AAM European Equities

French FCP (mutual fund)

Approval date	:	30 May 2014
Publication date	:	31 January 2017

UCITS subject to European Directive 2009/65/EC

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Section I: Prospectus

UCITS subject to European Directive 2009/65/EC

Part A – General features

- **Name of UCITS** : AAM European Equities
- **Legal form and Member State** : FCP under French law
- **Date of incorporation and projected term**:
  16 June 2014 for a term of 99 years
- **Approval date** : 30 May 2014 by the AMF (French securities regulator)

Units	ISIN Code	Distribution of earnings	Currency	Initial unit value	Minimum initial subscription	Fractional units	Eligible subscribers
E1	FR0011911189	Capitalization	EUR	EUR 100	One unit	Ten thousandths of a unit	All subscribers
I	FR0011911197	Capitalization	EUR	EUR 100	EUR 500,000	Ten thousandths of a unit	All subscribers

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Contact point to obtain the Fund Rules, the latest annual report and the latest periodic report :**

Unitholders can obtain the latest annual and periodic reports within 8 working days of submitting a written request to:

Anaxis Asset Management
9, rue Scribe, 75009 Paris, France
Tel: +33 (0)9 73 87 13 20
info@anaxiscapital.com

Any additional information can be obtained from Anaxis Asset Management at this same address.

Part B – Intermediaries

- **Portfolio management company** : Anaxis Asset Management S.A.S.
A portfolio management company accredited by the AMF under number GP10000030
9, rue Scribe, 75009 Paris

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin

Registered office
3, rue d'Antin, 75002 Paris

Responsibilities of the depository bank
The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

Potential conflicts of interest
Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

Delegation of functions
The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory Auditor** : PricewaterhouseCoopers Audit
Represented by Frédéric Sellam
63, rue de Villiers, 92200 Neuilly-sur-Seine

■ **Promoters**	:	1. Anaxis Asset Management S.A.S. 9, rue Scribe, 75009 Paris 2. Its Swiss counterpart Anaxis S.A. 19, rue du Mont-Blanc, 1201 Genève, Switzerland
■ **Delegate accounting manager**	:	BNP Paribas Securities Services S.C.A. Postal address Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin Registered office 3, rue d'Antin, 75002 Paris The delegate accounting manager administrates the Fund (accounting, calculating net asset values) and is responsible for middle office functions.
■ **Orders centralized by**	:	Identity Anaxis Asset Management S.A.S. 9, rue Scribe, 75009 Paris, France Identity of institution in charge of receiving subscription and redemption orders BNP Paribas Securities Services S.C.A., A credit institution accredited by the ACPR (French prudential supervisory and resolution authority) Postal address Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France Registered office: 3, rue d'Antin, 75002 Paris, France

Part C – Terms of operation and management

1. General features

■ **Type of rights attached to units**	:	Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number units held.
■ **Management of liabilities**	:	All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The Fund is admitted for trading on Euroclear France.
■ **Voting rights**	:	As the Fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the Fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.
■ **Form of units**	:	All units are bearer units
■ **Fraction of units**	:	Ten-thousandths of one unit
■ **Balance sheet date**	:	Last trading day in December.
■ **First financial year**	:	The balance sheet date of the first financial year is 31 December 2014.
■ **Taxation**	:	As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of Fund units may be subject to tax. The applicable

tax scheme depends on each investor's individual situation and tax residence, as well as the Fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

- **Special taxation** : PEA (French stock saving plan) eligible UCITS

2. Specific terms and conditions

- **ISIN codes** :
  E1 units : **FR0011911189**
  I units : **FR0011911197**

- **Classification** : Stocks from European Union countries.

- **Investment objective** : The Fund's objective is to capture the development of the European economy while seeking to limit the risk of significant portfolio variations. To this end, the Fund invests predominantly in European Union equities via a dynamic allocation determined by the asset management company. Companies are selected for their value creation, sound business model, upside potential and dividend consistency, without reference to a benchmark index. There is some risk that the Fund will not achieve the established objective.

- **Benchmark index** : None. The investment objective is not expressed relative to a benchmark index. Having said that, the Fund's results may be compared ex-post to the performance and volatility of the Dow Jones Stoxx Europe 600 (dividends reinvested). This index lists 600 small, mid and large cap companies spanning 18 European countries: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The investment strategy aims to generate more regular earnings than those of the main European stock market indices, with less extreme declines in difficult periods and a slower rise in supportive periods.

- **Investment Strategy**

a. ***Description of strategies used***: The objective must be achieved by building a portfolio comprised predominantly of European Union equities. This portfolio will evolve over time with the implementation of a discretionary management style. The Fund invests up to 100% of its assets in equities listed on European regulated markets and at least 75% of its stocks are eligible for PEAs (French personal equity plans) at all times.

General approach

The management strategy is based first and foremost on an extensive financial analysis of the companies in the investment universe. The aim is to build a robust and diversified allocation from among individual stock picks, without referring to a benchmark index but with a preference for large caps. The Fund is actively managed but does not seek to capture short-term market trends. It offers a conviction-based management approach and seeks to achieve its objective through a combination of medium-term capital gains and regular dividends.

Financial Analysis

The portfolio managers look for value-creating companies offering regular growth, whose shares hold upside potential. They lean toward a tight selection of stocks in which the portfolio management team believes strongly.

However, their analysis is based in part on assumptions and projections, which are uncertain by nature. This is why they prioritise:

- sectors that are the least sensitive to economic cycles (e.g. telecoms, healthcare, infrastructures);
- companies within each sector that, in their view, offer the best visibility and are least exposed to economic fluctuations.

The analysis aims to select companies whose shares appear less volatile than the market in general and are at attractive levels (again, in comparison to the market and in light of economic conditions observed).

Our portfolio team's convictions must be backed up by an analysis of each company's balance sheet, income statement, business model, strategy, Management quality, competitive position, barriers to entry, margins and financial ratios.

In addition to this analysis, an estimate must be determined of the company's theoretical value according to different methods, which is then compared to its market value, and its valuation multiples must be calculated.

Finally, the company's dividend policy is considered to be a significant component, but is not a decisive factor in itself. The fact that our portfolio managers take into account the regular payment of high dividends is a positive factor; however, they do keep in mind that past dividends do not necessarily mean future dividends, which are not guaranteed.

<u>Quantitative filters</u>

Quantitative tools may initially be used to filter the investment universe (consisting mainly of members of the Dow Jones Stoxx Europe 600 index). These tools do not call into question the primarily fundamental and discretionary nature of the management style adopted. They are used to guide research and analysis efforts toward attractive stocks in terms of quality, growth, valuation, market risk and return.

<u>Geographic criteria</u>

The Fund gives preference to equities listed on European markets. At all times, it invests at least 90% of its assets in European Union equities and at least 75% of these must be listed equities. Up to 10% of its holdings may be issued by companies in non-EU member countries, such as Swiss companies, international companies listed on US markets or companies established in emerging countries, as opportunities arise.

Geographic exposure (main quotation markets)	Minimum	Maximum
European Union	**90%**	**100%**
Other country	**0%**	**10%**

<u>Sector criteria</u>

The investment strategy seeks to obtain solid sectorial diversification, with a maximum of 25% per sector. All economic sectors may be considered. However, the Fund prefers non-cyclical, stable or regularly expanding sectors.

Moreover, the Fund does not invest in securities issued by banks or other financial institutions. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Capitalization criteria

In principle, the Fund can invest in companies of all cap sizes as long as they are listed on regulated markets. However, it gives priority to market caps of more than EUR 1 billion. Companies below this threshold do not exceed 25% of the allocation.

Management of foreign exchange risk

The Fund's reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro. Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedged may prove partial or imperfect. A tolerance exposure threshold of 25% of has been defined.

Voting policy

The voting rights attached to portfolio securities are subject to a specific internal voting policy. This policy is available on the website of the portfolio management company or upon simple request at the company.

b. ***Categories of assets used*** : **1. Non derivative assets**

Shares

The Fund is eligible for PEAs (French personal equity plans) and at all times at least 75% of its assets are equities listed on European Union regulated markets. It may invest in any EU member country exchanges, including in: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The Fund may also invest up to 10% of its assets in other European countries such as Norway or Switzerland, and in other continents (including in emerging countries).

The geographic or sector breakdown is not determined in advance and depends on the companies selected (subject to the applicable investment constraints) by the portfolio management team in charge of the Fund. However, the Fund does not invest in the financial sector.

Maximum exposure to the equity markets is 100% of the Fund's assets. Market caps of less than EUR 1 billion do not exceed 25% of the allocation.

Debt securities and money market instruments

The Fund may invest into interest rate instruments up to 25% in order to reduce or to diversify its exposure to the stock markets. These instruments may come from public or from private issuer, with a floating or fixed rate.

More particularly, the Fund may invest up to 25% in high yield (speculative-grade) corporate bonds and non-rated securities. The analysis and selection of debt instruments are made independently from rating agencies.

Stocks may be denominated in EUR or in other currencies, insofar as the asset management company considers it possible to set up a foreign exchange hedge under reasonable conditions.

Clarifications on the legal nature of rate instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

UCITS

The Fund may invest up to 10% of its assets in other UCITS subject to European Directive 2009/65/EC, without any limitation in terms of regulatory classification.

The purpose of this use may be the diversification of investments or strategies, or cash management.

2. Derivatives

The Fund may invest in the regulated, organized or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's stock market sensitivity (upward or downward). Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps within the limit of 100% of its net assets, without building any synthetic exposure that would lead to expose the Fund to the stock markets more than 1x its net assets.

Clarifications on derivatives:

Type of markets in which the Fund may invest:

- regulated,
- organized,
- OTC.

Risks to which the portfolio management team plans to expose the Fund:

- Equity,
- Foreign exchange.

Types of transactions, all of which are limited to the achievement of the investment objective:

- hedging,
- exposure.

Types of instruments used:

- futures,
- swaps,
- forward foreign exchange contracts.

Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- hedging of equity risk,
- creation of a synthetic equity exposure.

3. Securities with embedded derivatives

Convertible bonds

The Fund may invest up to 25% of its assets in convertible bonds (indexed bonds, bonds redeemable into shares, etc.), warrants or related securities.

4. Deposits

For the purpose of managing its cash holdings, the Fund may carry out deposits with one or more credit institutions, within the limit of 25% of its assets.

5. Cash loans

The Fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the Fund's payment flows: investments, divestments and liabilities transactions.

6. Temporary securities lending and borrowing

None.

- **Contracts constituting financial guarantees** :

None.

- **Risk profile** : **Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.**

a. ***Main risks*** :

Capital risk: The Fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of the capital initially invested.

Risk that the Fund's performance differs from its management objective: The management objective is not subject to any explicit or implicit guarantee. Its achievement depends, among other factors, on market trends, management choices, fees, events impacting the companies the securities of which are held by the Fund, and, for each investor, of its subscription and redemption dates. There is a risk that the Fund will not allow the investor to reach the proclaimed target.

Risk linked to discretionary portfolio management: As the Fund is managed on a discretionary basis; there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's NAV (net asset value).

Equity risk: The Fund's exposure to the stock market ranges between 75% and 100%. The Fund's NAV will decrease if this market declines.

Risk associated with small and middle capitalisations: The Fund may hold small- and mid-cap stocks; specifically up to 25% of its assets may be invested in companies with a market cap of less than EUR 1 billion. In general, these stocks offer lower liquidity. They may prove more difficult to sell or only find a buyer at lower-than-expected prices, which can cause the Fund's NAV to decline.

Interest rate risk: Up to 25% of the Fund's net assets may be exposed to the bond market. When interest rates rise, bond prices fall. These fluctuations may lead to a decrease in the Fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 1.

Credit risk: Up to 25% of the Fund's net assets may be exposed to the bond market. The Fund may hold corporate bond of low credit quality. There is a risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the Fund's NAV.

Risk associated with holding convertible bonds: Up to 25% of the Fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the Fund's NAV.

Risk associated with commitments in financial instruments: The use of financial contracts may cause a more significant and more rapid decline in the Fund's NAV than the decline on the markets in which it is invested.

Foreign exchange risks: Up to 50% of the Fund's assets may be invested in securities denominated in currencies other than the Fund's reference currency (EUR). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 25% (all currencies combined). This exposure may lead to a decrease in the Fund's NAV.

b. ***Ancillary risks*** :

Risk linked to investments in UCITS: There are liquidity risks and risks of losses associated with potential investments in UCITS, within the limit of 10% of the Fund's net assets.

Risks associated with investments in emerging markets: The NAV may undergo greater variations due to potential investments, within the limit of 10% of the Fund's assets, in shares listed on emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Counterparty risk: This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the

Fund to the risk of default by one or more counterparties and may lead to a decrease in the Fund's NAV.

Risk linked to inflation: The Fund may be exposed to inflation risk, i.e. a widespread increase in prices.

- **Guarantee or protection** : None.

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

E1 units are available to all subscribers.

I units, for which the minimum investment is EUR 500,000, are specifically designed for legal entities and portfolio managers, and more generally for investors for whom such an investment would represent a reasonable portion of their financial assets.

E1 and I units are PEA (French stock saving plan) eligible and can also be used within unit-linked life insurance policies.

Eligible subscribers include in particular those seeking to invest in the stock market and aware of the risks linked to the behaviour of this market. The recommended investment period is 5 years.

The amount that is reasonable to invest in this Fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this Fund.

- **Conditions for determining and distributing income** :

Net income for the financial year is determined in accordance with regulatory provisions and with the Fund's accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets.

Amounts available for distribution are determined by :

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1 and I units, gains are capitalised.

- **Frequency of distribution** : Non applicable.

- **Unit features** :

Units	ISIN Code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0011911189	Capitalization	EUR	Daily	EUR 100	One unit	Ten-thousandth of one unit
I	FR0011911197	Capitalization	EUR	Daily	EUR 100	EUR 500,000	Ten-thousandth of one unit

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption** :

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services, Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France.

Orders form

Subscription orders are accepted in quantity or amount.
Redemption orders are only accepted in quantity (number of units).

Fractions of units

Ten-thousandths of one unit.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one unit category to another, round trip

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the French markets are closed (according to the official Euronext NV calendar).

Place and conditions of publication or transmission of NAVs

The NAVs of the Fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

- **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption	Base	Rate
Subscription fee not paid to the Fund	NAV x number of units	4% maximum
Subscription fee paid to the Fund	NAV x number of units	0%
Redemption fee not paid to the Fund	NAV x number of units	0%
Redemption fee paid to the Fund	NAV x number of units	0%

Clarifications on the subscription fee

The subscription fee is 4% maximum. It will be used to pay for the Fund's distribution and may be paid back to third-party distributors depending on the agreements signed.

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio management company when the Fund exceeds its targets. They are charged to the Fund;
- Account activity fees charged to the Fund;
- A share of the income earned from securities lending and borrowing transactions. However, the fund does not carry out such transactions, nor any equivalent or similar transactions under foreign law.

Fees charged to the Fund	Base	Rate (incl. tax)
Portfolio management fees	Net assets	E1 unit: 2.00% maximum incl. tax I unit: 1.25% maximum incl. tax
External management fees	Net assets	0.10% maximum, with any surplus covered by the portfolio management company
Maximum indirect fees (management fees and commissions)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
Account activity fee (paid to the custodian)	Charged on each transaction	Scale: Transactions: max. €60 Securities transactions: none
Account activity fee (paid to the management company)	Charged on each transaction	Scale : Transactions: max. 0.35% Securities transactions: max. 0.35%
Incentive fee	Net assets	10% incl. tax of the out-performance beyond an annual-ised net performance of 7%.

The annual period taken into account for the calculation of the incentive fee is the financial year, except for the first incentive fee, for which the calculation period runs from the Fund's inception date (16 June 2014) to 31 December 2015.

With each NAV calculation, the fund's excess return is defined as the positive difference between the fund's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised net performance of 7% and recording the same subscriptions and redemptions as the actual fund. With each NAV calculation, a provision in the amount of 10% (with tax) of the excess return or, where applicable, a provision reversal if the fund underperforms, is recognised. In the event of redemptions, the share of the incentive fee associated with the redeemed units is permanently paid to the fund. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. However, the initial fees were calculated over a period ranging from the Fund's inception date (16 June 2014) to 31 December 2015.

The Fund does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxis-am.fr.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxis-am.fr. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The Fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortized over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The Fund has opted for the EUR as its accounting currency.

Transaction fees are recognized excluding expenses.

Fixed income is recognized using the redeemed coupon method.

Interest accrued on the weekend is recognized on the basis of the previous NAV.

Section II: Fund Rules

AAM EUROPEAN EQUITIES

SECTION I – ASSETS AND UNITS

Article 1 - Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the Fund Prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalization);

- be denominated in different currencies;

- incur different management fees;

- incur different subscription and redemption fees;

- have a different nominal value;

- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimizing the impact of hedging transactions on the Fund's other unit categories;

- be reserved for one or more promotion networks.

Combination or division of units

The Fund may combine or divide units.

Fractional units

Units may be divided into ten-thousandths of one unit (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 - Minimum amount of assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the Fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (Fund transformation).

Article 3 - Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the Fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realization of some of the assets comprising the Fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the Fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 - Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the Fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

SECTION 2 – FUND OPERATION

Article 5a - Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the Fund.

Article 5b - Rules of operation

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

Article 6 - Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 - Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the Fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the Fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardize the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the Fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 - Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the Fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

SECTION 3 – CONDITIONS FOR THE ALLOCATION OF AMOUNTS AVAILABLE FOR DISTRIBUTION

Article 9 - Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the Fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a Fund are comprised of:

1) Net income plus retaining earnings and plus or minus the balance of the income accrual account;

2) Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalization, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in 1) and 2) above may be distributed in part or in whole, independently of one another. Payments of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

SECTION 4 – MERGERS - SPIN-OFFS - WINDING-UP – LIQUIDATION

Article 10 - Mergers - Spin-offs

The portfolio management company may either contribute some or all of the Fund's assets to another Fund, or split the Fund into two or more other mutual funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 - Winding-up - Extension

If the Fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the Fund, unless it is merged with another fund.

The portfolio management company may wind up the Fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the Fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the Fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the Fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the Fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the Fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realize the Fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

SECTION 5 – DISPUTES

Article 13 - Jurisdiction - Election of domicile

Any disputes related to the Fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

Anaxis Bond Opportunity EM 2020

French FCP (mutual fund)

Approval date:	23 June 2015	***UCITS subject to European Directive 2009/65/EC***
Publication date:	31 January 2017	

Contents

Section I: Prospectus

UCITS subject to
European Directive 2009/65/EC

Part A - General features

- **Name of UCITS**: Anaxis Bond Opportunity EM 2020
- **Legal form and Member State**: FCP (mutual fund) under French law
- **Date of incorporation and projected term**:

  This UCITS was launched on 6 July 2015 for a term of 99 years
- **Approval date**: 23 June 2015 by the AMF (French securities regulator)

Units	ISIN code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0012767010	Capitalisation	EUR	All subscribers	One unit
E2	FR0012767036	Distribution	EUR	All subscribers	One unit
U1	FR0012767044	Capitalisation	USD	All subscribers	One unit
U2	FR0012767051	Distribution	USD	All subscribers	One unit
S1	FR0012767069	Capitalisation	CHF	All subscribers	One unit
I1	FR0012767077	Capitalisation	EUR	All subscribers	EUR 1,000,000
I2	FR0012767085	Distribution	EUR	All subscribers	EUR 1,000,000
J1	FR0012767093	Capitalisation	USD	All subscribers	USD 1,000,000
J2	FR0012767101	Distribution	USD	All subscribers	USD 1,000,000
K1	FR0012767119	Capitalisation	CHF	All subscribers	CHF 1,000,000

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Contact point to obtain the Fund Rules,**
  the latest annual report and the latest periodic report:

  Unitholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

  Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20, info@anaxiscapital.com

  Any additional information can be obtained from Anaxis Asset Management at this same address.

Part B - Intermediaries

- **Portfolio management company**: Anaxis Asset Management S.A.S.,
  a portfolio management company accredited by the AMF under number GP10000030,
  9, rue Scribe, 75009 Paris, France

- **Depositary bank and custodian**: BNP Paribas Securities Services S.C.A.,
  a credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address

  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office:

  3, rue d'Antin, 75002 Paris, France

  Responsibilities of the depository bank

  The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

  Potential conflicts of interest

  Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:

  - Identifying and analysing potential conflicts of interest;
  - Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

  Delegation of functions

  The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:

  http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html

  The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

  Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory Auditor**: PricewaterhouseCoopers Audit
represented by Frédéric Sellam,
63, rue de Villiers, 92200 Neuilly-sur-Seine, France

- **Promoters**: 1. Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

  2. its Swiss counterpart, Anaxis S.A.
19, rue du Mont-Blanc, 1201 Geneva, Switzerland

- **Delegate accounting manager**: BNP Paribas Securities Services S.C.A.

  Postal address:
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office:
3, rue d'Antin, 75002 Paris, France

- **Orders centralised by**: Identity

  Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

  Identity of institution in charge of receiving subscription and redemption orders

  BNP Paribas Securities Services S.C.A.,
a credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address:
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office:
3, rue d'Antin, 75002 Paris, France

Part C - Terms of operation and management

1. General features

- **Type of rights attached to units**: Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

- **Management of liabilities**: All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The Fund is admitted for trading on Euroclear France.

- **Voting rights**: As the Fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the Fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

- **Form of units**: All units are bearer units.

- **Fractions of units**: Ten-thousandths of one unit.

- **Balance sheet date**: Last trading day in December.

- **First financial year**: The balance sheet date of the first financial year is 31 December 2016.

- **Taxation**: As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of Fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the Fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

2. Specific terms and conditions

- **ISIN codes**:

E1 units:	**FR0012767010**
E2 units:	**FR0012767036**
U1 units:	**FR0012767044**
U2 units	**FR0012767051**
S1 units:	**FR0012767069**
I1 units:	**FR0012767077**
I2 units:	**FR0012767085**
J1 units:	**FR0012767093**
J2 units:	**FR0012767101**
K1 units:	**FR0012767119**

- **Classification**: International bonds and other debt securities.

- **Investment objective**: The Fund aims to outperform by 3.5%, net of fees, as at 31 December 2020, the actuarial yields offered by the American T-Note with maturity 31 December 2020. More specifically, the Fund targets an annualised yield to maturity of more than 5.40% (after deducting management fees) at 31 December 2020.

- **Benchmark index**: None. The Fund's performance may, however, be compared ex-post to the actuarial yields of the American T-note, 1.375%, ISIN US912828K585 over the investment period at 31 December 2020.

- **Investment strategy**

a. ***Description of strategies used***: The investment objective must be achieved by building a portfolio comprised predominantly of high-yield, high credit risk corporate bonds. These securities are intended to be held to maturity, but adjustments deemed appropriate may be made over the life of the Fund as part of its discretionary active management strategy.

<u>Investment strategy in reference to the 31 December 2020 maturity</u>

The Fund is managed according to a maturity set at 31 December 2020. The aim of the investment strategy is to build a portfolio with the best possible balance between the return achieved, the risk of potential default and the probability of a capital loss due to market fluctuations over the recommended investment period. The composition of the portfolio will therefore be adapted over time according to the residual investment period.

The portfolio's sensitivity is expected to decrease over the years. However, some of the securities held may have a maturity date falling after 31 December 2020. Furthermore, a high level of bond investment may be maintained until the liquidation of the portfolio. This liquidation will take place a few weeks prior to maturity, at a rate to be determined according to market conditions at the time.

By 31 December 2020 at the latest, the Fund will be managed on the money market in reference to the average money market rate. The Fund may, after obtaining approval from the AMF (French securities regulator) and notifying the unitholders, opt to wind up, implement a new investment strategy or merge with another UCITS.

General approach

The investment strategy is based first and foremost on an extensive fundamental analysis of emerging markets private-sector bonds and on the construction of a robust and diversified allocation based on the selection of individual bonds each for their own merits. The Fund is actively managed but does not seek to capture short-term market trends.

Financial analysis

The portfolio management team notably examines the following aspects:

1. The issuer's financial strength. We look at the composition of its balance sheet, the quality of its assets, support expected from shareholders, etc.

2. The business model. We review each company's strategy and business model in order to determine its strengths and weaknesses. Our goal is to forecast how an issuer's activity and revenues are likely to evolve according to its competitive environment, growth in its market, product quality and cost structure.

3. Sensitivity of earnings to the economic climate, the exchange rate or commodity prices.

4. The regulatory and legal environment.

5. Country risk, with a specific focus on political and social stability, and risks of nationalisation, expropriation, forex control, devaluation, etc.

6. The legal characteristics of the issue and the protections offered to lenders.

7. The liquidity of issues available on the secondary market and the results of the most recent primary market issues.

8. The issue's relative attractiveness. This analysis includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

Geographic and sector criteria

The investment strategy favours issuers headquartered in an emerging country or that generates an important part of their revenues in emerging countries. More particularly, the investment strategy focuses on area such as Latin America, Africa, Middle East, Asia, Central and Eastern Europe.

The fund’s exposure to emerging markets varies between 40% and 100% of the net assets. The remaining part of the assets may be invested in bonds which issuers are located in developed markets, in order to adjust the fund’s exposure to risks inherent to emerging countries. Shall be regarded as developed markets: North America, Western Europe, Japan, Australia and New Zealand.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
Emerging countries	40%	100%
Other countries (developed markets)	0%	60%

The investment strategy seeks to obtain solid sector diversification, with a maximum of 30% per sector. All economic sectors may be considered. However, the Fund does not invest in securities issued by banks or other financial institutions. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Credit risk exposure	Minimum	Maximum
Speculative High-Yield corporate debt	50%	100%
Investment Grade corporate debt	0%	50%
Unrated corporate debt	0%	25%
Investment Grade sovereign debt	0%	50%
Speculative High-Yield sovereign debt	0%	50%

Rating criteria

The portfolio management team uses mainly, but not exclusively, high-yield and high credit risk securities. It does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a company defaulting after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest.

The Investment Grade category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency or securities of a similar quality as estimated by the management company. The “Speculative High Yield” category comprises securities with a rating below this level.

Markets

The Fund may invest on the primary and secondary markets.

Tactical allocation and bond sensitivity

The investment strategy also uses a macroeconomic, financial and technical analysis to define the optimal positioning of the Fund. Based on this analysis, the portfolio management team may decide to hold a portion of the Fund's assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

It may also change the portfolio's sensitivity to general interest rate trends within a range of 0 to 5. To this end, the portfolio management team may use interest rate swaps or futures, within the limit of an overall exposure (all positions combined) of 120% of the Fund's assets.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

Sensitivity	Minimum	Maximum
to interest rates	0	5
to credit spreads	0	5

Management of foreign exchange risk

The Fund's reference currency is the US dollar. Foreign exchange risk generated by investments in other foreign currencies may be hedged in favour of the US dollar, but an exposure to foreign exchange risk is permitted up to 15%.

Furthermore, unit categories denominated in euro or Swiss franc are continuously hedged against foreign exchange risk in order to protect investors against exchange rate fluctuations between the Fund’s reference currency (US dollar) and the unit category's currency of denomination. The forex risk specific to unit classes denominated in euro or Swiss franc is kept below 5% via an appropriate hedge.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives.

Foreign exchange risk	Minimum	Maximum
US Dollar-denominated securities	30%	100%
Securities denominated in developed markets currencies (including US dollar)	70%	100%
Securities denominated in other currencies	0%	30%
Residual foreign exchange risk exposure after hedging	0%	15%

b. ***Categories of assets used***:

1. Debt securities and money market instruments

Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the Fund's assets.

The investment strategy focuses on bonds and negotiable debt securities issued by companies established in emerging markets or companies generating a third of their revenue in emerging countries. These issuers may or may not be listed.

These securities are generally denominated in US dollar, in euro, but also in other currencies that can be hedged against foreign exchange risk under conditions regarded as acceptable by the managing company. Forex positions not subject to hedging may also comprise up to 15% of assets.

After hedging, foreign exchange risk is kept below 15%.

Selected securities may be of any rank (e.g. secured debt, mezzanine, subordinated debt) and have any credit rating. High-yield securities may comprise up to 100% of the Fund's assets. However, the Fund does not invest in securities issued by companies in default at the time of purchase. Unrated securities may comprise up to 25% of the Fund's assets.

The analysis and selection of debt instruments is made independently from rating agencies.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The Fund may also invest up to 50% of its assets in debt instruments issued by governments without any grade restriction.

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

2. Convertible bonds and related securities

The Fund may invest up to 10% of its assets in convertible bonds (or related instruments) with a bond profile, i.e. if the conversion option is largely out-of-the-money, has no significant value and does not generate a convexity effect on the price of the convertible for small variations in the price of the underlying equity. This strategy can enable the Fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option not priced in by the market. In such case, the portfolio management team will ensure that the Fund's overall equity risk does not exceed 10% of net assets.

3. Equities

Equity exposure is limited to 10% of the Fund's assets. The Fund does not purchase stocks on the market and does not take part in IPOs. However, the Fund may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the Fund may directly hold equities after exercising the conversion option attached to convertible bonds. Although such direct positions are not intended to be held over the long term, the Fund is not required to sell them within a predefined period.

4. Deposits

For the purpose of managing its cash holdings, the Fund may carry out deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not invest more than 20% of its assets into deposits carried out with a same institution.

5. Derivatives

The Fund may invest in the regulated, organised or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's bond sensitivity (upward or downward) within a range of 0 to 5. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The Fund's overall exposure, including derivatives, is limited to 120% of net assets.

<u>Clarifications on derivatives</u>

Type of markets in which the Fund may invest:

- regulated,
- organised,
- OTC.

Risks to which the portfolio management team plans to expose the Fund:

- interest rate,
- foreign exchange.

Types of transactions, all of which are limited to the achievement of the investment objective:

- hedging,
- exposure.

Types of instruments used:

- futures,
- swaps,
- forward foreign exchange contracts.

Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk according to management committee forecasts,
- increasing exposure to interest rate risk, according to management committee forecasts, within the limit of overall interest rate risk exposure of 120% of net assets.

6. Securities with embedded derivatives

The Fund may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 10% of its assets.

Furthermore, the corporate bonds in which the Fund predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

7. UCITS

The Fund may invest up to 10% of its assets in other French or foreign UCITS compliant with the European Directive 2009/65/EC with a money market or bond strategy. These UCITS may be managed by Anaxis Asset Management or by a tied entity.

8. Cash loans

The Fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the Fund's payment flows: investments, divestments and liabilities transactions.

9. Securities lending and borrowing

None.

- **Contracts constituting financial guarantees**:

None.

- **Risk profile**:

Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. ***Main risks***:

Capital risk: The Fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Risk linked to discretionary portfolio management: As the Fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's NAV.

Risk linked to emerging countries: The UCITS invests in emerging markets. Investors should be aware of the higher volatility associated with emerging market issues compared to developed market issues. This volatility may arise from the instability of political and economic factors in these markets. It may be enhanced by factors linked to legal, market liquidity, settlement, delivery and foreign exchange problems. The risk of price fluctuation or suspended redemptions is thus higher compared to products in more developed markets. Some emerging markets enjoy relatively prosperous economies, but which are sensitive to global commodity prices or inflation rates. Others are highly exposed to the economic conditions prevailing in other countries. Even though the utmost care is taken to control and manage these risks, unitholders are nevertheless subject to the risks associated with these markets.

Credit risk: This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the Fund's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

Interest rate risk: When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the Fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 5.

Risk linked to derivatives: The use of derivatives may increase interest rate risk beyond that associated with the bonds and other debt securities held, but without exceeding the 0-5 range indicated above.

Foreign exchange risk: Up to 70% of the Fund's assets may be invested in securities denominated in currencies other than the US dollar. The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 15% (all currencies combined). In addition, the Fund offers unit categories denominated in currencies other than the US dollar (Euro and Swiss franc). For these unit categories, foreign exchange risk against the US dollar is kept below 5% via an appropriate hedge. However, unitholders should note that the Fund may be exposed to residual foreign exchange risk, arising either from an imperfect hedge of the securities portfolio or specific to non US dollar-denominated unit categories. This risk may lead to a decrease in NAV.

b. ***Ancillary risks***:

Risk associated with holding convertible bonds: Up to 10% of the Fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the Fund's NAV.

Equity risk: Up to 10% of the Fund's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds or undertakings for collective investment. The Fund's NAV will decrease if this market declines.

Risk linked to investments in UCITS: Unitholders should note that there are liquidity risks and risks of capital losses associated with potential investments of up to 10% of the Fund's assets in UCITS. These risks may lead to a decrease in the Fund's NAV.

Counterparty risk: This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the Fund to the risk of default by one or more counterparties and may lead to a decrease in the Fund's NAV.

Inflation risk: The Fund may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk: Under very difficult market conditions, the Fund may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the Fund Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection**: None.

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

E1, E2, U1, U2, S1, I1, I2, J1, J2 and K1 units are available to all subscribers.

Eligible subscribers include in particular those seeking to invest in emerging markets high-yield, high credit risk corporate bonds with the aim of outperforming by 3.5% (after fees) the yield offered by the American T-Note with maturity 31 December 2020 over the recommended investment period.

The recommended investment period runs until 31 December 2020.

The amount that is reasonable to invest in this Fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this Fund.

- **Conditions for determining and distributing income**:

Net income for the financial year is determined in accordance with regulatory provisions and with the Fund's accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets; however, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant unit categories.

Amounts available for distribution are determined by:

1. equal to net income for the financial year plus retained earnings, and plus or minus the balance of the income accrual account related to the financial year ended The net income plus retained earnings, and plus or minus the balance of the income accrual.

2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, U1, S1, I1, J1 and K1 units, gains are capitalised.

For E2, U2, I2 and J2 units, gains are distributed.

- **Frequency of distribution**: Annual for E2, U2, I2 and J2 distribution units.

- **Unit features**:

Units	ISIN code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0012767010	Capitalisation	EUR	Daily	EUR 100	One unit	Ten-thousandths of one unit
E2	FR0012767036	Distribution	EUR	Daily	EUR 100	One unit	Ten-thousandths of one unit
U1	FR0012767044	Capitalisation	USD	Daily	USD 100	One unit	Ten-thousandths of one unit
U2	FR0012767051	Distribution	USD	Daily	USD 100	One unit	Ten-thousandth of one unit
S1	FR0012767069	Capitalisation	CHF	Daily	CHF 100	One unit	Ten-thousandths of one unit
I1	FR0012767077	Capitalisation	EUR	Daily	EUR 100	EUR 1.000.000	Ten-thousandths of one unit
I2	FR0012767085	Distribution	EUR	Daily	EUR 100	EUR 1.000.000	Ten-thousandths of one unit
J1	FR0012767093	Capitalisation	USD	Daily	USD 100	USD 1.000.000	Ten-thousandths of one unit
J2	FR0012767101	Distribution	USD	Daily	USD 100	USD 1.000.000	Ten-thousandths of one unit
K1	FR0012767119	Capitalisation	CHF	Daily	CHF 100	CHF 1.000.000	Ten-thousandths of one unit

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption**:

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services, Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Orders form

Subscription orders are accepted in quantity or amount.

Redemption orders are only accepted in quantity (number of units).

Fractions of units

Ten-thousandths of one unit.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one unit category to another, round trip

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the markets are closed in Paris and New-York (according to the official NYSE Euronext calendar).

Place and conditions of publication or transmission of NAVs

The NAVs of the Fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

- **Fees and commissions**:

Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption	Base	Rate
Subscription fee not paid to the Fund	NAV x number of units	2% maximum
Subscription fee paid to the Fund	NAV x number of units	None
Redemption fee not paid to the Fund	NAV x number of units	0.80% maximum
Redemption fee paid to the Fund	NAV x number of units	0.20%

Clarifications on the subscription fee

The subscription fee is 2% maximum. It will be used to pay for the Fund's distribution and may be paid back to third-party distributors depending on the agreements signed.

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio management company when the Fund exceeds its targets. They are charged to the Fund;
- Account activity fees charged to the Fund;
- A share of the income earned from securities lending and borrowing transactions.

Fees charged to the Fund	Base	Rate
Portfolio management fees	Net assets	E1, E2, U1, U2 and S1 units: 1.35% incl. tax (maximum) I1, I2, J1, J2 and K1 units: 0.85% incl. tax (maximum)
External management fees	Net assets	0.10% incl. tax (maximum), with any surplus covered by the portfolio management company
Maximum indirect fees (management fees and commissions)	Net assets	0.15% incl. tax (maximum)
Account activity fee (fully paid to the custodian)	Charged on each transaction	Scale: - Transactions: max. €60 incl. tax - Securities transactions: none
Incentive fee	Net assets	10% incl. tax of the outperformance beyond an annualised net performance of 5.40%.

With each NAV calculation, the fund's excess return is defined as the positive difference between the fund's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised performance of + 5.40% and recording the same subscriptions and redemptions as the actual fund. With each NAV calculation, a provision in the amount of 10% (with tax) of the excess return or, where applicable, a provision reversal if the fund underperforms, is recognised. In the event of redemptions, the share of the incentive fee associated with the redeemed units is permanently paid to the fund. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. However, the initial fees were calculated over a period ranging from the Fund's inception date (23 June 2015) to 31 December 2016.

The Fund does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D - Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxis-am.fr.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxis-am.fr. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E - Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the Fund from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the Fund may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (Caisse d'amortissement de la dette sociale).

Part F - Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by ANC (French Accounting Regulation Committee) Regulation No. 2014-01 of 14 January 2014 on the accounting principles applicable to UCITS.

1. Asset valuation rules

The Fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The Fund has opted for the US Dollar as its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.

Section II: Fund Rules

ANAXIS BOND OPPORTUNITY EM 2020

SECTION 1 – ASSETS AND UNITS

Article 1 - Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the Fund Prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimising the impact of hedging transactions on the Fund's other unit categories;
- be reserved for one or more promotion networks.

Combination or division of units

The Fund may combine or divide units.

Fractional units

Units may be divided into ten-thousandths of one unit (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 - Minimum amount of assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the Fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (Fund transformation).

Article 3 - Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the Fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realisation of some of the assets comprising the Fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the Fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 - Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the Fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

SECTION 2 – FUND OPERATION

Article 5a - Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the Fund.

Article 5b - Rules of operation

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

Article 6 - Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 - Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the Fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the Fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardise the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the Fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 - Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the Fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

SECTION 3 – CONDITIONS FOR THE ALLOCATION OF AMOUNTS AVAILABLE FOR DISTRIBUTION

Article 9 - Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the Fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a Fund are comprised of:

1) Net income plus retaining earnings and plus or minus the balance of the income accrual account;

2) Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalisation, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in 1) and 2) above may be distributed in part or in whole, independently of one another. Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

SECTION 4 – MERGERS - SPIN-OFFS - WINDING-UP - LIQUIDATION

Article 10 - Mergers - Spin-offs

The portfolio management company may either contribute some or all of the Fund's assets to another Fund, or split the Fund into two or more other mutual funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 - Winding-up - Extension

If the Fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the Fund, unless it is merged with another fund.

The portfolio management company may wind up the Fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the Fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the Fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the Fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the Fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the Fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realise the Fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

SECTION 5 – DISPUTES

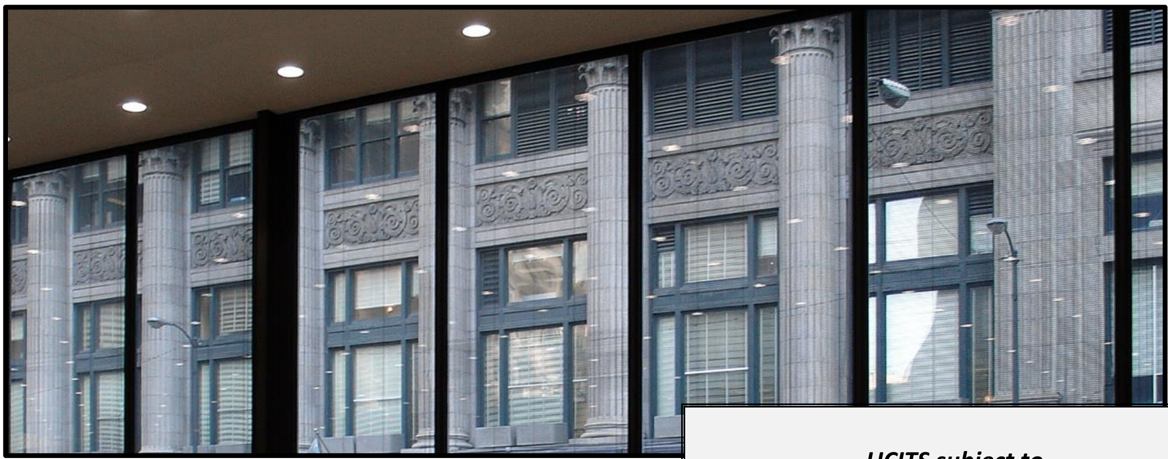
Article 13 - Jurisdiction - Election of domicile

Any disputes related to the Fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

ANAXIS INCOME ADVANTAGE

French SICAV (open-ended investment company)

PROSPECTUS



UCITS subject to European Directive 2009/65/EC

Asset management company:	Anaxis Asset Management
Registered office:	9, rue Scribe, 75009 Paris, France
Custodian :	BNP Paribas Securities Services
Auditors:	PricewaterhouseCoopers Audit
Approval date:	26/08/2016
Publication date:	31/01/2017

anaxis

Contents

PROSPECTUS

ANAXIS INCOME ADVANTAGE

UCITS subject to
European Directive 2009/65/EC

Part A – General features

- **Name of UCITS** : Anaxis Income Advantage
- **Legal form and Member State** : SICAV (mutual fund) under French law
- **Date of incorporation and projected term**:

  30 September 2016 for a term of 99 years
- **Approval date** : 26 August 2016 by the AMF (French securities regulator)
- **Contact point to obtain the Fund Articles, the latest annual report and the latest periodic report**:

  Shareholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris
  Tel : 09 73 87 13 20
  info@anaxiscapital.com

  Any additional information can be obtained from Anaxis Asset Management at this same address.

- **Description of the categories of shares** :

Share	ISIN Code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0013196169	Accumulation	EUR	All subscribers	One share
E2	FR0013196177	Accumulation and/or distribution	EUR	All subscribers	One share
U1	FR0013196185	Accumulation	USD	All subscribers	One share
S1	FR0013196193	Accumulation	CHF	All subscribers	One share
I1	FR0013196219	Accumulation	EUR	All subscribers	EUR 500 000
I2	FR0013202520	Accumulation and/or distribution	EUR	All subscribers	EUR 500 000
J1	FR0013196227	Accumulation	USD	All subscribers	USD 500 000
K1	FR0013196235	Accumulation	CHF	All subscribers	SEK 500 000

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

Part B – Intermediaries

- **Portfolio management company**: Anaxis Asset Management S.A.S.
  A portfolio management company accredited by the AMF under number GP10000030
  9, rue Scribe, 75009 Paris, France

  Chairman of the management co.: Pierre Giai-Levra (Chairman of the SICAV)
  Member of the board of directors: Jean-Julien Goettmann

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
  A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address

  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office

  3, rue d'Antin, 75002 Paris, France

Responsibilities of the depository bank

The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

Potential conflicts of interest

Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:

- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

Delegation of functions

The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:

http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html

The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory auditor** : PricewaterhouseCoopers Audit
  Represented by Mr Frédéric Sellam
  63, rue de Villiers, 92200 Neuilly-sur-Seine, France

- **Promoters** : 1. Anaxis Asset Management S.A.S.
  9, rue Scribe, 75009 Paris, France

  2. Its Swiss counterpart Anaxis S.A.
  19, rue du Mont-Blanc, 1201 Geneva, Switzerland

- **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

  Postal address

  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office

  3, rue d'Antin, 75002 Paris, France

The delegate accounting manager administrates the SICAV (accounting, calculating net asset values) and is responsible for middle office functions.

- **Orders centralised by** : Identity

  Anaxis Asset Management S.A.S., 9, rue Scribe, 75009 Paris, France

  Identity of institution in charge of receiving subscription and redemption orders

  BNP Paribas Securities Services S.C.A.,
  A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address
  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office
  3, rue d'Antin, 75002 Paris, France

- **Chairman of the SICAV** : Pierre Giai-Levra (also Chairman of the management company Anaxis Asset Management S.A.S.)

- **Initial capital** : EUR 300 000

Part C – Terms of operation and management

1. General features

- **Type of rights attached to shares**: Each share represents an interest in the assets and profits of the SICAV which is proportional to the fraction of the share capital represented thereby.

- **Management of liabilities** : BNP Paribas Securities Services is responsible for the management of the liabilities. The SICAV is admitted for trading on Euroclear France.

- **Voting rights** : Each share carries entitlement to one vote. Any shareholder may attend General Meetings, either in a personal capacity or by proxy, subject to a proof of identity and of share ownership, in the form and at the places indicated in the notice of meeting.

- **Form of shares** : The shares may be bearer shares, or administered registered shares, registered with the issuer or with any other financial intermediary chosen by the holder.

- **Fractions of shares** : Ten-thousandths of one share.

- **Balance sheet date** : Last trading day in December.

- **First financial year** : The balance sheet date of the first financial year is 31 December 2017.

- **Taxation** : The SICAV is not subject to corporate tax. The tax scheme applicable to the amounts distributed by the SICAV, or to the realised or unrealised gains or losses depends on each investor's individual situation and tax residence. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

2. Specific terms and conditions

- **ISIN codes** :

E1 shares	:	**FR0013196169**
E2 shares	:	**FR0013196177**
U1 shares	:	**FR0013196185**
S1 shares	:	**FR0013196193**
I1 shares	:	**FR0013196219**
I2 shares	:	**FR0013202520**
J1 shares	:	**FR0013196227**
K1 shares	:	**FR0013196235**

- **Classification** : International bonds and other debt securities.

- **Investment objective** : The Fund aims to outperform 3-year-maturity German government bonds by 4%, after fees, by investing mainly in corporate bonds, in an active and discretionary manner.

- **Benchmark index** : Performance, upon the current year (*t*), of the German government bond with the closest maturity to 31st December of *t+2*. For example, for 2017, the performance of the SICAV will be compared to the performance of the "Bundesobligation" with maturity at 11/10/2019 (ISIN DE0001141703). The benchmark will be therefore updated at the beginning of each calendar year. The performances of this benchmark will be capitalized and calculated with gross dividends reinvested.

- **Investment strategy**

a. ***Description of strategies used :*** The investment objective must be achieved by building a portfolio comprised predominantly of corporate bonds and other debt instruments.

General approach

The UCITS is managed in an active and discretionary manner.

It is not a fixed maturity fund.

The investment strategy is based first and foremost on an extensive fundamental analysis of private-sector bonds and on the construction of an allocation diversified from a geographical and sectorial point of view, based on the selection of individual bonds each for their own merits.

The allocation of the portfolio may evolve according market conditions and economic and financial perspectives: rate levels, credit risk premium, probability of default, cash flows, central banks policies, economic circumstances, commodity prices, political events, etc.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

The financial analysis studies the business model and strategy of companies in order to determine their strengths and weaknesses. The management team aims at forecasting how activity, incomes, cash flows or financial leverage will evolve, according to the competitive environment of the companies, their market growth, the quality of their products, as well as their cost structure.

The management team also assesses the composition of the balance sheet, the assets quality, the debtors' guarantees, the expected support from shareholders, the refinancing needs, the access to the capital market, etc.

Geographic criteria

The investment strategy does not favour any particular geographic area and may freely invest in developed markets (European Economic Area, Switzerland, North America, Japan, Singapore, Australia, and New-Zealand). Investments in emerging markets and other markets are limited to 49%.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
Developed countries	**0%**	**100%**
Other countries (including emerging markets)	**0%**	**49%**

Sector criteria

The investment strategy seeks to avoid portfolio concentration on a specific economic sector. All economic sectors may be considered. However, the SICAV does not invest in securities issued by banks or other financial institutions that, according to us, require a different type of analysis. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

Management favours private corporate bonds. The share of high yield, speculative grade corporate bonds may reach 100% of net assets.

Nonetheless, all or part of the portfolio may be invested in investment grade corporate debt or in government bonds. The allocation will depend on the team's assessment of the relative attractiveness of the credit categories, in terms of expected real yields after inflation, the average probability of default, the expected volatility of market prices and the dynamic of the primary market (volume and characteristics of new issues) together with the refinancing strategies of issuers.

The management team does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the shareholders' best interest

Credit risk exposure	Minimum	Maximum
High yield, speculative grade corporate debt	**0%**	**100%**
Investment grade corporate debt	**0%**	**100%**

Unrated corporate debt	**0%**	**35%**
Investment grade sovereign debt	**0%**	**100%**
High yield sovereign debt	**0%**	**20%**

The Investment Grade category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency, or securities deemed to be of equivalent quality in the judgement of the management company. The High Yield category comprises securities with a rating below this level. The lowest rating will be used to determine the allocation limits.

The analysis and selection of debt instruments is made independently from rating agencies.

Markets

The SICAV may invest on the primary and secondary markets.

Tactical allocation

The investment strategy uses a macroeconomic, financial and technical analysis to define the optimal positioning of the SICAV. Based on this analysis, the portfolio management team may decide to hold a portion of assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

Bond sensitivity

The investment team may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 7. To this end, the portfolio management team may use interest rate swaps or futures, within the limit of an overall exposure (all positions combined) of 120% of the net assets.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

Sensitivity	Minimum	Maximum
To interest rates	**0**	**7**
To credit spreads	**0**	**7**

Management of foreign exchange risk

The Fund's reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro.

Furthermore, categories of shares issued by the SICAV and denominated in currencies (US dollar or Swiss franc) are continuously hedged in order to protect investors against exchange rate fluctuations between the euro and the share category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedges may prove partial or imperfect. A tolerance threshold of 5% of residual exposure has been defined.

Foreign exchange risk	Minimum	Maximum
Securities denominated in other currencies (US dollar, Swiss franc, British pound, etc.)	**0%**	**100%**
Residual foreign exchange risk exposure after hedging	**0%**	**5%**

b. ***Categories of assets used*** : **1. Debt securities and money market instruments**

Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the SICAV’s assets.

The investment strategy focuses on bonds and negotiable debt securities issued by companies headquartered in developed markets (European Economic Area, Switzerland, North America, Japan, Singapore, Australia, and New-Zealand). Investments in emerging markets and other markets are limited to 49% of the SICAV’s assets.

The issuers may be listed companies or companies whose shares are not listed because they are held by families, managers, holding entities or investment funds

These securities are generally denominated in euro but also in other currencies (USD, CAD, AUD, CHF, GBP, JPY, DKK, NOK, SEK or other currencies for which, according to the management company, a hedging can be implemented at reasonable price and conditions). Securities denominated in currencies other than the euro may comprise up to 100% of the UCITS’ assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 5%.

Selected securities may be of any rank (e.g. secured, non-secured, mezzanine or subordinated debt) and have any credit rating. High-yield speculative securities may comprise up to 100% of the SICAV’s assets. However, the SICAV does not invest in securities issued by companies in default at the time of purchase. Unrated securities may comprise up to 35% of the SICAV's assets.

The analysis and selection of debt instruments is made independently from rating agencies.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The SICAV may invest up to 100% of its assets in Investment Grade debt instruments issued or guaranteed by governments or supranational entities, regardless of rating or currency. Nonetheless, the emerging government bonds are limited to 20% of the SICAV’s asset

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

2. Convertible bonds and related securities

The SICAV may invest up to 20% of its assets in convertible bonds (or related instruments) with a bond profile, i.e. if the conversion option is out-of-the-money, has no significant value and does not generate a convexity effect on the price of the convertible for small variations in the price of the underlying equity. This strategy can enable the SICAV to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option not priced in by the market. In such case, the portfolio management team will ensure that the SICAV's overall equity risk does not exceed 10% of net assets. The SICAV may also invest up to 20% of net assets in hybrid securities.

3. Equities

Equity exposure is limited to 10% of the SICAV's assets. The SICAV does not purchase stocks on the market and does not take part in IPOs. However, the SICAV may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the SICAV may directly hold equities after exercising the conversion option attached to convertible bonds or following to debt restructuration. Although such direct positions are not intended to be held over the long term, the SICAV is not required to sell them within a predefined period.

4. Deposits

For the purpose of managing its cash holdings, the SICAV may carry out deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not carry out deposits of more than 20% of its assets within the same institution.

5. Derivatives

The SICAV may invest in the regulated, organised or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's bond sensitivity (upward or downward) within a range of 0 to 7. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The SICAV's overall exposure, including derivatives, is limited to 120% of net assets.

Clarifications on derivatives

a. Type of markets in which the SICAV may invest: regulated, organised, OTC.

b. Risks to which the portfolio management team plans to expose the SICAV: interest rate and foreign exchange.

c. Types of transactions, all of which are limited to the achievement of the investment objective: hedging and exposure.

d. Types of instruments used: futures, swaps, and forward foreign exchange contracts.

e. Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk according to investment committee forecasts,
- increasing exposure to interest rate risk, according to investment committee forecasts, within the limit of overall interest rate risk exposure of 120% of net assets.

6. Securities with embedded derivatives

The SICAV may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 20% of its assets.

Furthermore, the corporate bonds in which the SICAV predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

7. OPCVM

The SICAV may invest up to 10% of its assets in other UCITS with a money market or bond strategy. These UCITS may be managed by Anaxis Asset Management or any other related entity.

8. Cash loans

The SICAV does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the SICAV's payment flows: investments, divestments and liabilities transactions.

9. Securities lending and borrowing

None.

- **Contracts constituting financial guarantees**:

None.

- **Risk profile** : Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. ***Main risks*** : Capital Risk. The SICAV does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Credit risk. This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the SICAV's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk. In particular, the SICAV normally invests in speculative category bonds. These bonds can represent up to 100% of the SICAV's asset. The investment objective assumes a default rate of 1%. If the default rate is higher, the investment objective may not be reached.

Interest rate risk. When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the SICAV's NAV. The portfolio's sensitivity may vary within a range of 0 to 7.

Risk linked to derivatives. The use of derivatives may increase interest rate risk beyond that associated with the bonds and other debt securities held, but without exceeding the 0-7 range indicated above.

Risk linked to discretionary portfolio management. As the SICAV is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the SICAV may underperform its investment objective and the investment choices made may lead to a decrease in the SICAV's NAV.

Risk linked to emerging countries. The SICAV may invest in emerging markets. Investors should be aware of the higher volatility associated with emerging market issues compared to developed market issues. This volatility may arise from the instability of political and economic factors in these markets. It may be enhanced by factors linked to legal, market liquidity, settlement, delivery and foreign exchange problems. The risk of price fluctuation or suspended redemptions is thus higher compared to products in more developed markets. Some emerging markets are sensitive to commodity prices or inflation rates. Others are highly exposed to the economic conditions prevailing in other countries.

Risk associated with holding convertible bonds. Up to 20% of the SICAV's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the SICAV's NAV.

Counterparty risk. This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the SICAV to the risk of default by one or more counterparties and may lead to a decrease in the SICAV's NAV.

b. ***Ancillary risks*** : Foreign exchange risk. Up to 100% of the SICAV's assets may be invested in securities denominated in currencies other than the SICAV's reference currency (the euro). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 5% (all currencies combined). In addition, the SICAV offers share categories denominated in currencies other than the euro (Swiss franc and US dollar). For these share categories, foreign exchange risk against the euro is also kept below 5% via an appropriate hedge. However, shareholders should note that the SICAV may be exposed to residual foreign exchange risk, arising either from an imperfect hedge of the securities portfolio or specific to non-euro-denominated share categories. This risk, limited to 5% of net assets, may lead to a decrease in NAV

Equity risk. Up to 10% of the SICAV's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds. The SICAV's NAV will decrease if this market declines.

Risk linked to investments in UCITS. Shareholders should note that there are liquidity risks and risks of capital losses associated with potential investments of up to 10% of the SICAV's assets in UCITS. These risks may lead to a decrease in the SICAV's NAV.

Inflation risk. The SICAV may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk. Under very difficult market conditions, the SICAV may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the SICAV's Articles of Incorporation and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection** : None.

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

E1, E2, U1, S1, I1, I2, J1 and K1 shares are available to all subscribers.

Eligible subscribers include in particular those seeking to invest in the corporate bond market with the aim of outperforming by 4% (after fees) the yield offered by German government bonds with a 3-year maturity.

The recommended investment period is 3 years.

The amount that is reasonable to invest in this SICAV depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this SICAV.

- **Conditions for determining and distributing income**:

Net income for the financial year is determined in accordance with regulatory provisions and with the UCITS accounting principles.

Net income is distributed between the shares categories in proportion to their share of total net assets. However, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant share categories.

Amounts available for distribution are determined by:

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, U1, S1, I1, J1 and K1 shares, gains are capitalised.

For E2 and I2 shares, income actually distributed is determined each year by the portfolio management company.

- **Frequency of distribution** : Annual for E2 and I2 shares.
- **Share features** :

Share	ISIN code	Distribution of earnings	Currency	Frequency	Initial share value	Minimum initial subscription	Fractional shares
E1	FR0013196169	Accumulation	EUR	Daily	EUR 100	One share	Ten-thousandths of one share
E2	FR0013196177	Accumulation and/or distribution	EUR	Daily	EUR 100	One share	Ten-thousandths of one share
U1	FR0013196185	Accumulation	USD	Daily	USD 100	One share	Ten-thousandths of one share
S1	FR0013196193	Accumulation	CHF	Daily	CHF 100	One share	Ten-thousandths of one share
I1	FR0013196219	Accumulation	EUR	Daily	EUR 100	EUR 500 000	Ten-thousandths of one share
I2	FR0013202520	Accumulation and/or distribution	EUR	Daily	EUR 100	EUR 500 000	Ten-thousandths of one share
J1	FR0013196227	Accumulation	USD	Daily	USD 100	USD 500 000	Ten-thousandths of one share
K1	FR0013196235	Accumulation	CHF	Daily	CHF 100	CHF 500 000	Ten-thousandths of one share

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption**:

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Orders form

Subscription orders are accepted in quantity or amount.
Redemption orders are only accepted in quantity (number of shares).

Fractions of shares

Ten-thousandths of one share.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one share category to another, round trip

For subscriptions carried out by shareholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of shares (in another share category or in the same share category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one share category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same share category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every working day (according to the official Euronext NV calendar).

Place and conditions of publication or transmission of NAVs

The NAVs of the SICAV's different share categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

- **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption

	Base	Rate
Subscription fee not paid to the SICAV	NAV x number of shares	2% maximum
Subscription fee paid to the SICAV	NAV x number of shares	None
Redemption fee not paid to the SICAV	NAV x number of shares	1% maximum
Redemption fee paid to the SICAV	NAV x number of shares	None

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the SICAV, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio management company when the SICAV exceeds its targets. They are charged to the SICAV;
- Account activity fees charged to the SICAV;
- A share of the income earned from securities lending and borrowing transactions.

Fees charges to the SICAV	**Base**	**Rate**
Portfolio management fees	Net assets	E1, E2, U1 and S1 shares: 1.25% incl. tax (maximum) I1, I2, J1 and K1 shares: 0.75% incl. tax (maximum)
External management fees	Net assets	0.10% incl. tax (maximum), with any surplus covered by the portfolio management company
Account activity fee (fully paid to the custodian)	Charged on each transaction	Scale: - Transactions: max. €60 incl. tax - Securities transactions: none
Incentive fee	Net assets	15% incl. tax of the annualised net performance beyond the benchmark index performance + 4.0%.

The SICAV does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

Clarifications on incentive fees

With each NAV calculation, the SICAV's excess return is defined as the positive difference between the SICAV's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised net performance of the performance of the benchmark index + 4% and recording the same subscriptions and redemptions as the SICAV. With each NAV calculation, a provision in the amount of 15% (with tax) of the excess return or, where applicable, a provision reversal if the SICAV underperforms, is recognised.

In the event of redemptions, the share of the incentive fee associated with the redeemed shares is permanently paid to the SICAV. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. The initial fees are calculated over a period ranging from the SICAV's inception date to 31 December 2017

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxis-am.fr.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxis-am.fr. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the SICAV from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the SICAV may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (*Caisse d'amortissement de la dette sociale*).

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The SICAV complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The SICAV has opted for the EUR as its accounting currency.

Transaction fees are recognised excluding expenses.

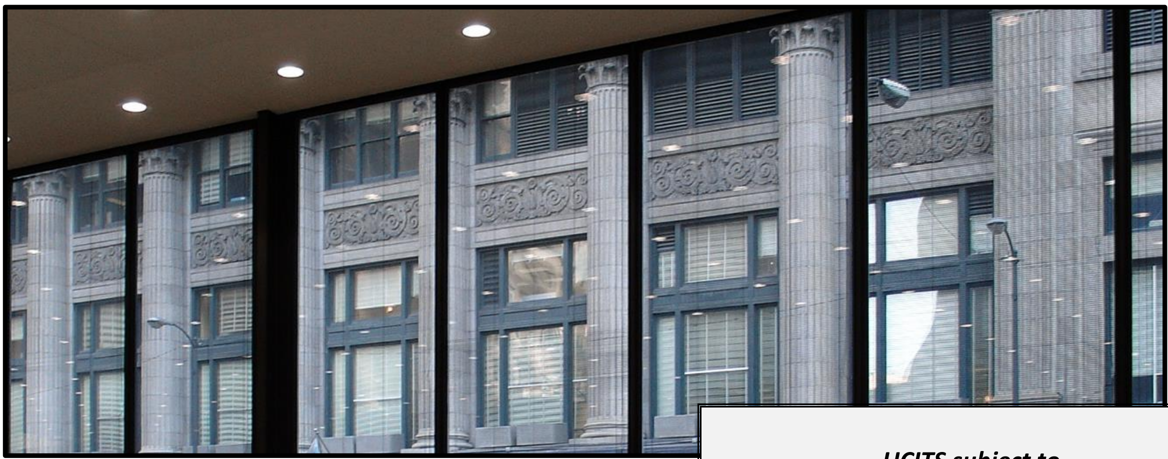
Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.

ANAXIS SHORT DURATION

French FCP (mutual fund)

PROSPECTUS AND RULES



UCITS subject to European Directive 2009/65/EC

Asset management company:	Anaxis Asset Management
Registered office:	9, rue Scribe, 75009 Paris, France
Custodian :	BNP Paribas Securities Services
Auditors:	PricewaterhouseCoopers Audit
Approval date:	29/10/2010
Publication date:	30/01/2017

anaxis

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PROSPECTUS

ANAXIS SHORT DURATION

UCITS subject to European Directive 2009/65/EC

Part A – General features

- **Name of UCITS** : Anaxis Short Duration
- **Legal form and Member State** : FCP (mutual fund) under French law.
- **Date of incorporation and projected term**:

  23 November 2010 for a term of 99 years
- **Approval date** : 29 October 2010 by the AMF (French securities regulator)
- **Contact point to obtain the Fund Articles, the latest annual report and the latest periodic report**:

  Unitholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel : +33 (0)9 73 87 13 20
  info@anaxis-am.fr

  Any additional information can be obtained from Anaxis Asset Management at this same address.

- **Description of the categories of units** :

Unit	ISIN Code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0010951426	Accumulation	EUR	All subscribers	One unit with an initial issue price of EUR 1 000
E2	FR0010951434	Accumulation and/or distribution	EUR	All subscribers	One unit with an initial issue price of EUR 1 000
U1	FR0010951467	Accumulation	USD	All subscribers	One unit with an initial issue price of USD 1 000
U2	FR0010951475	Accumulation and/or distribution	USD	All subscribers	One unit with an initial issue price of USD 1 000
S1	FR0010951442	Accumulation	CHF	All subscribers	One unit with an initial issue price of CHF 1 000
I	FR0010951483	Accumulation	EUR	All subscribers	EUR 500 000
I3	FR0013231420	Accumulation	EUR	All subscribers	EUR 500 000
I4	FR0013231438	Accumulation and/or distribution	EUR	All subscribers	EUR 500 000
J	FR0011011618	Accumulation	USD	All subscribers	USD 500 000
K	FR0011352202	Accumulation	CHF	All subscribers	CHF 500 000
Aforge	FR0011272160	Accumulation	EUR	Unit reserved for certain distributors, including in particular Degroof Petercam Gestion and its affiliates	with an initial issue price of EUR 1 000

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

Part B – Intermediaries

- **Portfolio management company**: Anaxis Asset Management S.A.S.
A portfolio management company accredited by the AMF under number GP10000030
9, rue Scribe, 75009 Paris, France

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

Responsibilities of the depository bank
The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

Potential conflicts of interest
Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

Delegation of functions
The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory auditor** : PricewaterhouseCoopers Audit
Represented by Mr Frédéric Sellam
63, rue de Villiers, 92200 Neuilly-sur-Seine, France

- **Promoters** : 1. Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

2. Its Swiss counterpart Anaxis S.A.
19, rue du Mont-Blanc, 1201 Genève, Switzerland

3. For the "Aforge" units: Degroof Petercam Gestion
44, rue de Lisbonne, 75008 Paris, France
and its affiliates

- **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

The delegate accounting manager administrates the fund (accounting, calculating net asset values) and is responsible for middle office functions.

- **Orders centralised by** : Identity

Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

Identity of institution in charge of receiving subscription and redemption orders

BNP Paribas Securities Services S.C.A.,
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

Part C – Terms of operation and management

1. General features

- **Type of rights attached to units** : Each unit represents an interest in the fund's assets is proportion to the number of units held.

- **Management of liabilities** : All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The fund is admitted for trading on Euroclear France.

- **Voting rights** : As the fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

- **Form of units** : All units are bearer units.

- **Fractions of units** : Thousandths of units.
- **Balance sheet date** : Last trading day in December.
- **First financial year** : The balance sheet date of the first financial year is 31 December 2011.
- **Taxation** : As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

  INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

  In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

2. Specific terms and conditions

- **ISIN codes** :

E1 units	:	**FR0010951426**
E2 units	:	**FR0010951434**
U1 units	:	**FR0010951467**
U2 units	:	**FR0010951475**
S1 units	:	**FR0010951442**
I units	:	**FR0010951483**
I3 units	:	**FR0013231420**
I4 units	:	**FR0013231438**
J units	:	**FR0011011618**
K units	:	**FR0011352202**
Aforge units	:	**FR0011272160**

- **Classification** : International bonds and other debt securities.
- **Investment objective** : The fund seeks a gross performance 2.15% higher than 12-month interbank rates (EURIBOR or LIBOR) in the currency of denomination of the unit category in question. The corresponding net objectives (after management fees) are given below:

EURIBOR	+ 1.00% for E1, E2 and Aforge units
USD LIBOR	+ 1.00% for U1 and U2 units
CHF LIBOR	+ 1.00% for S1 units
EURIBOR	+ 1.50% for I units
EURIBOR	+ 1.40% for I3 and I4 units
USD LIBOR	+ 1.50% for J units
CHF LIBOR	+ 1.50% for K units

Investment strategy

a. ***Description of strategies use :*** The investment objective must be achieved by the active and discretionary management of a portfolio comprised predominantly of corporate bonds.

General approach

The investment strategy is based first and foremost on an extensive fundamental analysis of private-sector bonds and on the construction of an allocation diversified from a geographical and sectorial point of view, based on the selection of individual bonds each for their own merits.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

The financial analysis studies the business model and strategy of companies in order to determine their strengths and weaknesses. The management team aims at forecasting how activity, incomes, cash flows or financial leverage will evolve, according to the competitive environment of the companies, their market growth, the quality of their products, as well as their cost structure.

The management team also assesses the composition of the balance sheet, the assets quality, the debtors' guarantees, the expected support from unitholders, the refinancing needs, the access to capital markets, etc.

Geographic criteria

The investment strategy favours developed countries:

- Issuers domiciled in such countries,
- Issuers having more than half of their revenues coming from such countries,
- Issuance vehicles dedicated to the financing of groups having more than half of their global revenues coming from such countries.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
Developed countries	**0%**	**100%**
Other countries	**0%**	**10%**

In the definition of the above limits "developed countries" means: countries belonging to the European Economic Area, Switzerland, United States, Canada, Australia, New-Zealand, Japan and Singapore.
The allocation to "other countries" may include issuers from emerging countries.

Sector criteria

When investing in corporate bonds, the management company seeks to avoid portfolio concentration on a specific economic sector. Maximum allocation per sector is 25% of fund's assets.

All economic sectors may be considered. However, the fund does not invest in securities issued by banks or other financial institutions that, according to us, require a different type of analysis. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

Management favours corporate bonds.

The analysis and selection of debt instruments is made independently from rating agencies.

The “Investment Grade” category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency, or securities deemed to be of equivalent quality in the judgement of the management company.

The “Non-Investment Grade” category comprises securities with a rating below this level. Such securities are regarded as speculative in nature due to the higher credit risk attached to them. The lowest rating will be used to determine the allocation limits.

Credit risk exposure	Minimum	Maximum
Private debt – Investment Grade	**0%**	**100%**
Private debt – Non-Investment Grade	**0%**	**100%**
Sovereign debt – Investment Grade	**0%**	**50%**
Sovereign debt – Non-Investment Grade	**0%**	**10%**

The management team does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest.

Markets

The fund may invest on the primary and secondary markets.

Tactical allocation

The investment strategy uses a macroeconomic, financial and technical analysis to define the optimal positioning of the fund. Based on this analysis, the portfolio management team may decide to hold a portion of assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

Bond sensitivity

The investment team may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 3. The portfolio management team may use interest rate swaps or futures for hedging purposes.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

Sensitivity	Minimum	Maximum
To interest rates	**0**	**3**
To credit spreads	**0**	**3**

Duration limits

The bond market can be divided up into segments based on the maturity or duration of issues: 1-3 years, 3-5 years, 5-7 years, 7-10 years, etc. The fund's duration ranges from 0 to 3 years; hence the name "short duration."

Duration is defined as the average weighted period over which interest is paid and the nominal repaid on a bond (excluding bonds in default). For bonds that can be redeemed prior to maturity at the issuer's discretion, the actual borrowing period is uncertain. The method used in this case is to determine the least favourable duration for the investor, i.e. the redemption date that results in the lowest actuarial yield (“duration to worst”).

Management of foreign exchange risk

The fund's reference currency is the euro.

Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro.

Furthermore, categories of units issued by the fund and denominated in US dollar or Swiss franc are continuously hedged in order to protect investors against exchange rate fluctuations between the euro and the unit category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedges may prove partial or imperfect. A tolerance threshold of 5% of residual exposure has been defined.

Foreign exchange risk	Minimum	Maximum
Euro-denominated Securities and deposits	**50%**	**100%**
Securities denominated in other currencies	**0%**	**50%**
Residual exposure after hedging	**0%**	**5%**

The “other currencies” which may be used are the Swiss franc, the British pound, the Danish krone, the Norwegian krone, the Swedish krone, the Japanese yen, the US dollar, the Canadian dollar, the Australian dollar, the New Zealand dollar and the Singapore dollar.

b. ***Categories of assets used*** : **1. Debt securities and money market instruments**

Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the fund’s assets.

The issuers may be listed companies or companies whose shares are not listed because they are held by families, managers, holding entities or investment funds

These securities are generally denominated in euro. They may also be denominated in other currencies. Securities denominated in currencies other than the euro may comprise up to 50% of the fund’s assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 5%.

Selected securities may be of any rank (e.g. secured or subordinated debt) and have any credit rating. Non-Investment Grade securities may comprise up to 100% of the fund's assets.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The fund may invest up to 50% of its assets in Investment Grade debt instruments issued by governments. Sovereign bonds with a Non-Investment Grade rating are limited to 10% of the fund's asset

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

2. Convertible bonds and related securities

The fund may invest up to 10% of its assets in convertible bonds (or related instruments). This strategy can enable the fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option on the underlying equity. In such case, the portfolio management team will ensure that the fund's overall equity risk does not exceed 10% of net assets.

3. Equities

Equity exposure is limited to 10% of the fund's assets. The fund does not purchase stocks on the market and does not take part in IPOs. However, the fund may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the fund may directly hold equities after exercising the conversion option attached to convertible bonds or following to debt restructuration. Although such direct positions are not intended to be held over the long term, the fund is not required to sell them within a predefined period.

4. Deposits

For the purpose of managing its cash holdings, the fund may carry out deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not carry out deposits of more than 20% of its assets within the same institution.

5. Derivatives

The fund may invest in the regulated, organised or OTC futures markets for the purpose of hedging currency exposures or reducing the portfolio's bond sensitivity. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The fund's overall exposure, including derivatives, is limited to 110% of net assets.

Clarifications on derivatives

a. Type of markets in which the fund may invest: regulated, organised, OTC.

b. Risks to which the portfolio management team plans to expose the fund: interest rate and foreign exchange.

c. Types of transactions, all of which are limited to the achievement of the investment objective: hedging.

d. Types of instruments used: futures, swaps, and forward foreign exchange contracts.

e. Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk.

6. Securities with embedded derivatives

The fund may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 10% of its assets.

Furthermore, the corporate bonds in which the fund predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

7. OPCVM

The fund may invest up to 10% of its assets in other French or foreign UCITS. These UCITS may be managed by Anaxis Asset Management or a related entity.

8. Cash loans

The fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the fund’s payment flows: investments, divestments and liabilities transactions.

9. Securities lending and borrowing

None.

■ **Contracts constituting financial guarantees**:

None.

■ **Risk profile** : Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. ***Main risks*** : Capital Risk. The fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Credit risk. This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the fund’s net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

Interest rate risk. When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the fund’s NAV. The portfolio's sensitivity may vary within a range of 0 to 3.

Risk linked to discretionary portfolio management. As the fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the fund may underperform its investment objective and the investment choices made may lead to a decrease in the fund’s NAV.

Risk linked to derivatives. The use of derivatives may lead to specific losses, e.g. due to inappropriate hedging in certain market circumstances. Such losses may lead to a decrease in the fund's NAV.

Counterparty risk. This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the fund to the risk of default by one or more counterparties and may lead to a decrease in the fund's NAV.

b. ***Ancillary risks*** : Foreign exchange risk. Up to 50% of the fund's assets may be invested in securities denominated in currencies other than the fund's reference currency (the euro). In addition, the fund offers unit categories denominated in US dollar or Swiss franc. The associated foreign exchange risk is kept below 5% by means of appropriate hedging transactions. However, the residual currency risk exposure may lead to a decrease in the fund's NAV.

Equity risk. Up to 10% of the fund's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds or UCITS. The fund's NAV will decrease if this market declines.

Risk associated with holding convertible bonds. Up to 10% of the fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the fund's NAV.

Risk linked to investments in UCITS. Up to 10% of the fund's net assets may be invested in other UCITS. The liquidity and capital risks associated with such potential investments may lead to a decrease in the fund's NAV.

Risk linked to emerging countries. The fund may invest up to 10% of its net assets in emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Inflation risk. The fund may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk. Under very difficult market conditions, the fund may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the fund's Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection** : None.
- **Eligible subscribers and typical investor profile**:

E1, E2, U1, U2, S1, I, I3, I4, J and K units are available to all subscribers.

"Aforge" units are available to investors subscribing via the promoter Degroof Petercam Gestion Finance and its affiliates.

Eligible subscribers are those seeking to invest in the corporate bond market, and targeting a gross return 2.15% above 12-month interbank rates.

The recommended investment period is one years.

The amount that is reasonable to invest in this fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommend-ed investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this fund.

- **Conditions for determining and distributing income**:

Net income for the financial year is determined in accordance with regulatory provisions and with the UCITS accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets. However, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant unit categories.

Amounts available for distribution are determined by:

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, U1, S1, I, I3, J, K and Aforge units, gains are capitalised.

For E2, U2 and I4 units, income actually distributed is determined each year by the portfolio management company.

- **Frequency of distribution** : Annual for E2, U2 and I4 units.

- **Unit features** :

Unit	ISIN code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0010951426	Accumulation	EUR	Daily	EUR 1 000	One unit	Thousandths of units
E2	FR0010951434	Accumulation and/or distribution	EUR	Daily	EUR 1 000	One unit	Thousandths of units
U1	FR0010951467	Accumulation	USD	Daily	USD 1 000	One unit	Thousandths of units
U2	FR0010951475	Accumulation and/or distribution	USD	Daily	USD 1 000	One unit	Thousandths of units
S1	FR0010951442	Accumulation	CHF	Daily	CHF 1 000	One unit	Thousandths of units
I	FR0010951483	Accumulation	EUR	Daily	EUR 1 000	EUR 500 000	Thousandths of units
I3	FR0013231420	Accumulation	EUR	Daily	EUR 1 000	EUR 500 000	Thousandths of units
I4	FR0013231438	Accumulation and/or distribution	EUR	Daily	EUR 1 000	EUR 500 000	Thousandths of units
J	FR0011011618	Accumulation	USD	Daily	USD 100	USD 500 000	Thousandths of units
K	FR0011352202	Accumulation	CHF	Daily	CHF 100	CHF 500 000	Thousandths of units
Aforge	FR0011272160	Accumulation	EUR	Daily	EUR 1 000	One unit	Thousandths of units

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption**:

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Orders form

Subscription orders are accepted in quantity or amount.

Redemption orders are only accepted in quantity (number of units).

Fractions of units

Thousandths of units.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one unit category to another, round trip

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the markets are closed according to the official NYSE Euronext calendar for Paris.

Place and conditions of publication or transmission of NAVs

The NAVs of the fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxis-am.fr.

3. Charges

- **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption

	Base	Rate
Subscription fee not paid to the fund	NAV x number of units	2% maximum
Subscription fee paid to the fund	NAV x number of units	None
Redemption fee not paid to the fund	NAV x number of units	1% maximum
Redemption fee paid to the fund	NAV x number of units	None

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio manage-ment company when the fund exceeds its targets. They are charged to the fund;
- Account activity fees charged to the fund;
- A share of the income earned from securities lending and borrowing transactions. However, the fund does not carry out such transactions, nor any equivalent or similar transactions under foreign law.

	Fees charged to the fund	**Base**	**Rate**
1	Portfolio management fees	Net assets	E1, E2, U1, U2, S1 and Aforge units: **1.05%** maximum incl. tax I, J and K units: **0.55%** maximum incl. tax I3 and I4 units: **0.65%** maximum incl. tax
2	External management fees	Net assets	**0.10%** maximum incl. tax, with any surplus covered by the portfolio management company
3	Max. indirect fees (manage-ment fees and commissions)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
4	Account activity fee	Charged on each transaction	- Transactions: max. €60 incl. tax - Securities transactions: none
5	Incentive fee	Net assets	E1, E2, U1, U2, S1, I, J, K and Aforge units: **15%** of net annualised outperformance above the objective. I3 and I4 units: none.

<u>Clarifications on management fees external to the portfolio management company</u>

Other on-going fees include fees charged for depositary services, custody of assets, centralisation of orders, transfer agency, delegation of administrative and accounting management, statutory audit, regulatory representation, regulatory registrations, etc.

The fund might not inform unitholders individually – nor offer them the option to redeem their units free of charges – in the event of an increase in management fees external to the portfolio management company less than or equal to 10 basis points per calendar year; in such case unitholders may be informed by any means (e.g. on the website of the portfolio management company, in the brochure of the UCITS). Such information should be published before the increase comes into effect.

<u>Clarifications on incentive fees</u>

The “net outperformance” is defined as the positive difference between the fund’s net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised net performance equal to the performance objective and recording the same subscriptions and redemptions as the fund.

With each NAV calculation, a provision in the amount of 15% (with tax) of the net outperformance or, where applicable, a provision reversal if the fund underperforms, is recognised.

In the event of redemptions, the share of the incentive fee associated with the redeemed units is permanently paid to the fund. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year.

<u>Intermediary selection procedure</u>

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day’s NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund’s annual report and online at www.anaxis-am.fr.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually.

Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxis-am.fr. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the fund from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the fund may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (*Caisse d'amortissement de la dette sociale*).

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity.

If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The fund has opted for the euro as its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.

FUND RULES

ANAXIS SHORT DURATION

Section A – Assets and units

Article 1 – Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder enjoys co-ownership of the fund's assets in proportion to the number units held.

The term of the fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the fund prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimising the impact of hedging transactions on the fund's other unit categories;
- be reserved for one or more promotion networks.

Combination or division of units

The fund may combine or divide units.

Fractional units

Units may be divided into thousandths of units (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 – Minimum amount of assets

Units may not be redeemed if the fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (fund transfer).

Article 3 – Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five business days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realisation of the assets comprising the fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 – Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

Section B – Fund operation

Article 5 – Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the fund.

Article 5b – Rules of operation

The instruments and deposits eligible for inclusion in the fund's assets, as well as the investment rules, are described in the prospectus.

Article 6 – Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 – Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardise the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 – Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

Section C – Allocation of amounts available for distribution

Article 9 – Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a fund are comprised of:

1. Net income plus retaining earnings and plus or minus the balance of the income accrual account;
2. Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalisation, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in (1) and (2) above may be distributed in part or in whole, independently of one another. Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

Section D – Mergers, spin-offs, winding-up, liquidation

Article 10 – Mergers – Spin-offs

The portfolio management company may either contribute some or all of the fund's assets to another fund, or split the fund into one or more other funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 – Winding-up – Extension

If the fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the fund, unless it is merged with another fund.

The portfolio management company may wind up the fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realise the fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

Section E – Disputes

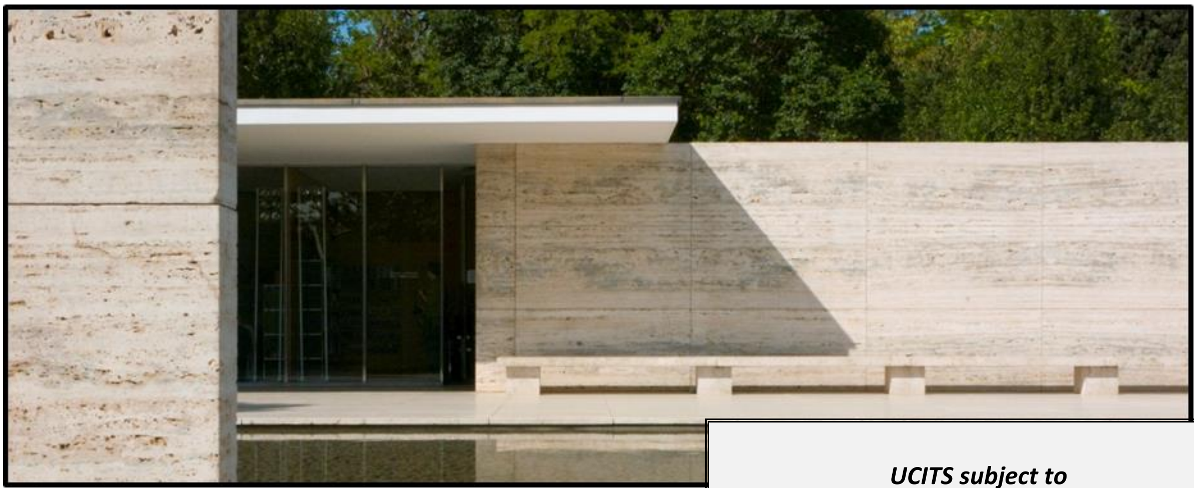
Article 13 - Jurisdiction - Election of domicile

Any disputes related to the fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

EUROPEAN BOND OPP. 2022

French FCP (mutual fund)

PROSPECTUS AND RULES



UCITS subject to
European Directive 2009/65/EC

Asset management company:	Anaxis Asset Management
Registered office:	9, rue Scribe, 75009 Paris, France
Custodian:	BNP Paribas Securities Services
Auditors:	PricewaterhouseCoopers Audit
Approval date:	14 March 2017
Publication date:	21 March 2017

anaxis

Contents

PROSPECTUS

EUROPEAN BOND OPP. 2022

UCITS subject to ***European Directive 2009/65/EC***

Part A – General features

- **Name of UCITS** : European Bond Opp. 2022
- **Legal form and Member State** : FCP (mutual fund) under French law.
- **Date of incorporation and projected term**:

  10 may 2017 for a term of 99 years
- **Approval date** : 14 March 2017 by the AMF (French securities regulator)
- **Contact point to obtain the Fund Articles, the latest annual report and the latest periodic report**:

  Unitholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tél : +33 (0)9 73 87 13 20
  info@anaxiscapital.com

  Any additional information can be obtained from Anaxis Asset Management at this same address.

- **Description of the categories of units** :

Unit	ISIN Code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0013221033	Accumulation	EUR	All subscribers	One unit with an initial issue price of EUR 100
E2	FR0013221041	Accumulation and/or distribution	EUR	All subscribers	One unit with an initial issue price of EUR 100
I1	FR0013221074	Accumulation	EUR	All subscribers	EUR 1 million
I2	FR0013221082	Accumulation and/or distribution	EUR	All subscribers	EUR 1 million
U1	FR0013221058	Accumulation	USD	All subscribers	One unit with an initial issue price of USD 100
J1	FR0013221090	Accumulation	USD	All subscribers	USD 1 million
S1	FR0013221066	Accumulation	CHF	All subscribers	One unit with an initial issue price of CHF 100
K1	FR0013221108	Accumulation	CHF	All subscribers	CHF 1 million

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

Part B – Intermediaries

- **Portfolio management company**: Anaxis Asset Management S.A.S.
A portfolio management company accredited by the AMF under number GP10000030.
9, rue Scribe, 75009 Paris, France

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority).

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

Responsibilities of the depository bank
The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

Potential conflicts of interest
Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:

- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

Delegation of functions
The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the above points will be sent to investors upon request.

■ **Statutory auditor** : PricewaterhouseCoopers Audit
Represented by Mr Frédéric Sellam
63, rue de Villiers, 92200 Neuilly-sur-Seine, France

■ **Promoters** :
1. Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

2. Its Swiss counterpart Anaxis S.A.
19, rue du Mont-Blanc, 1201 Geneva, Switzerland

■ **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

The delegate accounting manager administrates the fund (accounting, calculating net asset values) and is responsible for middle office functions.

■ **Orders centralised by** : Identity

Anaxis Asset Management S.A.S.
9, rue Scribe, 75009 Paris, France

Identity of institution in charge of receiving subscription and redemption orders

BNP Paribas Securities Services S.C.A.
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority).

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

Part C – Terms of operation and management

1. General features

- **Type of rights attached to units** : Each unit represents an interest in the fund's assets is proportion to the number of units held.

- **Management of liabilities** : All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The fund is admitted for trading on Euroclear France.

- **Voting rights** : As the fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

- **Form of units** : All units are bearer units.

- **Fractions of units** : Ten-thousandths of units.

- **Balance sheet date** : Last trading day in December.

- **First financial year** : The balance sheet date of the first financial year is 31 December 2017.

- **Taxation** : As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

  INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

  In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

2. Specific terms and conditions

- **ISIN codes** :

E1 units	:	**FR0013221033**
E2 units	:	**FR0013221041**
I1 units	:	**FR0013221074**
I2 units	:	**FR0013221082**
U1 units	:	**FR0013221058**
J1 units	:	**FR0013221090**
S1 units	:	**FR0013221066**
K1 units	:	**FR0013221108**

- **Classification** : International bonds and other debt securities.

- **Investment objective** : The objective of the fund is to achieve, at maturity of 31st December 2022, an annualised performance before fees of 4.45% above the performance offered by a sovereign bond of reference denominated in the currency of the category of units under consideration. More precisely, the objectives of the various categories of units are as follows, after deduction of management fees:

For an investment in euro :

E1 units : 3% above the performance of the German federal bond with maturity 15/02/2023 (ISIN DE0001102309)

E2 units : 3% above the performance of the German federal bond with maturity 15/02/2023 (ISIN DE0001102309)

I1 units : 3.50% above the performance of the German federal bond with maturity 15/02/2023 (ISIN DE0001102309)

I2 units : 3.50% above the performance of the German federal bond with maturity 15/02/2023 (ISIN DE0001102309)

For an investment in US dollar :

U1 units : 3% above the performance of the US federal bond with maturity 31/12/2022 (ISIN US912828N308)

J1 units : 3.50% above the performance of the US federal bond with maturity 31/12/2022 (ISIN US912828N308)

For an investment in Swiss franc :

S1 units : 3% above the performance of the Swiss federal bond with maturity 11/02/2023 (ISIN CH0008435569)

K1 units : 3.50% above the performance of the Swiss federal bond with maturity 11/02/2023 (ISIN CH0008435569)

- **Benchmark index** : The Fund does not seek to replicate or outperform a representative index of the US private bond market. Indeed, it implements an investment approach which does not correspond any index. In particular:

- The fund is managed according to a fixed maturity;
- The fund does not invest in financial sector issuers;
- The fund may hold securities of various credit ratings;
- For a given credit quality, the fund favours issuers offering a good visibility, according to our analysis;

- As a consequence, the fund often has higher allocations to certain sectors considered to be less cyclical.

■ **Investment strategy**

a. ***Description of strategies use :*** The investment objective must be achieved by the active and discretionary management of a portfolio comprised predominantly of US corporate bonds.

Investment strategy in reference to the 31 December 2022 maturity

The fund is managed according to a maturity set at 31 December 2022. The aim of the investment strategy is to build a portfolio with the best possible balance between the return achieved, the risk of potential default and the probability of a capital loss due to market fluctuations over the recommended investment period. The composition of the portfolio will therefore be adapted over time according to the residual investment period.

The portfolio's sensitivity is expected to decrease over the years. However, some of the securities held may have a maturity date falling after 31 December 2022. Furthermore, a high level of bond investment may be maintained until the liquidation of the portfolio. This liquidation will take place a few weeks prior to maturity, at a rate to be determined according to market conditions at the time.

By 31/12/2022 at the latest, the fund will be managed on the money market in reference to the average money market rate. The fund may, after obtaining approval from the AMF (French securities regulator) and notifying the unitholders, opt to wind up, implement a new investment strategy or merge with another UCITS.

General approach

The investment strategy is based first and foremost on an extensive fundamental analysis of US corporate bonds and on the construction of a robust and diversified allocation based on the selection of individual bonds each for their own merits. The fund is actively managed but does not seek to capture short-term market trends.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

The financial analysis studies the business model and strategy of companies in order to determine their strengths and weaknesses. The management team aims at forecasting how activity, incomes, cash flows or financial leverage will evolve, according to the competitive environment of the companies, their market growth, the quality of their products, as well as their cost structure.

The management team also assesses the composition of the balance sheet, the assets quality, the debtors’ guarantees, the expected support from unitholders, the refinancing needs, the access to capital markets, etc.

Geographic criteria

The investment strategy favours issuers headquartered in Europe or that generate more than a third of their revenue in the Europe (European Economic Area and Switzerland), or vehicles dedicated to the financing of industrial or commercial groups that generate more than a third of their revenue in Europe on a consolidated basis.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
Europe	**60%**	**100%**
Other developed countries	**0%**	**40%**
Other countries	**0%**	**10%**

In the definition of the above limits "other developed countries" means: United States of Ameria, Canada, Australia, New-Zealand, Japan and Singapore.

The allocation to "other countries" may include issuers from emerging countries.

Sector criteria

When investing in corporate bonds, the management company seeks to avoid portfolio concentration on a specific economic sector.

All economic sectors may be considered. However, the fund does not invest in securities issued by banks or other financial institutions that, according to us, require a different type of analysis. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

Management favours corporate bonds. The analysis and selection of debt instruments is made independently from rating agencies.

The "Investment Grade" category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency, or securities deemed to be of equivalent quality in the judgement of the management company.
The "Non-Investment Grade" category comprises securities with a rating below this level. Such securities are regarded as speculative in nature due to the higher credit risk attached to them. The lowest rating will be used to determine the allocation limits.

Credit risk exposure	Minimum	Maximum
Private debt – Investment Grade	**0%**	**40%**
Private debt – Non-Investment Grade	**60%**	**100%**
Sovereign debt – Investment Grade	**0%**	**40%**
Sovereign debt – Non-Investment Grade	**0%**	**10%**

The management team does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest.

Markets

The fund may invest on the primary and secondary markets.

Tactical allocation

The investment strategy uses a macroeconomic, financial and technical analysis to define the optimal positioning of the fund. Based on this analysis, the portfolio management team may decide to hold a portion of assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

Bond sensitivity

The investment team may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 6. The portfolio management team may use interest rate swaps or futures for hedging purposes.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

Sensitivity	Minimum	Maximum
To interest rates	**0**	**6**
To credit spreads	**0**	**6**

Management of foreign exchange risk

The fund's reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro.

Furthermore, categories of units issued by the fund and denominated in US dollar or Swiss franc are continuously hedged in order to protect investors against exchange rate fluctuations between the euro and the unit category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedges may prove partial or imperfect. A tolerance threshold of 5% of residual exposure has been defined.

Foreign exchange risk	Minimum	Maximum
EUR-denominated Securities and deposits	**51%**	**100%**
Securities denominated in other currencies	**0%**	**49%**
Residual exposure after hedging	**0%**	**5%**

The “other currencies” which may be used are the Swiss franc, the British pound, the Danish krone, the Norwegian krone, the Swedish krone, the Japanese yen, the US dollar, the Canadian dollar, the Australian dollar, the New Zealand dollar and the Singapore dollar.

b. ***Categories of assets used*** :

1. Debt securities and money market instruments

Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the fund’s assets.

The issuers may be listed companies or companies whose shares are not listed because they are held by families, managers, holding entities or investment funds

These securities are generally denominated in euro. They may also be denominated in other currencies. Securities denominated in currencies other than the euro may comprise up to 49% of the fund’s assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 5%.

Selected securities may be of any rank (e.g. secured or subordinated debt) and have any credit rating. Non-Investment Grade securities may comprise up to 100% of the fund’s assets.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The fund may invest up to 40% of its assets in Investment Grade debt instruments issued by European governments or other governments. Sovereign bonds with a Non-Investment Grade rating are limited to 10% of the fund's assets.

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

2. Convertible bonds and related securities

The fund may invest up to 10% of its assets in convertible bonds (or related instruments). This strategy can enable the fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option on the underlying equity. In such case, the portfolio management team will ensure that the fund's overall equity risk does not exceed 10% of net assets.

3. Equities

Equity exposure is limited to 10% of the fund's assets. The fund does not purchase stocks on the market and does not take part in IPOs. However, the fund may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the fund may directly hold equities after exercising the conversion option attached to convertible bonds or following to debt restructuration. Although such direct positions are not intended to be held over the long term, the fund is not required to sell them within a predefined period.

4. Deposits

The fund may carry out investments in the form of deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not carry out deposits of more than 20% of its assets within the same institution.

5. Derivatives

The fund may invest in the regulated, organised or OTC futures markets for the purpose of hedging currency exposures or reducing the portfolio's bond sensitivity. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The fund's overall exposure, including derivatives, is limited to 110% of net assets.

Clarifications on derivatives

a. Type of markets in which the fund may invest: regulated, organised, OTC.

b. Risks to which the portfolio management team plans to expose the fund: interest rate and foreign exchange.

c. Types of transactions, all of which are limited to the achievement of the investment objective: hedging.

d. Types of instruments used: futures, swaps, and forward foreign exchange contracts.

e. Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk.

6. Securities with embedded derivatives

The fund may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 10% of its assets.

Furthermore, the corporate bonds in which the fund predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

7. OPCVM

The fund may invest up to 10% of its assets in other French or foreign UCITS. These UCITS may have any type of strategy and may be managed by Anaxis Asset Management or a related entity.

8. Cash loans

The fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the fund's payment flows: investments, divestments and liabilities transactions.

9. Securities lending and borrowing

None.

- **Contracts constituting financial guarantees**:

None.

- **Risk profile** : Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. ***Main risks*** : Capital Risk. The fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Credit risk. This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the fund's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

Interest rate risk. When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 6.

Risk linked to discretionary portfolio management. As the fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the fund may underperform its investment objective and the investment choices made may lead to a decrease in the fund's NAV.

Risk linked to derivatives. The use of derivatives may lead to specific losses, e.g. due to inappropriate hedging in certain market circumstances. Such losses may lead to a decrease in the fund's NAV.

Counterparty risk. This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the fund to the risk of default by one or more counterparties and may lead to a decrease in the fund's NAV.

b. ***Ancillary risks*** : Foreign exchange risk. Up to 49% of the fund's assets may be invested in securities denominated in currencies other than the fund's reference currency (the euro). In addition, the fund offers unit categories denominated in US dollar or Swiss franc. The associated foreign exchange risk is kept below 5% by means of appropriate hedging transactions. However, the residual currency risk exposure may lead to a decrease in the fund's NAV.

Equity risk. Up to 10% of the fund's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds or UCITS. The fund's NAV will decrease if this market declines.

Risk associated with holding convertible bonds. Up to 10% of the fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the fund's NAV.

Risk linked to investments in UCITS. Up to 10% of the fund's net assets may be invested in other UCITS. The liquidity and capital risks associated with such potential investments may lead to a decrease in the fund's NAV.

Risk linked to emerging countries. The fund may invest up to 10% of its net assets in emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Inflation risk. The fund may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk. Under very difficult market conditions, the fund may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the fund's Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection** : None.

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

E1, E2, I1, I2, U1, J1, S1 and K1 units are available to all subscribers.

Eligible subscribers are those seeking to invest in the European corporate bond market to target a net annualised return higher than that of sovereign bonds with very low credit risk.

The recommended investment period runs until 31 December 2022.

The amount that is reasonable to invest in this fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this fund.

- **Conditions for determining and distributing income**:

Net income for the financial year is determined in accordance with regulatory provisions and with the UCITS accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets. However, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant unit categories.

Amounts available for distribution are determined by:

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.

2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, I1, U1, J1, S1 and K1 units, gains are capitalised.

For E2 and I2 units, income actually distributed is determined each year by the portfolio management company.

- **Frequency of distribution** : Annual for distribution units.

- **Unit features** :

Unit	ISIN code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0013221033	Accumulation	EUR	Daily	EUR 100	One unit	Ten-thousandths of units
E2	FR0013221041	Accumulation and/or distribution	EUR	Daily	EUR 100	One unit	Ten-thousandths of units
I1	FR0013221074	Accumulation	EUR	Daily	EUR 100	EUR 1 million	Ten-thousandths of units
I2	FR0013221082	Accumulation and/or distribution	EUR	Daily	EUR 100	EUR 1 million	Ten-thousandths of units
U1	FR0013221058	Accumulation	USD	Daily	USD 100	One unit	Ten-thousandths of units
J1	FR0013221090	Accumulation	USD	Daily	USD 100	USD 1 million	Ten-thousandths of units
S1	FR0013221066	Accumulation	CHF	Daily	CHF 100	One unit	Ten-thousandths of units
K1	FR0013221108	Accumulation	CHF	Daily	CHF 100	CHF 1 million	Ten-thousandths of units

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption**:

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Orders form

Subscription orders are accepted in quantity or amount.

Redemption orders are only accepted in quantity (number of units).

Fractions of units

Ten-thousandths of units.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one unit category to another, round trip

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the markets are closed according to the official NYSE Euronext calendar for Paris and New-York.

Place and conditions of publication or transmission of NAVs

The NAVs of the fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

- **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption

	Base	Rate
Subscription fee not paid to the fund	NAV x number of units	**2% maximum**
Subscription fee paid to the fund	NAV x number of units	**None**
Redemption fee not paid to the fund	NAV x number of units	**0.80% maximum**
Redemption fee paid to the fund	NAV x number of units	**0.20%**

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees may be awarded to the portfolio management company when the fund exceeds its targets. They are then charged to the fund. This particular fund, however, does not charge any incentive fee.
- Account activity fees charged to the fund;
- A share of the income earned from securities lending and borrowing transactions. However, the fund does not carry out such transactions, nor any equivalent or similar transactions under foreign law.

	Fees charged to the fund	**Base**	**Rate**
1	Portfolio management fees	Net assets	E1, E2, U1 and S1 units: **1.35%** maximum incl. tax I1, I2, J1 and K1 units: **0.85%** maximum incl. tax
2	External management fees	Net assets	**0.10%** maximum incl. tax, with any surplus covered by the portfolio management company
3	Max. indirect fees (management fees and commissions)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
4	Account activity fee	Charged on each transaction	- Transactions: max. €60 incl. tax - Securities transactions: none
5	Incentive fee	Net assets	None

Clarifications on management fees external to the portfolio management company

Other on-going fees include fees charged for depositary services, custody of assets, centralisation of orders, transfer agency, delegation of administrative and accounting management, statutory audit, regulatory representation, regulatory registrations, etc.

The fund might not inform unitholders individually – nor offer them the option to redeem their units free of charges – in the event of an increase in management fees external to the portfolio management company less than or equal to 10 basis points per calendar year; in such case unitholders may be informed by any means (e.g. on the website of the portfolio management company, in the brochure of the UCITS). Such information should be published before the increase comes into effect.

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxiscapital.com.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at promoting a sound and efficient management of risks, and avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxiscapital.com. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the fund from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the fund may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (*Caisse d'amortissement de la dette sociale*).

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The fund has opted for the US dollar as its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.

FUND RULES

EUROPEAN BOND OPP. 2022

Section A – Assets and units

Article 1 – Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder enjoys co-ownership of the fund's assets in proportion to the number units held.

The term of the fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the fund prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimising the impact of hedging transactions on the fund's other unit categories;
- be reserved for one or more promotion networks.

Combination or division of units

The fund may combine or divide units.

Fractional units

Units may be divided into thousandths of units (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 – Minimum amount of assets

Units may not be redeemed if the fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (fund transfer).

Article 3 – Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five business days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realisation of the assets comprising the fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 – Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

Section B – Fund operation

Article 5 – Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the fund.

Article 5b – Rules of operation

The instruments and deposits eligible for inclusion in the fund's assets, as well as the investment rules, are described in the prospectus.

Article 6 – Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 – Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardise the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 – Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

Section C – Allocation of amounts available for distribution

Article 9 – Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a fund are comprised of:

1. Net income plus retaining earnings and plus or minus the balance of the income accrual account;
2. Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalisation, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in (1) and (2) above may be distributed in part or in whole, independently of one another. Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

Section D – Mergers, spin-offs, winding-up, liquidation

Article 10 - Mergers – Spin-offs

The portfolio management company may either contribute some or all of the fund's assets to another fund, or split the fund into one or more other funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 – Winding-up – Extension

If the fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the fund, unless it is merged with another fund.

The portfolio management company may wind up the fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realise the fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

Section E – Disputes

Article 13 - Jurisdiction - Election of domicile

Any disputes related to the fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

AAM European Equities

French FCP (mutual fund)

Approval date	:	30 May 2014
Publication date	:	31 January 2017

UCITS subject to European Directive 2009/65/EC

Contents

anaxis

Section I: Prospectus

UCITS subject to European Directive 2009/65/EC

Part A – General features

- **Name of UCITS** : AAM European Equities
- **Legal form and Member State** : FCP under French law
- **Date of incorporation and projected term**:

  16 June 2014 for a term of 99 years

- **Approval date** : 30 May 2014 by the AMF (French securities regulator)

Units	ISIN Code	Distribution of earnings	Currency	Initial unit value	Minimum initial subscription	Fractional units	Eligible subscribers
E1	FR0011911189	Capitalization	EUR	EUR 100	One unit	Ten thousandths of a unit	All subscribers
I	FR0011911197	Capitalization	EUR	EUR 100	EUR 500,000	Ten thousandths of a unit	All subscribers

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Contact point to obtain the Fund Rules, the latest annual report and the latest periodic report :**

Unitholders can obtain the latest annual and periodic reports within 8 working days of submitting a written request to:

Anaxis Asset Management
9, rue Scribe, 75009 Paris, France
Tel: +33 (0)9 73 87 13 20
info@anaxiscapital.com

Any additional information can be obtained from Anaxis Asset Management at this same address.

Part B – Intermediaries

- **Portfolio management company** : Anaxis Asset Management S.A.S.
  A portfolio management company accredited by the AMF under number GP10000030
  9, rue Scribe, 75009 Paris

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
  A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address
  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin

  Registered office
  3, rue d'Antin, 75002 Paris

  Responsibilities of the depository bank
  The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

  Potential conflicts of interest
  Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
  - Identifying and analysing potential conflicts of interest;
  - Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

  Delegation of functions
  The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:
  http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html
  The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
  Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory Auditor** : PricewaterhouseCoopers Audit
  Represented by Frédéric Sellam
  63, rue de Villiers, 92200 Neuilly-sur-Seine

- **Promoters** : 1. Anaxis Asset Management S.A.S.
  9, rue Scribe, 75009 Paris

  2. Its Swiss counterpart Anaxis S.A.
  19, rue du Mont-Blanc, 1201 Genève, Switzerland

- **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

  Postal address

  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin

  Registered office

  3, rue d'Antin, 75002 Paris

  The delegate accounting manager administrates the Fund (accounting, calculating net asset values) and is responsible for middle office functions.

- **Orders centralized by** : Identity

  Anaxis Asset Management S.A.S.
  9, rue Scribe, 75009 Paris, France

  Identity of institution in charge of receiving subscription and redemption orders

  BNP Paribas Securities Services S.C.A.,

  A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address

  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office:

  3, rue d'Antin, 75002 Paris, France

Part C – Terms of operation and management

1. General features

- **Type of rights attached to units** : Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number units held.

- **Management of liabilities** : All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The Fund is admitted for trading on Euroclear France.

- **Voting rights** : As the Fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the Fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

- **Form of units** : All units are bearer units

- **Fraction of units** : Ten-thousandths of one unit

- **Balance sheet date** : Last trading day in December.

- **First financial year** : The balance sheet date of the first financial year is 31 December 2014.

- **Taxation** : As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of Fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the Fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

- **Special taxation** : PEA (French stock saving plan) eligible UCITS

2. Specific terms and conditions

- **ISIN codes** :
  - E1 units : **FR0011911189**
  - I units : **FR0011911197**

- **Classification** : Stocks from European Union countries.

- **Investment objective** : The Fund's objective is to capture the development of the European economy while seeking to limit the risk of significant portfolio variations. To this end, the Fund invests predominantly in European Union equities via a dynamic allocation determined by the asset management company. Companies are selected for their value creation, sound business model, upside potential and dividend consistency, without reference to a benchmark index. There is some risk that the Fund will not achieve the established objective.

- **Benchmark index** : None. The investment objective is not expressed relative to a benchmark index. Having said that, the Fund's results may be compared ex-post to the performance and volatility of the Dow Jones Stoxx Europe 600 (dividends reinvested). This index lists 600 small, mid and large cap companies spanning 18 European countries: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The investment strategy aims to generate more regular earnings than those of the main European stock market indices, with less extreme declines in difficult periods and a slower rise in supportive periods.

- **Investment Strategy**

a. ***Description of strategies used***: The objective must be achieved by building a portfolio comprised predominantly of European Union equities. This portfolio will evolve over time with the implementation of a discretionary management style. The Fund invests up to 100% of its assets in equities listed on European regulated markets and at least 75% of its stocks are eligible for PEAs (French personal equity plans) at all times.

General approach

The management strategy is based first and foremost on an extensive financial analysis of the companies in the investment universe. The aim is to build a robust and diversified allocation from among individual stock picks, without referring to a benchmark index but with a preference for large caps. The Fund is actively managed but does not seek to capture short-term market trends. It offers a conviction-based management approach and seeks to achieve its objective through a combination of medium-term capital gains and regular dividends.

Financial Analysis

The portfolio managers look for value-creating companies offering regular growth, whose shares hold upside potential. They lean toward a tight selection of stocks in which the portfolio management team believes strongly.

However, their analysis is based in part on assumptions and projections, which are uncertain by nature. This is why they prioritise:

- sectors that are the least sensitive to economic cycles (e.g. telecoms, healthcare, infrastructures);
- companies within each sector that, in their view, offer the best visibility and are least exposed to economic fluctuations.

The analysis aims to select companies whose shares appear less volatile than the market in general and are at attractive levels (again, in comparison to the market and in light of economic conditions observed).

Our portfolio team's convictions must be backed up by an analysis of each company's balance sheet, income statement, business model, strategy, Management quality, competitive position, barriers to entry, margins and financial ratios.

In addition to this analysis, an estimate must be determined of the company's theoretical value according to different methods, which is then compared to its market value, and its valuation multiples must be calculated.

Finally, the company's dividend policy is considered to be a significant component, but is not a decisive factor in itself. The fact that our portfolio managers take into account the regular payment of high dividends is a positive factor; however, they do keep in mind that past dividends do not necessarily mean future dividends, which are not guaranteed.

Quantitative filters

Quantitative tools may initially be used to filter the investment universe (consisting mainly of members of the Dow Jones Stoxx Europe 600 index). These tools do not call into question the primarily fundamental and discretionary nature of the management style adopted. They are used to guide research and analysis efforts toward attractive stocks in terms of quality, growth, valuation, market risk and return.

Geographic criteria

The Fund gives preference to equities listed on European markets. At all times, it invests at least 90% of its assets in European Union equities and at least 75% of these must be listed equities. Up to 10% of its holdings may be issued by companies in non-EU member countries, such as Swiss companies, international companies listed on US markets or companies established in emerging countries, as opportunities arise.

Geographic exposure (main quotation markets)	Minimum	Maximum
European Union	**90%**	**100%**
Other country	**0%**	**10%**

Sector criteria

The investment strategy seeks to obtain solid sectorial diversification, with a maximum of 25% per sector. All economic sectors may be considered. However, the Fund prefers non-cyclical, stable or regularly expanding sectors.

Moreover, the Fund does not invest in securities issued by banks or other financial institutions. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Capitalization criteria

In principle, the Fund can invest in companies of all cap sizes as long as they are listed on regulated markets. However, it gives priority to market caps of more than EUR 1 billion. Companies below this threshold do not exceed 25% of the allocation.

Management of foreign exchange risk

The Fund's reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro. Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedged may prove partial or imperfect. A tolerance exposure threshold of 25% of has been defined.

Voting policy

The voting rights attached to portfolio securities are subject to a specific internal voting policy. This policy is available on the website of the portfolio management company or upon simple request at the company.

b. ***Categories of assets used*** : **1. Non derivative assets**

Shares

The Fund is eligible for PEAs (French personal equity plans) and at all times at least 75% of its assets are equities listed on European Union regulated markets. It may invest in any EU member country exchanges, including in: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The Fund may also invest up to 10% of its assets in other European countries such as Norway or Switzerland, and in other continents (including in emerging countries).

The geographic or sector breakdown is not determined in advance and depends on the companies selected (subject to the applicable investment constraints) by the portfolio management team in charge of the Fund. However, the Fund does not invest in the financial sector.

Maximum exposure to the equity markets is 100% of the Fund's assets. Market caps of less than EUR 1 billion do not exceed 25% of the allocation.

Debt securities and money market instruments

The Fund may invest into interest rate instruments up to 25% in order to reduce or to diversify its exposure to the stock markets. These instruments may come from public or from private issuer, with a floating or fixed rate.

More particularly, the Fund may invest up to 25% in high yield (speculative-grade) corporate bonds and non-rated securities. The analysis and selection of debt instruments are made independently from rating agencies.

Stocks may be denominated in EUR or in other currencies, insofar as the asset management company considers it possible to set up a foreign exchange hedge under reasonable conditions.

Clarifications on the legal nature of rate instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

UCITS

The Fund may invest up to 10% of its assets in other UCITS subject to European Directive 2009/65/EC, without any limitation in terms of regulatory classification.

The purpose of this use may be the diversification of investments or strategies, or cash management.

2. Derivatives

The Fund may invest in the regulated, organized or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's stock market sensitivity (upward or downward). Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps within the limit of 100% of its net assets, without building any synthetic exposure that would lead to expose the Fund to the stock markets more than 1x its net assets.

Clarifications on derivatives:

Type of markets in which the Fund may invest:

- regulated,
- organized,
- OTC.

Risks to which the portfolio management team plans to expose the Fund:

- Equity,
- Foreign exchange.

Types of transactions, all of which are limited to the achievement of the investment objective:

- hedging,
- exposure.

Types of instruments used:

- futures,
- swaps,
- forward foreign exchange contracts.

Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- hedging of equity risk,
- creation of a synthetic equity exposure.

3. Securities with embedded derivatives

Convertible bonds

The Fund may invest up to 25% of its assets in convertible bonds (indexed bonds, bonds redeemable into shares, etc.), warrants or related securities.

4. Deposits

For the purpose of managing its cash holdings, the Fund may carry out deposits with one or more credit institutions, within the limit of 25% of its assets.

5. Cash loans

The Fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the Fund's payment flows: investments, divestments and liabilities transactions.

6. Temporary securities lending and borrowing

None.

- **Contracts constituting financial guarantees** :

None.

■ **Risk profile** : **Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.**

a. ***Main risks*** : Capital risk: The Fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of the capital initially invested.

Risk that the Fund's performance differs from its management objective: The management objective is not subject to any explicit or implicit guarantee. Its achievement depends, among other factors, on market trends, management choices, fees, events impacting the companies the securities of which are held by the Fund, and, for each investor, of its subscription and redemption dates. There is a risk that the Fund will not allow the investor to reach the proclaimed target.

Risk linked to discretionary portfolio management: As the Fund is managed on a discretionary basis; there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's NAV (net asset value).

Equity risk: The Fund's exposure to the stock market ranges between 75% and 100%. The Fund's NAV will decrease if this market declines.

Risk associated with small and middle capitalisations: The Fund may hold small- and mid-cap stocks; specifically up to 25% of its assets may be invested in companies with a market cap of less than EUR 1 billion. In general, these stocks offer lower liquidity. They may prove more difficult to sell or only find a buyer at lower-than-expected prices, which can cause the Fund's NAV to decline.

Interest rate risk: Up to 25% of the Fund's net assets may be exposed to the bond market. When interest rates rise, bond prices fall. These fluctuations may lead to a decrease in the Fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 1.

Credit risk: Up to 25% of the Fund's net assets may be exposed to the bond market. The Fund may hold corporate bond of low credit quality. There is a risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the Fund's NAV.

Risk associated with holding convertible bonds: Up to 25% of the Fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the Fund's NAV.

Risk associated with commitments in financial instruments: The use of financial contracts may cause a more significant and more rapid decline in the Fund's NAV than the decline on the markets in which it is invested.

Foreign exchange risks: Up to 50% of the Fund's assets may be invested in securities denominated in currencies other than the Fund's reference currency (EUR). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 25% (all currencies combined). This exposure may lead to a decrease in the Fund's NAV.

b. ***Ancillary risks*** : Risk linked to investments in UCITS: There are liquidity risks and risks of losses associated with potential investments in UCITS, within the limit of 10% of the Fund's net assets.

Risks associated with investments in emerging markets: The NAV may undergo greater variations due to potential investments, within the limit of 10% of the Fund's assets, in shares listed on emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Counterparty risk: This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the

Fund to the risk of default by one or more counterparties and may lead to a decrease in the Fund's NAV.

Risk linked to inflation: The Fund may be exposed to inflation risk, i.e. a widespread increase in prices.

- **Guarantee or protection** : None.

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

E1 units are available to all subscribers.

I units, for which the minimum investment is EUR 500,000, are specifically designed for legal entities and portfolio managers, and more generally for investors for whom such an investment would represent a reasonable portion of their financial assets.

E1 and I units are PEA (French stock saving plan) eligible and can also be used within unit-linked life insurance policies.

Eligible subscribers include in particular those seeking to invest in the stock market and aware of the risks linked to the behaviour of this market. The recommended investment period is 5 years.

The amount that is reasonable to invest in this Fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this Fund.

- **Conditions for determining and distributing income** :

Net income for the financial year is determined in accordance with regulatory provisions and with the Fund's accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets.

Amounts available for distribution are determined by :

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1 and I units, gains are capitalised.

- **Frequency of distribution** : Non applicable.

- **Unit features** :

Units	ISIN Code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0011911189	Capitalization	EUR	Daily	EUR 100	One unit	Ten-thousandth of one unit
I	FR0011911197	Capitalization	EUR	Daily	EUR 100	EUR 500,000	Ten-thousandth of one unit

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

■ **Terms of subscription and redemption** :

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services, Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France.

Orders form

Subscription orders are accepted in quantity or amount.
Redemption orders are only accepted in quantity (number of units).

Fractions of units

Ten-thousandths of one unit.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one unit category to another, round trip

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the French markets are closed (according to the official Euronext NV calendar).

Place and conditions of publication or transmission of NAVs

The NAVs of the Fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

■ **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption	Base	Rate
Subscription fee not paid to the Fund	NAV x number of units	4% maximum
Subscription fee paid to the Fund	NAV x number of units	0%
Redemption fee not paid to the Fund	NAV x number of units	0%
Redemption fee paid to the Fund	NAV x number of units	0%

Clarifications on the subscription fee

The subscription fee is 4% maximum. It will be used to pay for the Fund's distribution and may be paid back to third-party distributors depending on the agreements signed.

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio management company when the Fund exceeds its targets. They are charged to the Fund;
- Account activity fees charged to the Fund;
- A share of the income earned from securities lending and borrowing transactions. However, the fund does not carry out such transactions, nor any equivalent or similar transactions under foreign law.

Fees charged to the Fund	Base	Rate (incl. tax)
Portfolio management fees	Net assets	E1 unit: 2.00% maximum incl. tax I unit: 1.25% maximum incl. tax
External management fees	Net assets	0.10% maximum, with any surplus covered by the portfolio management company
Maximum indirect fees (management fees and commissions)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
Account activity fee (paid to the custodian)	Charged on each transaction	Scale: Transactions: max. €60 Securities transactions: none
Account activity fee (paid to the management company)	Charged on each transaction	Scale : Transactions: max. 0.35% Securities transactions: max. 0.35%
Incentive fee	Net assets	10% incl. tax of the out-performance beyond an annual-ised net performance of 7%.

The annual period taken into account for the calculation of the incentive fee is the financial year, except for the first incentive fee, for which the calculation period runs from the Fund's inception date (16 June 2014) to 31 December 2015.

With each NAV calculation, the fund's excess return is defined as the positive difference between the fund's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets of a notional fund with an annualised net performance of 7% and recording the same subscriptions and redemptions as the actual fund. With each NAV calculation, a provision in the amount of 10% (with tax) of the excess return or, where applicable, a provision reversal if the fund underperforms, is recognised. In the event of redemptions, the share of the incentive fee associated with the redeemed units is permanently paid to the fund. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. However, the initial fees were calculated over a period ranging from the Fund's inception date (16 June 2014) to 31 December 2015.

The Fund does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxis-am.fr.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxis-am.fr. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The Fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortized over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The Fund has opted for the EUR as its accounting currency.

Transaction fees are recognized excluding expenses.

Fixed income is recognized using the redeemed coupon method.

Interest accrued on the weekend is recognized on the basis of the previous NAV.

Section II: Fund Rules

AAM EUROPEAN EQUITIES

SECTION I – ASSETS AND UNITS

Article 1 - Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the Fund Prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalization);

- be denominated in different currencies;

- incur different management fees;

- incur different subscription and redemption fees;

- have a different nominal value;

- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimizing the impact of hedging transactions on the Fund's other unit categories;

- be reserved for one or more promotion networks.

Combination or division of units

The Fund may combine or divide units.

Fractional units

Units may be divided into ten-thousandths of one unit (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 - Minimum amount of assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the Fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (Fund transformation).

Article 3 - Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the Fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realization of some of the assets comprising the Fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the Fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 - Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the Fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

SECTION 2 – FUND OPERATION

Article 5a - Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the Fund.

Article 5b - Rules of operation

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

Article 6 - Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 - Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the Fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the Fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardize the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the Fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 - Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the Fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

SECTION 3 – CONDITIONS FOR THE ALLOCATION OF AMOUNTS AVAILABLE FOR DISTRIBUTION

Article 9 - Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the Fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a Fund are comprised of:

1) Net income plus retaining earnings and plus or minus the balance of the income accrual account;

2) Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalization, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in 1) and 2) above may be distributed in part or in whole, independently of one another. Payments of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

SECTION 4 – MERGERS - SPIN-OFFS - WINDING-UP – LIQUIDATION

Article 10 - Mergers - Spin-offs

The portfolio management company may either contribute some or all of the Fund's assets to another Fund, or split the Fund into two or more other mutual funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 - Winding-up - Extension

If the Fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the Fund, unless it is merged with another fund.

The portfolio management company may wind up the Fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the Fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the Fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the Fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the Fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the Fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realize the Fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

SECTION 5 – DISPUTES

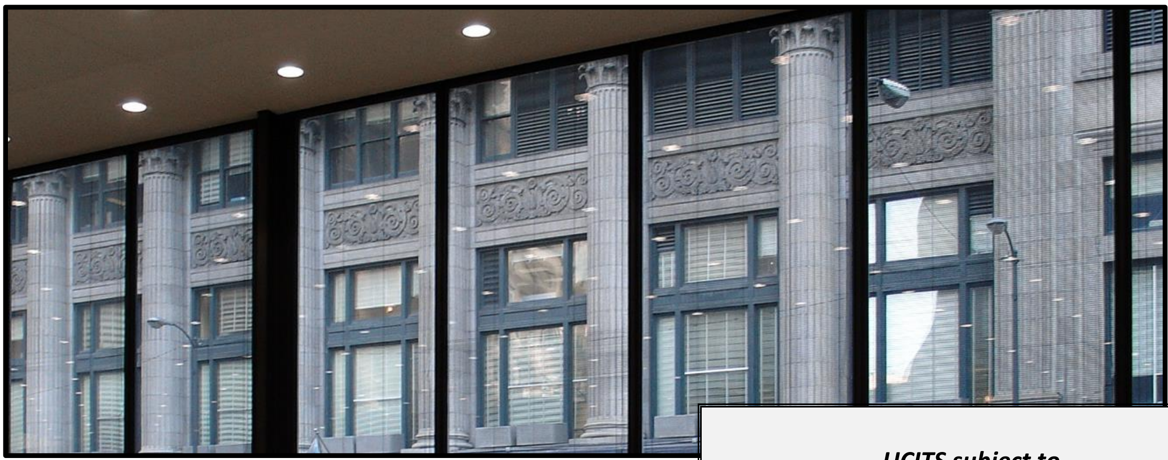
Article 13 - Jurisdiction - Election of domicile

Any disputes related to the Fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

US BOND OPP. 2021

French FCP (mutual fund)

PROSPECTUS AND RULES



UCITS subject to
European Directive 2009/65/EC

Asset management company:	Anaxis Asset Management
Registered office:	9, rue Scribe, 75009 Paris, France
Custodian :	BNP Paribas Securities Services
Auditors:	PricewaterhouseCoopers Audit
Approval date:	14 March 2017
Publication date:	17 March 2017

anaxis

Contents

PROSPECTUS

US BOND OPP. 2021

UCITS subject to European Directive 2009/65/EC

Part A – General features

- **Name of UCITS** : US Bond Opp. 2021
- **Legal form and Member State** : FCP (mutual fund) under French law.
- **Date of incorporation and projected term**:

  28 March 2017 for a term of 99 years
- **Approval date** : 14 March 2017 by the AMF (French securities regulator)
- **Contact point to obtain the Fund Articles, the latest annual report and the latest periodic report**:

  Unitholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel : +33 (0)9 73 87 13 20
  info@anaxis-am.fr

  Any additional information can be obtained from Anaxis Asset Management at this same address.

■ **Description of the categories of units** :

Unit	ISIN Code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0013233863	Accumulation	EUR	All subscribers	One unit with an initial issue price of EUR 100
E2	FR0013233855	Accumulation and/or distribution	EUR	All subscribers	One unit with an initial issue price of EUR 100
I1	FR0013233822	Accumulation	EUR	All subscribers	EUR 1 million
I2	FR0013233806	Accumulation and/or distribution	EUR	All subscribers	EUR 1 million
U1	FR0013233848	Accumulation	USD	All subscribers	One unit with an initial issue price of USD 100
J1	FR0013233772	Accumulation	USD	All subscribers	USD 1 million
S1	FR0013233830	Accumulation	CHF	All subscribers	One unit with an initial issue price of CHF 100
K1	FR0013233798	Accumulation	CHF	All subscribers	CHF 1 million

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

Part B – Intermediaries

- **Portfolio management company**: Anaxis Asset Management S.A.S.
A portfolio management company accredited by the AMF under number GP10000030
9, rue Scribe, 75009 Paris, France

- **Depositary bank and custodian** : BNP Paribas Securities Services S.C.A.
A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

Postal address
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Registered office
3, rue d'Antin, 75002 Paris, France

Responsibilities of the depository bank
The depositary bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

Potential conflicts of interest
Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depositary (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

Delegation of functions
The depositary is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-nd-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory auditor** : PricewaterhouseCoopers Audit
Represented by Mr Frédéric Sellam
63, rue de Villiers, 92200 Neuilly-sur-Seine, France

- **Promoters** : 1. Anaxis Asset Management S.A.S.
  9, rue Scribe, 75009 Paris, France

  2. Its Swiss counterpart Anaxis S.A.
  19, rue du Mont-Blanc, 1201 Genève, Switzerland

- **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

  Postal address
  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office
  3, rue d'Antin, 75002 Paris, France

  The delegate accounting manager administrates the fund (accounting, calculating net asset values) and is responsible for middle office functions.

- **Orders centralised by** : Identity

  Anaxis Asset Management S.A.S.
  9, rue Scribe, 75009 Paris, France

  Identity of institution in charge of receiving subscription and redemption orders

  BNP Paribas Securities Services S.C.A.,
  A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)

  Postal address
  Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

  Registered office
  3, rue d'Antin, 75002 Paris, France

Part C – Terms of operation and management

1. General features

- **Type of rights attached to units** : Each unit represents an interest in the fund's assets is proportion to the number of units held.

- **Management of liabilities** : All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The fund is admitted for trading on Euroclear France.

- **Voting rights** : As the fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

- **Form of units** : All units are bearer units.

- **Fractions of units** : Ten-thousandths of units.

- **Balance sheet date** : Last trading day in December.

- **First financial year** : The balance sheet date of the first financial year is 31 December 2017.

- **Taxation** : As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

  INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

  In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

2. Specific terms and conditions

- **ISIN codes** :

E1 units	:	**FR0013233863**
E2 units	:	**FR0013233855**
I1 units	:	**FR0013233822**
I2 units	:	**FR0013233806**
U1 units	:	**FR0013233848**
J1 units	:	**FR0013233772**
S1 units	:	**FR0013233830**
K1 units	:	**FR0013233798**

- **Classification** : International bonds and other debt securities.

- **Investment objective** : The objective of the fund is to achieve, at maturity of 31st December 2021, an annualised performance before fees of 4.45% above the performance offered by a sovereign bond of reference denominated in the currency of the category of units under consideration. More precisely, the objectives of the various categories of units are as follows, after deduction of management fees:

  For an investment in euro:

  E1 units : 3% above the performance of the German federal bond with maturity 04/01/2022 (ISIN code DE0001135465)

  E2 units : 3% above the performance of the German federal bond with maturity 04/01/2022 (ISIN code DE0001135465)

  I1 units : 3.50% above the performance of the German federal bond with maturity 04/01/2022 (ISIN code DE0001135465)

  I2 units : 3.50% above the performance of the German federal bond with maturity 04/01/2022 (ISIN code DE0001135465)

For an investment in US dollar:

U1 units :	3% above the performance of the US federal bond with maturity 31/12/2021 (ISIN code US912828G872)
J1 units :	3.50% above the performance of the US federal bond with maturity 31/12/2021 (ISIN code US912828G872)

For an investment in Swiss franc:

S1 units :	3% above the performance of the Swiss federal bond with maturity 22/05/2022 (ISIN code CH0127181011)
K1 units :	3.50% above the performance of the Swiss federal bond with maturity 22/05/2022 (ISIN code CH0127181011)

- **Benchmark index**: The Fund does not seek to replicate or outperform a representative index of the US private bond market. Indeed, it implements an investment approach which does not correspond any index. In particular:
  - The fund is managed according to a fixed maturity;
  - The fund does not invest in financial sector issuers;
  - The fund may hold securities of various credit ratings;
  - For a given credit quality, the fund favours issuers offering a good visibility, according to our analysis;
  - As a consequence, the fund often has higher allocations to certain sectors considered to be less cyclical.

- **Investment strategy**

a. ***Description of strategies use :*** The investment objective must be achieved by the active and discretionary management of a portfolio comprised predominantly of US corporate bonds.

Investment strategy in reference to the 31 December 2021 maturity

The fund is managed according to a maturity set at 31 December 2021. The aim of the investment strategy is to build a portfolio with the best possible balance between the return achieved, the risk of potential default and the probability of a capital loss due to market fluctuations over the recommended investment period. The composition of the portfolio will therefore be adapted over time according to the residual investment period.

The portfolio's sensitivity is expected to decrease over the years. However, some of the securities held may have a maturity date falling after 31 December 2021. Furthermore, a high level of bond investment may be maintained until the liquidation of the portfolio. This liquidation will take place a few weeks prior to maturity, at a rate to be determined according to market conditions at the time.

By 31/12/2021 at the latest, the fund will be managed on the money market in reference to the average money market rate. The fund may, after obtaining approval from the AMF (French securities regulator) and notifying the unitholders, opt to wind up, implement a new investment strategy or merge with another UCITS

General approach

The investment strategy is based first and foremost on an extensive fundamental analysis of US corporate bonds and on the construction of a robust and diversified allocation based on the selection of individual bonds each for their own merits. The fund is actively managed but does not seek to capture short-term market trends.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

The financial analysis studies the business model and strategy of companies in order to determine their strengths and weaknesses. The management team aims at forecasting how activity, incomes, cash flows or financial leverage will evolve, according to the competitive environment of the companies, their market growth, the quality of their products, as well as their cost structure.

The management team also assesses the composition of the balance sheet, the assets quality, the debtors' guarantees, the expected support from unitholders, the refinancing needs, the access to capital markets, etc.

Geographic criteria

The investment strategy favours issuers headquartered in the United States or that generate more than a third of their revenue in the United States, or vehicles dedicated to the financing of industrial or commercial groups that generate more than a third of their revenue in the United States on a consolidated basis.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
United States of America	**60%**	**100%**
Other developed countries	**0%**	**40%**
Other countries	**0%**	**10%**

In the definition of the above limits "other developed countries" means: Canada, countries belonging to the European Economic Area, Switzerland, Australia, New-Zealand, Japan and Singapore.

The allocation to "other countries" may include issuers from emerging countries.

Sector criteria

When investing in corporate bonds, the management company seeks to avoid portfolio concentration on a specific economic sector.

All economic sectors may be considered. However, the fund does not invest in securities issued by banks or other financial institutions that, according to us, require a different type of analysis. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

Management favours corporate bonds. The analysis and selection of debt instruments is made independently from rating agencies.

The "Investment Grade" category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency, or securities deemed to be of equivalent quality in the judgement of the management company.

The "Non-Investment Grade" category comprises securities with a rating below this level. Such securities are regarded as speculative in nature due to the higher credit risk attached to them. The lowest rating will be used to determine the allocation limits.

Credit risk exposure	Minimum	Maximum
Private debt – Investment Grade	**0%**	**40%**
Private debt – Non-Investment Grade	**60%**	**100%**
Sovereign debt – Investment Grade	**0%**	**40%**
Sovereign debt – Non-Investment Grade	**0%**	**10%**

The management team does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest.

Markets

The fund may invest on the primary and secondary markets.

Tactical allocation

The investment strategy uses a macroeconomic, financial and technical analysis to define the optimal positioning of the fund. Based on this analysis, the portfolio management team may decide to hold a portion of assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

Bond sensitivity

The investment team may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 5. The portfolio management team may use interest rate swaps or futures for hedging purposes.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

Sensitivity	Minimum	Maximum
To interest rates	**0**	**5**
To credit spreads	**0**	**5**

Management of foreign exchange risk

The fund's reference currency is the US dollar. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the dollar.

Furthermore, categories of units issued by the fund and denominated in euro or Swiss franc are continuously hedged in order to protect investors against exchange rate fluctuations between the dollar and the unit category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedges may prove partial or imperfect. A tolerance threshold of 5% of residual exposure has been defined.

Foreign exchange risk	Minimum	Maximum
USD-denominated Securities and deposits	**51%**	**100%**
Securities denominated in other currencies	**0%**	**49%**
Residual exposure after hedging	**0%**	**5%**

The “other currencies” which may be used are the euro, the Swiss franc, the British pound, the Danish krone, the Norwegian krone, the Swedish krone, the Japanese yen, the Canadian dollar, the Australian dollar, the New Zealand dollar and the Singapore dollar.

b. ***Categories of assets used*** : **1. Debt securities and money market instruments**

Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the fund’s assets.

The issuers may be listed companies or companies whose shares are not listed because they are held by families, managers, holding entities or investment funds

These securities are generally denominated in US dollar. They may also be denominated in other currencies. Securities denominated in currencies other than the US dollar may comprise up to 49% of the fund’s assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 5%.

Selected securities may be of any rank (e.g. secured or subordinated debt) and have any credit rating. Non-Investment Grade securities may comprise up to 100% of the fund’s assets.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The fund may invest up to 40% of its assets in Investment Grade debt instruments issued by the US federal government or other governments. Sovereign bonds with a Non-Investment Grade rating are limited to 10% of the fund’s assets.

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

2. Convertible bonds and related securities

The fund may invest up to 10% of its assets in convertible bonds (or related instruments). This strategy can enable the fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option on the underlying equity. In such case, the portfolio management team will ensure that the fund’s overall equity risk does not exceed 10% of net assets.

3. Equities

Equity exposure is limited to 10% of the fund’s assets. The fund does not purchase stocks on the market and does not take part in IPOs. However, the fund may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the fund may directly hold equities after exercising the conversion option attached to convertible bonds or following to debt restructuration. Although such direct positions are not intended to be held over the long term, the fund is not required to sell them within a predefined period.

4. Deposits

The fund may carry out investments in the form of deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not carry out deposits of more than 20% of its assets within the same institution.

5. Derivatives

The fund may invest in the regulated, organised or OTC futures markets for the purpose of hedging currency exposures or reducing the portfolio's bond sensitivity. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The fund's overall exposure, including derivatives, is limited to 110% of net assets.

Clarifications on derivatives

a. Type of markets in which the fund may invest: regulated, organised, OTC.

b. Risks to which the portfolio management team plans to expose the fund: interest rate and foreign exchange.

c. Types of transactions, all of which are limited to the achievement of the investment objective: hedging.

d. Types of instruments used: futures, swaps, and forward foreign exchange contracts.

e. Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk.

6. Securities with embedded derivatives

The fund may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 10% of its assets.

Furthermore, the corporate bonds in which the fund predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

7. OPCVM

The fund may invest up to 10% of its assets in other French or foreign UCITS. These UCITS may have any type of strategy and may be managed by Anaxis Asset Management or a related entity.

8. Cash loans

The fund does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the fund's payment flows: investments, divestments and liabilities transactions.

9. Securities lending and borrowing

None.

- **Contracts constituting financial guarantees**:

None.

- **Risk profile** : Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. ***Main risks*** :

Capital Risk. The fund does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Credit risk. This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the fund's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

Interest rate risk. When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 5.

Risk linked to discretionary portfolio management. As the fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the fund may underperform its investment objective and the investment choices made may lead to a decrease in the fund's NAV.

Risk linked to derivatives. The use of derivatives may lead to specific losses, e.g. due to inappropriate hedging in certain market circumstances. Such losses may lead to a decrease in the fund's NAV.

Counterparty risk. This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the fund to the risk of default by one or more counterparties and may lead to a decrease in the fund's NAV.

b. ***Ancillary risks*** :

Foreign exchange risk. Up to 49% of the fund's assets may be invested in securities denominated in currencies other than the fund's reference currency (the US dollar). In addition, the fund offers unit categories denominated in euro or Swiss franc. The associated foreign exchange risk is kept below 5% by means of appropriate hedging transactions. However, the residual currency risk exposure may lead to a decrease in the fund's NAV.

Equity risk. Up to 10% of the fund's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds or UCITS. The fund's NAV will decrease if this market declines.

Risk associated with holding convertible bonds. Up to 10% of the fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the fund's NAV.

Risk linked to investments in UCITS. Up to 10% of the fund's net assets may be invested in other UCITS. The liquidity and capital risks associated with such potential investments may lead to a decrease in the fund's NAV.

Risk linked to emerging countries. The fund may invest up to 10% of its net assets in emerging markets. Such markets may experience sharp price variations; in addition, their operating and supervisory conditions may differ from the standards prevailing on the major international markets.

Inflation risk. The fund may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk. Under very difficult market conditions, the fund may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the fund's Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection** : None.

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

E1, E2, I1, I2, U1, J1, S1and K1 units are available to all subscribers.

Eligible subscribers are those seeking to invest in the US corporate bond market to target a net annualised return higher than that of sovereign bonds with very low credit risk.

The recommended investment period runs until 31 December 2021.

The amount that is reasonable to invest in this fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this fund.

- **Conditions for determining and distributing income**:

Net income for the financial year is determined in accordance with regulatory provisions and with the UCITS accounting principles.

Net income is distributed between the unit categories in proportion to their share of total net assets. However, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant unit categories.

Amounts available for distribution are determined by:

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, I1, U1, S1, J1 and K1 units, gains are capitalised.

For E2 and I2 units, income actually distributed is determined each year by the portfolio management company.

- **Frequency of distribution** : Annual for distribution units.

- **Unit features** :

Unit	ISIN code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0013233863	Accumulation	EUR	Daily	EUR 100	One unit	Ten-thousandths of units
E2	FR0013233855	Accumulation and/or distribution	EUR	Daily	EUR 100	One unit	Ten-thousandths of units
I1	FR0013233822	Accumulation	EUR	Daily	EUR 100	EUR 1 million	Ten-thousandths of units
I2	FR0013233806	Accumulation and/or distribution	EUR	Daily	EUR 100	EUR 1 million	Ten-thousandths of units
U1	FR0013233848	Accumulation	USD	Daily	USD 100	One unit	Ten-thousandths of units
J1	FR0013233772	Accumulation	USD	Daily	USD 100	USD 1 million	Ten-thousandths of units
S1	FR0013233830	Accumulation	CHF	Daily	CHF 100	One unit	Ten-thousandths of units
K1	FR0013233798	Accumulation	CHF	Daily	CHF 100	CHF 1 million	Ten-thousandths of units

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

- **Terms of subscription and redemption**:

<u>Central processing of orders</u>

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

<u>Institution in charge of receiving orders</u>

BNP Paribas Securities Services
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

<u>Orders form</u>

Subscription orders are accepted in quantity or amount.

Redemption orders are only accepted in quantity (number of units).

<u>Fractions of units</u>

Ten-thousandths of units.

<u>Terms of settlement-delivery</u>

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

<u>Conditions for switching from one unit category to another, round trip</u>

For subscriptions carried out by unitholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of units (in another unit category or in the same unit category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every day, with the exception of legal holidays in France and days on which the markets are closed according to the official NYSE Euronext calendar for Paris and New-York.

Place and conditions of publication or transmission of NAVs

The NAVs of the fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at www.anaxiscapital.com.

3. Charges

■ **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscription and redemption

	Base	Rate
Subscription fee not paid to the fund	NAV x number of units	2% maximum
Subscription fee paid to the fund	NAV x number of units	None
Redemption fee not paid to the fund	NAV x number of units	0.80% maximum
Redemption fee paid to the fund	NAV x number of units	0.20%

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees may be awarded to the portfolio management company when the fund exceeds its targets. They are then charged to the fund. This particular fund, however, does not charge any incentive fee.
- Account activity fees charged to the fund;
- A share of the income earned from securities lending and borrowing transactions. However, the fund does not carry out such transactions, nor any equivalent or similar transactions under foreign law.

	Fees charged to the fund	Base	Rate
1	Portfolio management fees	Net assets	E1, E2, U1 and S1 units: **1.35%** maximum incl. tax I1, I2, J1 and K1 units: **0.85%** maximum incl. tax
2	External management fees	Net assets	**0.10%** maximum incl. tax, with any surplus covered by the portfolio management company
3	Max. indirect fees (management fees and commissions)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
4	Account activity fee	Charged on each transaction	- Transactions: max. €60 incl. tax - Securities transactions: none
5	Incentive fee	Net assets	None

<u>Clarifications on management fees external to the portfolio management company</u>

Other on-going fees include fees charged for depositary services, custody of assets, centralisation of orders, transfer agency, delegation of administrative and accounting management, statutory audit, regulatory representation, regulatory registrations, etc.

The fund might not inform unitholders individually – nor offer them the option to redeem their units free of charges – in the event of an increase in management fees external to the portfolio management company less than or equal to 10 basis points per calendar year; in such case unitholders may be informed by any means (e.g. on the website of the portfolio management company, in the brochure of the UCITS). Such information should be published before the increase comes into effect.

<u>Intermediary selection procedure</u>

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

- **Subscription and redemption orders**:

  Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.

- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at www.anaxiscapital.com.

- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at promoting a sound and efficient management of risks, and avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at www.anaxiscapital.com. A paper or electronic copy of the remuneration policy will be made available free of charge upon request.

- **Additional information** : Any additional information can be obtained from:

  Anaxis Asset Management
  9, rue Scribe, 75009 Paris, France
  Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the fund from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the fund may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (*Caisse d'amortissement de la dette sociale*).

Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

1. Asset valuation rules

The fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

2. Accounting recognition

The fund has opted for the US dollar as its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.

FUND RULES

US BOND OPP. 2021

Section A – Assets and units

Article 1 – Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the fund's assets. Each unitholder enjoys co-ownership of the fund's assets in proportion to the number units held.

The term of the fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

Unit categories

The features of the different unit categories and their terms of eligibility are set forth in the fund prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimising the impact of hedging transactions on the fund's other unit categories;
- be reserved for one or more promotion networks.

Combination or division of units

The fund may combine or divide units.

Fractional units

Units may be divided into thousandths of units (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

Article 2 – Minimum amount of assets

Units may not be redeemed if the fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (fund transfer).

Article 3 – Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five business days following the valuation of the unit.

However, if due to exceptional circumstances the redemption calls for the prior realisation of the assets comprising the fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

Article 4 – Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

Section B – Fund operation

Article 5 – Portfolio management company

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

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the fund.

Article 5b – Rules of operation

The instruments and deposits eligible for inclusion in the fund's assets, as well as the investment rules, are described in the prospectus.

Article 6 – Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

Article 7 – Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardise the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution in kind under its responsibility.

It verifies the composition of the fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

Article 8 – Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

Section C – Allocation of amounts available for distribution

Article 9 – Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a fund are comprised of:

1. Net income plus retaining earnings and plus or minus the balance of the income accrual account;
2. Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalisation, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in (1) and (2) above may be distributed in part or in whole, independently of one another. Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

Section D – Mergers, spin-offs, winding-up, liquidation

Article 10 – Mergers – Spin-offs

The portfolio management company may either contribute some or all of the fund's assets to another fund, or split the fund into one or more other funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

Article 11 – Winding-up – Extension

If the fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the fund, unless it is merged with another fund.

The portfolio management company may wind up the fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the fund, and both the AMF and the unitholders must be duly notified.

Article 12 - Liquidation

If the fund is wound up, the portfolio management company or the custodian assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realise the fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

Section E – Disputes

Article 13 - Jurisdiction - Election of domicile

Any disputes related to the fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.