



LA FINANCIERE DE L'ECHIQUIER

ECHIQUIER DIVIDENDE

PROSPECTUS – 2017 FEBRUARY 3rd

I. General features

I-1 Form of the UCITS

► **Name**

ECHIQUIER DIVIDENDE

► **Legal form and member state in which the UCITS was created**

French Mutual Fund (FCP)

► **Inception date and expected lifetime**

The Fund was created on 12 December 2014 for a term of 99 years.

► **Fund overview**

UCITS under European directive
2009/65/EC

Units	Characteristics				
	ISIN	Distributable sums allocation	Currency	Target investors	Minimum subscription
Echiquier Dividende	FR0012253946	Net income: Accumulation Realized net gains: Accumulation	EUR	All investors	None
Echiquier Dividende D	FR0012253953	Net income : Distribution Realized net gains : Distribution	EUR	All investors	None
Echiquier Dividende G	FR0012253961	Net income: Accumulation Realized net gains: Accumulation	EUR	Reserved for distribution by financial intermediaries other than management companies	Minimum initial subscription: EUR 100,000 (1)
Echiquier Dividende I	FR0012253979	Net income: Accumulation Realized net gains: Accumulation	EUR	Reserved for institutional investors	Minimum initial subscription: EUR 1,000,000 (1)

(1) Except for the management company, which can subscribe for a single unit on its own or on behalf of.

► **Where to obtain the latest annual and interim reports**

The latest annual and interim reports are available on the website www.lfde.com or may be sent to unitholders within eight business days on written request to:

LA FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris
France

If required, additional information may be obtained from the management company by telephoning 01.47.23.90.90.

I-2 Management and administration

► **Management company**

The management company was approved by the AMF (Autorité des Marchés Financiers) under number GP 91004 on 17/01/1991.

LA FINANCIERE DE L'ECHIQUIER
53, avenue d'Iéna
75116 Paris
France

► Custodian and depositary

Identity of the depositary of the UCITS:

The appointed depositary is BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA, located at 9, rue du Débarcadère 93500 PANTIN (the "Depositary").

BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a Société en Commandite par Actions (partnership limited by shares) under No.552 108 011, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 3 rue d'Antin, 75002 Paris.

Description of its duties and of conflicts of interest that may arise:

The Depositary exercises three types of responsibilities, namely the oversight of the Management Company (as defined in Art 22.3 of the UCITS V directive), the monitoring of the cash flows of the UCITS (as set out in Art 22.4) and the safekeeping of the UCITS assets (per Art 22.5).

The overriding objective of the Depositary is to protect the interests of the holders / investors of the UCITS, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the UCITS maintains other business relationships with BNP Paribas Securities Services SCA in parallel with an appointment of BNP Paribas Securities Services SCA acting as Depositary. For example, BNP Paribas Securities Services SCA could as well as acting as Depositary also be providing the UCITS or the Management Company with fund administration services, including net asset value calculation.

In order to address situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
 - Relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members;
 - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned client, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

Description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation:

The depositary of the UCITS, BNP Paribas Securities Services SCA, is responsible for safekeeping of the assets (as defined in Art 22.5 of 2009/65/CE Directive modified by 2014/91UE Directive named the "UCITS V directive").

In order to provide custody services in a large number of countries allowing UCITS to meet their investment objectives, in addition to its large proprietary network, BNP Paribas Securities Services SCA has appointed entities as delegates for sub-custody functions in countries where it has no direct local presence. These entities are listed in Appendix <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment.

► Statutory auditor

MAZARS
Represented by Gilles Dunand Roux
Exaltis
61, rue Henri Regnault
92075 La Défense Cedex
France

► Distributor

LA FINANCIERE DE L'ECHIQUEUR
53, avenue d'Iéna
75116 Paris,
France

This list of distributors is not exhaustive, mainly as the UCITS is listed on Euroclear. As a result, some distributors may not be mandated by or known to the management company.

► DELEGATEES

Only the administrative and accounting management has been delegated:

SOCIETE GENERALE SECURITIES SERVICES Net Asset Value
A *société anonyme* (limited liability company) under French law
Immeuble Colline Sud – 10, passage de l'Arche
92034 Paris La Défense Cedex
France

► **Advisers:** none

► **Centralising agent for subscription and redemption orders by delegation of the Management Company:**

BNP Paribas Securities Services is responsible for receiving subscription and redemption orders.

II. Operating and management procedures

II-1 General Characteristics

► **Characteristics of units or shares:**

ISIN code for Echiquier Dividende units:	FR0012253946
ISIN code for Echiquier Dividende D units:	FR0012253953
ISIN code for Echiquier Dividende G units:	FR0012253961
ISIN code for Echiquier Dividende I units:	FR0012253979

Nature of rights attached to the unit class: each unitholder has a co-ownership right to the Fund's assets in proportion to the number of units owned.

Registrar: the register of unitholders is managed by the custodian, BNP PARIBAS SECURITIES SERVICES. The administration of units is carried out by Euroclear France.

Voting rights: as the Fund is a jointly-owned pool of transferable securities, no voting rights are attached to the units held. Decisions on the Fund are taken by the management company in the unitholders' interests.

Type of units: bearer units.

Sub-division of units: subscriptions and redemptions are carried out in thousandths of units.

► **Year-end**

The last trading day of the Paris stock market in December each year.

► **Tax regime**

Tax eligibility: the Fund is eligible for the PEA (French equity savings plan).

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation. We advise you to consult a tax adviser in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the management company nor the distributors shall accept any responsibility whatsoever for the tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

The Fund offers three accumulation units and one distribution unit. Unitholders are therefore advised to consult their tax adviser on the regulations in force in their country of residence for their particular situation (individuals, legal entities subject to corporate income tax, etc.). The rules applying to French resident unitholders are set by the French General Tax Code.

In general, Fund unitholders are advised to consult their usual financial adviser or customer relationship manager to clarify the tax rules applicable in their particular circumstances.

Under the United States FATCA regulations (Foreign Account Tax Compliance Act), unitholders may be required to provide the Fund, the management company or their agent with information on their personal identity and place of residence (domicile and tax residence) for the purpose of identifying "US persons", as defined by FATCA. This information may be sent to the United States tax authorities via the French tax authorities. The failure by unitholders to fulfil this obligation may result in the deduction of a 30% withholding tax on US source income. Notwithstanding the efforts of the management company in relation to FATCA, unitholders are asked to ensure that the financial intermediary they have used to invest in the Fund has "Participating FFI" status. For more information, unitholders should contact a tax adviser.

II-2 Specific characteristics

► **Classification**

EQUITIES OF EUROPEAN UNION COUNTRIES

► **Investment objective**

Echiquier Dividende is a dynamic fund that aims to deliver long-term returns through exposure to the European equity markets.

► **Benchmark index**

Echiquier Dividende's benchmark is the MSCI Europe index. This index is representative of the equity market performance of Europe's most mature nations. It is calculated in euro, with dividends reinvested.

► Investment strategy

1. Strategies used

The management of the Fund is focused on the European equity markets. The Fund is mainly exposed to European large caps that offer high returns to investors. The Fund may also invest in European small and mid caps, provided that they offer high returns. The management of Echiquier Dividende follows a rigorous stock-picking approach based on an in-depth evaluation of the companies selected.

A fundamental analysis is carried out on each company, using a rating framework developed in-house that assesses the following five criteria:

- the quality of the company's management
- the quality of its financial structure
- visibility on future earnings
- the growth prospects for its business
- the speculative nature of the stock

A target price is set for the purchase/sale of each stock.

The stock-picking process is therefore highly selective, as well as qualitative. The method used to set the purchase/sale price enables investments to be made in stocks that offer future upside potential.

This fundamentals analysis is combined with a high returns criterion for investors.

Echiquier Dividende may use derivative instruments for the purpose of hedging and generating exposure to equity market risk, and on an occasional basis, to hedge currency risk.

2. Assets used (excluding derivatives)

A) Equities

A minimum of 60% of Echiquier Dividende is exposed to the European equity markets and a maximum of 10% is invested in non-European equities.

The Fund has minimum exposure of 60% to large caps across all business sectors.

Moreover, up to 40% of the Fund's assets may be invested in European small and mid caps.

For the purposes of eligibility with the PEA, 75% of the Fund is invested in European equities.

B) Debt securities and money market instruments

Up to the limit of 25%, the Fund may invest in:

- negotiable debt securities. The maximum maturity of debt securities used for the Fund's cash management will be five years. Securities used for this purpose will have a short-term rating from Standard & Poor's of "investment grade" or equivalent from another rating agency. Negotiable debt securities that are not investment grade, or which are unrated, may be used up to the limit of 10%
- bonds. With regard to bonds, particular attention will be paid to the credit quality of the companies that issue them. The bonds selected will be investment grade, i.e. with a minimum rating of BBB- from Standard & Poor's or equivalent, or considered as such by the management team. The maximum maturity of bonds is 10 years
Bonds that are not investment grade, or which are unrated, may be used up to the limit of 10%. No limits have been set for the proportion of bonds of sovereign and private issuers in the portfolio.

Prior to purchase and for monitoring purposes over the life of securities, the credit risk is assessed on the basis of research and analysis carried out in-house by La Financière de l'Echiquier and using the ratings produced by the rating agencies.

For securities that are not investment grade or are unrated, their issuers are placed in groups monitored by La Financière de l'Echiquier's research teams.

The ratings mentioned above are those used by the Fund at the time of the initial investment. If a rating is downgraded over the life of an investment, the manager will conduct an analysis on a case-by-case basis and decide whether or not to maintain the position concerned. The investment limits defined in relation to the assessment of credit risk by the rating agencies may therefore be adjusted slightly to reflect the management team's own analysis.

3. Investment in the securities of other undertakings for collective investment

The Fund may invest up to 10% of its assets in securities of other French and/or European UCITS, and in general purpose investment funds. These may be UCIs in any AMF category. The Fund may invest in UCITS of the management company or an associate company.

4. Derivatives instruments

The Fund may invest in forward financial instruments traded on regulated European markets, on unregulated markets and/or over-the-counter.

In this context, the Fund may take positions:

- to hedge the portfolio against equity market risk, and on an occasional basis, against currency risk
- to generate exposure to equity market risk, in accordance with the investment objective

The instruments used are:

- index futures
- options on securities and indices

- currency options and futures and forward foreign exchange contracts

These transactions will be carried out within the limit of 100% of the Fund's assets. Financial instruments are entered into with intermediaries selected by the management company that have no say on the composition or management of the Fund's portfolio.

5. Securities with embedded derivatives

The manager may invest in securities with embedded derivatives (warrants, subscription certificates, convertible bonds, etc.) traded on regulated markets or over-the-counter. No rating restrictions apply to convertible bonds.

In this context, the manager may take positions to hedge and/or expose the portfolio to business sectors, geographical areas, interest rates, equities (small, mid or large cap stocks), currencies, securities and similar transferable securities or indices in order to achieve the investment objective.

The use of embedded derivatives, as opposed to the other derivative instruments listed above, will mainly be as a result of the manager seeking to optimise the hedging strategy, or, if appropriate, to improve the performance of the portfolio by reducing the costs related to the use of these financial instruments in order to achieve the investment objective.

In any event, the amounts invested in securities with embedded derivatives cannot exceed 10% of the net assets.

The risk associated with this type of investment will be limited to the amount invested in the purchase.

6. Deposits: none

7. Cash borrowings

The Fund may borrow cash. Although the Fund may be in a debtor position temporarily as a result of its payment flows (investments and disposals in progress, subscription/redemption transactions, etc.) up to a limit of 10% of its assets, this does not form part of the investment objective.

8. Repurchase agreements and reverse repurchase agreements: none

► Risk profile

Your money will be principally invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

Risk of capital loss: yes

Capital loss occurs when a unit is sold for less than its purchase price. Unitholders are warned that they may not get back all the capital they initially invested. The Fund offers no capital guarantee or protection.

Equity risk: yes

Echiquier Dividende has minimum exposure to equities of 60%. If the equities or indices to which the portfolio is exposed should fall, the Fund's net asset value could also fall.

On markets trading in small and mid caps, the volume of stock market listed securities is low and, as a result, market movements are more downward and are faster than those trading in large caps. The Fund's net asset value may therefore decline rapidly and significantly.

Discretionary management risk: yes

The discretionary management style adopted by the Fund is based on a selection of securities. There is a risk that Echiquier Dividende might not be invested in the best-performing markets at all times. The Fund may therefore not achieve its performance objective. Moreover, the net asset value of the Fund may post a negative performance.

Interest rate risk: yes

Echiquier Dividende has maximum exposure to fixed income products of 25%. The Fund's net asset value may fall if interest rates rise.

Credit risk: yes

Up to 25% of the Fund is exposed to money market instruments or bonds. Credit risk is the risk of a downgrading of the credit rating or the default of a private issuer. The value of debt securities or bonds in which the Fund invests may fall, causing the Fund's net asset value to decline.

Exchange rate risk: yes

This is the risk that the value of currencies used to invest may fall relative to the Fund's base currency, the euro. The Fund's net asset value may fall if a currency depreciates against the euro.

► Eligible investors and typical investor profile

Eligible investors

- Echiquier Dividende units: all investors
- Echiquier Dividende D units: all investors
- Echiquier Dividende G units: reserved for distribution by financial intermediaries other than management companies
- Echiquier Dividende I units: reserved for institutional investors

Typical investor profile

The Fund is intended for individual or institutional investors who are aware of the risks inherent in holding units in a fund of this type (i.e. the equity market risk defined above), and are looking for a fund that aims to offer a higher return than the average equity market return, which, if applicable, may be paid in the form of an annual income.

Echiquier Dividende may be used for variable capital, unit-linked life insurance policies.

Echiquier Dividende may be used for investment in UCITS managed by LA FINANCIERE DE L'ECHIQUEUR.

The Fund may invest in UCITS managed by LA FINANCIERE DE L'ECHIQUEUR.

The appropriate amount to invest in Echiquier Dividende depends on the personal situation of the unitholder. In deciding how much to invest, unitholders should take into account their personal and any business assets, their cash requirements at the time and in five years, and their willingness or otherwise to take risks on the equity markets. We also strongly advise investors to diversify their investments so that they are not wholly exposed to the Fund's risks.

Recommended investment term: more than five years.

► Procedures for determining and allocating distributable sums:

	Net income allocation	Net gain realized allocation
Echiquier Dividende, Echiquier Dividende G and Echiquier Dividende I units	Accumulation	Accumulation
Echiquier Dividende D units	Distribution	Distribution

► Frequency of income distribution

For Echiquier Dividende, Echiquier Dividende G and Echiquier Dividende I units: not applicable

For Echiquier Dividende D units: annually (although the management company may decide to make interim payments during the year)

Payment of annual amounts of distributable income is made no later than five months following the end of the financial year.

► Characteristics of the units (currency, sub-divisions, etc.)

The units are denominated in euro and sub-divided into thousandths.

The initial value of Echiquier Dividende, Echiquier Dividende D et Echiquier Dividende G units is fixed at 100 euros.

The initial value of an Echiquier Dividende I unit is fixed at 1000 euros.

► Subscription and redemption procedures

Subscriptions and redemptions are carried out in thousandths of units.

The minimum initial subscription for Echiquier Dividende G units is EUR 100,000. Subsequent subscriptions may be made in thousandths of units.

The minimum initial subscription for Echiquier Dividende I units is EUR 1,000,000, except for the management company, which may subscribe for a single unit. Subsequent subscriptions may be made in thousandths of units.

Subscription and redemption requests are centralised before midday on every stock market trading day by the custodian:

BNP PARIBAS SECURITIES SERVICES
Les Grands Moulins de Pantin
9, Rue du Débarcadère
93500 Pantin
France

The requests are executed on the basis of the next net asset value calculated using the closing price on the day the requests were centralised. Subscription and redemption requests arriving after midday are executed on the basis of the net asset value calculated after the one mentioned above.

In some countries, subscriptions may be carried out according to procedures other than a single, one-off subscription. For Italy, details of the subscription procedures are provided on the subscription form.

The NAV is calculated daily, except for days when the Paris stock market is closed.

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 issue of new units, may be suspended by the management company temporarily in exceptional circumstances, when this is deemed necessary in the interests of the unitholders.

The net asset value (NAV) is available on the management company's website (www.lfde.com).

► Charges

Fees paid by the investor on subscription or redemption	Basis	Rate	
Subscription fee not retained by the Fund	NAV x number of units outstanding	Echiquier Dividende units	Maximum of 1%
		Echiquier Dividende D units	Maximum of 1%
		Echiquier Dividende G units	None
		Echiquier Dividende I units	None
Subscription fee retained by the Fund	None	None	
Redemption fee retained by the Fund	NAV x number of units outstanding	None	
Redemption fee retained by the Fund	None	None	

Fees charged to the Fund		Basis	Rate	
1	Financial management fees	Net assets	Echiquier Dividende units	Maximum of 2.392%, inclusive of tax
			Echiquier Dividende D units	Maximum of 2.392%, inclusive of tax
	Administrative fees external to the asset management company		Echiquier Dividende G units	Maximum of 1.35%, inclusive of tax
			Echiquier Dividende I units	Maximum of 1%, inclusive of tax
2	Maximum indirect fees (fees and management costs)	Net assets	(*)	
3	Transaction fees received by the management company	Payable on each transaction	None	
4	Performance fee	Net assets	None	

(*) The Fund may invest up to 10% of its assets in other UCIs if the management fees do not exceed 2.392%. For further information, please contact the management company.

Fund management contributions due according to article L. 621-5-3 d), 3° II of the Financial and Monetary Code are charged to the fund.

III. Further information

For further information and documents relating to the Fund, please contact the management company directly:

LA FINANCIERE DE L'ECHIQUEUR
53, avenue d'Iéna
75116 Paris
France
www.lfde.com

The Fund's net asset value is available from the management company on request or on its website.

Unitholders may obtain further information from the company's website (www.lfde.com) on the incorporation of environmental, social and governance criteria into La Financière de l'Echiquier's investment policy.

Professional investors subject to prudential requirements (Solvency II) may ask the Management Company for funds' assets portfolios. Communication of such information shall be managed in accordance with regulators provisions. For any further information, please contact the company.

IV. Investment regulations

Regulatory investment ratios applicable to the Fund: the legal investment rules applicable to the Fund are those that govern UCITS investing less than 10% of their assets in other UCIs, as well as those applicable to the AMF's "EQUITIES OF EUROPEAN UNION COUNTRIES" classification.

The Fund calculates overall risk using the commitment method.

V. Asset valuation and accounting rules

V-1 – Valuation rules

A – Valuation method

- Financial instruments and securities traded on a regulated market are valued at their market price.

However, the instruments listed below are valued using the following methods:

- European bonds and equities are valued at their closing price, and foreign securities are valued at their last known price.
- Negotiable debt securities and similar instruments that are not traded in large volumes are valued by applying an actuarial method using the rate for issues of equivalent securities, plus or minus, if required, a differential reflecting the issuer's specific characteristics.

However, negotiable debt securities with low sensitivity and a residual life of three months or less may be valued on a straight line basis.

- Negotiable debt securities with a residual life of less than three months are valued at the market rate applying when they were bought, and any discount or premium is amortised on a straight-line basis over the life of the instrument.
- Negotiable debt securities with a residual life of more than three months are valued at their market price.
- Units or shares in UCITS are valued at their last known NAV.
- Securities subject to repurchase agreements are valued according to the rules applicable under the terms of the original contract.

- Financial instruments that are not traded on a regulated market are valued at their probable market value by the management company.
- Warrants or subscription certificates distributed free of charge with private placements or capital increases will be valued as of their listing on a regulated market or the formation of an OTC market.
- Contracts:
 - Futures are valued at their settlement price and options are valued based on the underlying.
 - The market value for futures is the price in euro multiplied by the number of contracts.
 - The market value for options is equal to the conversion value of the underlying.
 - Interest rate swaps are valued at market value based on the terms of the contract.
 - Off-balance sheet transactions are valued at their market value.
- Financial instruments whose price has not been established on the valuation date or whose price was corrected are valued at their probable market value as determined by the board of directors of the management company. These valuations and details of how they were arrived at are disclosed to the statutory auditor during the audit.

B - Practical details

- Equities and bonds are valued using prices extracted from the Finalim and Bloomberg databases, depending on where they are listed. The research options are supplemented by data from Telekurs (FinXS) and Reuters (Securities 3000):
 - Asia-Oceania: extraction at midday for a listing at the closing price for that day
 - North America: extraction at 9am for a listing at the closing price for the previous day
 - Europe, except France: extraction at 4.45pm for a listing at the opening price for that day
 - Europe, except France: extraction at 7.30pm for a listing at the closing price for that day
 - Europe, except France: extraction at 2.30pm for a listing at the opening price for that day
 - France: extraction at 9am for a listing at the closing price for the previous day
 - France: extraction at midday and 4pm for a listing at the opening price for that day
 - France: extraction at 5.40pm for a listing at the closing price for that day
 - Contributors: extraction at 2pm for a listing based on price availability
- Positions on futures markets on each NAV calculation day are valued at the settlement price for that day.

Positions on options markets on each NAV calculation day are valued using the principles applied to their underlying.

- Asia-Oceania: extraction at midday
- North America: extraction D+1 at 9am
- Europe, except France: extraction at 7.30pm
- France: extraction at 6pm

V-2 – Accounting method

- The accounting method used for recording income from financial instruments is the "coupons received" method.
- The accounting method for recording transaction fees excludes expenses.

VI. Compensations:

The asset management company's compensation policy is fully compliant with a prudent and efficient risk management. It does not encourage taking risks which might be inconsistent with the risk profiles, regulation or constitutive UCITS documents managed by the asset management company.

The asset management company's compensation policy is fully compliant with the economic strategy, objectives, values and interests of the asset management company as well as UCITS managed by the same asset management company. The asset management company's compensation policy is also fully compliant with the economic strategy, objectives, values and interests of UCITS investors. This policy incorporates tailored measures to prevent potential conflicts of interests. The compensation policy has been set up in order to:

- Provide an active support to the asset management company's strategy and objectives
- Provide an active support to the asset management company's competitiveness on its operating markets
- Ensure the development, attractiveness as well as the retaining of highly skilled and motivated employees

The asset management company's employees perceive a compensation that includes a fixed remuneration as well as a variable remuneration. These two compensations are duly balanced and are subjected to a careful annual review based on both individual and collective performance.

The founding principles of the compensations policy are revised on a regular basis with regards to legislation changes. The compensation policy has been duly approved by the asset management company's Board of Directors.

Details regarding the compensation policy are available online on the following website: www.lfde.com. A written copy of the compensation policy is available on demand for free.



LA FINANCIERE DE L'ECHIQUIER

RULES FOR THE ECHIQUIER DIVIDENDE MUTUAL FUND

HEADING 1 – ASSETS AND UNITS

Article 1 – Co-ownership units

The rights of the co-owners are expressed in units, with each unit representing the same fraction of the fund's assets. Each unitholder has a right of co-ownership of the fund's assets in proportion to the number of units held.

The duration of the fund is 99 years from the date of its creation, except in the event of its early dissolution or extension as provided for in these rules.

Unit classes:

The characteristics of the various unit classes and their access conditions are specified in the fund's prospectus. The various share classes may:

- Benefit from different methods of income distribution; (distribution or capitalisation)
- Be denominated in different currencies;
- Have different management fees;
- Have different subscription and redemption fees;
- Have a different nominal value;
- Include systematic total or partial risk hedging, as set out in the prospectus. Said hedging is provided by means of financial instruments, thus minimising the impact of hedging transactions on other unit classes in the fund;

Be restricted to one or more sales networks.

The fund has scope to amalgamate or divide its units.

The fund management company's board of directors may decide to divide the units into tenths, hundredths, thousandths or ten thousandths, known as fractions of units.

The rules governing the issue and redemption of units are applicable to fractions of units whose value will remain proportional to the value of the unit that they represent. All other rules pertaining to units apply to fractions of units without it being necessary to specify this, except where stipulated otherwise.

Lastly, the fund management company's board of directors may decide to divide units by creating new units that are allocated to unitholders in exchange for old units.

Article 2 - Minimum amount of asset

No units may be redeemed if the assets of the fund (or a sub-fund) fall below EUR 300,000. If the assets remain below this threshold for thirty days, then the management company shall make the necessary provisions to wind up the fund in question, or to perform any of the operations referred to in Article 411-16 of the General Regulation of the AMF (fund transfers).

Article 3 – Issue and redemption of units

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

Redemptions and subscriptions are executed according to the terms and conditions defined in the prospectus.

The mutual fund units may be listed on an official stock exchange according to prevailing regulations.

Subscriptions must be fully paid up on net asset value calculation day. They may be paid in cash and/or by transfer of financial instruments. The fund management company has the right to refuse the proposed securities and, to this effect, has a period of seven days from their submission to communicate its decision. In the event of acceptance, the proposed securities are valued according to the rules set out in Article 4 and the subscription is executed on the basis of the first net asset value following said acceptance.

Redemptions are paid solely in cash, except in the event of the fund's liquidation and where unitholders have indicated that they agree to be reimbursed in securities. Redemptions are settled by the issuance account holder within five days of the unit valuation.

In exceptional circumstances, however, if reimbursement requires assets included in the fund to be realised beforehand, this period may be extended to up to 30 days.

Except in the event of inheritance or an *inter vivos* gift, the sale or transfer of units between unitholders, or from unitholders to third parties, is treated as a redemption followed by a subscription; in the case of a third party, the amount of the sale or transfer must, where appropriate, be topped up by the beneficiary so as to attain at least the minimum subscription required by prospectus.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the fund of its units, as well as the issue of new units, may be temporarily suspended by the management company where required by exceptional circumstances and in the interests of the unitholders.

When the mutual fund's net assets are lower than the amount set out in the rules, the redemption of units is not permitted.

Possibility of minimum subscription conditions, as set out in the prospectus.

The fund may cease to issue shares, pursuant to paragraph two of Article L. 214-8-7 of the French Monetary and Financial Code, in objective situations entailing the closure of subscriptions, such as the issue of a maximum number of units or shares, a maximum amount of assets achieved or the expiry of a determined subscription period. Said objective situations are set out in the fund prospectus.

Article 4 – Net asset value calculation

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

HEADING 2 – OPERATION OF THE FUND

Article 5 – Management company

The fund is managed by the fund management company in accordance with its defined orientation.

The management company acts solely in the interest of the unit-holders at all times and is solely entitled to exercise the voting rights attaching to the securities held by the fund.

Article 5b - Operating rules

The instruments and deposits eligible for the fund's assets, together with the investment rules, are described in the prospectus.

Article 6 – Depository

The custodian carries out the missions entrusted to it, pursuant to the legal and regulatory provisions in force, as well as those contractually assigned to it. It must notably satisfy itself as to the legality of all the decisions taken by the portfolio management company. Where necessary, it must take whatever precautionary measures are required. In the event of a dispute with the management company, it shall inform the AMF.

Article 7 – Auditor

Subject to approval by the AMF, the fund management company's board of directors appoints an auditor for six financial years.

The auditor carries out the controls and preparatory work provided for by law. Upon each audit, it certifies the true and fair nature of the accounts and of the accounting material contained in the management report.

The auditor may have its mandate renewed.

The auditor must promptly notify the AMF of any information or decision relating to the undertaking for collective investment in financial instruments of which it became aware in the course of its duties, and which could:

- 1) Constitute a breach of the laws or regulations governing this undertaking, and which may significantly affect its financial position, results or assets and liabilities;
- 2) Adversely affect the operations or its ability to continue as a going concern;
- 3) Give rise to qualifications or a refusal to certify accounts.

The auditor shall supervise the valuation of assets and the calculation of exchange ratios for conversions, mergers or spin-offs.

The auditor shall assess all contributions in kind as part of its responsibilities.

It shall check the asset allocation and other items prior to publication.

The auditor's fees are agreed jointly with the board of directors or management board of the management company on the basis of an audit plan detailing the work deemed necessary.

The auditor shall certify the financial statements used to calculate interim dividends.

Article 8 – The accounts and management report

At the end of each financial year, the fund management company prepares the summary accounting documents and a report on the management of the fund during that financial year.

The inventory is certified by the depository and all of the above documents are audited by the auditor.

The fund management company keeps these documents available to unitholders in the four months following the end of the financial year and informs them of the amount of revenues to which they are entitled. The documents are either sent by mail at the express demand of unitholders or made available at the fund management company's premises.

HEADING 3 – DISTRIBUTION PROCEDURES

Article 9 - Procedures for allocating distributions

Net income for the financial year is equal to the amount of interests, arrears, dividends, premiums and bonuses, directors' fees and all proceeds relating to securities in the fund's portfolio, plus the proceeds of sums temporarily available and less management fees and borrowing costs.

The sums distributable are equal to

- The net income for the financial year, plus retained earnings and plus or minus the balance of revenue accrual accounts related to said financial year.
- The realized gains excluding fees minus realized capital losses excluding fees, observed throughout the fiscal year, plus same nature net gains observed throughout past fiscal years which were not subject to an accumulation and minus and plus the balance of gains accrual accounts

The asset management company decides for distributable sums allocation (incomes and realized net gains). Distributable sums are fully capitalized excluding those which are subject to a compulsory distribution in compliance with the law.

HEADING 4 – MERGER –DE-MERGER – DISSOLUTION - LIQUIDATION

Article 10 – Merger - Demerger

The fund management company may either transfer all or some of the assets included in the fund to another fund, or divide the fund into two or more mutual funds.

These merger or de-merger transactions may take place no earlier than one month after the unitholders have been notified. They occasion the delivery of a new certification specifying the number of units held by each unitholder.

Article 11 – Dissolution - Extension

If the fund's assets remain below the amount set out in Article 2 above for a period of 30 days, the fund management company informs the AMF and proceeds with the dissolution of the fund, except in the event of a merger with another mutual fund.

The fund management company may dissolve the fund early. In this case, it informs the unitholders of its decision, and subscription and redemption requests are no longer accepted as of this date.

The fund management company also dissolves the fund in the event of a redemption request concerning all the units, the cessation by the depository of its functions – providing that no other depository has been appointed – or the expiry of the fund's duration, providing said duration has not been extended.

The fund management company informs the AMF by mail of the date and method of dissolution. It then sends the auditor's report to the AMF.

The fund management company may decide to extend the duration of the fund in agreement with the depository. This decision must be taken at least three months before the expiry of the fund's planned duration and communicated to unitholders and the AMF.

Article 12 - Liquidation

In the event of dissolution, the depository or the fund management company is responsible for undertaking liquidation operations. Failing this, the liquidator shall be appointed by the court at the request of any interested party. To this effect, they are invested with the broadest powers for the purposes of realising assets, paying any creditors and allocating the available balance between unitholders in the form of cash or securities.

The auditor and the depository continue to exercise their functions until liquidation operations have been completed.

HEADING 5 - DISPUTES

Article 13 - Jurisdiction - Choice of Domicile

All disputes relating to the fund and arising during the duration of the fund's operations or during its liquidation, whether between unitholders or between unitholders and the management company or the depository, are subject to the jurisdiction of the competent courts.