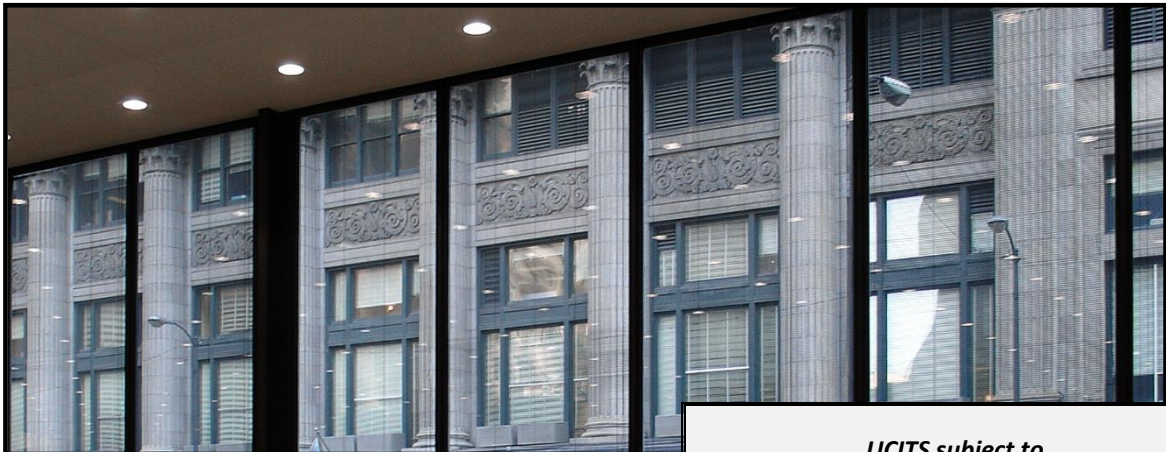


# EM BOND OPP. 2024

French FCP (mutual fund)

## PROSPECTUS AND RULES



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

Portfolio management company: Anaxis Asset Management  
Address: 9, rue Scribe, 75009 Paris, France  
Custodian: BNP Paribas SA  
Auditor: PricewaterhouseCoopers Audit  
Approval date: 18 February 2020  
Publication date: 3<sup>rd</sup> February 2023



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# PROSPECTUS

## EM BOND OPP. 2024

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

### Part A – General features

- **Name of UCITS:** EM BOND OPP. 2024
- **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:** 18 February 2020 by the AMF (French securities regulator)

Units	ISIN code	Distribution of earnings :		Currency	Eligible subscribers	Minimum initial subscription
		Net income: Distribution and/or Capitalisation	Net realised capital gains: Capitalisation			
E1	FR0012767010	Capitalisation		EUR	All subscribers	One unit
E2	FR0012767036	Accumulation and/or Capitalisation		EUR	All subscribers	One unit
U1	FR0012767044	Capitalisation		USD	All subscribers	One unit
U2	FR0012767051	Accumulation and/or Capitalisation		USD	All subscribers	One unit
S1	FR0012767069	Capitalisation		CHF	All subscribers	One unit
I1	FR0012767077	Capitalisation		EUR	All subscribers	EUR 500,000
I2	FR0012767085	Accumulation and/or Capitalisation		EUR	All subscribers	EUR 500,000
J1	FR0012767093	Capitalisation		USD	All subscribers	USD 500,000
J2	FR0012767101	Accumulation and/or Capitalisation		USD	All subscribers	USD 500,000
K1	FR0012767119	Capitalisation		CHF	All subscribers	CHF 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.

■ **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@anaxis-am.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

- **Depository bank and custodian:** BNP Paribas SA, 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 depository 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 SA alongside its appointment as depository (BNP Paribas SA, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depository 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 depository 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 SA has appointed sub-depositaries in countries where BNP Paribas SA has no local presence. These entities are listed on the following website:

<http://securities.bnpparibas.com/solutions/asset-fund-services/depository-bank-and-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 SA.  
  
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 of institution in charge of receiving subscription and redemption orders:  
  
BNP Paribas SA,  
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 SA 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:	<b>FR0012767010</b>
E2 units:	<b>FR0012767036</b>
U1 units:	<b>FR0012767044</b>
U2 units:	<b>FR0012767051</b>
S1 units:	<b>FR0012767069</b>
I1 units:	<b>FR0012767077</b>
I2 units:	<b>FR0012767085</b>
J1 units:	<b>FR0012767093</b>
J2 units:	<b>FR0012767101</b>
K1 units:	<b>FR0012767119</b>
  
- **Investment objective:**

The objective of the fund is to achieve, at maturity of 31<sup>st</sup> December 2024, an annualised performance of :

  - 3% for E1, E2 and S1 units
  - 3,5% for I1, I2 and K1 units
  - 5,5% for U1, and U2 units
  - 6% for J1, and J2 units

The investment objective defined for each category of units takes into account current expenses, the estimated default risk and the cost of currency hedging. It is based on market assumptions made by the management company. It is not a promise of return and does not include all events of default.

The investment objective is conditional upon investment in companies which stand out for their active approach to sustainable development and their commitment to putting in place policies that are compatible with the issues at stake in climate-related and environmental regulation. The investment management activity aims to contribute significantly to the efforts required to achieve the long-term global warming objectives of the Paris Agreement. The aim is to limit the increase in the global average temperature at the end of the century to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

In practical terms, Anaxis Asset Management wishes to reduce the overall carbon intensity of the investments under management by 7.5% per year on average until 2030, to set itself on a trajectory from the outset to achieve carbon neutrality in 2050. The reference level is that measured at the end of 2018 in the management of emerging bonds held by Anaxis Asset Management. This extra-financial objective complies with the provisions of Article 9 of the SFDR.

The emissions considered are those falling within scopes 1 and 2. These emissions are direct emissions from owned or controlled sources (scope 1) or emissions relating to the consumption of energy (electricity, steam, heat, and cooling) needed to make the products or provide the services offered (scope 2). Due to a lack of sufficient representative data, indirect emissions (scope 3) generated by the production of goods and raw materials acquired (upstream) or by clients using the products (downstream) are not considered at this stage.
  
- **Benchmark index:**

The Fund does not seek to replicate or outperform a representative index of the 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.

In terms of greenhouse gas emissions, the fund does not use a benchmark representing its overall investment universe because this universe is extremely large and, at this stage, the required data are not published by companies in sufficient quantity.

The efforts made to achieve the sustainable investment objective relate to the climate policies of the selected issuers. In this process, the management team applies appropriate criteria, such as the existence of objectives, policies, investment plans, reliable publications, and tangible results.

## 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.

#### **Investment strategy in reference to the 31 December 2024 maturity**

The Fund is managed according to a maturity set at 31 December 2024. 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 2024. 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 2024 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 including consideration of ESG criteria. The investment strategy aims to build 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.

### Sustainable investment strategy

Financial analysis is supplemented by an extra-financial analysis combining the following six components:

1. **Exclusions.** Anaxis Asset Management excludes companies operating in the fossil fuels or nuclear energy sectors, as well as the weapons, tobacco and GMO sectors. Furthermore, we exclude companies with significant activities in the field of plastic packaging or pesticides due to their adverse impact on the sustainability objectives of the European Union. The major areas of concern are pollution as well as damage to ecosystems, to biodiversity and to aquatic and marine resources.
2. **Environment.** Anaxis Asset Management assesses bond issuers on the basis of their environmental policies and their commitment to the transition to greenhouse gas neutrality. Companies are rated and assigned scores. The criteria applied are all the more stringent the more likely a company's activity is to affect the environment or the climate, as is the case in the fields of transport or cement production. The approach followed favours the selection of companies using the *best efforts* in their field.
3. **Aquatic environments.** In addition to its commitment to climate action, the management company applies an environmental policy aiming at protecting aquatic environments and water resources. This topic relates also to food security, public health and biodiversity preservation (without covering all their aspects). Aquatic environments are especially fragile and poorly protected by national policies. Accordingly, Anaxis Asset Management identifies economic activities that are likely to have a strong impact on aquatic environments, fisheries resources, the quantity and quality of available water reserves, access to drinking water or other water-related issues. Investments in companies operating in these sensitive fields are subject to specific rating criteria on a *best-efforts* basis.
4. **Social responsibility.** Anaxis Asset Management ensures that the companies selected comply with ethical standards of human rights and social responsibility. The principles of the UN Global Compact act as a guide for this analysis. The approach is to *exclude* companies which engage in practices deemed to be unacceptable.
5. **Governance.** Governance is part of the risk analysis performed by the management team. To this end, the analyst relies on a table of factors enabling him/her to identify the major risks associated with the issuer and to assess their severity. Since the fund focuses on bond markets, the governance factors used take the creditor's perspective. The approach taken here prioritises the best practices in each sector (so-called "*best-in-class* approach").

6. **Controversies.** Anaxis Asset Management monitors the controversies affecting the issuers in the fund's portfolio. The management company makes use of published reports and information gathered from numerous sources. Public inquiries, legal actions and serious events are impartially analysed by the ethics committee of the management company. Controversies are assessed according to their severity, their impact, their frequency, and the response given by the relevant company. If a company is excluded from the fund's portfolio due to controversy, the exclusion is set for a defined period.

#### **Examples of criteria**

Below are some examples of criteria, including, but not limited, to:

**Environmental criteria:** greenhouse gas intensity (measured in tonnes of emissions, in CO2 equivalent as a proportion of a company's revenues), the commitment to a credible emissions reduction policy compatible with the objectives of the Paris Agreement. In some cases, the analysis may also assess the intensity by reference to a physical unit, depending on the sector involved; e.g., kilometres travelled or tonne of cement produced.

**Water-related criteria:** water consumption, discharge of untreated wastewater.

**Social criteria:** a company's links with authoritarian regimes, or compliance with the UN Global Compact in terms of human rights, workers' rights, environment and anti-corruption.

**Governance criteria:** financial transparency, independence of company officers and directors, legitimacy of intragroup relationships, existence of financial leverage objectives, no initiatives detrimental to creditors.

#### **Adverse impact in terms of sustainability**

Assessment of the fund's impact is based on available data, while focussing specifically on environment and then applying a method of analysis intended to ensure that the investments selected do not significantly prejudice the environmental objectives. Regarding social and governance factors, the scores applied in selecting securities will eventually enable the management company to assign an overall score to the portfolio and to monitor the portfolio's movements.

However, from a regulatory perspective, the management company should not be seen as taking into account the adverse impact of investment decisions on sustainability factors. Indeed, the regulation will require the application of a whole set of technical criteria requiring precise and detailed information from the bond issuers making up the fund's portfolio. However, only a small fraction of the issuers within the investment universe are currently able to provide the required information.

#### **Comprehensiveness and selectivity**

The extra-financial analysis implemented by the management company encompasses most of the assets of the fund; i.e., over 90% of the portfolio value. The various steps described above enable the fund to exclude at least one issuer in five.

Given the very broad spectrum of diversification available to the fund, both in terms of issuer classes and geographical areas, there is an extremely large number of bonds (that is, thousands) that are potentially eligible. In order to evaluate the selectivity of the sustainable investment process, particular attention is given to high-yield bonds denominated in US dollars and issued by companies located in emerging markets. The spectrum of relevant credit ratings ranges from CCC- to BB+, or equivalent, according to Standard & Poor's ratings scale. Although the fund may invest outside these asset classes, the management company favours the selection of securities of this type and expects them to predominate the asset allocation under normal circumstances. Therefore, the selectivity analysis of the segment described above can be considered sufficiently representative of the sustainability strategy implemented by the management company.

Some sovereign bonds are eligible, but they are selected for investment in exceptional cases only, for the purpose of risk reduction when the management company considers that circumstances so require. The investment management activity favours the selection of corporate bonds, so that a lack of information on the national climate impact does not raise any practical difficulty.

In the event that an issuer no longer meets the sustainability criteria set by the management company, the securities position held in this issuer should be sold within 4 months, in the best interests of the unitholders.

#### **Impact of sustainability risks**

The management company considers that sustainability risks may affect the performance of the fund by reducing the credit quality of some issuers or by diminishing available sources of financing. Sustainability risks arise chiefly from climatic events (risks called “physical risks”) and from the necessity for these companies to swiftly adapt to changes (risks called “transition risks”). Social aspects (human rights, discrimination, labour relations, accident prevention, etc.) or governance deficiencies may also result in sustainability risks. That is why the management company has incorporated in its investment selection process the sustainability factors which it believes to be the most significant.

#### **Methodological limitations of the sustainability approach**

- The analysis is based primarily upon information supplied by the companies. Figures are not always audited. Methodologies and scopes selected for use can vary, making comparisons and aggregations questionable.
- In some cases, it is necessary to use assumptions or estimates; for instance, when data on greenhouse gas emissions are not available or as yet incomplete.
- Too few data are available to date to assess indirect greenhouse gas emissions; for instance, those relating to the use of products or services provided by companies (scope 3).
- Some assessment criteria are based upon forecasts, commitments or strategies published by companies. Achievements can turn out to be very different.
- Some criteria are based upon procedures or internal policies published by companies. It is possible that these procedures and policies are only applied partially or not at all.
- Some information may not be recent enough to reflect the current situation of a relevant company; for instance, when this information stems from an annual report or when material changes have occurred within this company.
- An analysis, even a thorough one, may not be able to anticipate a controversy or a future event that might have a material adverse impact.

#### **Alignment with the European Taxonomy**

As most companies have not started publishing data in terms of alignment with the taxonomy, we are unable to provide a percentage of alignment of investments with the taxonomy

#### **Clarifications on the sector exclusion policy**

**Nature of ESG criteria.** The objective of our sector exclusion policy is to exclude from the portfolios’ investment universe certain issuers whose business is not compatible with our goal of preserving the natural environment and improving public health.

**Exclusion list.** Our policy aims to have a significant impact on financial flows. Our policy targets businesses associated with fossil fuels, nuclear power, polluting products, weapons, tobacco and GMOs. The Anaxis exclusion list is represented below.

- Fossil fuels: exploration, production, refining and transport of coal, oil, natural gas and other fossil fuels; fossil fuel-based electricity production; associated activities (equipment, transport, distribution, storage, etc.); new projects in coal or in unconventional sectors (shale gas, oil sand, hydraulic fracturing, drilling in the Arctic or deep-water drilling).
- Nuclear: uranium mines, enrichment of fissile material and nuclear energy production.
- Polluting industries: production of fertilisers, weed killers, insecticides, fungicides and production of plastic packaging.
- Weapons: production of weapons, munitions and military equipment, manufacturing of planes, ships, tanks and military vehicles; activities associated with the design, trade or use of this equipment; law enforcement services or military surveillance by private companies, manufacturing of hunting weapons and any kind of personal weapons.
- Others: tobacco, production of GMOs for non-therapeutic use and other various exclusions of items contributing to global warming or health-damaging, as stated in our exclusion policy.

Exclusion thresholds. A company is excluded from the fund’s portfolio if the turnover generated in non-compliant sectors exceeds a predefined threshold. This threshold is 5% for fossil energy, nuclear and tobacco. It is 10% for weapons and 20% for the other excluded activities. However, the management company has no tolerance for companies developing new projects in coal or in unconventional fossil energy. Our sector exclusion policy covers companies involved in broader industries closely linked to the excluded sectors pursuant to criteria described in detail in our exclusion policy, available online or on request.

Controversial weapons. With regard to controversial weapons, our sector exclusion policy is not based on any thresholds or level of activity. The exclusion policy is applied even if the controversial activity is marginal within the companies in question.

### Geographic and sector criteria

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

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.

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.

### Rating criteria

Credit risk exposure	Minimum	Maximum
Corporate debt – Non Investment Grade	50%	100%
Corporate debt – Investment Grade	0%	100%
Unrated corporate debt	0%	25%
Sovereign debt – Investment Grade	0%	50%
Sovereign debt – Non-Investment Grade	0%	50%

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 "Non-investment grade" 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

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

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.

## Management of foreign exchange risk

Foreign exchange risk	Minimum	Maximum
US Dollar-denominated securities	50%	100%
Securities denominated in developed markets currencies (including US dollar)	90%	100%
Securities denominated in other currencies	0%	10%
Residual foreign exchange risk exposure after hedging	0%	5%

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 5%.

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.

## 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 5% of assets.

After hedging, foreign exchange risk is kept below 5%.

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. The fund will not use total return swaps

Clarifications on derivatives

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.

#### **10. Contracts constituting financial guarantees**

In the context of transactions on OTC derivative instruments, the fund is required to receive or grant financial assets as collateral. The financial guarantees received are intended to reduce the fund's exposure to the risk of default of a counterparty. They are only received in cash. The management company does not accept guarantees in the form of financial securities.

Any financial guarantee or collateral received complies with the following regulations: they can be placed in deposits with eligible entities or invested in

high quality government bonds (provided that such transactions are with credit institutions subject to prudential supervision and the fund can withdraw at any time the total amount of cash taking into account accrued interest) or short-term money market funds.

Financial guarantees will not be reused.

## 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 50% 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 5% (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.

**Sustainability risk.** A sustainability risk is defined as an environmental, social or governance event or situation that, if it occurs, could have a negative impact on the value of the investment, for example because of any of the following: (1) lower revenues, (2) higher costs, (3) physical damage or depreciation in asset value, (4) higher cost of capital, (5) fines or convictions, (6) image damage. Some risks, particularly those associated with global warming, are likely to increase over time.

## 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.

The recommended investment period runs until 31 December 2024.

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, I2, U2 and J2 units, income actually distributed is determined each year by the portfolio management company.

■ **Frequency of distribution:** Annual for distribution units

■ **Unit features :**

Units	ISIN code	Distribution of earnings : Net income: Distribution and/or Capitalisation  Net realised capital gains: Capitalisation	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	Accumulation and/or Capitalisation	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	Accumulation and/or Capitalisation	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 500.000	Ten-thousandths of one unit
I2	FR0012767085	Accumulation and/or Capitalisation	EUR	Daily	EUR 100	EUR 500.000	Ten-thousandths of one unit
J1	FR0012767093	Capitalisation	USD	Daily	USD 100	USD 500.000	Ten-thousandths of one unit
J2	FR0012767101	Accumulation and/or Capitalisation	USD	Daily	USD 100	USD 500.000	Ten-thousandths of one unit
K1	FR0012767119	Capitalisation	CHF	Daily	CHF 100	CHF 500.000	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 SA 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 SA, 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

Orders are executed in accordance with the table below:

D-1	D-1	D : Day of the calculation of the NAV	D+1	D+3	D+3
Subscription orders are received and centrally processed by 12.00 p.m	Redemption orders are received and centrally processed by 12.00 p.m	Execution of the order on D	Publication of the Net Asset Value	Subscription Settlement-Delivery	Redemption Settlement-Delivery

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.anaxis-am.com](http://www.anaxis-am.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.

Other fees

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.

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate</b>
Portfolio management fees	Net assets	E1, E2, U1, U2 and S1 units: 1.25% incl. tax (maximum) I1, I2, J1, J2 and K1 units: 0.75% incl. tax (maximum)
External management fees	Net assets	0.20% incl. tax (maximum)
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 (fully paid to the custodian)	Charged on each transaction	Scale: - Transactions: max. €60 incl. tax - Securities transactions: none

#### Clarifications on fees external to the portfolio management company

External management 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.

If the actual costs are higher than the maximum rate, the excess will be paid by the management company. Conversely, the maximum flat rate may be levied even if the actual costs are lower.

#### Research

Anaxis AM acquires a search service only if it is necessary to make a decision in the best interest of the fund. Before acquiring the research service, managers and / or analysts verify its relevance, justify their request, and evaluate the reasonableness of this service. The application is reviewed by the RCCI. The budget is allocated to distribute the cost of research equitably among the different funds. In general, funds with similar investment strategies share the same research services. Anaxis AM collects fundraising fees in the "separate research account" (RPA), as available funds. Financial research will be charged to the fund.

#### 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 SA 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 SA 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 includes social, environmental or governance (earning) criteria. Information on this subject is provided in the fund's annual report and online at [www.anaxis-am.fr](http://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](http://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

- **Currency** : The Fund has opted for the US Dollar as its accounting currency.
- **Transaction fees** : Transaction fees are recognised excluding expenses.
- **Fixed income** : Fixed income is recognised using the redeemed coupon method.
- **Interest** : Interest accrued on the weekend is recognised on the basis of the previous NAV.

## Part H – Remuneration

The remuneration policy of the Management Company is compatible with sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, the regulations or the constitutional documents of the UCITS that the Management Company manages. The remuneration policy is consistent with the business strategy, objectives, values and interests of the Management Company and the UCITS it manages and those of the investors in these UCITS and includes measures to avoid conflicts of interest.

The Management Company's staff receives a remuneration comprising a fixed and a variable component, duly balanced, subject to annual review and based on individual or collective performance. The principles of the remuneration policy are reviewed on a regular basis and adapted to regulatory developments. Details of the remuneration policy are available on the following website: [www.anaxis-am.com](http://www.anaxis-am.com) or free of charge from the management company on request.

# FUND RULES

## EM BOND OPP. 2024

### 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.

Redemptions may be made in cash.

Redemptions may also be made in securities. If the redemption in securities corresponds to a representative proportion of the assets in the portfolio, then only the written agreement signed by the holder must be obtained by the UCITS or the management company. Where the redemption does not correspond to a representative proportion of the assets in the portfolio, all holders must signify their written agreement authorising the holder to redeem his or her units against certain specific assets, as explicitly defined in the agreement.

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.

The fund may cease issuing units pursuant to the third paragraph of Article L. 214-8-7 of the Monetary and Financial Code, provisionally or definitively, partially or totally, in objective situations resulting in the closure of subscriptions such as a maximum number of units issued, a maximum amount of assets attained or the expiry of a specified subscription period. The triggering of this tool will be the subject of information by any means of the existing holders concerning its activation, as well as the threshold and the objective situation that led to the decision of partial or total closure. In the case of a partial closure, this information by any means will specifically specify the terms and conditions under which existing holders may continue to subscribe for the duration of such partial closing. Unitholders are also informed by any means of the decision of the UCITS or the management company to either terminate the total or partial closing of subscriptions (when passing under the triggering threshold), or not to put an end to it (in the event of a change of threshold or a change in the objective situation leading to the implementation of this tool). A change in the objective situation invoked or the triggering point of the tool must always be made in the interests of the unitholders. Information by any means specifies the exact reasons for these changes.

## 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 or redemption in kind under its responsibility, except in the context of redemptions in cash for an ETF on the primary market.

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 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.

# INFORMATION FOR INVESTORS IN SWITZERLAND

## Representative

The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich.

## Paying agent

The paying agent in Switzerland is the Banque Cantonale Vaudoise, Place St-François 17, 1003 Lausanne.

## Place where the relevant documents may be obtained

The relevant documents such as the prospectus, the key investor information document (KIID), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

## Publications

Publications in respect of the investment fund will occur in Switzerland on the electronic platform of "fundinfo AG" ([www.fundinfo.com](http://www.fundinfo.com)). In particular, such publications include essential information for investors such as substantial amendments to the prospectus as well as the liquidation of the investment fund.

The issue and the redemption prices or the net asset value together with a footnote stating „excluding commissions“ will occur daily on the electronic platform of "fundinfo AG" ([www.fundinfo.com](http://www.fundinfo.com)).

## Payment of retrocessions and rebates

The investment fund respectively the fund management company and its agent may pay retrocessions as remuneration for distribution activity in respect of the investment fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Handling subscriptions and redemptions;
- Providing updated legal and marketing documents;
- Providing access, or procedure of access to legal mandatory publications, or any publications of other nature;
- Clarifying any doubt and answer to the investors' specific questions regarding the products or the managing company. Contacting on a regular basis the investors to ensure the suitability of the products and services offered;
- Perform the necessary checks relatively to the "Know Your Customer" process and requirements.
- Perform trainings on client advisors regarding the products.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the investment fund of the investor concerned.

The investment fund respectively the fund management company and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of the investment fund units in or from Switzerland.



## INFORMATION FOR INVESTORS IN GERMANY

### Authorisation for distribution

Anaxis Asset Management has indicated its intention to sell units of the Fund in Germany and is authorised for public distribution since the conclusion of the notification process.

### Paying and information agent

The information agent is:

ANAXIS AM  
9, rue Scribe  
75009 Paris, France

The prospectus, the key investor information document, the fund rules, and the audited annual and unaudited semi-annual reports of the investment fund are available free of charge and on durable medium from the information agent.

Furthermore, the information on subscription and redemption prices of the investment units are available from the information agent.

### Publications

The issue and redemption prices of the investment units as well as any notices to investors are published in the Federal Republic of Germany on [www.anaxis-am.com/de/](http://www.anaxis-am.com/de/).

In the cases listed by §298 (2) of the KAGB law, the unitholders will be additionally informed by means of a durable medium in accordance with §167 of the KAGB law.

## INFORMATION FOR INVESTORS IN SPAIN

### Representative

The representative in Spain is Selinca, Agencia de Valores, S.A., Calle Maria Francisca, 9, 28002, Madrid.

### Place where the relevant documents may be obtained

The relevant documents such as the prospectus, the key investor information document (KIIDs), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Spain.