS AND UNITS:

### **Article 1 – Co-ownership units**

The rights of the co-owners are expressed in units, each unit corresponding to 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 term of the Fund is ninety nine (99) years starting from 28 April 2020, except in cases of early dissolution or extension provided for in the present Rules.

The characteristics of the different unit classes and their conditions of access are specified in the Key Investor Information Document (KIID) and the detailed memorandum of the Fund.

The units may be issued in fractions of thousandths of a unit, on decision by the management company.

The provisions of the rules relating to the issue and redemption of units are applicable to fractions, the value of which will always be proportional to that of the unit they represent. Unless otherwise specified, all other provisions of the rules applying to units shall also apply to fractions.

The management company's board of directors may decide, at its sole discretion, to split the units by creating new units which are allocated to unitholders in exchange for the former units.

### **Article 2 – Minimum amount of assets**

Units cannot be redeemed if the Fund's assets fall below €300,000; in this case, the management company shall take the necessary measures to merge or dissolve the Fund within a 30-day period, unless the assets rise above this amount before the end of this period.

### **Article 3 – Issue and redemptions of units**

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

Subscriptions and redemptions are made under the conditions and in accordance with the procedures laid down in the KIID and the prospectus.

Fund units may be admitted to trading in accordance with applicable regulations.

Subscriptions must be paid up in full on the day on which the net asset value is calculated. Payment must be made in cash.

Redemptions are made solely in cash, except in the case of the liquidation of the Fund, when unitholders have agreed to be redeemed in securities. They are settled by the depositary within a maximum period of five days following the unit's valuation.

However, if under exceptional circumstances the redemption requires the prior sale of fund assets, this period may be extended up to a maximum of 30 days.

Except in the event of succession or inter vivos gifts, disposals or transfers of units between unitholders or from unitholders to a third party will be considered a redemption followed by a new subscription. If a third party is involved, the amount of the disposal or transfer must, where applicable, be supplemented by the beneficiary so that it reaches the minimum investment amount required by the full prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the management company may temporarily suspend both redemption by the Fund of its units and the issue of new units, when required by exceptional circumstances or the interests of the unitholders.

If the net asset value of the Fund falls below the amount specified in the rules, no unit redemptions can be made.

In the event of exceptional circumstances, and when in investors' interest, the Management Company has provided for "Gates", which are a mechanism enabling it to limit redemptions when the ratio between (i) the amount of redemptions net of subscriptions and (ii) the last net asset value is equal to or higher than 5%. The Gates will nevertheless not be automatically triggered when this threshold is exceeded: if liquidity conditions permit, the Management Company can decide to honour its redemptions beyond this threshold. The maximum period the Gates can be applied is set at 20 net asset values over three months. The Fund has several units, and the Trigger Threshold of the mechanism will be the same for all of the Fund's units. Subscription and redemption transactions for a same number of units on the basis of the same net asset value and for a same holder or beneficial owner ("round-trip" transactions) are not concerned by the Gates provision.

#### **Article 4 – Calculation of the net asset value**

The net asset value of the units is calculated taking into account the valuation rules stated in the prospectus.

## **SECTION 2 – OPERATION OF THE FUND:**

#### **Article 5 – The management company**

The Fund is managed by the management company in accordance with the guidelines defined for the Fund.

In all circumstances, the management company acts on behalf of the unitholders and it alone may exercise the voting rights attached to the securities held by the Fund.

#### **Article 5a – Operating rules**

The instruments and deposits that are eligible for Fund assets, as well as the investment rules, are described in the prospectus.

#### **Article 6 – The depositary**

The depositary shall perform the duties incumbent upon it in accordance with the laws and regulations in force, as well as those duties contractually entrusted to it by the management company. In particular, it must ensure that decisions made by the management company are lawful. It must, where applicable, take all precautionary measures that it deems useful. It shall notify the French Financial Markets Authority (AMF) of any disputes with the management company.

#### **Article 7 – The statutory auditor**

The statutory auditor is appointed by the management company for six financial years, subject to prior approval by the French Financial Markets Authority (AMF). The statutory auditor certifies the accuracy and fairness of the financial statements. The statutory auditor can be reappointed.

The statutory auditor must notify the AMF as early as possible of any fact or decision concerning the Fund that might come to its attention in the course of its work and that might:

- 1° Constitute a breach of legal or regulatory provisions applicable to the Fund that might have a material impact on its financial position, results or assets;
- 2° Adversely affect the conditions or ability to continue as a going concern;
- 3° Result in the statutory auditor expressing a qualified opinion or refusing to certify the financial statements.

Asset valuations and the determination of exchange ratios as part of conversions, mergers or splits are carried out under the supervision of the statutory auditor. The statutory auditor assesses any contribution in kind under its responsibility. The statutory auditor shall verify the composition of assets and other items prior to publication.

The statutory auditor's fees are set by mutual agreement between itself and the board of directors of the management company, based on a work programme specifying the verifications deemed necessary.

The statutory auditor shall certify the circumstances underlying any interim dividend distributions.

#### **Article 8 – The financial statements and the management report**

At the end of each financial year, the management company draws up the summary documents and a report on the Fund's management during that year.

The list of holdings is certified by the depositary and all of the above documents are verified by the statutory auditor.

The management company makes these documents available to the unitholders within four months following the end of the financial year and notifies them of the amount of income they are entitled to: these documents are either sent by post at the express request of the unitholders or made available to them at the management company's offices.

### **SECTION 3 – INCOME ALLOCATION:**

#### **Article 9 – Allocation of distribution amounts**

The amounts that can be distributed by a UCITS consist of:

- 1° Net income plus retained earnings, plus or minus the balance of the income equalisation account;
- 2° Realised capital gains, net of charges, minus realised capital losses, net of charges, recorded during the financial year, plus any net capital gains of the same type recorded in previous financial years that were not paid out or accumulated, plus or minus the balance of the capital gains equalisation account.

The amounts referred to under points 1° and 2° may be distributed, in whole or in part, independently of each other.

Distribution amounts are paid within a maximum period of five months after the end of the financial year.

### **SECTION 4 - MERGERS, SPLITS, DISSOLUTION, LIQUIDATION:**

#### **Article 10 – Mergers - Splits**

The management company may either contribute all or part of the Fund's assets to another UCITS or split the Fund into two or more other mutual funds that it will manage.

Unitholders shall be informed prior to any merger or split transactions. These transactions will result in the issuance of new certificates stating the number of units held by each unitholder.

#### **Article 11 – Dissolution - Extension**

If the Fund's assets remain below the amount stated in Article 2 above for 30 days, the management company shall inform the French Financial Markets Authority (AMF) and then either arrange a merger with another mutual fund or dissolve the Fund.

The management company may dissolve the Fund early; it shall notify the unitholders of this decision and after that date subscription and redemption requests will no longer be accepted.

The management company will also dissolve the Fund if it receives a request to redeem all of the units, if the depositary ceases to operate and no other depositary has been appointed, or when the Fund reaches its term, if this term has not been extended.

The management company shall notify the AMF by post of the chosen dissolution date and procedure. It shall then send the statutory auditor's report to the AMF.

By agreement with the depositary, the management company may decide to extend the Fund. This decision must be taken at least three months before the end of the Fund's initially intended term and communicated to the unitholders and the AMF.

#### **Article 12 – Liquidation**

In the event of dissolution, the management company is responsible for the liquidation operations. To this end, they are granted the most extensive powers to liquidate the assets, pay any creditors and distribute the available balance between the unitholders in cash or in securities.

The statutory auditor and the depositary shall continue to perform their duties until the end of the liquidation.

## **SECTION 5 – DISPUTES:**

### **Article 13 – Jurisdiction – Election of domicile**

Any disputes concerning the Fund that may arise during its operation, or upon its liquidation, either among the unitholders or between unitholders and the management company or the depositary, shall fall within the jurisdiction of the competent courts.