

PROTECTED TARGET ALPHA FUND

PROSPECTUS



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FCP Prospectus

*UCITS covered by
European directive
2009/65/EC*

I. General characteristics of the FCP

➤ Name

Protected Target Alpha Fund (hereinafter the “FCP”)

➤ Legal form and member state in which the Fund was created

French *fonds commun de placement* (Common Fund or FCP)

➤ Creation date and intended lifetime

Creation date: 30/12/2011

Lifetime: 99 years

➤ Fund overview

ISIN code	Dividend policy	Base currency	Target subscribers	Minimum initial subscription	Initial net asset value
FR0011150010	Accumulation	EUR	For all investors, but intended mainly for Talanx AG and its subsidiaries.	1,000 units, except for the Management Company, the liquidity provider and BNPP Participations	EUR 1,000 at 30/12/2011

➤ Address at which the latest annual and semi-annual reports are available

The latest annual and semi-annual reports shall be sent to unitholders within eight business days upon written request to:

*BNP PARIBAS ASSET MANAGEMENT France
CIB Strategies Sales Support
TSA 90007, 92729 Nanterre CEDEX, France*

Additional information may be obtained if necessary by sending a request to:

*BNP PARIBAS ASSET MANAGEMENT France
CIB Strategies Sales Support
TSA 90007, 92729 Nanterre CEDEX, France*

II. Directory

➤ **Management Company**

Name: BNP PARIBAS ASSET MANAGEMENT France (the “Management Company”)
Legal structure: *Société par Actions Simplifiée* (Simplified Joint Stock Company)
Registered office: 1, boulevard Haussmann, 75009 PARIS
Business: Portfolio management company (UCITS) approved by the AMF on the 19 April 1996 under no. GP 96002
ADEME no.: FR200182_03KLJL

➤ **Depositary and custodian**

Name: BNP PARIBAS
Legal structure: *Société anonyme* (limited company)
Registered office: 16, boulevard des Italiens, 75009 Paris
Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin
Principal activity: Credit institution approved by France’s Prudential Control Authority (ACP)

The depositary’s duties include the assets custody, checking the compliance of the decisions of the Management Company and tracking the liquidity flows of the funds. Potential conflicts of interest may arise in the conduct of its assignment and if BNP Paris has commercial relationships with the Management Company (provision of the administration service of the FCP, including, e.g. the calculation of the net asset values).

The depositary delegates the custody of the assets that need to be kept abroad to local sub-custodians in the States in which it does not have local operations. The fee of such sub-custodians is paid out of the fee paid to the depositary and no additional fee is borne by the unitholders for this service. The process for selecting and supervising the sub-custodians follows the highest quality standards, including the management of potential conflicts of interest that could arise as part of said delegations. The list of the sub-custodians is available at the following address: <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

The updated information related to the above paragraph shall be sent to the investors at the investor’s written request to the Management Company.

Centralising agent for subscription or redemption orders (following delegation): BNP Paribas

Firm responsible for issue account keeping: BNP Paribas

➤ **Statutory auditor**

Name: PRICEWATERHOUSE COOPERS AUDIT
Registered office: 63 rue de Villiers, 92208, NEUILLY SUR SEINE
Authorised signatory: Mr Benjamin Moise

➤ **Accounting management delegatee**

Accounting management for all of the FCP's assets is delegated to a BNP Group company:

BNP Paribas
Société anonyme (limited company)
Registered office: 16 boulevard des Italiens, 75009 Paris, France
Office address: Grands Moulins de Pantin
9, rue du Débarcadère, 93500 Pantin, France

Accounting management mainly includes accounting with respect to the various transactions carried out on the FCP's assets in accordance with the accounting standards legally applicable, recording subscriptions and redemptions of FCP units, and calculating the net asset value in accordance with the rules laid down in the UCITS' management regulations.

➤ **Promoters**

None

➤ **Restriction on sales**

The Management Company is not registered as an Investment Adviser in the United States. The FCP is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933, and thus they cannot be offered or sold to Restricted Persons, as defined below, except in the context of a discretionary management mandate or a subscription made by an investor outside the United States, provided that such subscription cannot be considered in any way as an act of promotion, marketing or communication in the United States.

A Restricted Person is (i) any person or entity situated in United States territory (including United States residents), (ii) any corporation or any other entity under the laws of the United States or of one of its States, (iii) any military personnel of the United States or any personnel connected to a department or agency of the US Government situated outside the territory of the United States, or (iv) any other person who might be considered a United States Person as defined in Regulation S under the Securities Act after 1933, as amended.

Furthermore, FCP units may not be offered or sold to employee benefit plans or entities whose assets comprise employee benefit plan assets, regardless of whether these are subject to the provisions of the United States Employee Retirement Income Securities Act of 1974, as amended.

III. Management and administration procedures

1. General characteristics

➤ **Characteristics of the units**

ISIN code: FR0011150010

Rights attached to units

Each unitholder has a co-ownership right to the assets of the FCP proportional to the number of units they hold.

Entry in a register or liabilities accounting procedure

Units are entered in the account of each subscriber by the custodian account keeper. All of the units created in this way are entered in an account with the central depository, Euroclear.

Voting rights

No voting rights are attributed to ownership of units as decisions concerning the FCP are taken by the Management Company.

Form of units

Units are issued in bearer form.

➤ Financial year-end

Financial year-end: last trading day of December in Paris.

End of the first financial year: last trading day of the month of December 2012.

➤ Applicable tax regime

- **Natural persons resident in France for tax purposes or companies subject to income tax in France**

As the FCP is an accumulation fund, the accumulated proceeds are not taxable as securities income with respect to unitholders. In theory, this income will be taxed as capital gains on securities when holders sell or redeem their units.

- **Companies subject to corporation tax in France**

Unitholders are taxed on the valuation difference recorded at the end of each financial year in application of article 209 OA of the French General Tax Code.

The attention of unitholders is nevertheless drawn to the fact that this information is only a summary of the applicable tax regime, and that their particular situation must be examined with their usual tax advisor. This prospectus does not address the issue of unitholders who are not resident in France.

Information relative to Foreign Account Tax Compliance Act

According to the provisions of the Foreign Account Tax compliance Act (« FATCA ») applicable as of the 1st of July 2014, when the Fund invests directly or indirectly in U.S assets, income arising from this class of investment may be subject to a 30% withholding tax.

In order to avoid the payment of the 30% withholding tax, France and the United States have entered into an intergovernmental agreement whereby non-U.S. financial institutions (« foreign financial institutions ») undertake to set up a procedure for identifying direct or indirect investors who are American taxpayer and to disclose certain information about these investors to the U.S. tax authorities, who will then disclose it to the U.S. tax authority (the « Internal Revenue Service »).

The Fund, as a foreign financial institution, undertakes to comply with FATCA and to take all measures under the intergovernmental agreement above mentioned.

Information on the automatic exchange of information

To satisfy the requirements of the Automatic Exchange of Information (AEOI), the FCP may be obliged to gather and disclose information on its unitholders to third parties, including to tax

authorities, to provide it to the relevant jurisdictions. Said information may include, but is not limited to, the identity of the unitholders and their direct or indirect beneficiaries, the end beneficiaries and the persons controlling them. The unitholder shall be obliged to comply with any request from the FCP to provide said information to enable the FCP to comply with its reporting obligations. For any information related to his own situation, the unitholder is urged to seek the advice of an independent tax adviser.

2. Specific provisions

➤ Level of exposure to UCITS or investment funds

Up to 10% of the net assets

➤ Guarantee

No

➤ Investment objective

The aim of the FCP is to enable unitholders to benefit:

- ✚ Over a recommended investment horizon of four years, variable synthetic exposure to a quantitative strategy (hereinafter the “Strategy”) composed of three underlying commodity-based strategies;
- ✚ a rolling protection mechanism described below whereby, at each of the FCP's valuation dates, the net asset value will be at least 80% of the net asset value observed on the last business day of the previous month.

➤ Benchmark Indicator

Because of its management objective and the strategy pursued, the FCP cannot be compared to any benchmark indicator.

➤ Benchmark index within the meaning of the Benchmark Regulation

As part of its investment strategy, the Mutual Fund uses the indexes presented in the following table within the meaning of the regulation (EU) 2016/1011 of the European Parliament and of the Council (“Benchmark Regulation”).

Names of the index used within the meaning of the Benchmark Regulation	Name of the administrators
BNP Paribas Strategy TX Index	BNP Paribas SA
Bloomberg Commodity Index	Bloomberg Index Services Limited

In accordance with the regulation (UE) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the benchmark administrators of the indices set out in the table above shall, for the administrators located in the European Union, apply for an authorization or a registration by 1 January 2020 to their competent authority in order to perform the function of benchmark administrator, and, for third countries administrators located outside the European Union comply with the Articles 30, 32 or 33 of the Benchmark Regulation. As of the date of the prospectus hereof, they are not yet registered in the register of administrators and benchmarks kept by the European Securities and Markets Authority (ESMA).

For more information about the indexes, investors may visit the websites: <https://indx.bnpparibas.com> and <https://www.bloomberg.com>.

The Management Company has established and maintains a robust written plan, available free of charge, setting out the actions to take in the event that a benchmark materially changes or ceases to be provided within the meaning of the Benchmarks Regulation.

➤ **Investment strategy**

1. Strategy used

To achieve its investment objective, the FCP will employ an OTC swap contract that will allow it to benefit from variable synthetic exposure to the performance of the Strategy and the rolling protection mechanism, as defined below:

In addition to the performance swap used to generate exposure to the quantitative strategy, and in order to achieve its investment objective, the FCP may use techniques intended to ensure that the portfolio is managed efficiently, such as temporary sales or purchases of securities. The FCP may also invest in financial instruments (equities, bonds, etc.), the return on which it will exchange for a money market rate via swap contracts.

Thus, the FCP may be exposed to a money market return (via temporary purchases or sales of securities or the aforementioned swap contracts) to which the performance of the strategy obtained via the performance swap used to gain exposure to the quantitative strategy will be added, less management fees.

Rolling protection mechanism

- ✚ At each of the FCP's valuation dates, the net asset value shall be at least 80% of the net asset value registered on the last business day of the previous month.

Mechanism generating variable exposure to the Strategy

The investment strategy applied via the forward financial instrument consists in generating variable synthetic exposure to the performance of the Strategy. Exposure to the Strategy will be determined by carrying out allocation using a quantitative mechanism, which is readjusted monthly according to a specific algorithm. Exposure will range from 0% to 100% and will vary each day depending on both the performance of the Strategy and the level of protection obtained via the rolling protection mechanism, as defined above.

Description of the Strategy

The Strategy provides exposure to three underlying commodity-based strategies. These three underlying strategies, which are described below, are composed of index-tracking, roll optimisation and forward curve strategies. They can be broken down into two groups:

- a beta strategy that tracks the performance of the commodities markets;
- two alpha or absolute return strategies.

Exposure to the Strategy shall be achieved via a strategy index developed by BNP Paribas in accordance with the regulations in force (BNP Paribas Strategy TX Index, Bloomberg code: BNPITXCI Index) (hereinafter "the Index Strategy").

The investment universe for these various strategies is that of the main commodities deemed to offer adequate liquidity in view of the strategies applied. This universe will be included in the commodity index constituting the Bloomberg Commodity Index TR (Bloomberg code: BCOMTR index).

The Strategy carries out allocation using a quantitative mechanism, which is readjusted monthly according to a specific algorithm with the aim of rebalancing the weightings of the three strategies to 50% for the beta strategy, and 25% each for the alpha strategies, on a semi-annual basis.

Underlying beta strategy: The Strategy's objective is to provide exposure to the commodities that make up the Bloomberg Commodity Index TR. On an annual basis, the quantitative allocation mechanism reallocates the weightings of each commodity according to the Bloomberg Commodity Index TR. On a daily basis, a quantitative mechanism ensures that the weightings comply with the maximum thresholds permitted by the regulations in force. Each commodity within the Beta strategy is represented by a Bloomberg ® 3 Month Forward reference index, which invests in a forward contract with a maturity of three months.

Underlying alpha roll optimisation strategy: The aim of this underlying strategy is to offer exposure to a basket of commodities structured by term while remaining decorrelated from commodity market fluctuations. Exposure to this term structure will be effected per commodity by taking a long position on contract with "optimised" maturity and a short position on the contract with the shortest maturity.

For a given commodity, the contract with optimised maturity shall be determined using the quantitative mechanism with the aim of identifying the cheapest roll on the futures curve of the relevant commodity.

"Rolling" a futures position involves a cost/gain that is equal to the price difference between the futures contract held and the one into which the position is rolled. The maturities of the futures contracts on the relevant commodity are thus determined monthly using a purely quantitative algorithm which aims to minimise the roll costs in markets trading in contango (upward futures curve) and maximise the roll gains in backwardated markets (downward futures curve).

The underlying "roll" optimisation strategy will then use the distortion of the futures curve of the relevant commodity rather than rises or falls in the commodity in question.

Underlying alpha curve arbitrage strategy: This underlying strategy uses a daily quantitative allocation mechanism aimed at generating positive performance regardless of market conditions by maintaining long synthetic exposure to commodity futures indices with a downwards futures curve (in backwardation) and short synthetic exposure to commodity futures indices with an upwards futures curve (in contango). Each commodity is in this way selected based on its "roll" cost being potentially positive or negative. Long positions will be attributed to commodities with the greatest roll gains (or indeed the lowest roll costs in the case of markets trading in contango) and vice versa.

The total weighting of indices representing the energy sector (WTI crude, Brent crude, gasoil, heating oil and gasoline) shall be between 0% and 35%, in accordance with the provisions of article 53 of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, in view of the predominant portion of the commodity market represented by the energy sector.

Finally, the short-term volatility of the risky portfolio shall be monitored daily so as to keep it at approximately 11% on an annualised basis.

The Strategy Index is calculated, published and maintained by BNP Paribas, in accordance with the regulations in force. It was created in July 2013. For further information on the Strategy Index, investors are invited to consult the Strategy Index page on the following website: <https://indx.bnpparibas.com>. The complete breakdown of this index is available on the same page. The index calculation method is available directly at: <https://indx.bnpparibas.com/nr/ITXCIER.pdf>

Moreover, exposure to the Strategy may be revised depending on the incidence of fiscal or regulatory events, or other events affecting the capacity of the FCP to provide exposure to different underlying strategies.

The FCP involves costs relating to replication and execution, as well as costs relating to the management of the rolling protection mechanism by the counterparty to the forward financial instrument. These costs, initially estimated at approximately 1.1%, will reduce the performance of the FCP.

Information relating to the SFDR and the EU Taxonomy Regulation:

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) establishes the rules regarding transparency and the provision of sustainability-related information.

The Fund does not promote environmental and/or social and governance characteristics, nor does it have a sustainable investment objective within the meaning of Articles 8 and 9 of the SFDR.

The Fund's management objective is to offer unitholders variable synthetic exposure to a quantitative strategy associated with a sliding protection mechanism. In order to achieve this objective, the investment process will not take into account the sustainability risks or the main negative impacts on sustainability factors.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for promoting sustainable investments and amending the SFDR (Taxonomy Regulation) aims to establish criteria to determine whether an economic activity is environmentally sustainable.

The European Taxonomy Regulation is a classification system that establishes a list of economic activities which are environmentally sustainable.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily harmful to the environment or unsustainable. Furthermore, other activities that contribute substantially to the environmental and social objectives are not yet necessarily part of the Taxonomy Regulation.

The Fund's investments do not take into account the criteria of the European Union in terms of environmentally sustainable economic activities as established by the Taxonomy Regulation.

2. Types of assets included in the portfolio

✓ *Assets (excluding integrated derivatives)*

The FCP will invest in financial instruments (equities, bonds, debt securities, etc.) and/or in money market instruments.

- Equities

The FCP may be invested, within the limits of the regulatory ratios, in capital securities and equivalent securities (equities, ADR, GDR, certificates and/or other securities and in shares in closed end funds, etc.):

- issued by listed and/or unlisted companies (up to 10% of the FCP's net assets) on regulated markets;
- issued in euro or foreign currencies;
- of any nationality;
- of large, medium or small capitalisations;

- with no restriction on business sector.

Direct investments in the above-mentioned securities shall be systematically hedged via total return swaps (or other derivative financial instruments having the same characteristics) in order to avoid exposing the FCP to an additional equity risk. These investments will be implemented within the framework of the FCP's investment strategy.

- Debt securities and money market instruments:

The FCP may invest in money market instruments (such as, inter alia: French treasury bills (BTF or BTAN) with a residual maturity of less than 1 year, euro commercial paper (ECP), non-convertible debentures (NCD), etc.) denominated in euro. These instruments are composed of securities purchased outright or under repurchase agreements.

MODIFIED DURATION RANGE	Between 0 and 0.5
BASE CURRENCY OF SECURITIES	All currencies*
LEVEL OF FOREIGN EXCHANGE RISK	None**
EXPOSURE RANGES CORRESPONDING TO THE GEOGRAPHIC REGION OF THE ISSUERS OF THE SECURITIES	Eurozone countries: between 0% and all of the net assets
	Non-eurozone countries: between 0% and 10% of the net assets

* The Fund is mainly invested in euro.

** Assets denominated in currencies other than the euro are systematically hedged against foreign exchange risk by matching them with one or more currency swaps.

Subject to compliance with regulatory ratios, the FCP may also invest in all kinds of bonds: fixed rate bonds, variable rate bonds, index-linked bonds (inflation, constant maturity rate (TEC) and constant maturity swaps (CMS)). These instruments are composed of securities purchased outright or under repurchase agreements.

Direct investments in or reverse repurchase transactions involving the above-mentioned securities shall be systematically hedged in order to avoid exposing the FCP to an additional interest rate risk. These investments will be implemented within the framework of the FCP's investment strategy.

Private debt may account for all of the Fund's net assets. Non-eurozone investments may account for up to 10% of the FCP's net assets.

- Units or shares of UCITS

The FCP may invest up to 10% of its net assets in units or shares of UCITS or investment funds.

UCITS and investment funds are:

- French and foreign UCITS-compliant funds;

- French and foreign UCITS or investment funds that do not comply with the European Directive but satisfy the criteria laid down in article R 214-13 of the *Code monétaire et financier* (French Monetary and Financial Code).

The above-mentioned funds may be managed by the Management Company or by affiliated companies, within the meaning of article L 233-16 of the French Commercial Code.

✓ **Derivatives**

The FCP may invest in French and foreign regulated or OTC financial futures.

With respect to cash flow swaps, the FCP may conclude OTC swaps, namely total return swaps to swap the performance of the FCP assets for a fixed or variable rate and one or more cash flow swaps to swap a fixed or variable rate for the performance of the investment strategy.

Maximum Proportion of assets under management that may be covered by a total return swap: 120% of the net assets.

Expected proportion of assets under management that will be covered by a total return swap: all of the FCP's net assets.

These transactions in financial instruments will be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policy from amongst establishments having their registered office in a member state of the OECD or the European Union listed in article R. 214-19 of the *Code monétaire et financier* (French Monetary and Financial Code) and having a good quality issuer rating; these counterparties may be companies that are connected or affiliated to the Management Company.

✓ **Securities with embedded derivatives**

The FCP does not plan to use securities with embedded derivatives (warrants, Credit Linked Notes, EMTN, etc.). Any warrants or rights acquired following transactions involving securities in the portfolio are permitted, even if the FCP does not invest directly in this asset class.

✓ **Deposits**

The FCP reserves the right to make deposits during the life of the Fund within the framework of its cash investments up to the limit of 10% of its net assets.

✓ **Cash borrowing**

The FCP may temporarily use cash borrowings up to the limit of 10% of its net assets for cash management purposes.

✓ **Temporary purchases and sales of securities**

Types of transactions used: In order to ensure that the FCP is managed effectively, the management company reserves the right to enter into temporary purchases or sales of securities, in particular: repurchase transactions, reverse repurchases against cash, lending/borrowing of debt securities, capital securities and money market instruments, in accordance with the provisions of article R 214-18 of the *Code monétaire et financier* (French Monetary and Financial Code).

Types of operations (all transactions are used for the sole purpose of achieving the investment objective): All transactions are concluded with a view to achieving the investment

objective or optimising cash management, while at all times respecting the restrictions in terms of the type of securities held.

Maximum proportion of assets under management that may be covered by such transactions or contracts: up to 100% of net assets

Expected proportion of assets under management that will be covered by such transactions or contracts: None

Possible leverage linked to temporary purchases and sales of securities: no

Remuneration: see the section entitled "Expenses and Fees" below.

All these transactions will be conducted under normal market conditions and any income will belong in full to the FCP.

These transactions in financial instruments will be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policy from amongst establishments having their registered office in a member state of the OECD or the European Union listed in article R. 214-19 of the *Code monétaire et financier* (French Monetary and Financial Code) and having a good quality issuer rating; these counterparties may be companies that are connected or affiliated to the Management Company.

✓ **Information on contracts constituting the financial guarantees**

In order to achieve its investment objective the FCP may receive or issue the guarantees referred to in article L. 211-38 of the *Code monétaire et financier* (French Monetary and Financial Code) in accordance with the Management Company's risk policy. Therefore, these guarantees may be cash, money market instruments, bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions, corporate or public sector bonds, equities, ADRs, GDRs or units of UCITS whose prices are quoted on a regulated market on a daily basis. A haircut will be applied to these guarantees according to the category of assets involved (e.g. 2% for a French government bond with a maturity of between 1 and 10 years).

The FCP may receive as guarantees, up to 100% of its net assets, bonds issued or guaranteed by one member state of the OECD in accordance with the Management Company's risk policy. Hence, the FCP may be fully guaranteed by bonds issued or guaranteed by a single eligible member state of the OECD.

Only the cash guarantees may be reinvested in accordance with current regulations. Thus, the cash received may be invested in deposits, high-quality State bonds, used as part of reverse repurchase agreements or invested in short-term money-market UCITS.

The financial guarantees received must be sufficiently diversified. Securities received from the same issuer may not exceed 20% of the net assets. Notwithstanding the above, the FCP may receive as a guarantee up to 100% of its net assets in securities issued or guaranteed by an OECD member state in accordance with the Management Company's risk policy. Hence, the FCP may be fully guaranteed by securities issued or guaranteed by a single eligible member state of the OECD.

In addition to the guarantees listed above, the Management Company makes a financial guarantee backed by the assets of the FCP (financial securities and cash) in favour of the depositary for its financial obligations towards it.

➤ **Risk profile**

Your money shall be invested primarily in financial instruments selected by the Management Company. These financial instruments are subject to the evolution and fluctuations of the market.

The main risks to which the FCP is exposed given its structure are described below:

Risk of capital loss

The rolling protection mechanism means that each day the net asset value of the FCP cannot fall by more than 20% against the net asset value observed on the last business day of the previous month. Therefore, if the FCP's net asset value falls, the levels of protection it has taken out will also fall. There is thus a risk that unitholders may lose almost all of their capital if they hold their units for a long period.

Risk posed by models used by the Strategy

The allocation models used by the Strategy's underlying strategies are based on quantitative and systematic mechanisms. There is a risk that these models may prove ineffective, thus resulting in a fall in the net asset value of the FCP. Their application is not a guarantee of future results.

Market risk

In light of the FCP's investment strategy, its valuation will depend on changes in the underlying strategies, some of which are long/short strategies. As a result, it is possible that the net asset value of the FCP may fall while the commodity market overall shows a positive performance.

Risk associated with a commodity futures index

The Strategy's portfolio may include commodity futures indices. As a result, the FCP is exposed to the liquidity risk inherent in trading in this type of financial instrument, which could have a negative impact on its performance.

The components of the commodity futures indices may experience significantly different movements from those of traditional transferable securities (equities and bonds).

Indeed, the price of commodity futures is closely linked to current and future production levels of the underlying asset and even to estimated natural reserve levels, in particular in the case of energy products. Climatic and geopolitical factors may also alter supply and demand levels with respect to the relevant underlying asset – in other words, they may alter the expected scarcity of said asset on the market. The decorrelation between commodity markets and traditional markets is mainly due to these factors, which particularly and directly influence commodity prices.

Counterparty risk

Counterparty risk is the risk of loss incurred by the FCP with respect to the conclusion of OTC transactions with a counterparty in the event of default by said counterparty. This risk exists mainly for forward financial contracts (including total return swaps), repurchase transactions, etc. which the FCP may enter into with BNP Paribas or any other counterparty. Counterparty risk is nevertheless reduced by setting up a guarantee in favour of the FCP in accordance with the regulations in force.

Conflict of interest risk

Entities within the BNP Paribas group are responsible for calculating and publishing the Strategy Index. The Fund is exposed to this Strategy Index via financial contracts, the counterparty to which is also an entity within the BNP Paribas group. The level of the Strategy Index is not checked by an external party, meaning that potential conflicts of interest may exist. The FCP may also be exposed to a conflict of interest risk when carrying out temporary sales or purchases of securities with counterparties affiliated to the group to which the Management Company belongs.

Risks related to guarantee management

The management of the guarantees received as part of securities financing transactions and OTC forward financial instruments (including total return swaps) may include some specific risks such as operational risks or custody risks. Thus, the use of such transactions may have a negative impact on the FCP's net asset value.

Legal risk

The use of temporary purchases and sales of securities and/or forward financial instruments (including total return swaps or TRS) may have a legal risk related namely to contract execution.

Sustainability risk

Unmanaged or unmitigated sustainability risks can impact returns on financial products. For example, if an environmental-, social- or governance-related event or situation occurs, it could have a real or potential negative impact on the value of an investment. The occurrence of such an event or situation may also lead to an adjustment of the FCP's investment strategy, including the exclusion of the securities of certain issuers. More specifically, the negative effects of sustainability risk may affect issuers by means of a series of mechanisms, including: 1) a decrease in revenues; 2) higher costs; 3) damages or depreciation of asset value; 4) higher cost of capital; and 5) regulatory fines or risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood that sustainability risks will impact returns on financial products is liable to increase in the longer term.

➤ **Guarantee**

For a renewable period of one year, BNP Paribas offers the FCP protection, under which BNP Paribas guarantees that, at each valuation day of the FCP, the net asset value will be at least 80% of the net asset value observed on the last business day of the previous month. The initial level of FCP protection is equivalent to 80% of FCP's net asset value at inception, i.e. EUR 800.

Any change to the Protection, excluding its annual renewal in identical conditions, shall require the prior approval of the AMF, and the Management Company shall inform unitholders accordingly, under the conditions provided for in the regulations in force.

Establishment providing the Protection: BNP Paribas

Terms of exercise The Management Company will exercise the Protection on behalf of the Fund. In the event that at each net asset value calculation date, the FCP's net assets are insufficient for this net asset value to be above or equal to the protected level described above, BNP Paribas will pay the FCP the necessary sum on the Management Company's first request.

The Protection is provided in consideration of the tax and regulatory provisions applicable on the date it is signed. The Protection may be amended in the event of change to the aforementioned provisions, leading the FCP to incur a direct or indirect financial expense of a fiscal or other nature.

➤ **Target subscribers and investor profile**

Recommended investment horizon: the recommended minimum investment period is 4 years.

The FCP is intended for all investors, but more specifically for Talanx AG and its subsidiaries.

The typical investor is one who has cash to invest over a horizon of at least four years. The investor must be prepared to accept the risks resulting from the implemented investment strategies. The amount that is reasonable to invest in this FCP depends on the investor's personal situation. His

decision will depend on his personal assets, his current and future needs, but also on the desire to take risks or, on the contrary, to invest cautiously. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this FCP.

➤ **Calculation and allocation of income**

Income is capitalised.

➤ **Characteristics of the units or shares**

ISIN code	Dividend policy	Base currency	Target subscribers	Minimum initial subscription	Initial net asset value
FR0011150010	Accumulation	EUR	For all investors, but intended mainly for Talanx AG and its subsidiaries.	1,000 units, except for the Management Company, the liquidity provider and BNPP Participations	EUR 1,000 at 30/12/2011

➤ **Subscription and redemption procedures**

Terms and conditions of subscriptions and redemptions

Subscriptions and redemptions are centralised at 17:00 on the day before the NAV calculation day by the depositary BNP Paribas, Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin

Subscriptions and redemptions are carried out at unknown prices.

The orders will be executed in accordance with the following table:

D-1	D-1	D: day on which the Net asset value is calculated	D+1 trading day	D + up to 5 trading days maximum	D + up to 5 trading days maximum
Centralisation up to 5pm of subscription orders	Centralisation up to 5pm of redemption orders	Execution of orders on D day at the latest	Publication of the Net asset value	Subscriptions settlement	Redemptions settlement

Minimum initial subscription for units

Minimum initial subscription: 1,000 units, except for the Management Company, the liquidity provider and BNPP Participations.

Units may be fractioned into ten-thousandths of a unit.

Minimum subsequent subscription

Minimum subsequent subscription: None.

Units may be fractioned into ten-thousandths of a unit.

➤ **End of the accounting year**

Financial year-end: last trading day of December in Paris.
End of the first financial year: last trading day of the month of December 2012.

➤ **Dividend policy**

Accumulation

➤ **Date and frequency of calculation of the net asset value**

Daily. The net asset value is established on each business day, with the exception of French public holidays and days on which the US and UK financial markets are closed.

Any partial trading day may be considered as a day on which the relevant financial market is closed.

➤ **Redemption capping mechanism ("Gates"):**

In accordance with the Fund regulations, the Management Company may decide to spread unitholders' redemption requests over several net asset values if they exceed a specified threshold, when exceptional circumstances so require and if this is in the interest of the unitholders or the public.

(i) Description of the method

The Management Company may choose not to execute all cleared redemption orders on the same net asset value if the sum of the net redemptions exceeds 5% of the Fund's net assets. In this event, the Management Company may decide to execute redemptions up to a maximum of 5% of the Fund's net assets (or a greater percentage at the Management Company's discretion) on a proportional basis for each request. The 5% threshold is determined on the basis of the Fund's last known net asset value.

(ii) Provision of information to unitholders

If the gates mechanism is triggered, the unitholders will be informed by any means via www.bnpparibas-am.com

As soon as possible after the redemption order clearing date, the clearing house will individually inform Fund unitholders whose redemption requests have not been fully executed.

(iii) Processing of unexecuted orders

If the gates mechanism is triggered, redemption requests will be reduced proportionately for all Fund unitholders. Redemption requests pending execution will be automatically carried forward to the next redemption order clearing date. Requests carried forward will not be given priority over subsequent redemption requests.

The Fund unitholders cannot formally oppose the carryforward of the unexecuted part of their redemption order or request the cancellation thereof in accordance with the Fund's notice period for clearing.

If, on a given redemption order clearing day, the net redemption requests of Fund units represent 15% of the Fund's net assets, but the gate is set at 5%, the Management Company may, for example, decide to honour redemption requests up to 10% of the Fund's net assets. Thus, 66.66% of redemption requests would be executed instead of the 33.33% that would have been executed if the Management Company had strictly applied the 5% threshold.

This redemption timing mechanism may not be triggered more than 20 times in a three-month period and may not last more than one month. After this point, the Management Company will

automatically terminate the redemption timing mechanism and consider another ad hoc solution (such as suspending redemptions) if required.

(iv) Exemptions

Subscription and redemption transactions for the same number of units made on the basis of the same net asset value and for the same unitholder or economic beneficiary (round-trip transactions) are not gated.

Place and methods of publication or communication of the net asset value

BNP Paribas, 9 rue du Débarcadère, 93500 Pantin, France or BNP PARIBAS Asset Management France, 8 rue du Port, 92000 Nanterre, France.

➤ **Expenses and fees**

Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by the investor and reduce the redemption price. The fees charged by the FCP serve to offset the costs incurred by the FCP to invest and disinvest investors' monies. The fees which are not paid to the FCP are attributed to the Management Company, the Fund promoter, etc.

A units

FEES PAYABLE BY THE INVESTOR, DEDUCTED AT THE TIME OF SUBSCRIPTIONS AND REDEMPTIONS	BASIS	RATE
Subscription fees not payable to the FCP	Net asset value x number of units	Maximum 3%
Subscription fees payable to the FCP	Net asset value x number of units	None
Redemption fees not payable to the FCP	Net asset value x number of units	None
Redemption fees payable to the FCP	Net asset value x number of units	None

Management and administration fees

Management and administration fees include all of the fees invoiced directly to the FCP, with the exception of transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the depositary and the Management Company, in particular.

The following management and administration fees may be charged in addition:

- ✓ performance fees. These reward the Management Company when the FCP exceeds its objectives. They are charged to the FCP;
- ✓ transaction fees charged to the FCP;

For more details about the fees charged to the FCP, please refer to the relevant KID.

FEES CHARGED TO THE FCP	BASIS	RATE A units
Financial management fees (inclusive of tax)	Net assets	Maximum 1.25%
Administrative fees external to the management company (inclusive of tax)	Net assets	Maximum 0.35%
Performance fees	Net assets	None
Maximum indirect fees (fees and management costs)	Net assets	None
Transaction fees	Payment on each transaction	None

Remuneration on temporary purchases and sales of securities

Remuneration on temporary purchases and sales of securities is not subject to any sharing out and is received in full by the FCP. The Management Company receives no specific remuneration for such purchases and sales. Furthermore, no transaction fees are charged to the FCP for temporary purchases and sales of securities carried out on behalf of the FCP.

Succinct description of the procedure for choosing intermediaries (other than counterparties in derivative transactions)

The Management Company selects its intermediaries (brokers) involved in the execution of orders on the basis of the principle of the priority of clients' interests and of "best execution". They are approved by the Management Company.

The criteria used for developing the list of approved intermediaries are in particular the following:

- ✓ Innovative quality of the strategy offered by the intermediary
- ✓ Quality of execution (and particularly speed)
- ✓ Quality of execution of orders on the secondary market
- ✓ Ability of the intermediary to provide liquidity
- ✓ Quality of the management of collateral
- ✓ Experience on certain markets or financial instruments
- ✓ Counterparty rating

- ✓ Proposed rates

A full description of the Management Company's selection and execution policy is available on www.bnpparibas-am.com under the governance tab.

IV. Commercial information

1. Subscription and redemption procedures

Subscription and redemption fees increase the subscription price paid by the investor and reduce the redemption price depending on the rate, indicated above.

2. Distribution of information concerning the FCP

The latest annual and semi-annual reports shall be sent to unitholders within one week upon written request to:

BNP PARIBAS ASSET MANAGEMENT France
CIB Strategies Sales Support
TSA 90007, 92729 Nanterre CEDEX, France

Unitholders wishing to obtain a copy of the "voting policy" should contact:

BNP PARIBAS ASSET MANAGEMENT France
CIB Strategies Sales Support
TSA 90007, 92729 Nanterre CEDEX, France

Media through which investors can find information on BNP Paribas Asset Management's approach to sustainability:

Further information and documents on BNP Paribas Asset Management's approach to sustainability are available online at: <https://www.bnpparibas-am.com/en/sustainability/>

Additional information may be obtained if necessary by sending a request to:

BNP PARIBAS ASSET MANAGEMENT France
CIB Strategies Sales Support
TSA 90007, 92729 Nanterre CEDEX, France

Disclosure of the composition of the portfolio to investors governed by the requirements of directive 2009/138/ec (Solvency 2 directive)

Under the conditions laid down by AMF position 2004-07, the management company may disclose the composition of the FCP to unitholders governed by the Solvency 2 Directive within a minimum period of 48 hours after publication of the FCP's net asset value.

V. Investment rules

The FCP shall comply with the investment rules laid down by European Directive no. 2009/65/EC of 13 July 2009 on coordinating statutory, regulatory and administrative provisions relating to

undertakings for collective investment in transferable securities (UCITS) and its implementation provisions as transposed into French law.

VI. Overall risk

The Management Company uses the commitment method to calculate the FCP's overall risk.

VII. Valuation and accounting rules applicable to the assets

The FCP complies with the accounting rules laid down, in particular with the accounting standards applicable to UCITS.

The accounting currency is the euro.

1. Methods for valuation of balance sheet assets

Allocations with respect to management fees are calculated and recorded at the time of each net asset value calculation.

Pursuant to the prospectus, the result of each financial year will be accumulated.

The calculation of the net asset value is carried out in consideration of the specific valuation rules indicated below.

2. Securities portfolio

➤ Listed transferable securities

French or foreign transferable securities traded on a French or foreign regulated market are valued on the basis of the closing price of that day or the last known price (sources: Bloomberg, Reuters, Fininfo or others, if need be), regardless of the market on which they are listed. For foreign securities, the conversion into euro is based on the exchange rate in Paris on the valuation day (WRMH currency London at 17:00).

Certain bonds may be valued on the basis of the price provided daily by active contributors on said market (noted on Bloomberg website).

Transferable securities whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their foreseeable sale prices.

These valuations and their justification are communicated to the statutory auditor at the time of the audit.

Units or shares of UCITS

UCITS held in the portfolio are valued on the basis of the last published net asset value.

Securities received and sold under repurchase agreements, securities lent and borrowed

Securities received under repurchase agreements are valued at the price set between the parties, taking the agreed remuneration into account. Securities sold under repurchase agreements are valued at their market value. Securities lent as well as the claim representing such securities are valued at their market value.

Securities not traded on a regulated market

Securities not traded on a regulated market are valued at their foreseeable sale price under the responsibility of the Management Company depending on any likely event-driven fluctuations.

➤ **Forward financial instruments**

Futures & options

Outstanding contracts are valued at their market value in order to record the unrealised capital gains or losses as increases or decreases in the net assets, as the case may be.

On the French futures and options markets, the market value used is the settlement price of that day as known in Paris. On foreign futures and options markets, the market value also corresponds to the settlement price, and said value is converted into euro on the basis of the exchange rates in Paris on the valuation day.

Over-the-counter transactions

Futures, options or swap transactions concluded on OTC markets and authorised under the regulations applicable to UCITS are valued at their market value as indicated by the counterparty, with said value checked by the Management Company's valuation model by means of valuation tools specific to the relevant type of product.

Contracts constituting financial guarantees

The securities received as financial guarantees are valued daily at the market price.

➤ **Valuation of off-balance sheet commitments**

Off-balance sheet commitments on futures contracts are valued at their market value. Off-balance sheet commitments on futures contracts are valued at their market value. Off-balance sheet commitments allow for the valuation of counterparty risk.

Accounting methods

Interest is accounted for using the interest received method.

The net asset value following a non-business period (weekends and public holidays, as well as days on which the French markets and large-value payment systems are closed) includes interest accrued over this period.

VIII. Remuneration

The Management Company's remuneration policy has been designed to avoid conflicts of interest, protect the interest of client and ensure that there is no incentive to take excessive risks.

The Management Company's remuneration policy is based on the following principles: pay for performance, sharing the creation of wealth, aligning the interest of the employees and company over the long term and promoting an element of financial participation of the employees in the risks. The full updated remuneration policy, including the persons responsible for awarding remuneration and benefits and a description of how they are calculated are available at <http://www.bnpparibas-am.com/fr/politique-de-remuneration/>. A free paper version is also available by writing to the Management Company.

Publication date of the prospectus: 08/12/2023
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ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Facilities in the Federal Republic of Germany according to section 306a (1) of the Investment Code:

The prospectus, the key investor information documents, the status, and the annual and semi-annual reports may be obtained, free of charge, in hardcopy form at BNP Paribas Asset Management France S.A.S, 8 rue du Port, 92000 Nanterre, France, during normal opening hours.

Applications for the redemptions and conversion of shares may be sent to BNP Paribas 16,boulevard des Italiens 75009 Paris.

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through BNP Paribas 9, rue du Débarcadère, 93500 Pantin.

Investor information on how subscription, buyback and redemption orders can be placed and how buyback and redemption proceeds will be paid out is available from BNP Paribas, Grands Moulins de Pantin, 9, rue du Débarcadère - 93500 Pantin.

Information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to investors' exercise of their rights can be obtained from BNP Paribas Asset Management France S.A.S, 8 rue du Port, 92000 Nanterre, France (AMFR.CLIENTSERVICE@bnpparibas.com phone number: +33 1 58 97 00 00).

The issue, redemption and conversion prices, the net asset value as well as any notices to investors are also available from BNP Paribas Asset Management France S.A.S, 9 rue du Port, 92000 Nanterre, France.

In addition, the issue and redemption prices are published on www.bnpparibas-am.de.

No units of EU UCITS will be issued as printed individual certificates.

In addition, communications to investors in the Federal Republic of Germany will be made available by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the company rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.

MANAGEMENT REGULATIONS OF THE FCP

Protected Target Alpha Fund

Title 1 – Assets and units

Article 1 - Co-ownership units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of assets of the FCP (or, where applicable, the sub-fund). Each unitholder has a co-ownership right to the assets of the FCP proportional to the number of units they hold.

The term of the FCP is 99 years from its creation date, except in the event of early dissolution or extension as set forth in the present regulations.

UNIT CLASSES:

The FCP may issue different unit classes whose characteristics and eligibility requirements are described in the Fund's prospectus.

The different unit classes may:

- apply different dividend policies;
- be denominated in different currencies;
- bear different management fees;
- bear different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedging is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the FCP's other unit classes.
- be reserved for one or several distribution networks.

The competent body of the Management Company may decide to sub-divide units into tenths, hundredths, thousandths or ten thousandths, with such subdivisions being referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided for, 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.

The competent body of the Management Company may decide, at its own discretion, to sub-divide the units by issuing new units, which will be allocated to unitholders in exchange for their existing units. Units may also be merged.

Article 2 - Minimum assets

Units may not be redeemed if the FCP's assets fall below EUR 10,000,000; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the FCP in question, or to carry out one of the operations mentioned in article 411-16 of the AMF general regulation (transfer of the FCP).

Article 3 - Subscription and redemption of units

Units are issued at any time following receipt of subscription orders from unitholders, on the basis of their net asset value plus a subscription fee, where applicable.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the FCP's prospectus and the KIID.

Units of the FCP may be admitted to an official stock exchange listing in accordance with the legislation in force.

Subscriptions must be fully paid up on the day on which the net asset value is calculated. The Management Company is entitled to refuse any securities offered and, for that purpose, must communicate its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind 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 relevant securities.

Redemptions are made exclusively in cash, except in the event of liquidation of the FCP when unitholders have agreed to be reimbursed in securities. Redemptions are settled by the depositary within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the FCP, this deadline may be extended to a maximum of 30 days.

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

In application of article L.214-8-7 of the *Code monétaire et financier* (French Monetary and Financial Code) the redemption of units by the FCP as well as the issue of new units may be suspended on a temporary basis by the Management Company in exceptional circumstances and if this is deemed necessary to protect the interests of unitholders.

If the net assets of the FCP (or, as the case may be, a sub-fund thereof) fall below the amount set by the regulations, no redemption may be carried out (in the relevant sub-fund, as applicable).

Depending on the units, minimum subscription conditions may apply in accordance with the applicable procedures set out in the prospectus.

The FCP may cease issuance of units pursuant to the third paragraph of Article L. 214-8-7 of the Monetary and Financial Code, either temporarily or permanently, fully or partially if objective circumstances entail the closing of subscriptions, such as attaining the maximum number of units or shares, a maximum amount of assets or the end of a fixed subscription period. Existing unitholders shall be informed by any means of the triggering of this tool, as well as of the threshold and the objective situation that led to the decision to carry out full or partial closing. In the case of partial closing, this information by any means will explicitly specify the terms under which existing shareholders may continue to subscribe during the period of such partial closing. The unitholders are also informed by any means of the FCP management company's decision to either end the full or partial closing of subscriptions (when falling below the triggering threshold), or not to end it (in the event of a change in threshold or modification in the objective situation leading to implementation of this tool). A modification in the objective situation invoked or the triggering threshold for the tool must always be made in the interest of the shareholders. Information by any means shall specify the exact reasons for these changes.

Article 4 - Calculation of the net asset value

The net asset value of the units is calculated in accordance with the valuation rules specified in the FCP's prospectus.

Title 2 – Operating of the FCP

Article 5 - The Management Company

The FCP is managed by the Management Company in accordance with the FCP's investment objectives.

The Management Company shall at all times act in the exclusive interests of unitholders and has sole authority to exercise the voting rights attached to the securities held in the FCP.

Article 5a - Operating rules

The instruments and deposits which are eligible to form part of the FCP's assets as well as the investment rules are described in FCP's prospectus.

Article 6 - The depositary

The depositary is responsible for carrying out the tasks which are its responsibility pursuant to laws and regulations in force as well as those entrusted to it contractually by the Management Company. It must in particular ensure that decisions taken by the Portfolio Management Company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the Management Company, it shall inform the AMF.

Article 7 - The statutory auditor

A statutory auditor is appointed by the governing body of the Management Company for a term of six financial years with the approval of the AMF.

The statutory auditor certifies that the accounts are fair and lawful.

The statutory auditor's mandate may be renewed.

The statutory auditor must inform the AMF promptly of any event or decision concerning the Fund observed during the course of its engagement, which might:

- 1° constitute a violation of the legislative and regulatory provisions applying to the Fund and which could have a significant effect on its financial situation, results or assets;
- 2° undermine the conditions or continuity of its operations;
- 3° give rise to the expression of reserves or a refusal to certify the accounts.

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

The statutory auditor shall assess all contributions in kind under its responsibility.

The statutory auditor checks the composition of the assets and other information before publication.

The statutory auditor's fees are determined by mutual agreement between the auditor and the board of directors or executive board of the Management Company on the basis of an agenda indicating 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 - The financial statements and the management report

At the end of each financial year, the Management Company prepares the financial statements and a report on the management of the FCP during the last financial year.

The Management Company shall prepare a statement of the Fund's assets, under the supervision of the custodian, at least twice yearly.

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 are either sent by post at the unitholders' express request or are made available to them at the offices of the Management Company.

Title 3 – Allocation of income

Article 9 – Allocation of distributable income

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, director's fees as well as all proceeds generated by the securities held in the portfolio of the FCP, plus income generated by temporary cash holdings, less management fees and borrowing costs.

Distributable income is composed of:

1° Net income plus retained earnings, plus or minus the balance of the income equalisation account;

2° Realised capital gains, net of fees, less any realised capital losses, net of fees, recognised during the financial year, plus net capital gains of the same kind recognised during previous financial years and not yet distributed or accumulated, plus or minus the balance of the capital gains equalisation account.

The sums mentioned under 1° and 2° may be distributed in full or in part, independently of each other.

Distributable income is paid out within a maximum of five months following the financial year-end.

Title 4 – Merger – Split – Dissolution - Liquidation

Article 10 - Merger – Split

The Management Company may either merge all or part of the FCP's assets with another fund under its management, or split the FCP into two or more funds.

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

Article 11 - Dissolution – Extension

If the assets of the FCP remain below the amount set in article 2 above for thirty days, the Management Company shall inform the AMF and shall dissolve the FCP, except in the event of a merger with another fund.

The Management Company may dissolve the FCP early. It shall inform unitholders of its decision, after which subscription and redemption orders shall no longer be accepted.

The Management Company shall also dissolve the FCP 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 FCP's term, unless such term is extended.

The Management Company shall inform the AMF by post of the dissolution date and procedure. Lastly, it shall send the statutory auditor's report to the AMF.

The Management Company may decide to extend the FCP's term subject to the agreement of the depositary. Its decision must be taken at least 3 months prior to the expiry of the FCP's lifetime and unitholders and the AMF must be notified thereof.

Article 12 – Liquidation

In the event of dissolution, the depositary or the Management Company shall act as liquidator; otherwise, the liquidator shall be appointed by the court at the request of any interested party. To this end, they shall be granted the broadest powers to realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the depositary shall continue to carry out their duties until the end of the liquidation proceedings.

Title 5 – Disputes

Article 13 - Competent courts - Jurisdiction

All disputes relating to the FCP that may arise during its lifetime or liquidation either among unitholders or between the unitholders and the Management Company or the depositary are subject to the jurisdiction of the competent courts.