

# PROSPECTUS

## I. GENERAL FEATURES

➤ **Name:**

MILLESIMA TARGET DEFENSIVE 2026

➤ **Legal form and Member State in which the UCITS was established:**

French Mutual Fund (FCP)

➤ **Date created and expected term:**

This UCITS was approved by the *Autorité des marchés financiers* (AMF – the French Financial Markets Authority) on 9 June 2020.

The UCITS was created on 25 June 2020 for a term of 99 years.

➤ **Summary of the management offer:**

The UCITS has seven unit classes.

The UCITS does not have any sub-funds.

<b>Unit type</b>	<b>ISIN code</b>	<b>Allocation of distributable income</b>	<b>Currency</b>	<b>Minimum initial subscription amount*</b>	<b>Target subscribers</b>
A unit	FR0013514601	<b>Net income:</b> Accumulation  <b>Net realised capital gains:</b> Accumulation	Euro	1 unit	All subscribers
B unit	FR0013514619	<b>Net income:</b> Distribution  <b>Net realised capital gains:</b> Accumulation and/or Distribution and/or Carried forward	Euro	1 unit	All subscribers
CR unit	FR0014000IJ8	<b>Net income:</b> Accumulation  <b>Net realised capital gains:</b> Accumulation	Euro	1 unit	All subscribers, under the conditions specified in the "Target subscribers and typical investor profile" section
CRD unit	FR0014000IB5	<b>Net income:</b> Distribution  <b>Net realised</b>	Euro	1 unit	All subscribers, under the conditions specified in the "Target subscribers and typical investor profile" section

		<b>capital gains:</b> Accumulation and/or Distribution and/or Carried forward			
PWM EUR unit	FR0014001SV0	<b>Net income: Accumulation</b>  <b>Net realised capital gains: Accumulation</b>	Euro	€ 1,000	Reserved for Banque Privée EdR as part of the financial services provided to its clients.
PWMD EUR unit	FR0014001SU2	<b>Net income: Distribution</b>  <b>Net realised capital gains: Accumulation and/or Distribution and/or Carried forward</b>	Euro	€ 1,000	Reserved for Banque Privée EdR as part of the financial services provided to its clients.
PWMD USD unit	FR0014001SS6	<b>Net income: Distribution</b>  <b>Net realised capital gains: Accumulation and/or Distribution and/or Carried forward</b>	Dollars	\$ 1,000	Reserved for Banque Privée EdR as part of the financial services provided to its clients.

\* The minimum initial subscription amount does not apply to subscriptions that may be made by the Management Company, the custodian, or entities belonging to the same group.

➤ **Address from which the latest annual report and interim statement may be obtained:**

The latest annual and interim reports shall be sent to unitholders within eight working days of receipt of a written request sent to the Management Company, Edmond de Rothschild Asset Management (France), 47 rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France.

## II. ACTORS

➤ **Management Company:**

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

A public limited company (société anonyme) with a Board of Directors and a Supervisory Board, approved as a management company by the AMF on 15 April 2004 under number GP 04000015.

Registered office: 47 rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08, France

➤ **Custodian:**

EDMOND DE ROTHSCHILD (FRANCE)

A public limited company (société anonyme) with Executive and Supervisory Boards, approved by the Banque de France-CECEI (French Credit Institutions and Investment Firms Committee) as a credit institution on 28 September 1970.

Registered office: 47 rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08, France

Description of the custodian's duties:

Edmond de Rothschild (France) performs the duties defined by the applicable regulations, namely:

- Custody of the UCITS' assets,
- checking that the Management Company's decisions are lawful,
- monitoring the UCITS' cash flows.

Control and management of conflicts of interest:

The custodian EdR (France) and the management company EdRAM (France) both belong to the Edmond de Rothschild Group. In accordance with the applicable regulations, they have each implemented policies and procedures that are appropriate to their size, their organisation and the nature of their activities, in order to take reasonable steps intended to prevent conflicts of interest that might result from this link.

Delegates:

The custodian has delegated the custody of financial securities to the sub-custodian, CACEIS Bank.

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

Updated information is made available to investors within eight business days upon written request from the bearer to the custodian.

➤ **Delegated transfer agent:**

EDMOND DE ROTHSCHILD (FRANCE) has assumed delegated responsibility for the functions related to liability accounting: the clearing of subscription and redemption orders and the management of the UCITS' issuance account.

➤ **Institution delegated with the task of maintaining the issuing account:**

EDMOND DE ROTHSCHILD (FRANCE)

A public limited company (société anonyme) with Executive and Supervisory Boards, approved by the Banque de France-CECEI (French Credit Institutions and Investment Firms Committee) as a credit institution on 28 September 1970.

Registered office: 47 rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08, France

➤ **Sub-custodian:**

CACEIS Bank

Société anonyme (Public limited company)

Credit institution approved by the CECEI

Registered office: 89-91 rue Gabriel Péri – 92120 Montrouge, France

Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France

Acting on behalf of the custodian, the sub-custodian is responsible for the safekeeping of the UCITS' units, for their liquidation, and for the delivery-versus-payment (DVP) of orders sent and received by the custodian. It is also responsible for the financial administration of the UCITS' units (such as securities transactions and the collection of income).

➤ **Statutory auditor:**

PRICEWATERHOUSECOOPERS AUDIT

Registered office: 63, rue de Villiers - 92200 Neuilly sur Seine, France

Authorised signatory: Mr Frédéric Sellam

➤ **Promoter:**

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

A public limited company (société anonyme) with a Board of Directors and a Supervisory Board, approved as a management company by the AMF on 15 April 2004 under number GP 04000015.

Registered office: 47 rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France

Telephone: 00 33 1 40 17 25 25

email: [contact@edram.fr](mailto:contact@edram.fr)

Fax: 00 33 1 40 17 24 42

Website: [www.edram.fr](http://www.edram.fr)

Edmond de Rothschild Asset Management (France) oversees the promotion of the UCITS and may delegate the actual marketing activities to a third party of its choice. Moreover, the management company is not aware of the identity of all the marketers of the UCITS' units who are permitted to act without any official agreement.

Regardless of which company is ultimately appointed marketer, the Edmond de Rothschild Asset Management (France) sales teams are available to provide information or answer any questions that unitholders might have regarding the UCITS. They may be contacted at the company's registered office.

➤ **Delegation of the Fund's accounting:**

CACEIS FUND ADMINISTRATION

A limited company (société anonyme) with a share capital of €5,800,000.

Registered office: 89-91 rue Gabriel Péri – 92120 Montrouge, France

Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX, France

The management company Edmond de Rothschild Asset Management (France) delegates the accounting management of the UCITS to Caceis Fund Administration.

The primary corporate purpose of CACEIS Fund Administration is the valuation and accounting management of financial portfolios. As such, it mainly focuses on processing financial information for portfolios, the calculation of net asset values, bookkeeping for the portfolios, the production of accounting and financial statements and information, as well as the production of various regulatory and special reports.

➤ **Delegation of financial management:**

None.

➤ **Institutions authorised to receive subscription and redemption orders:**

EDMOND DE ROTHSCHILD (FRANCE)  
47 rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08, France  
CACEIS Bank, Luxembourg Branch  
5 Allée Scheffer, L-2520 Luxembourg

### III. OPERATING & MANAGEMENT PROCEDURES

#### 3.1 GENERAL CHARACTERISTICS:

➤ **Unit characteristics:**

- ISIN Codes:

A unit:	FR0013514601
B unit:	FR0013514619
CR unit:	FR0014000IJ8
CRD unit:	FR0014000IB5
PWM EUR unit:	FR0014001SV0
PWMD EUR unit:	FR0014001SU2
PWMD USD unit:	FR0014001SS6

- Rights:

The Fund is a co-ownership of financial instruments and deposits whose units are issued and redeemed at the request of unitholders at their net asset value, plus or minus charges and fees, as appropriate. Unitholders have co-ownership rights to the Fund's assets in proportion to the number of units they hold.

- Entry on a register:

The units will be listed on Euroclear France and will be treated as registered securities prior to listing, and as bearer securities once listed. The rights of holders of registered units will be represented by an entry in a register held by the custodian and the rights of holders of bearer units will be represented by an entry in the account held by the central custodian (Euroclear France) by way of sub-affiliation in the name of the sub-custodian.

- Voting rights:

No voting rights are attached to the Fund's units. Decisions concerning the Fund are taken by the Management Company.

- Type of units:

Bearer

- Decimalisation (splitting):

"A", "B", "CR", "CRD", "PWM EUR", "PWMD EUR" and "PWMD USD" units are expressed in whole numbers or in thousandths of units.

➤ **Year-end:**

The day of the last net asset value for the month of March.

➤ **Taxation:**

Since mutual funds have a co-ownership structure, they are exempt from corporation tax and are deemed to be transparent.

As such, any gains or losses realised when Fund units are redeemed (or when the Fund is dissolved) are capital gains or losses and are taxed as capital gains or losses on transferable securities, applicable to each unitholder depending on their own situation (country of residence, natural person or legal entity, place of subscription, and so on). Such gains may be subject to withholding tax if the unitholder is not a resident of France for tax purposes. In addition, unrealised capital gains may, in some cases, be subject to taxation. Lastly, unitholders are advised that the Fund's "A", "CR" and "PWM EUR" units are accumulation units, whereas "B", "CRD", "PWMD EUR" and "PWMD USD" units are distribution units.

Prior to subscribing to the Fund, unitholders unsure of their tax situation are advised to contact a tax adviser for further information about the specific tax treatment that will be applicable to them.

➤ **Specific tax system:**

None

**3.2 SPECIFIC PROVISIONS:**➤ **Level of exposure to shares or units of other foreign UCITS, AIFs or investment funds:**

Up to 10% of its net assets.

➤ **Management objective:**

MILLESIMA TARGET DEFENSIVE 2026 aims, over its recommended investment period, to achieve performance linked to trends on the international bond markets, particularly through exposure to high-yield securities maturing in December 2026 at the latest.

The management objective is to achieve an annualised net performance greater than 2.00% over an investment horizon from the launch of the Fund to 31 December 2026.

Unitholders are reminded that:

- there is a risk that issuers' actual financial positions may be worse than predicted;
- these unfavourable conditions (for example, higher number of defaults and lower recovery rates) may negatively affect the Fund's performance. This could result in failure to achieve the management objective.

Please note that the target return of the product may be less than the rate of inflation during the period until the product's strategy matures, in which case its actual return would be negative.

➤ **Benchmark index:**

The UCITS has no benchmark index. Its investment universe is not represented by existing indices.

➤ **Investment strategy:**

To achieve its management objective, the Manager will invest in a discretionary manner, particularly through its buy and hold strategy, in bond-type securities whose maturity may not exceed 31 December 2026, and which will be representative of the expectations of the Management Company's bond team regarding the Investment Grade credit markets (securities with a long-term Standard and Poor's or equivalent rating of BBB- or above, or with an equivalent internal rating from the Management Company) and High Yield credit markets (speculative securities for which the risk of issuer default is higher).

The strategy is not limited to bond carry trading, and the Management Company may conduct arbitrage transactions in the interest of shareholders if new market opportunities arise, or if an increase in the risk of a future default is identified for any issuer in the portfolio.

The manager will seek to select the most attractive issues, according to their convictions, in order to maximise the portfolio's risk/return ratio.

The UCITS may be fully invested in short-term securities with maturities of less than 3 months, specifically during its launch phase and at maturity.

The UCITS may invest up to 100% of its net assets in debt securities and money market instruments issued by companies domiciled in member countries of the OECD, the G20, the European Economic Area or the European Union (with no restriction on geographic distribution), and up to 20% in securities of companies domiciled in any geographical areas not listed above. Securities of companies domiciled in emerging countries may not represent more than 20% of net assets.

At least 60% of the portfolio will be invested in investment grade securities and up to 40% in high yield securities that may be considered speculative (Standard & Poor's rating or equivalent lower than BBB-, or an equivalent internal rating assigned by the Management Company).

The UCITS may invest up to 15% in bonds issued by Investment Grade and/or High Yield financial companies, while complying with a maximum limit of up to 40% in High Yield securities (speculative securities for which the risk of issuer default is higher). Financial companies are defined as any company whose main activity is to provide financial intermediation services (banking and insurance).

As the Fund nears maturity, the UCITS will be managed on the money market and with reference to the euro money market average rate (capitalised €STR). After approval from the AMF, the UCITS will then opt either for a new investment strategy or for dissolution, or it will be merged with another UCITS.

To achieve the management objective, the strategy will primarily combine a sector-based approach and credit analysis.

#### Top-down approach

The top-down approach is primarily based on macroeconomic analysis of the various sectors or countries (members of the OECD, the European Economic Area, the European Union and the G20, with no restriction on geographic distribution) considered when allocating the portfolio. It leads to the determination of market scenarios based on the management team's expectations.

This analysis makes it possible to define, in particular:

- the degree of exposure to the various economic sectors, which will be down to the private issuers. This will be determined in such a way as to retain a degree of diversification.
- the distribution among the various ratings within the investment grade and high-yield categories (speculative securities for which the risk of issuer default is higher).

The management team will seek to build a diversified portfolio both in terms of issuers and sectors.

The *top-down* analysis provides a comprehensive overview of the portfolio. This is complemented by a robust stock-picking process (*bottom-up* approach).

#### Bottom-up approach

The aim of this approach is to identify those issuers within a particular sector that provide better relative value than others and therefore seem to be the most attractive.

The way issuers are selected is based on a fundamental analysis of each company.

This fundamental analysis focuses on the assessment of specific criteria such as:

- the clarity of the company's strategy
- its financial health (consistency of cash flow through different economic cycles, ability to honour its debts, ability to stand up to stress tests, etc.)

Within the universe of the selected issuers, the choice of exposures will be based on characteristics such as the issuer's rating, the liquidity of the securities or their maturity.

In order to hedge its assets, exposure and/or achieve its management objective, and without seeking overexposure, the UCITS may use financial contracts traded on regulated markets (futures, listed options), organised or over-the-counter markets (options, swaps, etc.), up to a limit of 100% of its net assets. In this situation, the manager may obtain exposure to or synthetically hedge indices, industry sectors or geographic

regions. To this end, the UCITS may take positions to hedge the portfolio against certain risks (interest rate, credit and foreign exchange) or choose to be exposed to interest rate risk and credit risk. With this in mind, the manager may adopt strategies chiefly aimed at anticipating or protecting the UCITS against the risk of default by one or more issuers or exposing the portfolio to the credit risks of one or more issuers. These strategies will be implemented by purchasing or selling protection via *credit default swap*, credit derivatives, on a single benchmark entity or on indices (iTraxx or CDX).

The UCITS may use securities with embedded derivatives according to the same method and with the same objectives as those outlined above for derivatives.

The portfolio's sensitivity to interest rates will be between 0 and 5.

#### Exposure to the equity market and to convertible bonds

None.

#### Currencies

The EUR currency risk will be hedged. Nevertheless, a residual currency risk may remain with a maximum threshold of 2% of net assets.

Furthermore, the securities selection process also includes negative screening, which involves excluding companies that contribute to the production of controversial weapons, in compliance with international agreements in this field, as well as companies exposed to activities related to thermal coal, unconventional fossil fuels and tobacco, in accordance with the Edmond de Rothschild Asset Management (France) exclusion policy available on its website. This negative screening process helps mitigate sustainability risk.

The fund does not include any other environmental or social characteristics in its investment selection process and sustainable investment is not its objective (as provided for under Articles 8 or 9 of Regulation (EU) 2019/2088, known as the "Disclosure Regulation" or "SFDR").

The Investment Manager does not take into account the negative impact of investment decisions on the sustainability factors of this product. The investments underlying this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities, in accordance with the Taxonomy Regulation.

#### ► Portfolio assets

**Debt securities and money market instruments (up to 100% of the net assets, with a maximum of 100% directly invested in securities).**

#### **General characteristics:**

Interest rate sensitivity	-	[0; +5]
Geographic region of issuers	OECD, G20, European Economic Area or European Union	Up to 100%, including a maximum of 20% of its net assets in securities issued by financial companies domiciled in emerging countries
	All geographic regions, including emerging countries	Up to 20%

#### **Breakdown of private/public debt:**

To achieve the management objective, up to 100% of the portfolio may be invested in private or public debt.

#### **Criteria related to ratings:**

The portfolio may invest up to 40% of its net assets in high-yield securities (speculative securities with a long-term Standard & Poor's or equivalent rating below BBB-, or with an equivalent internal rating from the Management Company).

Taking into account the existence of a maximum maturity for the Fund, the portfolio will invest at least 60% of its assets in "investment grade" securities (with a long-term Standard and Poor's or equivalent rating of BBB- or above, or with an equivalent internal rating from the Management Company) in the form of bonds, debt securities or money market instruments.

Accordingly, as the fund approaches the end of its term, and as a result of the portfolio securities reaching maturity,

money market instruments will be the preferred choice for reinvestments (either directly or through UCIs). The UCITS may be fully invested in short-term securities with maturities of less than 3 months, particularly during its launch phase and at maturity.

The selection of securities is not based automatically and exclusively on the rating criterion. It is based mainly on an internal analysis. Prior to each investment decision, the management company analyses each security against criteria other than its rating. In the event that an issuer's rating is downgraded, the Management Company will conduct a detailed analysis to decide whether to sell or retain the security, so as to maintain the rating objective.

**Legal form:**

Debt securities of any type, including:

- fixed, variable or adjustable-rate bonds
- EMTNs (Euro Medium Term Notes)
- inflation-linked bonds
- negotiable debt securities
- savings certificates
- BTFs (French fixed-rate discount treasury bills)
- treasury bills
- medium-term negotiable securities
- Euro commercial papers (short-term negotiable security issued in euros by a foreign entity)

**Shares or units of other French undertakings for collective investment or other foreign UCITS, AIFs or investment funds:**

The UCITS may invest up to 10% of its assets in units or shares of French or foreign UCITS or French AIFs which are money market funds or bond funds.

These UCIs may be managed by the Management Company or by an affiliated company.

**Financial contracts (subject to an overall off-balance sheet limit of 100% of the net assets)**

For the purpose of hedging its assets, exposure and/or achieving its management objective, without seeking overexposure, the UCITS may use financial contracts traded on regulated markets (futures, listed options), organised or over-the-counter markets (options, swaps, etc.). In this situation, the manager may obtain exposure to or synthetically hedge indices, industry sectors or geographic regions. To this end, the UCITS may take positions to hedge the portfolio against certain risks (interest rate, credit and foreign exchange) or choose to be exposed to interest rate risk and credit risk.

In order to significantly limit the total counterparty risk of instruments traded over-the-counter, the management company may receive cash collateral, which will be deposited with the custodian and will not be reinvested.

**Types of markets invested in:**

- Regulated markets
- Organised markets
- Over-the-counter markets

**Risks in which the manager intends to trade:**

- Interest rate risk
- Currency risk
- Credit risk

**Types of trade:**

- Hedging
- Exposure

**Strategy for the use of derivatives:**

- hedging the portfolio against certain risks (interest rate, credit, currency risk)
- exposure to interest rate and credit risks
- constructing a synthetic exposure to assets and risks (interest rate, credit)
- increasing exposure to the market

**Type of instruments used:**

- Interest rate options
- Forward rate agreements
- Interest rate futures
- options on interest-rate futures
- Currency options
- Currency swaps
- Currency forwards
- Credit derivatives (Credit Default Swaps)

In addition, the UCITS may use over-the-counter forward foreign exchange contracts in the form of total return swaps (TRS) on interest rates and credit up to a limit of 50% of its net assets for hedging or exposure purposes. The expected proportion of assets under management that will be used for such contracts is 25%. The counterparties to the transactions of these contracts are first-rate financial institutions domiciled in OECD countries that have a minimum rating of Investment Grade (rating greater than or equal to BBB- by Standard & Poor's or equivalent, or a rating deemed equivalent by the management company). These counterparties do not have any influence on the composition or management of the UCITS' portfolio.

The maturity dates of financial contracts will be consistent with the UCITS' investment horizon.

Exposure to these financial instruments, markets, interest rates and/or some of their parameters or components resulting from the use of financial contracts may not exceed 100% of the net assets.

**Securities with embedded derivatives (up to 100% of the net assets)**

To achieve its management objective, the UCITS may also invest in financial instruments containing embedded derivatives.

The UCITS may only invest in callable or puttable bonds or warrants up to a limit of 100% of its net assets.

**Cash borrowings**

The UCITS does not intend to borrow cash. However, a liability position may exist from time to time due to transactions associated with the UCITS' cash flow (investments and divestments in progress, subscription/redemption transactions, etc.), up to a limit of 10% of its net assets.

**Temporary purchases and sales of securities**

In the interests of efficient portfolio management and without deviating from its investment objectives, the UCITS may make temporary purchases and sales of securities involving eligible financial securities or money market instruments, up to 100% of its net assets. More precisely, these transactions will consist of repurchase and reverse repurchase agreements linked to interest rate and credit products of eurozone countries, and will be carried out in the context of cash management and/or the optimisation of the UCITS' income.

The expected proportion of assets under management that will be the subject of such a transaction will be 10% of the net assets.

The counterparties to the transactions of these contracts are first-rate financial institutions domiciled in OECD countries that have a minimum rating of "investment grade" (rating greater than or equal to BBB- by Standard & Poor's or equivalent, or a rating deemed equivalent by the Management Company).

These counterparties do not have any influence on the composition or management of the UCITS' portfolio.

In order to significantly limit the total counterparty risk of instruments traded over-the-counter, the Management Company may receive cash collateral, which will be deposited with the custodian and will not be reinvested.

Further information on remuneration for temporary sales and purchases of securities is provided in the "Charges and fees" section.

**Deposits:**

The UCITS may deposit up to 20% of its net assets with the custodian.

**➤ Risk profile:**

Your money will be invested primarily in financial instruments selected by the Management Company. These instruments will be subject to market trends and fluctuations.

The risk factors described below are not exhaustive. It is the responsibility of each investor to analyse the risk associated with such an investment and to form their own opinion independent of the Edmond de Rothschild Group by obtaining as much specialist advice on such matters as is necessary in order to ensure that this investment is appropriate for their financial and legal situation and investment horizon.

- Risk of capital loss:

The UCITS does not guarantee or protect the capital invested, so investors may not recover the full amount of the capital they initially invested, even if they retain the units for the duration of the recommended investment period.

- Discretionary management risk:

The discretionary management style is based on anticipating trends in the various markets (equities, bonds, money market, commodities and currencies). However, there is a risk that the UCITS may not be invested in the best-performing markets at all times. The performance of the UCITS may therefore fall short of the management objective, and a drop in its net asset value may lead to negative performance.

- Credit risk:

Where debt securities and/or money market instruments such as treasury bills (BTFs and BTANs) or short-term negotiable securities are concerned, the main risk is that of issuer default, due either to the non-payment of interest and/or the non-repayment of capital. Credit risk is also associated with the downgrading of an issuer. Unitholders are reminded that the net asset value of the UCITS is likely to fall if a total loss is recorded on a financial instrument following default by an issuer. The inclusion of debt securities in the portfolio, whether directly or through UCIs, exposes the UCITS to the effects of variations in credit quality.

- Credit risk linked to investment in speculative securities:

The UCITS may invest in issues from companies rated as non-investment grade by a rating agency (with a rating below BBB- from Standard & Poor's or equivalent) or an equivalent internal rating from the Management Company. These issues are known as speculative securities and present a higher risk of issuer default. This UCITS should therefore be considered as being partly speculative and intended specifically for investors who are aware of the risks inherent in investing in such securities. As a result, investing in high-yield securities (i.e. speculative securities with a higher risk of issuer default) may incur a greater risk of a decrease in the net asset value.

- Interest rate risk:

The exposure to interest rate products (debt securities and money market instruments) makes the UCITS sensitive to interest rate fluctuations. Interest rate risk might result in a fall in the value of the security and, therefore, the NAV of the UCITS in the event of a change in the yield curve.

- Risk linked to investing in emerging markets:

The UCITS may be exposed to emerging markets. In addition to the individual risks of each issuing company, there are also external risks, particularly in these markets. Furthermore, investors are reminded that the operating and oversight conditions in these markets may deviate from the standards prevailing on major international exchanges. Consequently, the holding of such securities may increase the portfolio's risk profile. A fall in the market may thus be more pronounced and rapid than in developed countries, the net asset value may fall further and more rapidly and, finally, the companies held in the portfolio may have governments as shareholders.

- Risk associated with financial and counterparty contract commitments:

The use of financial contracts may result in the risk of a sharper, more abrupt drop in net asset value than in the markets in which the UCITS invests. Counterparty risk results from the use by the UCITS of financial contracts that are traded OTC and/or temporary purchases and sales of securities. These transactions potentially expose the UCITS to the risk of default by one of its counterparties and where applicable, a fall in its net asset value.

- Liquidity risk:

The markets in which the UCITS trades may occasionally be affected by a lack of liquidity. These market conditions may affect the prices at which the UCITS may have to liquidate, initiate or modify positions.

- Risk linked to derivatives:

The UCITS may invest in forward financial instruments.

The use of financial contracts may result in the risk of a sharper, more abrupt drop in net asset value than in the markets in which the UCITS invests.

- Risks associated with temporary purchases and sales of securities and with total return swaps:

The use of securities financing transactions and total return swaps, as well as the management of their collateral, may involve certain specific risks, such as operational risks or custody risk. These transactions may therefore have a negative effect on the net asset value of the UCI.

- Legal risk:

This is the risk that stems from poorly drafted contracts concluded with counterparties for temporary purchases and sales of securities and for total return swaps.

- Sustainability risk:

Means 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 investment.

➤ **Guarantee or capital protection:**

None

➤ **Eligible subscribers and typical investor profile:**

A and B units: All subscribers

CR and CRD units: All subscribers; these units may be marketed to retail investors (non-professional or professional) exclusively in the following cases:

- Subscription as part of independent advice provided by a financial advisor or regulated financial entity,
- Subscription as part of non-independent advice, with a specific agreement that does not authorise them to receive or retain trailer fees,
- Subscription by a financial entity regulated on behalf of its client as part of a management mandate.

PWM EUR, PWMD EUR and PWMD USD units: Reserved for Banque Privée EdR as part of the financial services provided to its clients.

This UCITS is intended for investors wishing to optimise their bond investments through a portfolio that seeks to achieve performance based on changes in international interest rate markets, particularly through exposure to high-yield securities maturing in December 2026 at the latest.

The units of this UCITS are not and will not be registered in the United States under the US Securities Act of 1933, as amended ("Securities Act 1933"), or under any other law of the United States. These units may not be offered, sold or transferred in the United States (including its territories and possessions), nor may they benefit, directly or indirectly, any US Person (within the meaning of Regulation S of the Securities Act 1933).

The UCITS may either subscribe to units or shares of target funds likely to participate in initial public offerings for US securities ("US IPOs") or directly participate in US initial public offerings ("US IPOs"). The Financial Industry Regulatory Authority (FINRA), in accordance with rules 5130 and 5131 of FINRA (the "Rules"), has decreed prohibitions regarding the eligibility of certain persons to participate in the allocation of US IPOs when the effective beneficiary(-ies) of such accounts are professionals in the financial services sector (including, among others, an owner or employee of a member of FINRA or a fund manager) (a "Restricted Person") or an executive officer or director of a US or non-US company that may be in a business relationship with a member of FINRA (an "Associated Person"). The UCITS may not be offered or sold for the benefit or on behalf of a "US Person" as defined by "Regulation S" nor to investors considered as Restricted Persons or Associated Persons in relation to the FINRA Rules. Investors should seek advice from their legal advisor if there are any doubts about their status.

The appropriate amount to invest in this UCITS depends on your personal situation. In determining their level of investment, investors are encouraged to seek professional advice in order to diversify their investments and establish the proportion of their financial portfolio or assets to be invested in this UCITS, with particular consideration for the recommended investment period and exposure to the aforementioned risks, and to their personal assets, requirements and objectives. In any event, unitholders must diversify their portfolio sufficiently to avoid being exposed solely to the risks of this UCITS.

- Minimum recommended investment period: Until 31 December 2026

➤ **Procedures for determining and allocating distributable amounts:**

<i>Distributable Amounts</i>	<i>"A", "CR" and "PWM EUR" units</i>	<i>"B", "CRD", "PWMD EUR" and "PWMD USD" units</i>
Allocation of net income	Accumulation	Distribution
Allocation of net realised gains or losses	Accumulation	Accumulated (fully or partially) or Distributed (fully or partially) or Carried forward (fully or partially) based on the decision of the Management Company

Where distribution units are concerned, the Management Company of the UCITS may decide to make one or more advance payments on the basis of the financial positions certified by the Statutory Auditor.

➤ **Distribution frequency:**

Accumulation units: not applicable

Distribution units: annual with the possibility of interim dividends. Payment of distributable income is made within a maximum of five months of the financial year-end and, for interim dividends, within one month of the date of the statement certified by the statutory auditor.

➤ **Unit characteristics:**

The UCITS has 7 unit classes: "A", "B", "CR", "CRD", "PWM EUR", "PWMD EUR" and "PWMD USD" units

A units are denominated in Euros and expressed in units or thousandths of a unit.

B units are denominated in Euros and expressed in units or thousandths of a unit.

CR units are denominated in euros and expressed in units or thousandths of units.

CRD units are denominated in euros and expressed in units or thousandths of units.

PWM EUR units are denominated in Euros and expressed in units or thousandths of a unit.

PWMD EUR units are denominated in Euros and expressed in units or thousandths of a unit.

PWMD USD units are denominated in US Dollars and expressed in units or thousandths of a unit.

➤ **Subscription and redemption procedures:**

- Date and frequency of net asset value calculation:

Daily, with the exception of public holidays and days on which the French markets are closed (according to the official Euronext Paris S.A. calendar).

- Initial NAV:

A unit: €100

B unit: €100

CR unit: €100

CRD unit: €100

PWM EUR unit: €1,000

PWMD EUR unit: €1,000

PWMD USD unit: \$1,000

- Minimum initial subscription:

A unit: 1 unit.

B unit: 1 unit.

CR unit: 1 unit.

CRD unit: 1 unit.

PWM EUR unit: €1,000.

PWMD EUR unit: €1,000.

PWMD USD unit: \$1,000.

- Minimum subsequent subscription amount:

A unit: 1 thousandth of a unit.  
 B unit: 1 thousandth of a unit.  
 CR unit: 1 thousandth of a unit.  
 CRD unit: 1 thousandth of a unit.  
 PWM EUR unit: 1 thousandth of a unit.  
 PWMD EUR unit: 1 thousandth of a unit.  
 PWMD USD unit: 1 thousandth of a unit.  
 - Subscription and redemption procedures:

Orders are executed in accordance with the table below.  
 Subscription and redemption conditions are expressed in business days.  
 D is the net asset value calculation day:

<i>Clearing of subscription orders</i>	<i>Clearing of redemption orders</i>	<i>Date of order execution</i>	<i>Publication of the net asset value</i>	<i>Settlement of subscriptions</i>	<i>Settlement of redemptions</i>
D, before 12:30 p.m.	D, before 12:30 p.m.	D	D+1	D+3	D+3*

\* In the event of the dissolution of the Fund, redemptions will be settled within a maximum of five business days.

The Management Company has implemented a method of adjusting the net asset value of the UCITS known as Swing Pricing during the marketing period of the Fund. This mechanism is described in Section VII of the prospectus: "Asset valuation rules".

#### **Gates:**

The management company may use the gate system to stagger redemption requests from fund unitholders over multiple net asset values if they exceed a given threshold, when exceptional circumstances so require and if the interests of unitholders or the public so dictate.

#### Description of method:

The management company may decide not to execute all redemption requests for a given net asset value if the predetermined threshold is exceeded for a given net asset value. The management company objectively determines the level of this threshold by taking into account the frequency with which the net asset value of the fund is calculated, the fund's management strategy and the liquidity of the assets in the portfolio.

For the fund, the redemption gate may be applied by the management company when the threshold of 5% of net assets is reached. The fund has several classes of units, so the trigger threshold will be identical for all classes of units in the fund. This 5% threshold applies to centralised redemptions for the assets of the fund as a whole and not specifically to the different classes of fund units.

The redemption gates correspond to the ratio between:

- the difference observed, on a single centralisation date, between the total volume of redemptions and the total volume of subscriptions; and
- the net assets of the fund.

When redemption requests exceed the trigger threshold of the redemption gates, the Fund may nevertheless decide to honour redemption requests made beyond the predetermined threshold, by partially or fully executing the orders that could have been blocked.

For example, if the total amount of unit redemption requests represents 10% of the net assets of the fund while the redemption gate is set at 5% of the net assets, the fund may decide to honour redemption requests up to 8% of the net assets (and therefore execute 80% of redemption requests instead of 50% if it strictly applied the 5% ceiling).

The maximum period of application of the redemption gate is set at 20 net asset values over 3 months.

#### Procedures for notifying unitholders:

If the gate mechanism is activated, fund investors will be notified by any appropriate means via the following website: <https://funds.edram.com>.

Unitholders in the fund whose redemption orders have not been executed will be individually notified as quickly as possible.

Unexecuted orders:

During the period of application of the gate mechanism, redemption orders will be executed in the same ratio for fund unitholders who have requested redemption at the same net asset value.

The unexecuted part of the redemption order that is deferred will not have priority over subsequent redemption requests. Fund unitholders may not revoke fractional redemption orders that have not been executed and that are automatically deferred.

Exemption from the gate mechanism:

Subscription and redemption transactions for the same number of units on the basis of the same net asset value and for the same holder or beneficial owner (known as round-trip transactions) are not subject to the gate mechanism. This exclusion also applies to transfers from one unit class to another unit class at the same net asset value for the same amount and for the same holder or beneficial owner.

Subscriptions and redemptions of "A", "B", "CR", "CRD", "PWM EUR", "PWMD EUR" and "PWMD USD" units are executed per amount, unit or in thousandths of units.

For tax purposes, conversions from one unit class to another are treated as a redemption followed by a new subscription. Consequently, the tax system applicable to each subscriber depends on the tax provisions applicable to the subscriber's individual circumstances and/or the investment jurisdiction of the UCITS. In case of uncertainty, subscribers should contact their adviser to obtain information about the tax regime applicable to them.

Unitholders are advised that orders sent to institutions responsible for receiving subscription and redemption orders should take into account the fact that the cut-off time for centralising orders applies to the transfer agent, Edmond de Rothschild (France). Consequently, the other institutions named may apply their own, earlier deadline, in order to take into account transfer times to Edmond de Rothschild (France).

- Option to limit or discontinue subscriptions:

If the assets of the UCITS have not reached €40 million by 20 January 2021, the marketing period will be extended until 30 June 2021 inclusive. However, the marketing period may be closed early if the UCITS' assets exceed €40 million. At the end of this period, the UCITS will be closed to all subscriptions (except in the case of a concurrent subscription and redemption by the same investor for the same amount executed on the same net asset value date).

- Place and method of publication of the net asset value:

Edmond de Rothschild Asset Management (France)  
47 rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08, France

➤ **Charges and fees:**

- Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees payable to the UCITS serve to offset the charges incurred by the UCITS when investing and divesting investors' monies. Fees which are not paid to the UCITS are paid to the management company, promoter, etc.

<b>Fees payable by the investor on subscriptions and redemptions</b>	<b>Basis</b>	<b>Rate scale "A", "B", "CR", "CRD", "PWM EUR", "PWMD EUR" and "PWMD USD" units</b>
Subscription fee not payable to the UCITS	Net asset value x Number of units	A unit: maximum 4%
		B unit: maximum 4%
		CR unit: None
		CRD unit: None
		PWM EUR unit: Maximum 6%
		PWMD EUR unit: Maximum 6%
		PWMD USD unit: Maximum 6%
Subscription fee payable to the UCITS	Net asset value x Number of units	A unit: None
		B unit: None
		CR unit: None
		CRD unit: None
		PWM EUR unit: None
		PWMD EUR unit: None
		PWMD USD unit: None
Redemption fee not payable to the UCITS	Net asset value x Number of units	A unit: None
		B unit: None
		CR unit: None
		CRD unit: None
		PWM EUR unit: None
		PWMD EUR unit: None
		PWMD USD unit: None
Redemption fee payable to the UCITS	Net asset value x Number of units	A unit: None
		B unit: None
		CR unit: None
		CRD unit: None
		PWM EUR unit: None
		PWMD EUR unit: None
		PWMD USD unit: None

Exemption: if a subscription request is concomitant with a redemption order from the same investor for an equal amount or quantity and carried out on the same net asset value date, no subscription fee payable to the UCITS and no redemption fee payable to the UCITS will be applied.

- Operating and management fees:

These charges cover all the costs invoiced directly to the UCITS, except transaction charges. Transaction charges include intermediary charges (brokerage fees, local taxes, etc.) as well as any transaction fees, if applicable, that may be charged by the Custodian and the Management Company, in particular.

The following fees may be charged on top of operating and management fees:

- Performance fees
- Transaction fees charged to the UCITS
- Fees linked to temporary purchases and sales of securities, as applicable.

The Management Company is required to pay a share of the UCI's financial management fees as remuneration to intermediaries – such as investment companies, insurance companies, management companies, marketing intermediaries, distributors or distribution platforms – who have signed a UCI-unit distribution or investment agreement, or a finders-fee agreement. This remuneration is variable and depends on the business relationship in place with the intermediary and whether the beneficiary can demonstrate an improvement in the quality of the service provided to the customer. This remuneration may be either flat-rate amount or calculated on the basis of the net assets subscribed as a result of the actions of the intermediary. The intermediary may or may not be a member of the Edmond de Rothschild Group. In accordance with the applicable regulations, each intermediary will provide the client with any useful information on costs and fees, as well as their remuneration.

For more information about the fees charged to the UCITS, please refer to the Key Information Document (KID) for the corresponding units.

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Management fees. Management fees include financial management fees and operating costs and other services: custodian, valuation agent and auditor	Net assets of the UCITS	A unit: Maximum 1.00% incl. taxes*
		B unit: Maximum 1.00% incl. taxes*
		CR unit: Maximum 0.35% incl. taxes*
		CRD unit: Maximum 0.35% incl. taxes*
		PWM EUR unit: Maximum 0.60 % incl. taxes*
		PWMD EUR unit: Maximum 0.60 % incl. taxes*
		PWMD USD unit: Maximum 0.60 % incl. taxes*
Transaction fees paid to service providers:	Deducted from each transaction	None
Performance fee	Net assets of the UCITS	A unit: None
		B unit: None
		CR unit: None
		CRD unit: None
		PWM EUR unit: None
		PWMD EUR unit: None
		PWMD USD unit: None

\*Including all taxes.

For this activity, the Management Company has not opted for VAT.

Research costs as defined in Article 314-21 of the AMF General Regulations may be invoiced to the UCITS up to a limit of 0.01% of its net assets until subscriptions are closed and 0.001% of its net assets after this closure.

Any retrocession of management fees for the underlying UCIs and investment funds collected by the UCITS will be repaid to the UCITS. The rate of management fees applicable to the underlying UCIs and investment funds will be valued by taking into account any trailer fees collected by the UCITS.

In the exceptional case that a sub-custodian applies an unanticipated transaction fee not set out in the terms and conditions mentioned above, a description of the transaction and the transaction fees charged will be specified in the management report of the UCITS.

- Procedure for selecting intermediaries:

In accordance with the AMF's General Regulations, the Management Company has established a Best Selection/Best Execution policy for intermediaries and counterparties. The purpose of this policy is to select, according to various predetermined criteria, the brokers and intermediaries whose execution policy will achieve the best possible results when executing orders. The Edmond de Rothschild Asset Management (France) Policy is available on its website at: [www.edram.fr](http://www.edram.fr).

- Calculation and allocation of the proceeds resulting from temporary purchases and sales of securities and any equivalent transaction under foreign law:

Repurchase agreement transactions are conducted through Edmond de Rothschild (France) according to the prevailing market conditions at the time of the transaction.

- Calculation and allocation of proceeds from total return swaps (TRS) and equivalent transactions under foreign law:

The costs and expenses linked to these transactions are borne by the UCI. Income generated by these transactions is paid in full to the UCI.

The costs and expenses linked to these transactions are borne by the UCITS. Income generated by the transaction is paid in full to the UCITS.

## IV. COMMERCIAL INFORMATION

### ➤ Information for investors

Subscription and redemption orders for units are centralised by:

Edmond de Rothschild (France) (delegated transfer agent)

A public limited company (société anonyme) with Executive and Supervisory Boards, approved by the Banque de France-CECEI (French Credit Institutions and Investment Firms Committee) as a credit institution on 28 September 1970.

Registered office: 47 rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08, France

Telephone: 33 (0) 1 40 17 25 25

Any requests for information about the UCITS may be sent to the promoter.

The Management Company may send the composition of the UCI's portfolio to certain shareholders, or to their service providers with an obligation of confidentiality, for the purposes of calculating the regulatory requirements relating to Directive 2009/138/EC (Solvency II) in accordance with the guidance issued by the AMF, after more than 48 hours have passed since the publication of the net asset value.

Information concerning the consideration of criteria relating to compliance with social and environmental objectives and of governance quality in the management of this UCITS is included on the website at [www.edram.fr](http://www.edram.fr) and is recorded in the annual report of the UCITS for the ongoing financial year.

## V. INVESTMENT RULES

The UCITS complies with the investment rules set out in European Directive 2009/65/EC. The UCITS may use the exemption from the 5-10-40 ratio by investing more than 35% of its net assets in eligible financial securities and money market instruments issued or guaranteed by any State or authorised public or semi-public body.

## VI. OVERALL RISK

Method used to calculate total risk: The UCITS listed below use the commitment method to calculate the total risk ratio of the UCITS associated with financial contracts.

## VII. ASSET VALUATION RULES

### ➤ Asset valuation rules:

The net asset value per unit is calculated in accordance with the valuation rules specified below. The procedures are set out in detail in the notes to the annual financial statements. The valuation is calculated on the basis of closing prices.

- Securities traded on a regulated French or foreign market are valued at their market price (Ask) during the marketing period of the Fund, and then at the sale price (Bid) once the Fund is no longer being marketed;

- Debt securities and similar negotiable securities that are not traded in large volumes are valued using an actuarial method, with the rate used being that of issues of equivalent securities plus or minus any differential representing the intrinsic characteristics of the issuer of the security. However, transferable debt securities with a residual maturity of three months or less or without a particular sensitivity may be valued using the straight-line method. The procedures governing the application of these rules are decided by the Management Company and set out in detail in the notes to the annual financial statements;

- For transferable securities and other items on the balance sheet whose prices have not been quoted on the valuation date, the Management Company will adjust their valuation to reflect variations that are likely to arise due to current events. The Statutory Auditor is notified of this decision;

- Futures and options traded on French or foreign organised markets are valued at their market value based on the procedures determined by the Management Company and set out in detail in the notes to the annual financial statements;

- Futures, options and swaps concluded on over-the-counter markets authorised by the regulations applicable to UCITS are valued at their market value or at a value estimated in accordance with the procedures determined by the Management Company and set out in detail in the notes to the annual financial statements;

- Shares in SICAVs and units in mutual funds are valued either on the basis of the last known net asset value or on the basis of the last known market price quoted on the valuation date.

### ➤ Swing Pricing method used to adjust the net asset value, with trigger threshold during the marketing period:

During the marketing period, the Management Company has implemented a method of adjusting the net asset value known as swing pricing, with a trigger threshold, in order to protect the interests of the Fund's unitholders.

If, on a net asset value calculation day, the amount of redemption orders is greater than the amount of subscription orders from investors across all unit classes of the Fund and if this amount exceeds in absolute terms a threshold that has been predetermined by the Management Company, expressed as a percentage of the Fund's net assets (called the trigger threshold), the net asset value may be adjusted downwards to take into account the readjustment costs attributable to the net redemption orders. The net asset value of each unit class is calculated separately but, in terms of percentage, any adjustment affects all the net asset values for each unit class of the Fund in an identical manner. This mechanism ensures that the cost of transactions generated by these redemptions is borne by the Fund's outgoing unitholders.

The costs and the trigger threshold are determined by the Management Company and reviewed periodically. The Management Company estimates these costs on the basis of transaction fees, purchase and sale price ranges, and any taxes applicable to the Fund.

As this adjustment is linked to the net amount of the Fund's subscription and redemption orders, it is not possible to predict with accuracy whether swing pricing will be applied at any given moment in the future, or the frequency with which the Management Company will make such adjustments. In any event, such adjustments may not exceed 2% of the net asset value.

Investors are informed that, due to the application of swing pricing, the volatility of the net asset value of the Fund may not solely reflect that of the securities held in the portfolio.

The adjusted net asset value, the "swung" NAV, is the only net asset value notified to unitholders. However, if a performance fee is payable, this will be calculated based on the net asset value prior to applying the swing pricing mechanism.

In accordance with the regulations, the Management Company does not notify shareholders of the trigger threshold and ensures that internal information channels are restricted, to preserve the confidential nature of the information.

### ➤ Accounting method

The UCITS complies with the accounting rules set forth in the current regulations and, in particular, with the applicable chart of accounts.

The UCITS has chosen the euro as its base accounting currency.

Interest is recorded using the accrued interest method.

All transactions are recorded exclusive of charges.

The value of any security denominated in a currency other than the Euro is translated into Euros on the valuation day.

## VIII. REMUNERATION

Edmond de Rothschild Asset Management (France) has a remuneration policy that complies with the provisions of European Directive 2009/65/EC (“UCITS V Directive”) and Article 321-125 of the AMF General Regulations which apply to UCITS. The remuneration policy promotes the sound and effective management of risk and does not encourage risk-taking that would be inconsistent with the risk profiles of the UCITS it manages. The management company has implemented adequate measures to prevent any conflict of interest.

For all management company employees who are considered to have a material impact on the risk profile of the UCITS, and identified as such each year using a process involving the Human Resources, Risk and Compliance teams, the remuneration policy involves having part of their variable remuneration (which must remain within reasonable limits in relation to fixed remuneration) deferred over three years.

The Management Company has decided not to establish its own remuneration committee, choosing instead to delegate this function to its parent company, Edmond de Rothschild (France). It is organised in accordance with the principles set out in Directive 2009/65/EC.

Details of the management company’s remuneration policy are available on the company’s website: <http://www.edmond-de-rothschild.com/site/France/en/asset-management>. A written copy of the policy is available free of charge from the management company upon request.

## IX. Additional information for investors domiciled in EU/EEA countries in which the Fund is registered for distribution

Facilities to investors in accordance with Art. 92(1) a) of the Directive 2009/65/EC (as amended by the Directive (EU) 2019/1160) :

1. Process subscriptions, repurchase and redemption orders and make other payments to unitholders relating to the units of the UCITS
2. Provide investors with information on how orders can be made and how repurchase and redemption proceeds are paid.
3. Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to investors’ exercise of their rights.
4. Make the information and documents required pursuant to Chapter IX off Directive 2009/65/EC available to investors.
5. Provide investors with information relevant to the tasks that the facilities perform in a durable Medium.
6. Acting as a contact point for communications with the National Competent Authority.

Contact person for task 1.:

Edmond de Rothschild (France)

Address : 47 rue du Faubourg Saint-Honoré 75401 Paris Cedex 08

Contact person for tasks 2. to 6.:

Edmond de Rothschild Asset Management (France)

Address : 47 rue du Faubourg Saint-Honoré 75401 Paris Cedex 08

Email : [contact-am-fr@edr.com](mailto:contact-am-fr@edr.com)

**In addition to the above, this appendix provides additional information for investors in the following jurisdictions:**

- **Luxembourg**

Information to shareholders

The Mutual Fund's prospectus, the Key Investor Information Documents and the financial reports are available from the Financial Service in Luxembourg. The net asset value is calculated daily, with the exception of public holidays and closing days of the French markets (official calendar of EURONEXT PARIS S.A.)

Terms of subscription and redemption of shares

Subscription and redemption requests are centralized each day before 12:30 p.m. by EDMOND DE ROTHSCHILD (France) and are executed on the net asset value of the day and calculated the next opening business day.

Fiscal statue

Gains or losses realized on the redemption of the shares of the Mutual Fund (or on the dissolution funds) constitute capital gains or losses subject to the capital gains or capital losses on transferable securities applicable to each holder according to his own situation (country of residence, natural or legal person, place of subscription, etc.). In case of doubt about his tax situation, the holder is invited to contact a tax adviser to know the specific tax treatment that will be applicable to it before the subscription of any share of the Mutual Fund.

# Millesima Target Defensive 2026

## FRENCH MUTUAL FUND (FCP)

### REGULATIONS

#### TITLE I

#### ASSETS AND UNITS

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

Co-owners' rights are represented by units, with each unit corresponding to the same fraction of the Fund's assets (or the sub-fund, if applicable). Each unitholder has a co-ownership right to the Fund's assets proportional to the number of units they hold.

The term of the Fund is 99 years starting from its creation date, except in the event of early dissolution or extension as set out in these regulations.

The characteristics of the different unit classes and their eligibility requirements are specified in the Fund's prospectus.

Possibility of consolidation or division of units.

The Fund has 7 unit classes: "A", "CR" and "PWM EUR" units are accumulation units, and "B", "CRD", "PWMD EUR" and "PWMD USD" are distribution units.

The management company's governing body may decide to split "A", "B", "CR", "CRD", "PWM EUR", "PWMD EUR" and "PWMD USD" units into thousandths, referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end.

The governing body of the management company may also decide, at its sole discretion, to divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

##### **Article 2 - Minimum capital**

Units may not be redeemed if the assets of the Fund fall below €300,000. If the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the UCITS concerned or to carry out one of the operations mentioned in Article 411-16 of the AMF General Regulations (transfer of the UCITS).

##### **Article 3 - Subscription and redemption of units**

Units are issued at any time at the request of the unitholders based on their net asset value, plus any subscription fees.

Redemptions and subscriptions shall be carried out under the terms and conditions set out in the prospectus.

The Mutual Fund's units may be admitted for trading in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They may be paid in cash and/or through the contribution of financial instruments. The Management Company is entitled to refuse any securities offered and, for that purpose, must announce its decision within seven days of the date on which the securities were deposited. If they are accepted, the securities contributed in kind shall be valued according to the rules laid down in Article 4 and the subscription shall be based on the first net asset value following the acceptance of the securities in question.

Redemptions may also be made in kind. If a redemption in kind corresponds to a representative portion of the assets of the portfolio, only the signed written agreement of the outgoing unitholder shall be obtained by the UCITS or Management Company. If a redemption in kind does not correspond to a representative portion of the assets of the portfolio, all unitholders shall provide their written agreement authorising the outgoing unitholder to redeem their units against specific assets, as explicitly defined in the agreement.

As an exception to this rule, if the Fund is an ETF, redemptions on the primary market may be made in kind, with the agreement of the portfolio Management Company and in accordance with the interests of unitholders, under the conditions set out in the Fund's prospectus or regulations. The assets shall then be delivered by the issuing account holder under the conditions set out in the Fund's prospectus.

In general, redeemed assets shall be valued according to the rules set out in Article 4 and the redemption in kind shall be conducted on the basis of the first net asset value following acceptance of the securities concerned.

The redemption price shall be paid by the issuing account holder within five days of the unit valuation date.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.

With the exception of inheritance or an inter vivos gift, the sale or transfer of units between unitholders or unitholders and third parties is considered a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to reach at least the minimum subscription amount stipulated by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, redemption by the Fund of its units, as with the issue of new units, may be suspended on a temporary basis by the Management Company in exceptional circumstances and if the interests of the unitholders so require.

The management company may use the gate mechanism to stagger redemption requests from fund unitholders of the relevant fund over multiple net asset values if they exceed a certain level, determined objectively. The threshold above which the gate mechanism is triggered must be justified in terms of the frequency with which the net asset value of the fund is calculated, its management strategy and the liquidity of the assets in the portfolio. The redemption gate may be applied by the management company when the trigger threshold of net assets is reached. This threshold is set out in the “**Redemption gate mechanism**” section of the Fund’s prospectus. When the relevant fund has several classes of units, the trigger threshold for the procedure is identical for all classes of units in the fund.

This trigger threshold corresponds to the ratio between:

- the difference observed, on a single centralisation date, between the total volume of redemptions and the total volume of subscriptions; and
- the Fund’s net assets.

The threshold applies to centralised redemptions for the assets of the fund as a whole and not specifically to the different classes of fund units.

However, when redemption requests exceed the redemption gate, the management company may decide to honour redemption requests in excess of the specified limit, and so execute some or all of the orders that might otherwise be blocked.

During the period of application of the gate mechanism, redemption orders will be executed in the same ratio for fund unitholders who have requested redemption at the same net asset value. The unexecuted part of the redemption order that is deferred will not have priority over subsequent redemption requests. Unexecuted parts of redemption orders are automatically postponed and may not be revoked by Fund unitholders.

The maximum period of application of the redemption gate is set at 20 net asset values over 3 months.

The maximum period for which a redemption gate may apply cannot exceed 1 month.

Subscription and redemption transactions for the same number of units on the basis of the same net asset value and for the same holder or beneficial owner (known as round-trip transactions) are not subject to the gate mechanism. This exclusion also applies to transfers from one unit class to another unit class at the same net asset value for the same amount and for the same holder or beneficial owner.

If the net assets of the Fund (or the sub-fund, if applicable) fall below the minimum threshold set by the regulations, no redemptions may be carried out (from the sub-fund in question, if applicable).

Possibility of establishing minimum subscription conditions, in accordance with the procedures set out in the prospectus.

The UCITS may entirely or partially cease to issue units on a temporary or permanent basis, pursuant to paragraph three of Article L.214-8-7 of the French Monetary and Financial Code in circumstances that objectively require the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a specified subscription period. When this mechanism is triggered, existing unitholders will be notified by any means of its activation, the threshold and the objective situation that led to the decision on partial or total closure. In the event of a partial closure, this notification by any means will specify explicitly the procedures by which existing unitholders may continue to subscribe during this partial closure. Unitholders shall also be notified by any means of the UCITS or management company’s decision either to bring the total or partial closure of subscriptions to an end (when the Fund returns below the trigger threshold), or not to bring it to an end (in the event of a change to the threshold or in the objective situation that led to the implementation of this mechanism). Any change to the invoked objective situation or to the trigger

threshold must always be made in the best interests of unitholders. The notification by any means will state the precise reasons for these changes.

**Article 4 - Calculation of the net asset value**

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.

**TITLE II**

**MANAGEMENT OF THE FUND**

**Article 5 - The Management Company**

The Fund is managed by the Management Company in accordance with the Fund's investment objectives.

The management company shall act in all circumstances in the exclusive interest of the unitholders and shall have the exclusive right to exercise the voting rights attached to the securities held in the Fund.

**Article 5 a - Operating rules**

The instruments and deposits in which the assets of the UCITS may be invested as well as the investment rules are described in the prospectus.

**Article 5 ter – Listing for trading on a regulated market and/or a multilateral trading system**

Units may be listed for trading on a regulated market and/or a multilateral trading system in accordance with the regulations in force. If the Fund whose units are listed for trading on a regulated market has an index-based management objective, the Fund must have implemented a system to ensure that the price of its units does not deviate significantly from its net asset value.

**Article 6 - The Custodian**

The custodian shall perform the tasks entrusted to it by the legal and regulatory provisions in force, as well as those contractually entrusted to it by the management company. It must ensure that the decisions taken by the portfolio management company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the management company, it must inform the AMF.

**Article 7 - The Statutory Auditor**

A Statutory Auditor is appointed by the Management Company's governing body for six financial years, following the approval of the AMF.

They shall certify the accuracy and truthfulness of accounts.

The Auditor's mandate may be renewed.

The Statutory Auditor must inform the AMF of any fact or decision concerning the undertaking for collective investment in transferable securities of which he/she becomes aware during the course of his/her work, that may:

1° Constitute a violation of the legislative or regulatory provisions applicable to the Fund and likely to have a significant impact on the financial position, earnings or assets;

2° Affect the conditions or the continuity of its operations;

3° Lead to the expression of reservations or the refusal to certify the financial statements.

The Statutory Auditor shall supervise the valuation of the assets and determine the exchange ratios used in the event of a conversion, merger or split.

They shall assess any contribution or redemption in kind within the scope of their responsibility, with the exception of ETF redemptions in kind on the primary market.

They shall check the composition of assets and other items prior to publication.

The Statutory Auditor's fees are determined by mutual agreement between the auditor and the Board of Directors or Management Board of the Management Company on the basis of a schedule of work indicating all of the duties deemed necessary.

The Auditor shall certify the financial statements that serve as the basis for the payment of interim dividends.

Their fees are included in the management fees.

**Article 8 - The financial statements and the management report**

At the end of each financial year, the Management Company prepares the financial statements and draws up a report on the management of the Fund (and each sub-fund, if applicable) during the previous financial year.

The Management Company draws up, at least every six months and under the supervision of the custodian, an inventory of the Fund's assets.

The Management Company shall make these documents available to unitholders within four months following the end of the financial year and shall inform them of the income to which they are entitled: these documents

are either sent by post at the specific request of unitholders or made available to them at premises of the Management Company.

### TITLE III

#### METHODS FOR ALLOCATING DISTRIBUTABLE INCOME

##### Article 9 - Policy for allocating distributable income

<i>Distributable Income</i>	<i>"A", "CR" and "PWM EUR" units</i>	<i>"B", "CRD", "PWMD EUR" and "PWMD USD" units</i>
Allocation of net income	Accumulation	Distribution
Allocation of net realised gains or losses	Accumulation	Accumulated (fully or partially) or Distributed (fully or partially) or Carried forward (fully or partially) based on the decision of the Management Company

Where distribution units are concerned, the Management Company of the UCITS may decide to make one or more advance payments on the basis of the financial positions certified by the Statutory Auditor.

### TITLE IV

#### MERGER – SPLIT – DISSOLUTION – LIQUIDATION

##### Article 10 - Merger - Split

The Management Company may either merge all or part of the Fund's assets with the funds of another UCITS or AIF or split the Fund into two or more mutual funds.

Such mergers or splits may only be carried out after unitholders have been notified and shall give rise to the issue of a new certificate indicating the number of units held by each unitholder.

##### Article 11 - Dissolution - Extension

If the assets of the Fund (or the sub-fund, if applicable) remain below the amount set in Article 2 above for a period of 30 days, the Management Company shall inform the AMF and dissolve the Fund (or the sub-fund, where applicable), unless it is merged with another mutual fund.

The Management Company may dissolve the Fund (or the sub-fund, if applicable) early. It must inform the unitholders of this decision and will no longer accept subscription and redemption orders as of this date.

The Management Company shall also dissolve the Fund (or the sub-fund, if applicable) if a request is made for redemption of all of the units, if the Custodian's appointment is terminated and no other Custodian has been appointed, or upon expiry of the Fund's term, unless the term is extended.

The Management Company shall inform the AMF by post of the dissolution date and procedure. It shall also send the Statutory Auditor's report to the AMF.

The Management Company may decide to extend the Fund subject to the agreement of the Custodian. Its decision must be taken at least three months prior to expiry of the Fund's term and must be communicated to the unitholders and to the AMF.

##### Article 12 - Liquidation

In the event of dissolution, the Management Company shall act as liquidator; failing that, a liquidator shall be appointed by a court of law at the request of any interested party. For this purpose, they shall be given the broadest powers to sell the Fund's assets, settle any liabilities and allocate the balance available between the unitholders in cash or in securities.

The Statutory Auditor and the Custodian shall continue to carry out their duties until the liquidation proceedings are complete.

**TITLE V**  
**DISPUTES**

**Article 13 - Competent courts - Election of domicile**

Any disputes relating to the Fund that may arise during the course of its existence or liquidation, either between the unitholders or between the unitholders and the Management Company or the Custodian, shall be submitted to the jurisdiction of the competent courts.