

LBPAM ISR CONVERTIBLES EUROPE

(Fund with classes of units: E unit, GP unit, I unit, unit I2 and M unit)

I - General features

- **Name:** LBPAM ISR CONVERTIBLES EUROPE

- **Legal form and member state in which the UCITS was established:**
French UCITS (*Fonds Commun de Placement* – FCP) established in France.

- **Inception date and expected term:**

The Fund, which was approved by the French stock market regulator (*Autorité des marchés financiers* – AMF) on 09 November 2004, was created on 06 December 2004 for a term of 99 years.

- **Investment overview:**

Unit categories	Characteristics										
	ISIN code	Allocation of distributable income	Currency of issue	Target investors	Recommended minimum investment period	Minimum initial subscription amount	Minimum subsequent subscription amount	Initial net asset value			
GP unit**	FR0013262490	Accumulation and/or distribution (and/or carry forward); possibility of interim distribution	Euro	Subscription for this unit is reserved for investors subscribing via distributors or intermediaries subject to national legislation prohibiting any retrocession to distributors or providing a service of: -Advice under European MIF2 regulations -Individual Portfolio Management -And when they are exclusively paid by their clients	More than 4 years	None	None	€100			
M unit**	FR0010130807			All subscribers, especially the UCITS and mandates managed by LA BANQUE POSTALE ASSET MANAGEMENT or a related company							
E unit**	FR0010617357			All investors, especially individuals and legal entities					€10,000		
I unit	FR0010470609			All investors, especially legal entities					€50,000*	€10,000*	€10,000
I2 unit**	FR0013448818			All investors, especially legal entities					€1,000,000*	None	

* There is no minimum subscription amount for the LA BANQUE POSTALE ASSET MANAGEMENT management company.

**Units systematically hedged against direct exchange rate risk.

- **Address where the latest annual and interim reports can be obtained:**

The latest annual and periodic reports, as well as the composition of the assets, will be sent within 8 business days of receipt of the request, to unitholders sending a request to LA BANQUE POSTALE ASSET MANAGEMENT, 34 RUE DE LA FÉDÉRATION, 75737 PARIS CEDEX 15, France.

These documents are also available on the website www.labanquepostale-am.fr.

If you require further information, please consult your financial adviser.

- **Other documents available:**

The following documents can be downloaded from the following website: www.labanquepostale-am.fr or will be sent free of charge on request by the unitholder to LA BANQUE POSTALE ASSET MANAGEMENT (34 RUE DE LA FÉDÉRATION, 75737 PARIS CEDEX 15):

- the "Voting Policy",
- the report on the terms and conditions of exercise of voting rights,
- the policy for disclosure of statements of assets and liabilities, whereby any unitholder can request a statement of assets and liabilities in accordance with the terms indicated in the policy.

For more information on how requests are processed, please visit the "Contact" page at www.labanquepostale-am.fr.

II - Service Providers and Agents

- **Management company:**

LA BANQUE POSTALE ASSET MANAGEMENT

a limited company (*société anonyme*) with a Management Board and a Supervisory Board

a portfolio management company approved by the COB (now called the AMF) on 27 December 1995 under no. GP 95-15

34 RUE DE LA FEDERATION, 75737 PARIS CEDEX 15, FRANCE

- **Depositary, custodian, and institution delegated by the management company to centralise subscription and redemption orders and keep the registers of units:**

CACEIS BANK

a limited company (*société anonyme*) with a Board of Directors

approved by the CECEI (*Comité des Etablissements de Crédit et des Entreprises d'Investissement* – French credit institutions and investment firms supervisory body) as a bank and investment services provider on 1 April 2005

1-3 PLACE VALHUBERT, 75206 PARIS CEDEX 13, FRANCE

CACEIS Bank is responsible for the custody of the UCITS' assets, for ensuring that the decisions taken by the management company are lawful, and for managing the UCITS' liabilities (centralising unit subscription and redemption orders and associated issuer account keeping).

The depositary's functions include, as defined by the applicable Regulations, keeping custody of assets, ensuring the legality of decisions made by the management company, and monitoring the cash flow of the UCITS. The depositary is independent of the management company. The description of the delegated asset custody functions, the list of delegates and sub-delegates of CACEIS Bank, and the information relating to possible conflicts of interest that may result from these delegations are available on the CACEIS website: www.caceis.com. Updated information will be made available to investors on request from CACEIS Bank.

- **Statutory auditor:**

MAZARS

IMMEUBLE LE VINCI

4, ALLEE DE L'ARCHE, 92075 LA DEFENSE CEDEX, FRANCE

Signed by: Gilles Dunand-Roux

- **Promoter:**

E, I, I2, GP and M units

LA BANQUE POSTALE ASSET MANAGEMENT

a limited company (*société anonyme*) with a Management Board and a Supervisory Board

34 RUE DE LA FEDERATION, 75737 PARIS CEDEX 15, FRANCE

E and I units

LA BANQUE POSTALE

a limited company (*société anonyme*) with a Management Board and a Supervisory Board
115 RUE DE SEVRES, 75275 PARIS CEDEX 06, FRANCE

The Fund's Management Company draws the investors' attention to the fact that some promoters may not be mandated by or known to the Management Company insofar as units of the Fund are admitted to Euroclear.

- **Appointed representatives:**

Accounting delegated to:

CACEIS FUND ADMINISTRATION

limited company (*société anonyme*)
1-3 place Valhubert, 75206 Paris Cedex 13, France

- **Advisers:** N/A.

III - Operational and management procedures

III-1 General characteristics

- **Characteristics of units:**

- Rights attributed to the category of units or equities: each unitholder has a co-ownership right in the Fund's assets, proportional to the number of units held.
- Liabilities accounting: liabilities accounting is provided by CACEIS Bank. Units are admitted for trading by Euroclear France.
- Voting rights: no voting rights are attached to the units since all decisions are taken by the management company.
- Form of units: units are issued in bearer or administered registered form. They are not issued in direct registered form.
- Fractional units: Subscriptions and redemptions may be for an amount or for a number of units split into hundreds of thousandths.
- Equal treatment:

LA BANQUE POSTALE ASSET MANAGEMENT (LBPAM) has put in place a system to ensure respect for the principle of equal treatment of unitholders.

As a matter of principle, no preferential treatment is granted except in the following cases:

- preferential financial treatment granted, where appropriate, to certain unit categories subject to tiered management fees according to objective criteria such as a minimum subscription, or sales network, or certain investments made under a portfolio management mandate: the details of these treatments appear in the "fees and commissions" section of the prospectus
- preferential treatment granted in terms of access to inventories: all unitholders can access the inventories of their collective investment vehicles, in accordance with the policy of disclosing available inventories on the LBPAM website. However, for certain unitholders subject to the supervision of the ACPR/AMF or an equivalent authority of another State, this access is possible by means of automated sending of inventories of the invested collective investment vehicles, prepared transparently or not;
- preferential financial treatment granted in the form of a retrocession of management fees (*i.e.* negotiated discount), where appropriate, to certain investors.

These preferential financial treatments are granted for reasons reflecting a retrocession of management fees such as a significant subscription commitment or a long-term investment commitment.

In conducting its activities of collective management and individual management under mandate, LBPAM may grant negotiated discounts to clients with whom it has a legal or economic relationship.

In particular, preferential treatments may be granted to collective investments managed by LBPAM, in their capacity as investor, due to the dual collection of management fees charged by LBPAM in its capacity as manager of the target fund and the lead fund. The share of fees thus retroceded to internal lead funds may differ from that granted to external investor funds.

Note that retrocessions of management fees granted to promoters or to companies investing in the name of and on behalf of portfolios that they manage are not considered preferential treatments.

- **Financial year-end:** Last day on which the net asset value is calculated in December.

- **Tax treatment:**

The Fund is not liable for corporation tax. However, investors may be liable for tax on any dividends or capital gains or losses relating to units held in the Fund. The tax treatment applicable to the amounts paid out by the UCITS and to the unrealised or realised capital gains or losses recorded by the UCITS depends on the tax treatment applicable to the investor's particular situation and/or to the UCITS' investment jurisdiction.

If in doubt about their tax position, investors should consult their tax adviser.

FATCA status of the UCITS enabling it, where applicable, to benefit from more favourable tax treatment: the UCITS qualifies as a "deemed-compliant financial institution listed in II-B of Annex 2 of the IGA" (non-reporting French FI/deemed compliant/certain collective investment vehicles).

III-2 Specific provisions

- **ISIN codes:**

E unit: FR0010617357

I unit: FR0010470609

I2 unit: FR0013448818

M unit: FR0010130807

GP unit: FR0013262490

- **Investment objective:**

The Fund has a dual management objective:

- to outperform, over the recommended investment period greater than 4 years, the European convertible bond benchmark, through investments in European convertible bonds.

This objective will be achieved with an actively-managed portfolio, invested primarily in Investment Grade securities (rated at least BBB- / Baa3 or of a rating deemed equivalent by the management company in accordance with the Basel method)

- to implement a socially responsible investment (SRI) strategy.

- **Benchmark:**

The portfolio composition will not seek to replicate this composition of the benchmark.

Nevertheless, for information purposes only:

- the performance of the I unit can be compared to the Exane Convertible Index (ECI) Europe index, which is unhedged against euro exchange rate risk.
- The performance of the Fund's E, I2, M and GP units can be compared ex-post with that of the Exane Convertible Index (ECI) Europe EUR-H index, which is hedged against euro exchange rate risk.

The Exane Convertible Index (ECI) Europe is representative of the European convertible bond market. It is weighted by capitalisation and calculated with coupons reinvested. It is prepared daily at the closing price by © Exane and is available at the following address: <http://www.topeci25.com>.

The Exane Convertible Index (ECI) Europe EUR-H is an offshoot of the Exane Convertible Index (ECI) Europe, hedged against euro exchange rate risk. It is prepared daily at the closing price by © Exane and is available at the following address: <http://www.topeci25.com>.

- **Investment strategy**

Strategies used

To achieve this dual management objective, two steps are involved in portfolio building: the first is to analyse a universe of securities based on socially responsible investment (SRI) criteria; the second aims to select securities based on their financial (in particular convertible bonds, see below the list of eligible assets) and extra-financial characteristics.

1. The SRI analysis of the Fund covers 90% of net assets, calculated on the securities eligible for the SRI analysis: debt securities issued by quasi-public and private issuers.

Although government securities are subject to an ESG assessment, the results of the assessment are not taken into account in any measurable way in the SRI strategy described below. These government securities may represent a maximum of 50% of the Fund's net assets.

The initial investment universe is defined as securities belonging to the European convertible bond and European equity universe.

The initial investment universe excludes so-called "prohibited" securities, identified by the Exclusion Committee, which draws up the management company's list of exclusions after analysing controversies or allegations, defined in particular as severe, systematic and non-corrective breaches of rights or environmental damage. The list of exclusions also includes controversial sectors, such as tobacco and gambling. The eligible investment universe is therefore defined as the initial investment universe from which the prohibited securities are excluded.

The analysis of this eligible universe is based on a proprietary multi-source extra-financial rating tool developed in-house. The analysis of social, environmental and governance criteria is carried out using a methodology specific to the management company.

The extra-financial rating of issuers, which applies to all asset classes, is built on four pillars that provides a pragmatic, differentiating analysis:

- Responsible governance: this pillar aims in particular to assess the organisation and effectiveness of powers within each issuer (for example, for companies: assessing the balance of powers, executive remuneration, business ethics or tax practices).
- Sustainable management of resources: this pillar makes it possible, for example, to study for each issuer the environmental impacts and human capital (e.g. quality of working conditions, management of relations with suppliers).
- Economic and energy transition: this pillar makes it possible, for example, to assess for each issuer its strategy for promoting energy transition (e.g. greenhouse gas reduction approach, response to long-term issues).
- Territorial development: this pillar makes it possible, for example, to analyse each issuer's strategy in terms of access to basic services.

Several criteria have been identified for each pillar and monitored through indicators collected from extra-financial rating agencies.

Ultimately, the management company is the sole arbiter of the extra-financial quality of the issuer, which is expressed as a final rating of between 1 and 10 – with a SRI rating of 1 representing a high extra-financial quality and a SRI rating of 10 representing a low extra-financial quality.

2. Following the analysis of the investment universe described above, the management company selects securities on the basis of their financial and extra-financial characteristics.

- The choice of securities takes particular account of an analysis of the credit quality of the issuer, a fundamental analysis of the underlying share and its sector of activity, and an analysis of the volatility component of the security.
- The Management Company determines the weightings of the securities in the portfolio and checks that the investment strategy implemented is in line with the financial market development scenario established each month by the Investment Committee of LA BANQUE POSTALE ASSET MANAGEMENT.

For government securities

Investments in government securities are made based on internal analyses of the financial and extra-financial ESG quality of issuers. These analyses are based on analyses by macroeconomic strategists, financial analysts and SRI analysts.

For private and quasi-public issuers

Portfolio building therefore allows for an average SRI rating that is better than the average SRI rating of the initial investment universe after elimination of 20% of the worst securities (including the two following filters: Exclusion Committee and extra-financial rating). All the securities in the initial investment universe (excluding prohibited securities, approved by the Exclusion Committee) are therefore eligible for the Fund, provided that the average extra-financial rating of the Fund meets with the above condition. With this approach to the average score of the investment universe, the management company implements the portfolio's SRI strategy.

Financial techniques and instruments used

Assets (excluding embedded derivatives)

Equities

Up to 10% of the portfolio's net assets may be held directly. These equities mainly come from a conversion (early redemption or natural conversion) or an exchange. These equities are from the OECD area and are mainly European. They may be in all market capitalisation sizes and come from any economic sector. Exposure to equity risk shall be between 10% and 60 % of net assets. Exposure to small-caps remains incidental (less than 10% of net assets).

Debt securities and money market instruments

The interest rate sensitivity range is from [0; 6].

The Fund is mainly invested in debt securities with exposure to European equities (convertible bonds and bonds exchangeable for shares). The range of exposure to these securities shall be a minimum of 50% and a maximum of 110% of the net assets.

The Fund may also invest in debt securities and European money market instruments (fixed-rate, variable-rate, adjustable-rate, or index-linked securities). These securities are either government bonds or private-sector issues. Government securities represent a maximum of 50% of the Fund's net assets.

These securities may be denominated in any currency.

The management company performs an internal analysis of credit risk in order to select or dispose of a security.

The management company does not rely automatically or exclusively on the ratings provided by the rating agencies but incorporates its own analysis to improve its understanding of the assessment of the rating and thereby decide whether to acquire the security, hold it in its assets, or dispose of it.

The securities mainly selected have a minimum rating of BBB-/Baa3 (Investment Grade), in accordance with the Basel method (which stipulates that if the security is rated by the main existing agencies (Standard & Poor's, Moody's, Fitch), the agency rating selected is (i) the lowest of the two best ratings, if the security is rated by at least three agencies; or (ii) the lower of the two best ratings, if the security is rated by only two agencies; or (iii) the rating issued by the sole agency that has rated the security, if the security is rated by only one agency) or a rating deemed equivalent by the management company, subject to the issuer's eligibility with regard to the internal analysis of the security's risk/return profile (profitability, credit, liquidity, maturity).

In accordance with this method, the Fund may also invest up to 25% of the net assets in securities rated lower than BBB-/Baa3, or with a rating deemed equivalent by the management company, known as non-Investment Grade.

If an issuance is unrated, the rating of the issuer or the guarantor or the rating resulting from the assessment done through the management company's credit analysis shall be used instead, if necessary including the level of subordination of the issuance.

The Fund may invest in convertible bonds denominated in a currency other than the euro (direct exchange rate risk). The Fund may also invest in convertible bonds whose underlying share is itself subject to exchange rate risk (indirect exchange rate risk). The Fund hedges the direct exchange rate risk of E, M, I2 and GP units. However, as this direct currency risk hedging may not be perfect, a residual direct currency risk may remain and represent up to -5% (excessive hedging of the direct currency risk) / +5% (insufficient hedging of the direct currency risk) of the net assets with regard to these units.

The exchange risk, whether direct or indirect, is not intended to be systematically hedged for I unit and may reach 100% of the net assets for this unit

Units or shares of other UCITS, AIFs or investment funds under foreign law

The Fund may also invest in units or shares of French or European UCITS as well as units or shares of investment funds governed by French law, for up to 10% of the assets. These collective investment vehicles may specialise particularly in investment strategies that the Fund does not use as part of its investment strategy. This diversification shall remain limited in nature and is intended to create added value in a context of managed risk.

The Fund reserves the right to purchase units or shares in UCITS or investment funds managed by LA BANQUE POSTALE ASSET MANAGEMENT or an affiliated company.

In the case of non-internal UCIs, there may be disparities in the approach to SRI between those adopted by the management company of the Fund and those adopted by the management company managing the selected external UCIs. Furthermore, these UCIs will not necessarily take a SRI approach. In any event, the Fund's management company will favour the selection of UCIs with a SRI approach that is compatible with its own philosophy.

Financial derivatives

- Interest rate futures and options on regulated, organised, or over-the-counter markets and over-the-counter interest rate swaps for hedging or interest rate exposure: these instruments will be used in particular to hedge the interest rate risk on the portfolio or on one or more securities and increase exposure of the portfolio to interest rate risk.
- Futures and options on equities or equity indices on regulated, organised, or over-the-counter markets and over-the-counter swaps for hedging or exposure on equities or equity indices: these instruments will be used to hedge the equity risk (related to investments in debt securities with exposure to equities) on the portfolio or to expose it.
- Currency futures and options on regulated, organised, or over-the-counter markets and currency forwards for currency hedging or exposure: these instruments will be used to hedge the portfolio against or expose it to currency risk. The Fund hedges the direct exchange rate risk of E, M, I2 and GP units. As this direct currency risk hedging may not be perfect, a residual direct currency risk may nevertheless remain and represent up to -5% (excessive hedging of the direct currency risk) / +5% (insufficient hedging of the direct currency risk) of the net assets with regard to these units. The currency risk is not intended to be systematically hedged for the I unit and may reach 100% of the net assets with regard to this unit in the USD, pound sterling and Swiss franc.
- Index swaps (including volatility) for hedging or exposure to interest rates, equities, volatility and currencies: these instruments will be used to hedge the portfolio risk or to possibly to increase the portfolio's exposure.
- Credit derivatives: Single name or Index Credit Default Swaps or index: these instruments will be used for protection purposes (protective purchase) against the risk of a private issuer. Consequently, the underlying assets of acquired single-entity Credit Default Swaps will systematically include the credit risk of a private issuer in the portfolio.

The underlying indices for these instruments: Euro Stoxx 50 and its sectoral sub-indices and the S&P 500 are rebalanced quarterly without significant cost to the Fund's portfolio.

The implementation of these strategies depends on the context of the financial markets and the value of the assets in the portfolio and seeks to hedge the portfolio against or expose it to financial risks.

The maximum commitment limit for all of these markets is 100% of the Fund's net assets.

The sum of the market exposure resulting from the use of financial futures and financial instruments directly may not exceed 210% of the assets.

Securities with embedded derivatives

The Fund invests in securities incorporating derivatives (medium-term notes, subscription warrants, warrants, callable bonds and puttable bonds, convertible bonds and bonds exchangeable into shares) on interest rates, equities, credit or currencies. The Fund can invest up to 110 % of its net assets in unrated securities of this type.

Cash deposits

The Fund reserves the right to place up to 10 % of its net assets on deposit, mainly for cash management purposes.

Cash borrowing

The Fund may temporarily borrow from its depositary up to 10% of its net assets in cash in order to honour transactions relating to its cash flows (such as current investments and divestments, subscriptions and redemptions, etc.).

Temporary purchases and sales of securities

Nature of the transactions used

For the purpose of efficient portfolio management, the Fund may carry out temporary purchases and sales of securities (repurchase and reverse repurchase agreements in exchange for cash, lending and borrowing of securities).

Type of operations, all trades to be carried out for the sole purpose of achieving the investment objective:

These transactions are intended to achieve the investment objective and in particular to enable the UCITS to seize market opportunities so as to improve the portfolio's performance and optimise the UCITS' cash management and income.

Types of assets that may be the subject of these transactions

Assets that may be the subject of these transactions are securities eligible for the investment strategy (equities, debt securities and bond and money market instruments as described under "Assets (excluding embedded derivatives)").

Level of utilisation foreseen and authorised

The Fund may carry out temporary sales within the limit of 100% of the assets, and temporary purchases within the limit of 100% of the assets.

The level of utilisation envisaged for temporary sale transactions and temporary purchase transactions will be less than 30% of net assets for each of them.

Criteria determining the choice of counterparties

A procedure for selecting the counterparties with which these transactions are conducted has been put in place to avoid conflict-of-interest risk when using these types of transactions.

Further information on the counterparty selection procedure is given in the "Charges and fees" section.

Counterparties used in connection with temporary purchases and sales of securities are financial institutions with their registered office located in the OECD and a minimum rating of BBB – at the time of execution of the transaction.

Compensation

Further information is given in the "Charges and fees" section.

Contracts constituting financial guarantees

To achieve its investment objective, the Fund may receive and provide financial guarantees, in securities or in cash, and reinvest the cash received as collateral only in units or shares of short-term money market collective investment vehicles, in high-quality government bonds, in borrowed securities eligible for the investment strategy, or in deposits with credit institutions.

The financial guarantees received comply with the following regulations:

- Issuer credit quality: the financial guarantees received in the form of securities are either sovereign bonds issued within the OECD, supranational bonds, or covered bonds (with no maturity limit);
- Liquidity: the financial guarantees received in a form other than cash must be liquid and traded at transparent prices;
- Correlation: the guarantees are issued by an entity that is independent of the counterparty;
- Diversification: the counterparty risk in over-the-counter transactions may not exceed 10% of net assets; exposure to an issuer of a given guarantee may not exceed 20% of net assets;
- Custody: all financial guarantees received are held with the depositary of the Fund, by one of its agents or a third party under its control, or by any third-party depositary subject to prudential supervision.

In conformance with its internal policy on managing financial guarantees, the management company determines:

- The level of financial guarantee required; and
- The level of discount applicable to assets received as financial guarantees, depending in particular on their type, the credit quality of the issuers, their maturity, their benchmark currency and their liquidity and volatility.

In accordance with the valuation rules set out in this prospectus, the Management Company will carry out a daily valuation of the guarantees received on a mark-to-market basis. Margin calls will be made pursuant to the terms of the financial guarantee contracts.

- **Risk profile**

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

The main risks associated with the investments and techniques used by the Fund and to which investors may be exposed are:

- Equity risk (decrease in the net asset value of the Fund in the event of a downturn in the equity markets and in particular the underlying assets of convertibles or shares resulting from conversion), if the Fund invests in convertible bonds or equity derivatives. Exposure to equity risk shall be between 10 % and 60 % of net assets.
- Interest rate risk (decline in the Fund's net asset value if interest rates rise), should the Fund invest in debt securities. The sensitivity range is [0; 6]. Exposure to debt securities is limited to 110 % of the net assets.
- Credit risk: the risk related to changes in yields or relative defaults on private issues and changes in the price of credit derivatives. Consequently, in the event of the default or downgrading of an issuer, for example if the financial ratings agencies downgrade its credit rating, the value of the bonds in which the Fund is invested will fall. This fall in value may result in a fall in the net asset value.

The Fund reserves the option of holding securities with a low rating or with no rating at all. The use of 'high yield' / speculative securities (securities presenting a higher risk of default and higher volatility) may therefore result in a significant fall in the net asset value.

- Volatility risk: option-type or structured derivatives that are sensitive to the volatility of their underlyings. Volatility or variance swaps are also particularly exposed to volatility changes. These products may therefore reduce the Fund's net asset value.
- Currency risk: the risk of a fall in the currencies of quotation of the financial instruments in which the Fund is invested against the portfolio's benchmark currency, the euro. As the Fund may invest in convertible bonds denominated in a currency other than the euro or whose underlying share is itself subject to exchange rate risk, this exposure may be reduced by using certain financial instruments used in accordance with the investment strategy.

For I unit, the exchange rate risk is not intended to be systematically hedged and is unlimited, exposure to exchange rate risk may reach 100 % of the net assets in USD, pound sterling and Swiss francs for E, M, I2 and GP units. Currency risk is limited to 5 % of net assets through the implementation of currency derivatives.

Indirect exchange rate risk is not hedged.

- Risk linked to commitments on forward financial instruments: the strategies implemented through forward financial instruments originate from the management team's expectations. If market conditions are not consistent with the strategies implemented, the Fund's net asset value could fall.
- Discretionary management risk: management is based on stock picking as well as on the anticipation of the evolution of the various markets. There is therefore a risk that the Fund may not be invested at all times in the best-performing securities and that it may not be exposed to the best-performing markets at all times.

The Fund offers no capital or performance guarantees.

The secondary risks associated with the investments and techniques used are as follows:

- Risk related to investments in small-cap equities: investors should be aware that small-cap equities, because of their specific characteristics, may present volatility risks leading to a greater and faster decline in the Fund's net asset value.
- Risk linked to the use of over-the-counter products (derivatives) and temporary purchases and sales of securities: the Fund is exposed to the risk of non-payment by the counterparty with which the transaction is negotiated. This risk may result in a fall in the UCITS' net asset value.

In addition to the counterparty risk presented above, the risks associated with temporary purchases and sales of securities may include liquidity and legal (this is the risk of inadequate drafting of contracts with counterparties) and operational risks (settlement/delivery risk).

- Liquidity risk: a risk that may arise in connection with large-scale redemptions of the Fund's units, corresponds to the inability to unwind positions on the best financial terms.

- **Target subscribers and typical investor profile**

All subscribers.

The E units are especially intended for individuals and legal entities.

The I and I2 units are especially intended for legal entities.

The GP units are reserved for investors subscribing via distributors or intermediaries subject to national laws prohibiting any retrocession to distributors or providing:

- An independent advisory service within the meaning of the European MiFID 2 regulation,
- An individual discretionary portfolio management service,
- And when they are exclusively paid by their clients.

M units are especially intended for UCITS and mandates managed by LA BANQUE POSTALE ASSET MANAGEMENT or a related company.

The recommended minimum investment period is more than 4 years.

The Fund is intended for investors who, over a minimum investment horizon of 4 years, wish to benefit from a performance linked to the development of the European equities and bond markets.

A reasonable amount to invest in this Fund depends on the personal situation of each investor, and in particular on his or her specific objectives and the composition of his or her financial portfolio.

U.S. Persons

The units have not been and will not be registered under the U.S. Securities Act of 1933 (hereinafter the "Act of 1933") or under any applicable law of any of the States of the USA, and the units may not be directly or indirectly transferred, offered, or sold in the USA (including its territories or possessions), to or for the benefit of a U.S. Person as defined in Regulation S of the Act of 1933 adopted by the Securities and Exchange Commission (SEC), unless (i) the units have been registered or (ii) an exemption applies (with the prior consent of the Fund's management company).

The Fund is not and will not be registered under the U.S. Investment Company Act of 1940. Any resale or transfer of units in the USA or to a U.S. Person may be in breach of U.S. law and requires the prior written consent of the Fund's management company. Those wishing to acquire or subscribe to units will have to certify in writing that they are not U.S. Persons.

The UCITS' management company has the power to impose restrictions (i) on the ownership of units by a U.S. Person and thus require the redemption of units held in accordance with the procedures described in the UCITS' regulations, or (ii) on the transfer of units to a U.S. Person. This power also extends to any person (a) who directly or indirectly breaches the laws and regulations of any country or government authority, or (b) who might, in the opinion of the Fund's management company, cause harm to the Fund that it would not otherwise have suffered or sustained.

The offering of units has not been authorised or rejected by the SEC, the specialist commission of a U.S. state or any other U.S. regulatory authority. These authorities have also not made a decision on or recognised the merits of this offering, or the accuracy or suitability of documents relating to this offering. Any such statement is against the law.

Unitholders must immediately inform the Fund if they become a U.S. Person. Unitholders who become a U.S. Person will no longer be authorised to acquire new units and may at any time be required to transfer their units to a non-U.S. Person. The UCITS' management company reserves the right to require the redemption, in accordance with the procedures described in the Fund's regulations, of any unit directly or indirectly held by a U.S. Person, or if it is illegal or against the interests of the UCITS for any person to hold units.

An Ineligible Person is a U.S. Person as defined in SEC Regulation S (Part 230 - 17 CFR 230.902). This definition of "U.S. Person" can be found at: <http://www.sec.gov/about/laws/secrulesregs.htm>

The unofficial French translation is available at www.labanquepostale-am.fr.

"Being a beneficial owner" generally means having a direct or indirect economic or financial interest in a financial instrument, including among members of the same family sharing the same household. Rule 16a-1(a)(2) of the U.S. Securities Exchange Act of 1934, which includes an exhaustive legal definition of the concept of "beneficial owner", is available at: <http://www.sec.gov/about/laws/secrulesregs.htm> (Part 240 - 17 CFR 240.16a-1)

- **Methods for determining and allocating distributable income**

Net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses, and directors' fees, as well as all income relating to securities that constitute the Fund's portfolio, plus income from temporary cash holdings, less management charges and borrowing costs.

Distributable income consists of:

1. Net income plus retained earnings, plus or minus the balance of the income accrual accounts (hereinafter "allocation 1");
2. Realised gains, net of fees, less realised capital losses, net of fees, recorded during the financial year, plus the same type of net gains recorded in previous financial years which were not subject to distribution or accumulation, plus or minus the balance of the equalisation account for the gains (hereinafter referred to as "allocation 2").

The amounts referred to in 1. and 2. may be distributed and/or carried forward and/or accumulated, in whole or in part, independently of each other.

The distributable income, if any, is paid out no later than five months after the end of the financial year. The management company shall decide how to distribute earnings.

The E, GP, I, I2 and M units are accumulation and/or distribution and/or carry-forward units for both allocation 1 and allocation 2.

- **Distribution frequency**

Each year, the management company decides on the allocation of income and the possibility of distributing interim dividends.

- **Characteristics of units or shares**

The Fund has five classes of units: E unit, GP unit, I unit, I2 unit and M unit.

The units are denominated in euros and may be split into hundreds of thousandths of a unit.

- **Subscription and redemption**

Subscription procedures and conditions:

Orders are executed in accordance with the table below:

D	D	D: net asset value calculation date	D+1 business day	D+2 business days	D+2 business days
Centralisation of subscription orders before 12.15pm (La Banque Postale) / 1pm (CACEIS Bank)	Centralisation of redemption orders before 12.15pm (La Banque Postale) / 1pm (CACEIS Bank)	Order executed on D at the latest	Net asset value published	Settlement of subscriptions (CACEIS Bank)	Settlement of redemptions (CACEIS Bank)

Unitholders should be aware that orders transmitted to marketing agents other than the institutions mentioned above must take account of the fact that the order centralisation deadline applies to said marketing agents with regard to CACEIS Bank.

Accordingly, these marketing agents may apply their own deadline, prior to the deadline mentioned above, in order to take account of their time for transmission of orders to CACEIS Bank.

other distribution networks will themselves inform unitholders of the cut-off time they use in order to comply with the centralising deadline.

Subscriptions and redemptions may be for an amount or for a number of units split into hundreds of thousandths.

- Minimum subscription amount:

E unit:

Minimum initial subscription: EUR 10,000.

Minimum subsequent subscriptions: N/a

I unit:

Minimum initial subscription: EUR 50,000.

Minimum subsequent subscriptions: EUR 10,000.

I2 unit:

Minimum initial subscription: EUR 1,000,000.

Minimum subsequent subscriptions: N/a

There is no minimum subscription amount for the GP unit for the management company.

M unit and GP unit: N/a.

- Address of the entity appointed to receive subscription and redemption orders:

CACEIS Bank, 1-3 Place Valhubert, 75206 Paris Cedex 13 – France.

- Calculation of the net asset value:

The net asset value is determined and published daily, except for public holidays as defined in the French Labour Code and the days the Paris stock market is closed.

The net asset value is available from the management company.

• **Charges and fees**

- Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. Fees paid to the Fund are used to offset the costs incurred by the Fund in investing or divesting the investors' monies. The remaining fees are paid to the management company and to the promoter.

Charges payable by the investor, deducted at the time of subscriptions and redemptions	Base	Rate Scale			
		E unit	I unit / I2 unit	M unit	GP unit
Subscription fee not payable to the Fund	Net asset value x number of units	<ul style="list-style-type: none"> Subscriptions through LA BANQUE POSTALE'S distribution network: <ul style="list-style-type: none"> maximum 2 % for subscriptions of less than EUR 50,000, maximum 1.50 % for subscriptions greater than or equal to EUR 50,000 or more but less than EUR 100,000, maximum 1% for subscriptions greater than or equal to EUR 100,000. Subscriptions through other sales networks: 2 % maximum. 	<ul style="list-style-type: none"> Subscriptions through LA BANQUE POSTALE'S distribution network: <ul style="list-style-type: none"> maximum 1.50 % for subscriptions of less than EUR 75,000, maximum 1 % for subscriptions greater than or equal to EUR 75,000 or more but less than EUR 150,000, maximum 0.80 % for subscriptions greater than or equal to EUR 150,000. Subscriptions through other sales networks: 2 % maximum. 	<ul style="list-style-type: none"> 6 % maximum, Nil for subscriptions originating from UCITS managed by La Banque Postale Asset Management or a related company. 	<ul style="list-style-type: none"> 6% maximum
		<ul style="list-style-type: none"> Nil for reinvestment of dividends within three months of the date of payment. Nil for subscriptions by a unitholder subsequent to a redemption involving the same number of units and at the same net asset value. 			
Subscription fee payable to the UCITS	Net asset value x number of units	<ul style="list-style-type: none"> None. 			
Redemption fee not payable to the Fund	Net asset value x number of units	<ul style="list-style-type: none"> None. 			
Redemption fee payable to the Fund	Net asset value x number of units	<ul style="list-style-type: none"> None. 			

- Management fees

	Charges invoiced to the Fund	Base	Rate Scale			
			E unit	I unit / I2 unit	M unit	GP unit
1	Financial management fees and administrative fees external to the management company	Net assets	Maximum 1.196 % including all taxes	Maximum 0.70% including all taxes	Maximum 0.35 % including all taxes	Maximum 1.40% including all taxes
2	Maximum indirect fees (management charges and fees)	Net assets	None.			
3	Transaction fees Management company	Transaction/Operation	<ul style="list-style-type: none"> financial instrument: fee proportional to the notional amount ranging from 0% to 0.10% depending on the security, financial contract traded on a regulated market or listed: flat rate ranging from EUR 0 to EUR 2.50 per contract, financial contract traded on an over-the-counter market: fee proportional to the notional amount ranging from 0% to 0.02%. 			
4	Performance fee	Net assets	None.			

Only the fees mentioned below may be outside the scope of the 4 blocks of fees indicated above:

- contributions due for the management of this Fund pursuant to Article L. 621-5-3(II)(3°)(d) of the French monetary and financial code;
- exceptional and non-recurring taxes, fees, and government duties (in relation to the Fund);
- exceptional and non-recurring costs for debt recovery (e.g. Lehman) or a procedure to assert a right (e.g. class action procedure).

Information about these fees is also described retrospectively in the Fund's annual report.

The management company has put a research account in place. These research costs invoiced to the Fund will therefore be added to the fees mentioned above and will not exceed 0.05% of net assets.

Temporary purchases and sales of securities:

Income from temporary purchases and sales of securities, net of direct and indirect operating costs, is returned to the UCITS

Direct and indirect operating costs are paid to the Management Company. The share of these costs may not exceed 50% of the generated revenues.

For further information, please refer to the UCITS' annual report.

Financial intermediary selection procedure:

Intermediaries must be mentioned on the list that is drawn up by the intermediary committee and reviewed at least every six months. Other than cost, intermediaries are selected mainly on the basis of their quality of execution, commercial service, and research.

For further information, please refer to the UCITS' annual report.

IV - Commercial information

E, I2 and I units are marketed by LA BANQUE POSTALE.

E, I, I2, GP and M units are marketed by LA BANQUE POSTALE ASSET MANAGEMENT.

Subscription and redemption orders received by LA BANQUE POSTALE before 12:15 p.m. and by CACEIS Bank before 1:00 p.m. will be executed based on the next published net asset value.

Subscriptions and redemptions may be for an amount or for a number of units split into hundreds of thousandths.

The minimum initial subscription for the E unit is EUR 10,000.

The minimum initial subscription amount of the I unit is EUR 50,000. Minimum subsequent subscriptions will be EUR 10,000. The management company is not subject to a minimum subscription amount.

The minimum initial subscription for the I unit is EUR 1,000,000. The management company is not subject to a minimum subscription amount.

There is no minimum subscription amount for the M unit or the GP unit.

Any requests for information about and/or claims regarding the Fund should be sent to:

- the promoter, or
- the Management Company for management-related questions: LA BANQUE POSTALE ASSET MANAGEMENT, 34 RUE DE LA FÉDÉRATION, 75737 PARIS CEDEX 15, or on the "Contact" page of the following website: www.labanquepostale-am.fr.

In accordance with Article L533-22-1 of the French monetary and financial code, investors may find information on the environmental, social, and governance (ESG) criteria taken into account by the Fund in its investment strategy at <https://www.labanquepostale-am.fr/finance-responsable-et-documents-reglementaires/id/1143>, and in the Fund's annual report.

V - Investment rules

The fund complies with the investment rules applicable to UCITS (Article L214-2 *et seq.* of the French monetary and financial code).

VI - Global risk

The portfolio's global risk is assessed using the commitment calculation method.

VII- Asset valuation and accounting rules

The collective investment vehicle complies with the accounting rules set out in the regulations in force and particularly in the accounting plan for collective investment vehicles. The accounting currency is the euro.

The portfolio's assets, including financial guarantees, as described in the prospectus, are valued using the applicable rules below:

Valuation method

Financial instruments traded on a regulated market are valued using the stock market prices, the prices contributed by market specialists, the prices used to calculate recognised market indices or the prices published on the basis of representative databases that appear to be most representative of the stock.

- Financial instruments traded on a European regulated market are valued at closing prices on each stock market trading day.
- Financial instruments traded on an Asia-Pacific regulated market are valued at closing prices on each stock market trading day.
- Financial instruments traded on a regulated market in the Americas are valued at closing prices on each stock market trading day.

Financial instruments traded on a regulated market outside the European Monetary Union are valued on each stock market trading day at the price of their principal market converted into euro at the WM Reuters exchange rate announced at 4:00 p.m. London time.

Units or shares of listed collective investment vehicles are valued using the prices that appear to be the most representative among the stock market prices (closing price) or the net asset values (last known net asset value).

Units or shares of unlisted collective investment vehicles and of investment funds are valued at their last known net asset value or, failing that, at their last estimated value.

With the exception of Bills issued by eurozone states, whose prices are published on the basis of representative databases or contributed by market specialists, negotiable debt securities and equivalent securities are valued on an actuarial basis by applying the swap rate calculated by interpolating it with the corresponding maturity, plus or minus a margin estimated to reflect the inherent characteristics of the issuer of the security.

Temporary purchases and sales of securities are valued as follows:

- Lending and borrowing of securities: borrowed securities are valued at their market value. The receivable representing securities lent or the payable representing securities borrowed is valued at the market value of the securities.
- Securities delivered or received under a reverse repurchase agreement: securities received under a reverse repurchase agreement recorded in receivables are valued at the value set in the agreement. Securities delivered under a reverse repurchase agreement are valued at their market value. The debt represented by the securities delivered under a reverse repurchase agreement is valued at the value agreed in the agreement.

Transactions involving firm or conditional forward financial instruments are valued as follows:

- Transactions involving futures or options traded on organised markets in the European Monetary Union are valued each stock market trading day on the basis of the settlement price prevailing on the day of valuation.
- Transactions involving futures or options traded on foreign organised markets are valued on each stock market trading day on the basis of the price of their principal market, converted into euro at the WM Reuters exchange rate announced at 4.00pm London time.
- Liabilities corresponding to the transactions on firm forward markets have been recognised off-balance sheet at their market value; those corresponding to transactions on options markets have been converted to their underlying equivalent.

Currency or interest rate swaps are valued as follows:

- Interest rate and/or currency swaps are valued at their market value using the price calculated by discounting future cash flows (principal and interest) at market interest and/or currency rates.
- The combination of a security and its interest rate and/or currency swap contract may be valued overall at the market rate and/or the exchange rate resulting from the swap, in accordance with the contract terms and conditions. This method can only be used in the particular case of a swap associated with an identified security. This entity is therefore valued as a debt security.
- Credit default swaps (CDS) are valued using the ISDA Standard Upfront published by the International Swaps and Derivatives Association.
- Volatility swaps are valued taking into account the actual variance and the expected variance.

Forward exchange transactions are valued on the basis of a revaluation of foreign currencies at the current exchange rate, taking into account the discount/premium calculated according to the maturity of the contract

Term deposits are recorded and valued at their nominal amount. This amount is increased by the related accrued interest.

Other swap transactions and balance sheet products with complex embedded derivatives are valued using models that use standard analytic methods (Black-Scholes) or numerical methods (Monte Carlo) validated by the management company.

Financial instruments whose prices have not been recorded on the day of valuation, or whose prices have been adjusted, are valued at their probable market price under the responsibility of the management company.

Accounting method

Income is recognised using the interest-received method.

Additions to the portfolio are recognised at their purchase price, excluding costs, and withdrawals at their sale price, excluding costs.

Net asset value adjustment method related to swing pricing with trigger (swing) threshold:

To avoid penalising existing shareholders in the Fund, an adjustment factor will be applied to investors who subscribe or redeem significant amounts of the Fund's assets. This activity is likely to generate costs for entering and exiting shareholders in the Fund, which otherwise would be shared by existing shareholders in the Fund. Therefore, if on any net asset valuation (NAV) calculation day, total net subscription/redemption orders by investors across all Fund unit categories exceed a threshold that is pre-established by the management company and determined on the basis of objective criteria as a percentage of the Fund's net assets, the NAV may be adjusted higher or lower, to take into account the readjustment costs attributable to net subscription/redemption orders. The cost parameters and swing threshold are determined by the management company and reviewed at least quarterly. These costs are estimated by the management company based on buy-sell ranges.

As this adjustment is related to the net balance of subscriptions/redemptions of different shareholders, it is impossible to predict whether a swing factor will be applicable at any given point in the future. In all cases, such adjustments shall not exceed 2% of NAV. Investors should be aware that the volatility of the Fund's NAV may not be solely reflective of the volatility of securities held in the portfolio, because of the application of swing pricing.

VIII – Remuneration

The management company has a remuneration policy validated by LBPAM's Supervisory Board through its Appointments and Compensation Committee.

This policy sets out the principles governing changes in fixed and variable remuneration.

The Management Company's Compensation Committee is responsible for applying and monitoring this policy.

Details of the updated remuneration policy are available on the website <https://www.labanquepostale-am.fr> in the "Publications" section and free of charge from LA BANQUE POSTALE ASSET MANAGEMENT (34 RUE DE LA FÉDÉRATION, 75737 PARIS CEDEX 15).

LBPAM ISR CONVERTIBLES EUROPE

UCITS (*Fonds Commun de Placement – FCP*)

FUND MANAGEMENT REGULATIONS

TITLE I ASSETS AND UNITS

Article 1 – Co-ownership units

The co-owners' rights are expressed as units, each unit corresponding to an equal fraction of the Fund's assets. Each unitholder has a co-ownership right in the Fund's assets, proportional to the number of units held.

The duration of the Fund is 99 years from the date of its creation, except in cases of early dissolution, or the extension provided for in these regulations.

The characteristics of the various categories of units and their eligibility requirements are described in the Fund's prospectus.

The different categories of units may:

- be eligible for different income distribution methods (distribution or accumulation);
- be denominated in different currencies;
- be charged different management fees;
- be charged different subscription and redemption fees;
- have a different par value;
- be automatically hedged against currency risk, in part or in full, as defined in the prospectus. This hedging is achieved by using financial instruments that minimise the impact of the hedging transactions on the Fund's other unit categories;
- be reserved for one or more distribution channels.

The units may be divided, if so decided by the Management Board of the management company, into hundred-thousandths of units referred to as "fractional units".

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

Lastly, the Management Board of the management company may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

Article 2 – Minimum amount of assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; when assets remain below this amount for thirty days, the management company shall make the necessary arrangements to liquidate the Fund in question or to carry out one of the operations mentioned in Article 411-16 of the AMF (*Autorité des Marchés Financiers*) General Regulation (transfer of the mutual fund).

Article 3 - Issue and redemption of units

Units are issued at any time as and when requested by investors on the basis of their net asset value, plus a subscription fee, if applicable.

Redemptions and subscriptions shall be executed under the conditions and according to the procedures defined in the prospectus.

Units in mutual funds may be admitted to a stock exchange listing in accordance with the regulations in force.

Subscriptions must be paid in full on the net asset value calculation date. They may be made in cash and/or by a contribution in kind in the form of financial instruments. The management company is entitled to refuse any securities offered and, to this end, must announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities tendered are valued according to the rules laid down in Article 4, and the subscription is based on the first net asset value following acceptance of the securities concerned.

Redemptions may be made in cash.

Redemptions may also be made in kind. If the redemption in kind corresponds to a representative proportion of the portfolio assets, then only the written agreement, signed by the outgoing unitholder, must be obtained by the Fund or the management company. If the redemption in kind does not correspond to a representative share of the portfolio's assets, all unitholders must agree in writing to authorise the outgoing unitholder to obtain the redemption of his or her units against certain specific assets, such as those explicitly set forth in the agreement.

In general, the redeemed assets are valued according to the rules set forth in Article 4, and the redemption in kind is based on the first net asset value following acceptance of the securities concerned.

The redemptions are settled by the issuer account-keeper within a maximum of five days following the day on which the unit is valued.

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

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

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the management company may temporarily suspend the redemption and issue of new units in exceptional circumstances and if this is deemed necessary to protect the interests of the unitholders.

If the net assets of the Fund fall below the minimum threshold set by the regulations, no redemptions may be carried out.

The UCITS may cease issuing units pursuant to paragraph 3 of Article L. 214-8-7 of the French monetary and financial code, temporarily or permanently, partially or fully, in objective situations resulting in the closing of subscriptions such as a maximum number of units issued, a maximum amount of assets reached, or the expiry of a specified subscription period. Existing unitholders shall be informed of the activation of this option by any means, as well as of the threshold and of the objective situation that resulted in the decision on the full or partial closure. In the case of a partial closure, this notification by any means shall explicitly specify the procedures whereby existing unitholders may continue to subscribe during this partial closure. Unitholders shall also be informed by any means of a decision by the UCITS or management company either to end the full or partial closure of subscriptions (upon falling below the activation threshold) or not to end it (in the event of a change in the threshold or a modification to the objective situation that led to the use of this option). Any modification to the objective situation cited or to the option activation threshold must always be made in the interest of the unitholders. The notification made by any means shall specify the exact reasons for these modifications.

U.S. Persons

The Fund's management company may restrict or prevent ownership of its units by any person or entity who is prohibited from owning its units (hereinafter an "Ineligible Person").

An Ineligible Person is a U.S. Person as defined in SEC Regulation S (Part 230 — 17 CFR 230.902) and specified in the Prospectus.

To that end, the Fund's management company may:

- (i) refuse to issue any unit when it appears such issue would or could mean that said units are directly or indirectly held for an Ineligible Person;
- (ii) at any time, request that any information it deems necessary to determine whether or not the beneficial owner of the units in question is an Ineligible Person be provided to it by any person or entity whose name appears in the register of unitholders, along with a sworn statement;
- (iii) require, if it considers that a person or entity is (i) an Ineligible Person and (ii) solely or jointly the beneficial owner of the units, that all units held by such unitholder be redeemed after a period of 10 business days from the date on which the management company sends notification requiring the unitholder to redeem said units. Said units shall be redeemed at the last known net asset value, less the applicable charges, fees and commissions, if any, which shall be borne by the Ineligible Person after a period of 10 business days from the date on which the management company sends notification requiring the unit holder to redeem said units during which the beneficial owner of the units may submit comments to the competent body.

Article 4 – Net asset value calculation

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

TITLE II **OPERATION OF THE FUND**

Article 5 – Management company

The Fund is managed by the management company in accordance with the Fund's investment objectives.

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

Article 5a – Operating rules

The instruments and deposits in which the Fund's assets may be invested and the investment rules are described in the prospectus.

Article 5b – Admission for trading to a regulated market and/or multilateral trading facility

Units may be admitted for trading on a regulated market and/or multilateral trading facility in accordance with applicable regulations. If the investment objective of the Fund whose units are admitted for trading on a regulated market is based on an index, the Fund must have a system established to ensure that the price of its units does not vary significantly from its net asset value.

Article 6 – Depositary

The depositary performs the tasks entrusted to it by the legal and regulatory provisions in force as well as those entrusted to it contractually by the management company. It shall, in particular, ensure that the decisions taken by the management company are lawful. It shall, if applicable, take all protective measures it deems necessary.

In the event of a dispute with the management company, it shall inform the AMF.

Article 7 – Statutory auditor

A statutory auditor shall be appointed by the management company's management board for a term of six financial years, with the approval of the AMF. It shall, in particular, ensure that the decisions taken by the management company are lawful

It certifies the accuracy and consistency of the financial statements.

The statutory auditor's mandate may be renewed.

The statutory auditor is required to report promptly to the AMF any fact or decision concerning the UCITS of which it has become aware while carrying out its task which is liable to:

- 1) constitute a breach of the laws or regulations applicable to this undertaking and likely to have a material impact on its financial position, income or assets;
- 2) adversely affect the continuity of its operations or the conditions thereof;
- 3) cause it to refuse to certify the accounts or to express reservations.

The statutory auditor shall supervise the valuation of the assets and determination of exchange parities used in the event of a conversion, merger or split.

The statutory auditor shall determine the value of any contribution in kind under its responsibility.

The statutory auditor shall verify the accuracy of the composition of the assets and other information prior to publication.

The statutory auditor's fees shall be set by agreement between the statutory auditor and the management company's governance body on the basis of an agenda setting out all duties deemed necessary.

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

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

Article 8 – Financial statements and management report

At the end of each financial year, the management company prepares the financial statements and a report on the management of the Fund during the last financial year.

The management company prepares a statement of the Fund's assets, at least once every six months, under the supervision of the depositary. All of the above documents are reviewed by the statutory auditor.

The management company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents shall be sent by post if expressly requested by the unitholders or made available to them at the premises of the management company.

TITLE III

ALLOCATION OF DISTRIBUTABLE INCOME

Article 9 – Allocation of distributable income

Net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses, and directors' fees, as well as all income relating to securities that constitute the Fund's portfolio, plus income from temporary cash holdings, less management charges and borrowing costs.

The Fund's distributable income consists of:

1. Net income plus retained earnings, plus or minus the balance of the income accrual accounts (hereinafter "allocation 1");
2. Realised gains, net of fees, less realised capital losses, net of fees, recorded during the financial year, plus the same type of net gains recorded in previous financial years which were not subject to distribution or accumulation, plus or minus the balance of the equalisation account for the gains (hereinafter referred to as "allocation 2").

The amounts referred to in 1. and 2. may be distributed and/or accumulated and/or carried forward, in whole or in part, independently of each other.

The distributable income, if any, is paid out no later than five months after the end of the financial year.

The E, GP, I, I2 and M units are accumulation and/or distribution and/or carry-forward units for both allocation 1 and allocation 2.

Each year, the management board of the management company decides on the distribution of distributable income and the possibility of distributing interim dividends.

TITLE IV
MERGER – SPLIT – DISSOLUTION – LIQUIDATION

Article 10 – Merger – Split

The management company may either merge all or part of the assets of the Fund with another UCITS or split the Fund into two or more other mutual funds.

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

Article 11 – Dissolution – Extension

If the Fund's assets remain below the amount set in Article 2 above for thirty days, the management company shall inform the AMF and shall dissolve the Fund, except in the event of a merger with another mutual fund.

The management company may dissolve the UCITS before term; it shall inform unitholders of its decision, and subscription and redemption orders shall no longer be accepted after this date.

The management company shall also dissolve the Fund if a request is made for the redemption of all of the units, if the depositary's appointment is terminated and no other depositary has been appointed, or upon expiry of the Fund's term, unless such term is extended.

The management company shall inform the AMF by post of the dissolution date and the procedure adopted. It shall then send the AMF the statutory auditor's report.

The management company may decide to extend the life of a UCITS, subject to the agreement of the depositary. Such decision must be taken at least 3 months before the expiry of the UCITS' term and must be communicated to the unitholders and the AMF.

Article 12 - Liquidation

In the event of dissolution, the management company shall act as liquidator, failing which a liquidator shall be appointed by the courts at the request of any party concerned. For this purpose, they shall be granted the broadest powers to realise assets, pay off any creditors, and allocate the available balance to the unitholders in the form of cash or securities.

The statutory auditor and the depositary shall continue to carry out their functions until the liquidation has been completed.

TITLE V
DISPUTES

Article 13 – Jurisdiction – Address for service

Any disputes relating to the Fund that may arise during its term or during its liquidation, either among the unitholders or between the unitholders and the management company or the depositary, shall be submitted to the courts having jurisdiction.