



# PALATINE AMERIQUE

## PROSPECTUS

*Last update: 31/03/2023*

UCITS under European Directive 2014/91/EU

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## I - General characteristics

### 1.1. Name

PALATINE AMERIQUE

### 1.2. Legal Form

French mutual fund (Fonds Commun de Placement).

### 1.3. Date of authorisation

03/11/1986

### 1.4. Inception date and expected term

17/11/1986 for a period of 99 years.

### 1.5. Fund overview

Unit Class	ISIN Code	Distribution of income	Unit Class currency	Target investors	Minimum initial subscription amount	Initial net asset value
R EURO	FR0007393038	Accumulation	Euro	All subscribers, natural persons	1 unit	€152.45
R DOLLAR US	FR0014005LO1	Accumulation	USD	All subscribers, natural persons	1 unit	\$200
I EURO	FR0014005LN3	Accumulation	Euro	All subscribers, legal entities	€1,000,000	€100,000
I DOLLAR US	FR0014005LM5	Accumulation	USD	All subscribers, legal entities	\$1,000,000	\$100,000

Unit Class R EURO was created on 17/11/1986.

Unit Class R DOLLAR US was opened on 01/11/2021, with no outstandings to date.

Unit Class I EURO was created on 09/06/2022

Unit Class I DOLLAR US was created on 16/05/2022

### 1.6. Place where the latest annual report and interim statement can be obtained

The latest annual report and interim statement will be sent within 8 business days upon written request by a unitholder to:

PALATINE ASSET MANAGEMENT - TSA 60140 - 93736 Bobigny Cedex 9, France.

These documents are also available at: [www.palatine-am.com](http://www.palatine-am.com)

### 1.7. Point of contact where further details can be obtained if necessary

PALATINE ASSET MANAGEMENT

Service Commercial – 140, boulevard Malesherbes – 75017 Paris – +33 (0)1.55.27.95.37

## II - Actors

### 2.1. Management Company

PALATINE ASSET MANAGEMENT - S.A.

Registered office: 86, rue de Courcelles 75008 Paris, France

AMF Authorisation No. GP05000014 of 22/04/2005.

### 2.2. Custodian

CACEIS Bank - A credit institution approved by the ACPR, 89-91 rue Gabriel Péri - 92120 Montrouge, France

CACEIS Bank is the banking subsidiary of the CACEIS Group

In accordance with the applicable regulations, the custodian's functions include custody of assets, monitoring the compliance of the management company's decisions and monitoring the cash flows of the UCITS.

The custodian is independent from the management company.

The description of delegated custody functions, the list of CACEIS Bank delegates and sub-delegates and information on the conflicts of interest that may result from these delegations are available on the CACEIS website:

[www.caceis.com](http://www.caceis.com)

Up-to-date information is available to investors upon request.

### 2.3. Centralising agent for subscription/redemption orders

CACEIS Bank - 89-91 rue Gabriel Péri - 92120 Montrouge, France

Delegated by the Management Company, CACEIS Bank is tasked with managing the Fund's securities and to this end centralises and processes requests to subscribe to and redeem mutual fund units. Thus, as issuer registrar, CACEIS Bank manages the relationship with Euroclear France for all transactions requiring this institution's intervention.

### 2.4. Registrar and transfer agent for the units of the UCITS

CACEIS Bank.

### 2.5. Prime Broker

None.

### 2.6. Statutory Auditors

Deloitte & Associés - TSA 20303 - 92030 La Défense Cedex, France

Represented by: Sylvain GIRAUD

### 2.7. Promoters

Banque PALATINE / PALATINE ASSET MANAGEMENT

The list of promoters may not be exhaustive mainly due to the fact that the UCITS is listed on Euroclear. Thus, some promoters may not be mandated by or known to the management company.

### 2.8. Local and Representative Agent

Spain: ALDANA Capital S.A. - Calle Cochabamba, 22, 1-D - 28016 Madrid, Spain

Switzerland: CACEIS (Switzerland) SA - Route de Signy 35 - CP 2259 - CH-2259 Nyon 2, Switzerland

### 2.9. Accounting delegated to

CACEIS Fund Administration - 89-91 rue Gabriel Péri - 92120 Montrouge, France

CACEIS Fund Administration is the CREDIT AGRICOLE group entity specialising in UCITS fund administration and accounting functions for the group's internal and external clients.

On this basis, the Management Company has delegated the fund's accounting administration and valuation to CACEIS Fund Administration as account manager. CACEIS Fund Administration is responsible for valuing assets, calculating the Fund's net asset value and producing periodic documents.

## III - Operating and management procedures

### 3.1. General characteristics

#### 3.1.1. Characteristics of the units

✓ *ISIN Code:*

FR0007393038 : Unit Class R Euro

FR0014005LO1 : Unit Class R Dollar US

FR0014005LN3 : Unit Class I Euro

FR0014005LM5 : Unit Class I Dollar US

- ✓ *Nature of the rights attached to the units:* Each unitholder has a co-ownership right to the assets of the UCITS in proportion to the number of units held. Each unitholder has a co-ownership right to the assets of the UCITS in proportion to the number of units held.
- ✓ *Securities administration:* With respect to the management of the fund's securities, the functions of centralising subscription and redemption orders, as well as of account keeping for the unit issuer, shall be performed by the custodian in conjunction with Euroclear France, the company with which the fund is listed. Entry in the register of the securities administrator for registered units held in an administered registered form.
- ✓ *Voting rights:* No voting rights are attached to the mutual fund's units, as all decisions are taken by the management company.
- ✓ *Form of units:* Units may be issued in bearer or registered form, at the subscriber's option.
- ✓ *Possible fractions of units:* The number of units is expressed in thousandths.

#### 3.1.2. Closing date

Last Paris stock exchange trading day in December of each year.

#### 3.1.3. Tax regime

If the subscription to the mutual fund's units is part of a participation in a life insurance contract, subscribers will be subject to the taxation of life insurance contracts.

Such information should not be a substitute for information provided as part of individual tax advice.

This fund, like all UCITS, is not subject to corporate income tax. According to the principle of transparency, the tax authorities consider that the unitholder directly holds a fraction of the financial instruments and cash held by the mutual fund. Thus, the tax regime applicable to amounts distributed as well as unrealised or realised capital gains or losses depends on the tax provisions applicable to the particular circumstances of the investor. It is recommended that each investor consider his/her specific situation with the help of his/her usual tax adviser.

### 3.2. Specific provisions

#### 3.2.1. ISIN Code

FR0007393038 : Unit Class R Euro

FR0014005LO1 : Unit Class R Dollar US

FR0014005LN3 : Unit Class I Euro

FR0014005LM5 : Unit Class I Dollar US

#### 3.2.2. Classification

International Equities

#### 3.2.3. UCITS of UCIs

Less than 10% of the net assets

#### 3.2.4. Investment objective

The mutual fund aims to outperform the benchmark, the Standard & Poor's 500 ESG TR Index in USD, net dividends reinvested, over a 5-year horizon.

The non-financial objective of the fund complies with the provisions of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council (SFDR).

### **3.2.5. Benchmark index**

The Standard & Poor's 500 ESG TR index in USD, net dividends reinvested, is the mutual fund's comparison indicator. This equity index, representative of 500 large companies listed on exchanges in the United States (NYSE, NASDAQ) covers approximately 80% of the US stock market by its capitalisation. It is calculated by Standard & Poor's in dollars and converted into euros on the basis of closing prices. Information on this index is published in most financial newspapers and is available on the website:

<https://www.spglobal.com/spdji/en/indices/esg/sp-500-esg-index/#overview>

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (approval under Article 33), the administrator, S&P, is entered in the register of administrators and benchmarks maintained by the ESMA.

The mutual fund is neither index-based nor benchmark index-based, and the index is only an ex post comparison indicator of performance.

PALATINE ASSET MANAGEMENT has an internal action plan that will be implemented in the event of a substantial modification or cessation of the benchmark index.

### **3.2.6. Investment strategy**

#### **a) Strategies used**

The fund invests mainly in highly liquid large-cap companies, comprising the S&P500, using a quantitative investment solution based on artificial intelligence, which uses a model to predict the movement of and changes in share prices. The model analyses thousands of historical characteristics and provides a daily prediction of the behaviour of each security analysed as if it were available from a specialist on each security. It then feeds into its active selection process to produce a portfolio of long positions on certain securities. The model is based on a combination of 3 elements: data, engineering, and algorithms, and is applied to each security.

In order to be eligible for inclusion in the portfolio, companies must first prove, through an SRI filter, that they manage their opportunities and ESG risks in the best possible way.

To do this, S&P 500 stocks that are not in the composition of the S&P 500 ESG restricted index developed by S&P Global are removed from the final investment universe. The update of the composition of the S&P 500 ESG is verified monthly by Palatine Asset Management.

The stock selection methodology to compose the S&P 500 ESG is available on the S&P Global website in the following document:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-esg-index-series.pdf>

The methodology applied aims to:

- ✓ Maintain similar sector weights in the S&P 500 ESG as in the S&P 500 index.
- ✓ Implement the following exclusion policy, which focuses on weapons, tobacco, coal and oil sands.

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Tailor Made and Essential:</b> The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%	≥25% <sup>4</sup>
	<b>Non Tailor-Made or Non-Essential:</b> The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon.		>0%	≥25%
Thermal Coal	<b>Extraction:</b> The company extracts thermal coal.	Revenue	≥5%	N/A
	<b>Generation:</b> The company generates electricity from thermal coal.		≥5%	N/A
Tobacco Products	<b>Production:</b> The company manufactures tobacco products.	Revenue	>0%	≥25%
	<b>Related Products/Services:</b> The company supplies tobacco-related products/services.		≥5%	N/A
	<b>Retail:</b> The company derives revenues from the distribution and/or retail sale of tobacco products.		≥5%	N/A
Oil Sands	<b>Extraction:</b> The company extracts oil sands.	Revenue	≥5%	N/A
Small Arms	<b>Civilian customers (assault weapons):</b> The company manufactures and sells assault weapons to civilian customers.	Revenue	>0%	≥25%
	<b>Civilian customers (non-assault weapons):</b> The company manufactures and sells small arms (non-assault weapons) to civilian customers.		>0%	≥25%
	<b>Military/law enforcement customers:</b> The company manufactures and sells small arms to military/law enforcement.		>0%	≥25%
	<b>Key components:</b> The company manufactures and sells key components of small arms.		>0%	≥25%
	<b>Retail/Distribution (assault weapons):</b> The company is involved in the retail sale and/or distribution of assault weapons.		≥5%	N/A
	<b>Retail/distribution (assault weapons):</b> The company is involved in the retail sale and/or distribution of small arms (non-assault weapons).		≥5%	N/A
Military Contracting	<b>Weapons:</b> the company manufactures military weapon systems and/or integral, tailor-made components, or these weapons.	Revenue	≥10%	N/A
	<b>Weapon-related products and services:</b> The company provides tailor-made products and/or services that support military weapons.		≥10%	N/A

- ✓ Exclude companies not applying the United Nations Global Compact ('non compliant') in the Sustainalytics Global Standards Screening classification. Companies not covered by Sustainalytics are not eligible for inclusion in the index.
- ✓ Exclude companies subject to severe controversy following analysis by the Index Committee
- ✓ Exclude companies that have no ESG score by Dow Jones.

In order to rate the portfolio in relation to its benchmark, the S&P 500 ESG, the manager will then rely on Vigeo-Eiris, which generally measures companies' performance in terms of sustainable development and social responsibility based on rigorous analysis involving 6 criteria:

- Corporate social policy: compliance with labour law; career and retirement management, training plans, managing restructuring operations, promotion of social dialogue, health and job security; employee share ownership; publication of social indicators; managing subcontractors.
- Environmental protection: identification of impacts, existence of environmental reporting taking into account the monitoring of procedures and improvements put in place; ISO 14001 certification; eco-design of products; impacts related to the life cycles of products and services; carbon assessment; control of energy consumption; control of local pollution; control of impacts on water and its consumption; exposure to regulations; waste management; life cycle analysis; presence of dedicated teams; biodiversity protection.
- Customer-supplier relations: anti-corruption efforts; contract management; safety of products or services; product recalls or prohibitions; long-term relationships and commitment to customers and suppliers; compliance with competition law; an image of quality and reliability.
- Corporate managerial policy: composition of the Board of Directors or Supervisory Board; levels of transparency; control and audit mechanisms; shareholder rights; capital structure.

- Relations with civil society: promotion of the economic and social development of the territory where the company is based or in other areas; societal impact of products and services; charitable, humanitarian and public health actions.
- Human rights: Respect for human rights, International Labour Organization standards; absence of discrimination, forced labour or of children.

Securities not rated by V-E may be rated by Palatine Asset Management's internal SRI team at the manager's request. The rating out of 20 for each security is the equally-weighted average of ratings for the six V-E criteria. The overall rating of the portfolio out of 20 is obtained by calculating the weighted average using the weighting of the securities held.

Also excluded from the portfolio are values that do not respect PAM's commitments on thermal coal, that seriously and repeatedly contradict one or more of the ten principles of the Global Compact, or that do not respect the legal obligations put forward by the Ottawa or Oslo conventions.

Then the manager steers the model by focusing on certain key macro and micro indicators that they wish to favour. Some indicators, considered irrelevant, may be challenged via an apprenticeship and subsequently set aside. Each result is monitored, analysed and interpreted by the management team in order to build an optimal portfolio of long positions on the S&P500 ESG.

Securities are selected on the basis of the weighting in the portfolio of the various business sectors. Similarly, the weight of liquidity in the portfolio will provide the opportunity for sufficient choice or otherwise, at any given time, to invest in securities meeting all the criteria, while meeting ad hoc ratio requirements.

The goal is for the portfolio to have a weighted average rating higher than that of its benchmark during all quarterly reviews for non-financial reporting. This constraint is integrated when constructing the portfolio ex-ante via the quantitative program.

### **Alignment with Taxonomy**

The ESG rating attributed to each security comes from the overall analysis that takes into account environmental, social and governance (ESG) criteria. It therefore does not allow for a targeted approach to a particular goal of European Taxonomy or the evaluation of the degree of alignment of an investment. The fund currently does not engage in any minimum of activities in line with the European Taxonomy.

### **b) Asset class (excluding embedded derivatives)**

- equities:

at least 75% in US equities, without restriction as regards market capitalisation. However, the management may limit its exposure to equity markets to 60% of the assets by hedging the equity risk through forward financial instruments.

- debt securities and money market instruments:

The mutual fund may invest up to a maximum of 25% of its net assets in debt securities and money market instruments with no predefined allocation between private and public debt. The management makes an allocation of the level of credit risk (financial criteria, choice of the credit curve segment, choice of credit quality and selection of securities).

- shares and units in other UCITS or AIFs:

The mutual fund may invest up to 10% of its net assets in units or shares of UCITS and AIFs under French or European law, whether or not managed by the management company or an affiliated company.

### **c) Derivative instruments**

The mutual fund may invest up to 100% of its assets in the following derivatives:

- Nature of the markets invested in:
  - ✓ regulated
  - ✓ organised
  - ✓ over-the-counter



The mutual fund may trade on French and/or foreign regulated and/or organised futures and options markets

- Risks to which the management seeks exposure:
  - ✓ Equity
  - Fixed income
  - ✓ Currency
  - Credit
    - Types of transactions and description of all transactions that must be limited to the achievement of the investment objective:
  - ✓ Hedging
  - ✓ Exposure
  - Arbitrage

In order to hedge the portfolio, the management may take positions on equities and equivalent securities, and on equity indices.

- Type of instruments used:
  - ✓ Futures
  - ✓ Options
  - ✓ Swaps
  - ✓ Forward foreign exchange contracts
  - Credit derivatives

Swaps and forward transactions will primarily be used for hedging currency risk.

- Strategy for using derivatives to achieve the investment objective:
  - hedging of interest rate risk
  - hedging of credit risk
  - ✓ hedging of equity risk
  - ✓ hedging of currency risk
  - ✓ reconstitution of a synthetic exposure to assets, risks
  - increase exposure to the market.

No overexposure is sought. The manager will primarily use futures and options on equities and indices in lieu of direct ownership of securities, to adjust the exposure of the portfolio, or to hedge the shares held.

In relation to total return swaps, the fund will not use such swaps or other financial derivative instruments with similar characteristics.

- Securities containing a financial contract: The mutual fund may invest in financial instruments containing a simple financial contract: callable or puttable bonds, structured EMTNs incorporating one or more simple financial contracts and convertible bonds.
- Deposits: The mutual fund may invest, within the limit of 20% of its assets invested with the same institution, in deposits that must only be made with credit institutions, have a term of less than or equal to twelve months, and must be reimbursed at any time at the request of the UCITS.
- Cash borrowings: up to 10% may be applied on an ad hoc basis, in particular in order to compensate for deferred payment arrangements relating to asset movements.
- Temporary purchases and sales of securities:
  - Nature of transactions used:
    - repurchase and reverse repurchase agreements with reference to the French Monetary and Financial Code (Code Monétaire et Financier)
    - securities lending and borrowing with reference to the French Monetary and Financial Code (Code Monétaire et Financier)
    - other (to be specified)
      - Types of transactions and description of all transactions that must be limited to the achievement of the investment objective:
  - cash management

- optimising the income of the UCITS
- potential contribution to the leverage of the UCITS
- other (to be specified)
  - Level of use planned and allowed:

The mutual fund does not carry out temporary purchases or sales of securities.

- Remuneration: further information can be found under the heading 'Fees and commissions'.
- Associated risks: counterparty risk disclosed in the section 'Risk profile.'

#### ***Contracts constituting financial guarantees:***

The UCITS does not extend any financial guarantees to third parties.

#### ***3.2.7. Risk profile***

Investors' money will be primarily invested in financial instruments selected by the management company. These instruments will be subject to market trends and contingencies.

In view of the orientation of the UCITS, investors are exposed to a number of risks, the main ones of which are detailed below.

Risk associated with discretionary management: Discretionary management is based on anticipating trends in the financial markets. The performance of the UCITS will depend on the companies selected by the management company. There is a risk that the management company may not select the best performing companies.

Risk of capital loss: The investor does not benefit from any capital guarantee and may therefore not recover the capital initially invested.

Equity risk: The UCITS may be fully or at least 75% exposed at any time to price fluctuations affecting the equity markets. A fall in the equity markets may lead to a fall in the net asset value.

Equity risk of mid- and small-caps: The UCITS invests in shares which, due to their smaller market capitalisation, may present a market risk and result in a fall in the net asset value.

Credit risk: The UCITS may be exposed to credit risk on private or public issuers. In the event of a deterioration in the situation or the default of an issuer, the value of debt securities may fall and may result in a fall in the net asset value.

Counterparty risk: As the UCITS may use over-the-counter financial instruments (debt securities or reverse repurchase agreements), there is a risk that a market participant may default, preventing it from honouring its commitments in respect of the UCITS.

Currency risk: The UCITS may be exposed to currency risk in proportion to the portion of net assets invested outside the euro zone not hedged against this risk, which may lead to a fall in its net asset value.

Sustainability risk: this is the risk linked to an environmental, social or governance event or situation, which, if it occurs, could have a material, whether actual or potential, adverse impact on the value of the investment.

#### ***3.2.8. Guarantee or protection***

None.

#### ***3.2.9. Eligible subscribers and typical investor profile***

- ✓ Unit Classes R EURO and R DOLLAR US: All subscribers, particularly natural persons wishing to expose their investment to the equity markets of the North American zone and bear the risk profile presented by the UCITS.
- ✓ Unit Classes I EURO and I DOLLAR US: All subscribers, particularly legal entities wishing to expose their investment to the equity markets of the North American zone and bear the risk profile presented by the UCITS.

Under the terms of the EU Sanctions Russia Regulation (EU) No. 833/2014 as amended, the subscription of units of this Fund is prohibited to any Russian or Belarusian national, any individual resident in Russia or Belarus or any legal entity or body established in Russia or Belarus except nationals of a Member State and individuals holding a temporary or permanent residence permit in a Member State.

Both the information contained in this prospectus and the Fund units are not intended for distribution or marketing in the United States of America, nor are they intended for U.S. persons.

The units of this Fund have not been and will not be registered in the United States under the US Securities Act of 1933, as amended, or admitted under any similar or equivalent legal provision implemented in the United States. These units must not be offered, sold, subscribed or transferred in the United States (including its territories and possessions), nor benefit directly or indirectly a US Person within the meaning of Regulation S of the Securities Act of 1933 and/or as defined by the US Foreign Account Tax Compliance Act (FATCA) or to residents of the United States. Any unitholder must immediately inform the Fund by registered letter with acknowledgement of receipt, in the event that they become a "US Person" or a resident of the United States, in this case the unitholder should no longer be permitted to acquire new units and may be requested to dispose of their units at any time to persons who are not "US Persons". The management company of the Fund reserves the right to compulsorily redeem any unit held directly or indirectly by a "US Person, or if the ownership of units by any person is in breach of the law or the interests of the Fund.

The distribution of this prospectus and the offering of units may also be restricted in other legal systems.

### **3.2.10. Recommended investment horizon**

More than 5 years.

### **Disclaimer**

The amount that is reasonable to invest in this UCITS depends on each investor's personal situation, in particular, on their assets, investment horizon and willingness to take or not to take a financial risk. In all cases, it is highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this UCITS.

### **3.2.11. Calculation and allocation of distributable amounts**

- ✓ Allocation of income: Total accumulation for all four Unit Classes.
- ✓ Allocation of net realised capital gains and losses: Total accumulation for all four Unit Classes.

### **3.2.12. Characteristics of the units**

Unit denomination currency:

- ✓ Unit Classes R EURO and I EURO: EURO
- ✓ Unit Classes R DOLLAR US and I DOLLAR US: USD

Subscriptions and redemptions are carried out in thousandths of units for the four Unit Classes.

### **3.2.13. Terms of subscriptions and redemptions**

- ✓ *Net Asset Value Frequency*: each stock market trading day (in Paris), with the exception of legal holidays according to the French Labour Code.

- ✓ *Initial Net Asset Value*:

Unit Class R EURO	: €152.45
Unit Class R DOLLAR US	: \$200
Unit Class I EURO	: €100,000
Unit Class I DOLLAR US	: \$100,000

- ✓ *Terms and Conditions of Subscriptions and Redemptions*: Orders for subscription and redemption, expressed in amount or number of units, are centralised each day at 11:30 am at CACEIS Bank. They will then be executed based on the net asset value on the centralisation date.

Investors are advised that orders sent to promoters other than the aforementioned institutions should take into account the fact that the cut-off time for the centralisation of orders applies to those promoters in their interaction with CACEIS Bank.

As a result, these promoters may apply their own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline with CACEIS Bank.

For Banque PALATINE, the cut-off time for receiving orders is 11:00 am.

✓ *Place of publication of net asset values:* at the management company

In summary, orders are executed in accordance with the table below:

D	D	D: NAV calculation day	D+1 business day	D+2 business days	D+2 business days
Centralisation before 11:30 am of subscription orders	Centralisation before 11:30 am of redemption orders	Execution of the order no later than D	Publication of the net asset value	Delivery of subscriptions	Settlement of redemptions

In exceptional circumstances, the absence of a capping mechanism may result in the inability of the UCITS to honour redemption requests and thus increase the risk of a complete suspension of subscriptions and redemptions in this UCITS.

#### **Fees and commissions:**

- Subscription and redemption fees

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the UCITS serve to offset the costs incurred by the UCITS in investing and divesting investors' monies. Fees not paid to the fund are paid to the management company, the promoter, etc.

Charges to be borne by the investor, deducted at the time of subscriptions and redemptions	Basis	Rate / Scale			
		Unit Class R Euro	Unit Class R Dollar US	Unit Class I Euro	Unit Class I Dollar US
Subscription fee not payable to the UCITS	Net asset value x number of units	2% maximum	2% maximum	4% below €1 million None if ≥ €1 million	4% below \$1 million None if ≥ \$1 million
Subscription fee payable to the UCITS	Net asset value x number of units	NONE			
Redemption fee not payable to the UCITS	Net asset value x number of units	NONE			
Redemption fee payable to the UCITS	Net asset value x number of units	NONE			

- Fees charged to the UCITS

These fees cover:

- Financial management fees
- Administrative fees external to the management company (statutory auditors, custodian fees, delegation of accounting management, distribution technical fees, legal fees specific to the UCI, etc.)
- The maximum indirect fees (commissions and management fees) for the UCI investing more than 20% in other UCIs
- Transfer commissions
- Performance fee

	Fees charged to the UCITS	Basis	Rate / Scale			
1	Financial management fees and Administrative charges that are external to the management company	Net assets Less units or shares of UCIs held	Unit Class R Euro	Unit Class R Dollar US	Unit Class I Euro	Unit Class I Dollar US
2			2.00% inclusive of tax maximum rate		1.20% inclusive of tax maximum rate	
3	maximum indirect fees (management fees and charges)	Net assets	Not material*			
4	Transfer commissions charged by service providers: the management company	Deducted from each transaction	0 to 0.80% inclusive of tax			
5	Performance fee	Net assets	NONE			

\*UCIs investing less than 20% in other UCIs

Only the fees mentioned below may be outside the scope of the 5 blocks of charges mentioned above and must in this case be mentioned hereafter:

- The contributions due for the management of the UCITS in application of point d) of 4° of II of Article L. 621-5-3 of the French Monetary and Financial Code (Code Monétaire et Financier);
- Exceptional and non-recurring taxes, levies, governmental fees and duties (in connection with the UCITS);
- Exceptional and non-recurring costs for recovery (e.g., Lehman) or for enforcement (e.g., class-action procedure).

#### **Remuneration on temporary purchases and sales of securities**

If the UCITS makes a temporary purchase of securities, all income from this transaction is retained by the UCITS, if applicable in the case of a temporary sale, the full remuneration will be paid by the UCITS.

#### **Procedure for choosing intermediaries:**

The financial intermediaries are selected by the management company in accordance with the 'best execution' principles on the basis of a multi-criteria approach that is subject to a specific assessment grid.

Certain intermediaries may be more systematically preferred according to their specialisation in certain markets or securities

A semi-annual committee meets to oversee the selection of intermediaries, the evaluation and adequacy of services offered, and analyses activity statistics and the volume of brokerage.

## **IV - Sales-related information**

***Distribution:*** CACEIS Bank - 89-91 rue Gabriel Péri - 92120 Montrouge, France.

***Repurchase or redemption of units:*** CACEIS Bank - 89-91 rue Gabriel Péri - 92120 Montrouge, France  
postal address: 12 Place des Etats-Unis – CS 40083 – 92549 Montrouge, France.

***Distribution of information:*** PALATINE ASSET MANAGEMENT -  
140 Boulevard Malesherbes - 75017 Paris - +33 (0)1.55.27.95.37.

#### **Information material relating to the management company's voting policy**

Palatine Asset Management's documents on the Voting Policy and the annual report on the exercise of voting rights are available on the website (in French): [www.palatine-am.com](http://www.palatine-am.com), section 'Réglementation'.

They can also be sent free of charge on written request to the following postal address:

Palatine Asset Management - TSA 60140 - 93736 Bobigny Cedex 9, France.

## **Documentation on environmental, social and governance (ESG) criteria**

Information on how the management company takes into account environmental, social and governance (ESG) criteria is available on the Palatine Asset Management website (in French), [www.palatine-am.com](http://www.palatine-am.com), section 'Réglementation'.

It is also mentioned in each annual report of the UCITS.

## **SFDR (Sustainable Finance Disclosure Regulation)**

As a participant in the financial markets, the management company of the UCI is subject to Regulation 2019/2088 of 27 November 2019 on the publication of sustainability information in the financial services sector (the 'Disclosure Regulation').

This Regulation establishes harmonised rules for financial market participants on transparency regarding the integration of sustainability risks (Article 6 of the Regulation), the consideration of negative sustainability impacts, the promotion of environmental or social characteristics in the investment process (Article 8 of the Regulation) or the objectives of sustainable investment (Article 9 of the Regulation).

Sustainability risk is defined as an environmental, social or governance event or situation that, if it occurs, could have a material, actual or potential adverse impact on the value of the investment.

Sustainable investment is an investment in an economic activity that contributes to an environmental objective. This is measured, for example, by means of key indicators for the efficient use of resources concerning the use of energy, renewable energies, raw materials, water and land, waste and greenhouse gas emissions, or effects on biodiversity and the circular economy. It can also concern investment in an economic activity that contributes to a social objective, in particular investment that contributes to combating inequality or promotes social cohesion, social integration and labour relations, or investment in human capital or economically or socially disadvantaged communities, provided that such investments do not cause any material harm to any of these objectives. The companies in which investments are made must follow good governance practices, in particular with regard to sound management structures, relationships with personnel, remuneration of competent personnel and compliance with tax obligations.

## **V - Investment rules**

**Regulatory ratios applying to the UCITS:** the legal investment rules of the French Monetary and Financial Code (Code Monétaire et Financier) that apply to the mutual fund are those that govern UCITS, as well as those applicable to the AMF's 'International Equities' classification.

## **VI - Overall risk**

The management company uses the commitment approach to calculate the overall risk of the mutual fund, as defined in Articles 411-74, 411-75 and 411-76 of the AMF General Regulation, and in AMF Instruction 2011-15.

## **VII - Asset valuation and accounting rules**

### **7.1. Asset valuation rules**

*Balance sheet items and futures and options transactions:*

- Bonds denominated in European currencies are valued at the closing price of the day quoted on a central market in which they are listed, or on the basis of a price calculated from a market spread carried forward on a reference rate curve.
- All bonds (French and foreign) are valued with coupons calculated on D+2.
- Eurozone and other European equities are valued at the day's closing price, or at the last known price.
- Foreign securities are valued at the day's closing prices, or at the last known price.
- Negotiable debt securities maturing in less than three months may be valued using the straight-line method. Those with a maturity of more than three months are valued at that day's market price.
- The UCIs are valued at the last known net asset value.

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- Repurchase agreements are valued at the contract price (principal + interest).
- Transactions carried out on futures and options markets are valued on French and foreign markets at the day's closing price
- For forward foreign exchange transactions, the swap point is amortized on a straight-line basis over the contract period.
- Interest rate swaps are valued at their market value based on the price calculated by discounting future cash flows (principal + interest) at the market rate. This price may be adjusted for signature risk.

For contracts with a maturity of less than three months, or that become less than three months, interest flows to be paid and received will be calculated on a straight-line basis over the remaining life.

The asset management company shall evaluate financial instruments, contracts, securities and deposits for which no price has been established or which have not been listed on the day the net asset value is calculated.

*Off-balance sheet commitments:*

- Futures contracts are valued at their market value.
- For options, the valuation at market value results in the contracts being converted into the underlying equivalent.
- Subscription warrants and warrants are recorded on the assets side of the balance sheet:
  - Warrants are considered as off-balance sheet commitments at the level of the equity risk exposure table, by translating them into the equivalent of underlying shares.
  - Subscription warrants may be included in the risk exposure table at their market value or translated into the underlying equivalent.
- Interest rate swaps are valued at their nominal value.

## 7.2. Accounting method

**Income from fixed income securities:** collected coupon method.

**Transaction fees:** these fees are excluded from the cost price of the financial instruments.

## VIII - Remuneration

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The Palatine Asset Management remuneration policy provides for a fixed level of remuneration for employees based on their level of expertise and professional experience in the activity. The fixed remuneration is defined by the Executive Board at the time of recruitment.

The variable portion of remuneration is intended to supplement the fixed portion and is determined according to the objectives set at the beginning of the year, in particular the performance achieved by the employee. It covers 70% of the quantitative elements specific to each business and position, and qualitative and behavioural elements, such as the personal commitment of the employee especially in the interests of the client, Palatine Asset Management, compliance with the general principles applicable to compensation, taking into account the control and monitoring of risks, and the profitability of the Company.

Further information about the remuneration policy can be found on the website, [www.palatine-am.com](http://www.palatine-am.com), and a written document may be obtained upon request from Palatine Asset Management.



## IX - Regulations

### TITLE I - ASSETS AND UNITS

#### ARTICLE 1 - Co-ownership of fund units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder has a co-ownership right in and to the assets of the fund proportional to the number of units they hold. The duration of the fund is 99 years from the date of creation of the UCITS, except in the event of early dissolution or extension provided for in these regulations.

Unit class:

The characteristics of the various classes of units and their eligibility requirements are specified in the mutual fund's prospectus.

The different classes of units may:

- Benefit from different dividend policies (distribution or accumulation);
- Be denominated in different currencies;
- Be charged different management fees;
- Be charged different subscription and redemption fees;
- Have a different nominal value;
- Be automatically hedged against risk, in part or in full, as defined in the prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the other unit classes of the UCITS;
- Be reserved for one or more distribution networks.

The management company may merge or divide the units.

The Board of Directors of the management company may decide that the units shall be sub-divided into tenths, hundredths or thousandths of units, with such subdivisions being 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 proportional to that of the unit 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.

Lastly, the management company may decide, at its own discretion, to subdivide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

#### ARTICLE 2 - Minimum amount of assets

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

#### ARTICLE 3 - Issue and redemption of units

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

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Units issued by this type of mutual fund (fonds commun de placement) may be admitted for listing on a financial market in accordance with the applicable regulations.

Subscriptions must be fully paid-up on the date of calculation of the net asset value. Subscriptions may be made in cash and/or by a contribution in kind in the form 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 tendered. If it accepts the securities, they shall be valued on the basis of the rules laid down in Article 4, and the subscription shall be made on the basis of the first net asset value calculated following acceptance of the securities involved.

Redemptions shall be made exclusively in cash, except in the event of the liquidation of the fund if unitholders have stated that they agree to be repaid in securities. They are settled by the custodian within a maximum of five days from the valuation day of the units.

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 thirty days.

With the exception of a succession or an inter vivos gift, the sale or transfer of units between unitholders, or between unitholders and third parties, is treated as 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 at least reach the minimum subscription amount stipulated by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code (Code Monétaire et Financier), the management company may temporarily suspend redemption of units or the issue of new units by the mutual fund when exceptional circumstances and the interests of the unitholders so require.

Units may not be redeemed when the mutual fund's net assets are below the minimum set by the fund regulations.

The UCITS may cease to issue units pursuant to the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code (Code Monétaire et Financier), either temporarily or definitively, partially or completely, in situations that objectively require the closure of subscriptions, such as when a maximum number of units has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired. The launch of this tool will be the subject of communication by any means to existing holders.



regarding its activation, as well as the threshold and objective situation that led to the decision to partially or completely close down. In the case of a partial closure, this communication by any means will explicitly indicate how existing unitholders can continue to subscribe for the duration of the partial closure. Unitholders are also informed by any means of the decision of the UCITS or the management company either to terminate the complete or partial closure of subscriptions (when crossing the trigger threshold) or not to terminate them (in case of change of threshold or change in the objective situation leading to the implementation of this tool). A change to the invoked objective situation or the tool trigger must always be made in the interest of the unitholders. The communication by any means will state the exact reasons for these changes.

#### **ARTICLE 4 - Calculation of the Net Asset Value**

The net asset value is calculated in accordance with the valuation rules specified in the prospectus.

### **TITLE II - OPERATION OF THE FUND**

#### **ARTICLE 5 - Management Company**

The fund is managed by the management company in accordance with policy defined for the fund.

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

#### **ARTICLE 5 bis - 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 - Admission to trading on a regulated market and/or a multilateral trading system**

Units may be listed on a regulated market and/or a multilateral trading facility in accordance with applicable regulations. If the mutual fund's units are listed on a regulated market and it has an index-based investment objective, it must implement a system to ensure that the market price of its units does not deviate significantly from its net asset value.

#### **ARTICLE 6 - Custodian**

The custodian performs the tasks entrusted to them by the legal and regulatory provisions in force as well as those entrusted to them contractually by the management company.

They are responsible for ensuring that legal decisions made by the portfolio management company comply with the necessary regulations. If necessary, they shall take any protective measures that they may consider useful. In the event of a dispute with the management company, they shall inform the French financial markets authority (Autorité des Marchés Financiers, AMF).

#### **ARTICLE 7 - Statutory auditor**

A statutory auditor is appointed by the governing body of the management company for a term of six financial years, with the approval of the Autorité des Marchés Financiers (AMF).

They certify the accuracy and consistency of the financial statements.

Their term of office may be renewed.

The statutory auditor is required to notify the French financial markets authority (Autorité des Marchés Financiers, AMF) as soon as possible of any fact or decision relating to the UCITS of which they become aware in the course of their audit that may:

1° constitute a breach of the laws or regulations applicable to this fund that could have a significant impact on its financial position, results or assets;

2° impair the conditions or continuity of its business;

3° entail the issuing of reservations or the refusal to certify the financial statements.

Assets will be valued and exchange ratios will be determined for the purpose of any transformation, merger or split under the statutory auditor's supervision.

They shall evaluate any contribution in kind under their own responsibility.

They check the composition of the assets and other elements before publication.

The statutory auditor's fees shall be determined by mutual agreement between the statutory auditor and the Board of Directors or Executive Board of the management company under a work schedule specifying the duties deemed necessary.

The statutory auditor certifies positions serving as the basis for the payment of interim dividends.

The statutory auditor's fees are included in the management fees.

#### **ARTICLE 8 - The financial statements and the management report**

At the closing of each financial year, the management company prepares the financial statements and a report on the fund's management during that year.

The management company prepares a statement of the UCI's assets and liabilities, at least once every half year and under the supervision of the custodian.

The management company shall make these documents available to unitholders within four months of the end of the financial year and inform them of the amount of income attributable to them. These documents are either sent by mail at the express request of the unitholders or made available to them by the management company.

### **TITLE III - ALLOCATION POLICY FOR DISTRIBUTABLE AMOUNTS**

#### **ARTICLE 9 - Terms and conditions of allocation of income and distributable sums**

Distributable sums consist of:

- the net income for the financial year, which is equal to the amount of interest, arrears, dividends, premiums and allotments, directors' fees as well as all income generated by the securities held in the portfolio of the fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

Distributable income is equal to the net income for the financial year plus retained earnings, plus or minus the balance of the accrual accounts for the last financial year.

- realised capital gains, net of fees, minus realised capital losses, net of fees, recognised during the financial year, plus net capital gains of the same kind recognised during previous financial years and that have not been distributed or accumulated, plus or minus the balance of capital gain accruals.

Distributable sums are fully accumulated.

### **TITLE IV - MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

#### **ARTICLE 10 - Merger - Split**

The management company may either transfer, in full or in part the assets included in the fund to another UCITS or split the fund into two or more other funds.

Such mergers or splits may not be carried out until the unitholders have been notified. After each transaction, new certificates will be issued stating the number of units held by each unitholder. After each transaction, new certificates will be issued stating the number of units held by each unitholder.

#### **ARTICLE 11 - Dissolution - Extension**

- If the fund's assets remain below the amount specified in article 2 above for thirty days, the management company shall

wind up the fund and inform the AMF, unless it is merged with another investment fund.

- The management company may dissolve the fund before term. It shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.

- The management company shall also dissolve the fund if a request is made for the 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 such term is extended.

The management company shall inform the Autorité des Marchés Financiers (AMF) by post of the dissolution date and procedure. It shall then send the Autorité des Marchés Financiers (AMF) the statutory auditor's report.

The management company may decide to extend the fund's term, subject to the agreement of the custodian. Its decision must be taken at least 3 months prior to expiry of the fund's term, and both unitholders and the Autorité des Marchés Financiers (AMF) must be informed at the same time.

#### **ARTICLE 12 - Liquidation**

If the Fund is to be dissolved, the management company shall act as liquidator, failing which a liquidator shall be appointed by the courts at the request of any interested party. For such purposes, they shall be granted the broadest powers to dispose of assets, pay off any creditors and distribute the available balance among the unitholders in the form of cash or securities. The statutory auditor and the custodian shall continue in their respective capacities until the liquidation process is complete.

### **TITLE V - DISPUTES**

#### **ARTICLE 13 - Competent courts - Choice of jurisdiction**

All disputes related to the fund that may arise during the term in which it operates, or during its liquidation, either among the unitholders or between the unitholders and the management company or the custodian, shall be submitted to the courts having jurisdiction.

## X - Facilities for investors resident in Spain

### Management Company

PALATINE ASSET MANAGEMENT

68, rue du Faubourg Saint Honoré, F- 75008 Paris

For the purposes of this Information for Investors resident in Spain, the "Fund" means the Mutual Fund. The Fund is domiciled in France and has been registered with the AMF.

The fund is authorized to be marketed in Spain through the European passport under the European Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as transposed into Spanish national laws.

The facilities for investors resident in Spain are set out below in accordance with Article 1(4) of the European Directive 2019/1160 of 20 June 2019 amending Directives 2009/65/EC and 2011/61/EU as regards the cross-border distribution of collective investment undertakings, and more specifically Article 92 of Directive 2009/65/EC.

### Processing of subscription, redemption and refund orders

Subscription, redemption and refund orders can be placed with (i) your bank, financial intermediary or distributor, (ii) the Fund Depository, CACEIS Bank, 89-91 Rue Gabriel Peri, 92120 Montrouge, France or (iii) the Management Company, PALATINE Asset Management, 63 avenue des Champs-Élysées, 75008 Paris, France.

### Payment of distributable sums provided for in the prospectus

The payment of distributable sums that may be due to the Fund's shareholders will be made by the Fund Depository, CACEIS Bank, 89-91 Rue Gabriel Peri, 92120 Montrouge, France.

### Obtaining information on the placing of orders and the payment of income from redemptions and repayments

All information relating to the subscription, redemption and conversion procedure, or the procedure for the payment of proceeds from redemptions and repayments, as well as the payment of distributable sums where applicable, is available at the facilities agent, FundGlobam, (i) on request sent to FundGlobam « EU Facilities » 12, Rue du Chateau D'eau, L-3364 Leudelange, Grand-Duchy of Luxembourg, (ii) online at <https://eufacilities.fundglobam.org/palatine-am-fr>, or (iii) via the « EU Facilities » section online at <https://www.fundglobam.org/eu-facilities/>.

### Handling of complaints and information on the exercise by investors of their investment rights

Any complaint may be addressed free of charge (i) online at <https://eufacilities.fundglobam.org/palatine-am-fr> by clicking on the button "File a complaint", or (ii) to the Management Company.

Any information relating to the exercise by investors of the rights attached to their investments may be obtained free of charge online at <https://eufacilities.fundglobam.org/palatine-am-fr> by clicking on the button "Request for information", or (ii) to the Management Company.

Information relating to the complaint handling and the exercise of investors rights may be found online at

<https://eufacilities.fundglobam.org/palatine-am-fr>.

### Provision of information and documents required under Chapter IX under the conditions defined in Article 94 of the UCITS Directive

The prospectus, KID(s), regulations and the latest annual and semi-annual reports of the Fund are available free of charge from (i) your bank, financial intermediary or distributor, (ii) the Management Company, or (iii) online at

<https://eufacilities.fundglobam.org/palatine-am-fr>, (iv) on request sent to FundGlobam, « EU Facilities » service, 12, Rue du Chateau D'eau, L-3364 Leudelange, Grand-Duchy of Luxembourg or via the « EU Facilities » section online at <https://www.fundglobam.org/eu-facilities/>.

### Provision of information on the tasks performed by the facilities for investors resident in Spain

Information on the tasks performed by the facilities for investors residing in Spain can be obtained in a durable medium online at <https://eufacilities.fundglobam.org/palatine-am-fr> or on request sent to FundGlobam, « EU Facilities » service, 12, Rue du Chateau D'eau, L-3364 Leudelange, Grand-Duchy of Luxembourg or via the « EU Facilities » section online at

<https://www.fundglobam.org/eu-facilities/>.

### Contact point for communicating with the competent authority in Spain (CNMV)

FundGlobam, « EU Facilities » service, 12, Rue du Chateau D'eau, L-3364 Leudelange, Grand-Duchy of Luxembourg.