



**BNP PARIBAS**  
**ASSET MANAGEMENT**

**PROSPECTUS FOR THE MUTUAL FUND**

**THEAM QUANT DISPERSION US**

**A MUTUAL FUND COVERED BY EUROPEAN DIRECTIVE 2009/65/EC**

## I. GENERAL CHARACTERISTICS

### I.1 - FORM OF THE UCITS

**NAME:** THEAM QUANT DISPERSION US (hereinafter the "Mutual Fund")

**LEGAL FORM AND MEMBER STATE IN WHICH THE UNDERTAKING FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES ("UCITS") WAS ESTABLISHED:** Mutual Fund established in France.

**CREATION DATE AND INTENDED LIFETIME:** Mutual Fund created on 15 May 2018 for a term of 99 years. Mutual Fund authorised by the Financial Markets Authority (AMF) on 17/11/2017.

**FUND OVERVIEW:**

Share Class	ISIN codes	Allocation of distributable amounts	Base currency	Target subscribers	Splitting of units	Minimum subscription amount
"C"	FR001400ZLNZ6	Accumulation	USD	All investors	Thousandths	None
"C EUR H"	FR001400ZLO07	Accumulation	EUR	All investors	Thousandths	None
"Privilege"	FR001400ZLO15	Accumulation	USD	All subscribers, and more particularly intended for Distributors and Management under mandate**	Thousandths	USD 1,000,000* Distributors and Management under mandate**: none
"Privilege EUR H"	FR001400ZLO23	Accumulation	EUR	All subscribers, and more particularly intended for Distributors and Management under mandate**	Thousandths	Equivalent to USD 1,000,000* Distributors and Management under mandate**: none
"I"	FR00132922281	Accumulation	USD	Intended for all subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: EUR 100,000 equivalent* Subsequent: none
"I EUR H"	FR0013396926	Accumulation	EUR	Intended for all subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: EUR 100,000* Subsequent: none
"I CHF H"	FR0014013JM3	Accumulation	CHF	All investors, specifically intended for French or foreign institutional investors	Thousandths	Initial: EUR 100,000 equivalent* Subsequent: none
"J"	FR00132922299	Accumulation	USD	Intended for all subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 10,000,000* except UCIs: EUR 100,000 equivalent Subsequent: none

PROSPECTUS – THEAM QUANT DISPERSION US

"J EUR H"	FR0013396934	Accumulation	EUR	Intended for all subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 10,000,000 equivalent* except UCIs: EUR 10,000 Subsequent: none
"S"	FR0013331907	Accumulation	USD	Intended for all subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 5,000,000* Subsequent: none

\* With the exception of the Management Company, the liquidity provider and BNPP AM PARTICIPATIONS

\*\* Distributors from member countries of the European Economic Area providing independent advisory services as defined by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, and portfolio managers subscribing under a discretionary management mandates.

**ADDRESS WHERE THE LATEST ANNUAL AND INTERIM REPORTS ARE AVAILABLE:**

The latest annual and interim documents shall be sent to shareholders within eight business days on written request to:

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

These documents are also available at [www.bnpparibas-am.com](http://www.bnpparibas-am.com)\_

Additional information may be obtained if necessary from:

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

**I.2 – ACTORS**

**MANAGEMENT COMPANY:**

**BNP PARIBAS ASSET MANAGEMENT EUROPE**  
 (Hereinafter the "Management Company"),  
 Simplified joint-stock company  
 Registered office: 1 Boulevard Haussmann, 75009 Paris  
 Postal address: TSA 90007, 92729 Nanterre CEDEX,  
 France  
 Portfolio Management Company approved by the Financial  
 Markets Authority (AMF) on 19 April 1996, under no. GP  
 96002  
 ADEME no.: FR200182\_03KLJL

**DEPOSITARY AND CUSTODIAN:**

**BNP PARIBAS**  
 Limited company  
 Registered office: 16 boulevard des Italiens, 75009 Paris,  
 France  
 Office address: Grands Moulins de Pantin  
 9 Rue du Débarcadère, 93500 Pantin  
 Authorised by France's Prudential Supervision and  
 Resolution Authority (ACPR).

The depositary's duties include the custody of the assets, the supervision of the legality of the Management Company's decisions, and the monitoring of the UCI's cash position. Potential conflicts of interest may arise in the performance of this assignment and in the event BNP Paribas maintains commercial relations with the Management Company such as providing fund administration services including, for example, calculating net asset values.

The depositary delegates the custody of assets to be held abroad to local sub-custodians in countries where it does not have a local presence. The remuneration of the sub-custodians is taken from the commission paid to the depositary and no additional costs shall be borne by the shareholder for said services. The process of designating and supervising sub-custodians follows the highest quality standards, including the management of potential conflicts of interest that may arise in connection with such delegations. The list of sub-custodians is available at:

<https://securities.cib.bnpparibas/all-our-solutions/asset-fund-services/depositary-bank-trustee-services-2/>

Up-to-date information relating to the foregoing points will be sent to the investor upon written request to the Management Company.

**CENTRALISING AGENT FOR  
SUBSCRIPTION AND REDEMPTION ORDERS:  
BY DELEGATION:**

**BNP Paribas**

**ISSUER ACCOUNT HOLDER  
AND REGISTRAR  
BY DELEGATION:**

**BNP Paribas**

**STATUTORY AUDITOR:**

**PricewaterhouseCoopers Audit**  
63 Rue de Villiers  
92 200 Neuilly-sur-Seine  
Represented by Benjamin Moise

**FUND PROMOTER:**

**BNP PARIBAS**  
A French Limited Liability Company  
16 Bd des italiens, 75009 Paris

And the companies of the BNP PARIBAS Group

As the Mutual Fund is admitted to Euroclear France, its units may be subscribed for or redeemed through financial intermediaries that are not known to the Management Company.

**DELEGATED ACCOUNTING MANAGER:**

**BNP Paribas**  
Limited company  
Registered office: 16 boulevard des Italiens, 75009 Paris,  
France  
Office address: Grands Moulins de Pantin  
9 Rue du Débarcadère, 93500 Pantin

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

**ADVISOR:** None

**RESTRICTION ON SALES:**

The Management Company is not registered as an investment adviser in the United States. The Mutual Fund 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.

A Restricted Person is (i) any individual 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 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 individual who might be considered a United States Person as defined in Regulation S under the Securities Act after 1933, as amended.

In addition, the units of the Mutual Fund cannot be proposed or sold to employees' welfare benefits regimes or to entities whose assets constitute the assets of such regimes whether they are subject or not to the provisions of the United States Employee Retirement Income Securities Act of 1974, as amended.

## II. MANAGEMENT AND ADMINISTRATION PROCEDURES

### II.1 - GENERAL CHARACTERISTICS

#### **CHARACTERISTICS OF THE UNITS:**

##### **RIGHTS ATTACHED TO THE UNIT CLASS:**

Each unitholder has a co-ownership right to the assets of the Mutual Fund proportional to the number of units held.

##### **DETAILS ON THE MANAGEMENT OF LIABILITIES:**

The custodian is responsible for the processing of subscription and redemption orders, and for custody account-keeping functions in relation with Euroclear France – to which the Mutual Fund is admitted – as part of the management of the Mutual Fund's liabilities.

##### **FORM OF UNITS:**

Units are issued in registered or bearer form. The Mutual Fund is admitted on Euroclear France

##### **FRACTIONING:**

The Mutual Fund's units are fractioned into thousandths of a unit.

##### **VOTING RIGHTS:**

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

#### **FINANCIAL YEAR-END:**

Last trading day of the month of December.

End of first financial year: last trading day of the month of December 2018.

#### **INFORMATION ON THE TAX REGIME:**

##### **TAXATION OF THE MUTUAL FUND**

The Mutual Fund is not subject to corporation tax.

The tax treatment applicable to gains or losses realised or unrealised by the Mutual Fund depends on the tax provisions that apply to the investor's specific situation and/or on the Mutual Fund's investment jurisdiction.

The investors' attention is drawn in particular to any element of their specific situation. If uncertain about their tax position, investors must consult the promoter of the Mutual Fund or a professional tax adviser.

##### **INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT:**

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA) applicable with effect from 1 July 2014, where the Mutual Fund invests directly or indirectly in US assets, the income from such investments is subject to an additional withholding tax of 30%.

In order to avoid payment of this FATCA withholding tax of 30%, France and the USA concluded an inter-governmental agreement under the terms of which non-US "foreign financial institutions" undertake to implement a procedure for identifying direct or indirect investors qualified as US taxpayers and to forward certain information on such investors to the French tax authorities, which in turn will notify the US tax authorities, namely the Internal Revenue Service.

As a foreign financial institution, the Mutual Fund undertakes to comply with FATCA and to take all necessary steps set out in the aforementioned inter-governmental agreement.

**INFORMATION ON THE AUTOMATIC EXCHANGE OF INFORMATION**

To meet the Automatic Exchange of Information (AEOI) requirements, the Mutual Fund may be obliged to gather and disclose certain information on its unitholders to third parties, including tax authorities, for onward transmission to the relevant jurisdictions. Such information may include, but is not restricted to, the identity of the unitholders, their direct or indirect beneficiaries, and the ultimate beneficiaries and controlling persons. Unitholders will be required to comply with any request from the Mutual Fund to provide such information in order to enable the Mutual Fund to comply with its reporting obligations.

For any information relating to their particular situation, unitholders should consult an independent tax advisor.

**PLEASE NOTE**

The attention of unitholders is nevertheless drawn to the fact that the preceding information is only a summary of the applicable tax regime, and 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.

**II.2 - SPECIAL PROVISIONS****ISIN CODES:**

"C" unit class: FR001400ZLN6

"C EUR H" unit class: FR001400ZO07

"Privilege" unit class: FR001400ZO15

"Privilege EUR H" unit class: FR001400ZO23

"I" unit class: FR0013292281

"I EUR H" unit class: FR0013396926

"I CHF H" unit class: FR0014013JM3

"J" unit class: FR0013292299

"J EUR H" unit class: FR0013396934

"S" unit class: FR0013331907

**INVESTMENT OBJECTIVE**

The Mutual Fund's investment objective is to offer unitholders, over a recommended investment horizon of five years, positive exposure to changes in the market dispersion of US stocks. Dispersion can be viewed as a measure of the difference between the performance of stocks traded on a given market and the performance of that market.

**REFERENCE INDICATOR**

Due to its investment objective and the investment strategy pursued, the performance of the Mutual Fund cannot be compared to the performance of any recognised benchmark index on the market.

**INDICES USED AS BENCHMARKS WITHIN THE MEANING OF BENCHMARK REGULATION**

As part of its investment strategy, the Mutual Fund uses the S&P 500 Index within the meaning of the regulation (EU) 2016/1011 of the European Parliament and of the Council ("Benchmark Regulation").

The administrator of the S&P 500 index is S&P Dow Jones Indices LLC.

The index has been endorsed in accordance with Article 33 of the Benchmark Regulation.

For more information about the S&P 500 Index, investors may visit the website: <https://www.spglobal.com/spdji/en/>.

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 THE INVESTMENT OBJECTIVE**

In order to achieve its investment objective, the Mutual Fund relies on an investment strategy (the "Strategy") combining:

- Long-term exposure to the volatility of equities, chosen from amongst the 500 largest companies listed on US markets, weighted on the basis of a quantitative and systematic algorithm defined below (the "Long Exposure") on the one hand, and
- Short-term exposure to the volatility of the S&P 500 Index (the "Short Exposure") on the other hand.

This exposure is achieved using forward financial instruments, particularly call and put options, combined with positions on the options' underlying assets in order to minimise the risk associated with market movements (delta hedging). The maturity of options may not exceed 12 months.

The combination of options and delta hedging aims to obtain synthetic exposure to the swap between implied and realised volatility of an underlying asset.

The realised volatility is calculated on the basis of the historical prices of the underlying shares, while the implied volatility corresponds to the market's anticipation of the volatility level.

The underlying shares of the Long Exposure are selected and weighted based on predefined and systematic criteria, according to the following algorithm:

- A first filter, which aims to exclude shares with atypical market behaviour, taking into account, for example, securities transactions, is applied to the universe of the top 500 companies listed on US markets;
- A second filter aims to keep shares with the highest market capitalisation to form a filtered universe comprising approximately 50 shares;

A score ("Z-score") is then attributed to each share in this filtered universe, based on (i) the spread in the recent past between implied volatility and realised volatility and (ii) criteria relating to the company's fundamentals. Lastly, a weighting that maximises the overall Z-score is attributed to each share, under constraints of sectoral diversification and per share.

As part of the investment strategy implemented, the Fund enters into an OTC swap agreement allowing it to benefit from a synthetic exposure to the performance of the Strategy.

The Fund may also invest in financial instruments (equities, bonds etc.), the yield of which it exchanges against a monetary rate via the conclusion of swap contracts on financial flows.

The Fund may thus be exposed to a monetary return to which is added the performance of the Strategy.

The Management Company developed tools enabling it to control at any time the valuation of forward financial instruments agreed with the counterparties to the contracts.

### **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. In order to achieve its

management objective, the investment process will not take into account the sustainability risks or the main negative impacts on sustainability factors.

For the purposes of exposure, as regards the investment strategy, via one or more forward financial instruments (synthetic exposure), sustainability risks are only included in investment decisions when selecting the securities to be held in the Mutual Fund's assets.

The Management Company does not take into account the principal adverse impacts for the financial product, given the diversity of the asset classes and the types of strategies under consideration.

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.

### **Notification concerning the valuation provided by the Management Company:**

*The subscribers' attention is drawn to the fact that the Mutual Fund's assets are notably composed of one or more financial futures instruments, the characteristics of which provide the Mutual Fund a strong sensitivity to fluctuations in the volatility levels observed on the US stock markets, which are themselves extremely volatile.*

*Holders take the risk of losing their entire investment.*

## **2. MAIN CATEGORIES OF ASSETS USED (EXCLUDING EMBEDDED DERIVATIVES):**

The Mutual Fund's portfolio is made up of the following categories of assets and financial instruments:

### ➤ **Equities**

The Mutual Fund may invest all of its net assets in equities and equivalent securities (shares, ADRs, GDRs, investment certificates, and/or other securities, in units in closed end funds):

- Issued by companies listed on regulated markets, and/or unlisted within the limit of 10% of the Mutual Fund's net assets;
- Issued in euros or in foreign currencies;
- Of all nationalities;
- With no restriction as to the 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 Mutual Fund to additional equity risk. These investments will be made as part of the Mutual Fund's investment strategy.

### ➤ **Debt securities and money market instruments**

The Mutual Fund may invest in money market instruments, such as, inter alia: BTF, BTAN with a residual maturity of less than one year, ECP, NCD, and TBILLS, etc., denominated in dollars or euros.

These instruments are composed of securities acquired through outright purchases or reverse repurchase agreements.

<i>INTEREST RATE SENSITIVITY RANGE</i>	<i>Between 0 and 1</i>
<i>BASE CURRENCY OF SECURITIES</i>	<i>Euro and dollar</i>
<i>LEVEL OF FOREIGN EXCHANGE RISK</i>	<i>None*</i>
<i>EXPOSURE RANGES CORRESPONDING TO THE GEOGRAPHIC REGION OF THE ISSUERS OF THE SECURITIES</i>	<i>Eurozone countries: between 0% and all of its net assets</i>
	<i>Non-eurozone countries: between 0% and all of its net assets</i>

\* Assets denominated in currencies other than the US dollar are systematically hedged against foreign exchange risk by matching them with one or more currency swaps. Although such coverage may produce imperfect results.

All of the Mutual Fund's net assets may also be invested in bonds of any kind: fixed rate bonds, variable rate bonds, index-linked bonds (inflation, constant maturity rate (TEC) and constant maturity swaps (CMS)). These instruments are mainly composed of securities purchased outright or under repurchase agreements, and with a minimum credit rating of A-3 (Standard & Poor's) or P-3 (Moody's) at the time of their acquisition or failing that a "long-term investment grade" rating or an internal rating of the Management Company that meets equivalent criteria.

If the issuers of securities held in the portfolio are downgraded, the Management Company may, in the interest of the unitholders, dispose of the securities whose issuers have been downgraded.

Debt securities and money market instruments may account for all of the Mutual Fund's net assets. Non-eurozone investments may account for all of the Mutual Fund's net assets.

These investments will be made as part of the Mutual Fund's investment strategy.

➤ **Units or shares of UCITS**

The Mutual Fund may, for cash management or specific management purposes, invest up to 10% of its net assets in units or shares of French or European UCITS or alternative investment funds (AIFs)

UCITS and alternative investment funds (AIFs) are:

- UCITS
- French Alternative Investment Funds (AIF) or AIFs established in other European Union Member States or investment funds incorporated on the basis of a foreign law complying with criteria laid down in Article R.214-13 of the 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.

➤ **Derivative instruments**

The Mutual Fund may use French and foreign forward financial instruments traded on regulated/OTC French or foreign markets.

The Mutual Fund may use, on such markets, the forward financial instruments listed below to expose itself to the investment strategy with a view towards achieving the management objective and hedging if necessary:

- Swaps
- Futures and forward foreign exchange contracts
- Options.

The Mutual Fund may enter into one or more swaps and total return swaps exchanging all or part of the performance of the Mutual Fund's assets for a monetary return.

Maximum percentage of assets under management that may be eligible for a Total Return Swap: 250% of net assets.

Expected percentage of assets under management that will be subject to a Total Return Swap: 200% of net assets.

These transactions will be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policies, among institutions having their registered office in an OECD or EU member state mentioned in R.214-19 of the French Monetary and Financial Code, with a good quality issuer rating equivalent to "Investment Grade". These transactions may be carried out with companies that are connected or affiliated to the Management Company.

➤ **Securities with embedded derivatives:**

The Mutual Fund does not plan to use securities with embedded derivatives such as warrants, Credit Linked Notes, and Euro Medium Term Notes (EMTN), etc.) Any warrants or rights obtained following transactions affecting securities held in the portfolio are nevertheless authorised.

➤ **Deposits:**

To achieve the management objective, the Mutual Fund may make deposits over a maximum term of twelve months with one or more credit institutions, up to a limit of 10% of net assets.

➤ **Cash borrowings:**

As part of its normal operation, the Mutual Fund may temporarily be in a debtor position and in this case resort to borrowing cash, up to a limit of 10% of its net assets.

➤ **Temporary purchases or transfers of securities:**

Types of transactions used: In order to ensure that the Mutual Fund is managed effectively, the Management Company reserves the right to enter into 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 French Monetary and Financial Code.

Types of operations: 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 subject to such transactions or contracts: up to 100% of net assets.

Expected proportion of assets under management subject to such transactions or contracts: Between 0% and 30% of net assets.

Possible leverage linked to temporary purchases and sales of securities: none

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

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

These transactions may be concluded with counterparties selected by the Management Company in accordance with its best execution and best selection policy, among institutions having their registered office in an OECD or EU member state mentioned in R.214-19 of the French Monetary and Financial Code, with a good quality issuer rating. These transactions may be carried out with companies that are connected to the Management Company.

➤ **Contracts constituting financial guarantees:**

In order to achieve its investment objective, the Mutual Fund may receive or issue the guarantees referred to in Article L.211-38 of the French Monetary and Financial Code in accordance with the Management Company's risk policy. Therefore, these guarantees may be cash (not reinvested), 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. These guarantees are kept in segregated accounts by the depositary. These guarantees will be subject to a discount adapted to each asset class (e.g. 2% for a French government bond maturing between 1 and 10 years).

Only guarantees received in cash received may be reinvested in accordance with the regulations in force. The cash received may, therefore, be placed on deposit, invested in high-quality government bonds used in reverse repurchases, 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 net assets. By way of exception, the Mutual Fund may receive as collateral, and up to the totality of its net assets, securities issued or guaranteed by an OECD member state in accordance with the Management Company's risk policy. Thus, the Mutual Fund may be fully collateralised by securities issued or guaranteed by a single eligible OECD member state.

Apart from the guarantees indicated above, the Management Company constitutes a financial guarantee on the Mutual Fund assets (financial securities and cash) for the benefit of the depositary against the Management Company's 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 developments and fluctuations in the financial markets.

Risk of capital loss

Because the Mutual Fund provides no guarantee potential investor should be aware that the Mutual Fund's performance may not meet their objectives, and that they may not get back all their invested capital (after deduction of subscription fees).

Volatility risk

The Mutual Fund is exposed to equity volatility and its net asset value may, therefore, fluctuate. The net asset value could decrease due to the costs inherent to the nature of the financial products used or in the event of renegotiation of the financial instruments held by the Mutual Fund in the event of significant subscription or redemption orders.

Risk related to the model to optimise costs of holding positions

In order to achieve the management objective, the Management Company uses modelled expectations of the costs inherent to holding volatility positions. There is a risk that this modelling is imperfect and results in a negative performance while volatility has not declined.

Risk in the event of market illiquidity

The unitholders' attention is drawn to the risk of loss in the event of subscription or redemption of units in illiquid market situations. As the illiquidity of a market manifests itself in particular in the form of a broad price range, the unitholder actually incurs a risk of loss due to the changes in the forward financial instruments held by the Mutual Fund. The price range may also spread out and become particularly wide in the event of a large number of requests for subscription or redemption orders. Consequently, in such situations, there may be significant costs associated with adjusting the instruments held by the Mutual Fund in the event of significant subscriptions or redemptions, and these costs will affect the net asset value of the Mutual Fund.

Risk related to the absence of bids

Investors' attention is drawn to the fact the Mutual Fund may choose its financial contract counterparties without issuing a call for bids in accordance with the "best execution" policy of the Management Company.

Interest rate risk

Changes in interest rates may have a marginal impact on the Mutual Fund, related to financing conditions. Such an impact should be very limited.

In addition, a change in interest rates may also have an impact on the valuation of forward financial instruments held by the Mutual Fund. However, such impacts on valuation should also remain very limited, because of the overall investment strategy pursued.

Credit risk

Part of the portfolio may be invested in government bonds and other securities issued by public lenders. Credit risk is the exposure to the default of the borrower. As a result, the Mutual Fund is subject to the risk of default on the securities of certain issuers. The deterioration of the financial position of an issuer whose securities are held in the Fund's portfolio will have a negative impact on the Mutual Fund's net asset value.

Counterparty risk

Counterparty risk is the prospect of a loss incurred by the Mutual Fund 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, and repurchase transactions, etc. that the Mutual Fund may enter into with BNP Paribas or any other counterparty. Counterparty risk is nevertheless reduced by setting up guarantees in favour of the Mutual Fund in accordance with the regulations in force.

Conflict of interest risk

The Mutual Fund is exposed to a risk of conflicts of interest in particular when entering into temporary sales or purchases of securities with counterparties affiliated to the group to which the Management Company belongs. When entering into financial contracts or transactions for the temporary sales or purchases of securities, the Management Company may be required to process this type of transaction with counterparties related to the group to which the Management Company belongs. In this case, there is a potential conflict of interest between the interests of the customers and the interests of the group to which the Management Company belongs. The Management Company acts in the best interest of its customers by adhering to an effective conflict of interest management policy.

Risks related to collateral management

The management of collateral received in connection with securities financing transactions and OTC forward financial instruments (including swaps) may involve certain specific risks such as operational risks or the risk of conservation. Thus, the use of these transactions may have a negative effect on the net asset value of the Mutual Fund.

Legal risk

The use of temporary acquisitions and divestitures of securities and/or forward financial instruments, including total return swaps (TRS), may result in a legal risk related to the performance of the contracts.

Currency risk specific to C EUR H, Privilege EUR H, I EUR H, I CHF H and J EUR H units

The net asset values for these units are calculated in euro (EUR) or Swiss francs (CHF), and the investment strategy to which the Fund is exposed is expressed in US dollars (USD). Thus, the net asset values of these units may vary from day to day respectively, depending on fluctuations in the EUR/USD and CHF/USD exchange rates. However, currency risk hedging will be put in place with the aim of reducing this risk. This hedging may, however, be imperfect.

Contagion risk

The Fund issues several unit classes, including a unit class that is hedged against currency risk. The use of specific financial contracts for this unit class may entail a risk of contagion of certain operational and counterparty risks specific to this unit class to the other unit classes in the Fund. The Management Company ensures that this risk is adequately monitored.

Risk associated with the incorporation of non-financial criteria

A non-financial approach may be implemented in different ways by financial managers, in particular due to the lack of common or harmonised labels at European level. This means that it can be difficult to compare strategies that incorporate non-financial criteria. Indeed, the selection and weighting applied to certain investments can be based on indicators that share the same name but have different meanings. When

evaluating a security on the basis of non-financial criteria, the Management Company may also use data sources provided by external providers. Given the evolving nature of the non-financial criteria, these data sources may currently be incomplete, inaccurate or unavailable. The application of responsible business conduct standards and non-financial criteria in the investment process may lead to the exclusion of the securities of certain issuers. Therefore, the financial performance of the Fund may sometimes be better or worse than the performance of similar funds that do not apply these strategies.

#### Sustainability risks

Unmanaged or unmitigated sustainability risks can impact returns on financial products. For example, if an environmental-, social- or governance-related event or situation were to occur, 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 Mutual Fund's investment strategy, including the exclusion of the securities of certain issuers. More specifically, the negative effects of sustainability risks 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) a 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.

#### **TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE:**

All subscribers. Mutual Fund intended more particularly for French or foreign institutional investors

This Mutual Fund is intended for investors who wish to invest over the entire recommended investment period.

The typical investor is seeking exposure to the dispersion of the US stock market. The investor must be prepared to accept the risks resulting from the investment strategies implemented in order to achieve the investment objective of the Mutual Fund.

**MINIMUM RECOMMENDED INVESTMENT PERIOD:** Five years

#### **METHODS OF DETERMINING AND ALLOCATING DISTRIBUTABLE SUMS:**

Distributable income is fully accumulated.

Interest is accounted for using the interest received method.

#### **FREQUENCY OF DISTRIBUTION:**

None

**CHARACTERISTICS OF THE UNITS:**

**SUMMARY TABLE OF THE MAIN CHARACTERISTICS OF THE UNITS**

Unit Class	ISIN codes	Allocation of distributable amounts	Base currency	Target subscribers	Splitting of units	Minimum subscription amount
"C" unit class	FR001400ZNZ6	Accumulation	USD	All investors	Thousandths	None
"C EUR H"	FR001400ZO07	Accumulation	EUR	All investors	Thousandths	None
"Privilege" unit class	FR001400ZO15	Accumulation	USD	All subscribers, and more particularly intended for Distributors and Management under mandate**	Thousandths	USD 1,000,000* Distributors and Management under mandate**: none
"Privilege EUR H"	FR001400ZO23	Accumulation	EUR	All subscribers, and more particularly intended for Distributors and Management under mandate**	Thousandths	Equivalent to USD 1,000,000* Distributors and Management under mandate**: none
"I" unit class	FR0013292281	Accumulation	USD	All subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: EUR 100,000 equivalent* Subsequent: none
"I EUR H"	FR0013396926	Accumulation	USD	All subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: EUR 100,000* Subsequent: none
"I CHF H"	FR0014013JM3	Accumulation	CHF	All investors, specifically intended for French or foreign institutional investors	Thousandths	Initial: EUR 100,000 equivalent* Subsequent: none
"J" unit" class	FR0013292299	Accumulation	USD	All subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 10,000,000* except UCIs: EUR 100,000 equivalent Subsequent: none
"J EUR H"	FR0013396934	Accumulation	USD	All subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 10,000,000 equivalent* except UCIs: EUR 100,000 Subsequent: none

"S" unit class	FR0013331907	Accumulation	USD	All subscribers, and more particularly for French or foreign institutional investors	Thousandths	Initial: USD 5,000,000* Subsequent: none
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\* With the exception of the Management Company, the liquidity provider and BNPP AM PARTICIPATIONS

\*\* Distributors from member countries of the European Economic Area providing independent advisory services as defined by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, and portfolio managers subscribing under a discretionary management mandates.

**SUBSCRIPTION AND REDEMPTION PROCEDURES:**

Subscription and redemption requests are processed Monday to Friday up to 2pm and are priced at the next net asset value of that same day and settled or delivered within 5 business days following the date on which the net asset value is calculated.

Subscription and redemption orders may be for an amount, a whole number of units, or a fraction of units, since each unit is divided into thousandths.

Switching from one unit class to another is considered a redemption followed by a subscription and is subject to capital gains tax.

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

J	J	J: day on which the Net asset value is calculated	J + 1 trading day	J + up to 5 trading days maximum	J + up to 5 trading days maximum
Centralisation up to 2pm of subscription orders	Centralisation up to 2pm of redemption orders	Execution of orders on J day at the latest	Publication of the Net asset value	Subscriptions settlement	Redemptions settlement

**ESTABLISHMENT DELEGATED TO PROCESS SUBSCRIPTION AND REDEMPTION ORDERS:** BNP Paribas.

**INITIAL NET ASSET VALUE:**

C unit: USD 100

"C EUR H" unit: €100

Privilege units: USD 100

"Privilege EUR H" unit: €100

I units: USD 100

"I EUR H" units: 100 €

"I CHF H" units: CHF 100

J units: USD 100

"J EUR H" units: 100 €

S units: USD 100

#### **MAXIMUM SUBSCRIPTION AMOUNT**

The Management Company reserves the right to refuse subscription orders for units in the Mutual Fund for an amount greater than USD 15,000,000.

#### **MAXIMUM NUMBER OF MUTUAL FUND UNITS: 3,000,000 UNITS**

The Mutual Fund may cease issuing C, C EUR H, Privilege, Privilege EUR H, I, J, I EUR H, I CHF H, J EUR H and S units when a maximum number of 3,000,000 units is reached. The reopening of subscriptions for C and/or Privilege and/or I and/or J and/or S units will occur when the number of units held falls below the threshold of 3,000,000 units.

#### **DATE AND FREQUENCY OF CALCULATING THE NET ASSET VALUE:**

The net asset value is calculated daily, with the exception of Saturdays, Sundays, legal holidays in France and closing days of the French capital markets (official calendar of Euronext Paris SA) and days on which the S&P Index 500 (Bloomberg Code SPX Index) is not published (according to the official calendar released by Standard and Poor's). It is thus calculated the next day.

If the day on which the net asset value is calculated falls on a holiday, the net asset value will be determined on the next trading day. In addition, the Management Company reserves the right to carry out an additional calculation of the net asset value for each day from Monday to Friday. However, this additional net asset value, although published, will only be used for valuation purposes. No subscription or redemption orders will be accepted on such NAVs.

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

#### **REDEMPTION CAP 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](http://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 publication or communication methods of the net asset value:**

To the postal address of the Management Company and online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

**FEES AND CHARGES:**

**SUBSCRIPTION AND REDEMPTION FEES:**

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees charged by the Mutual Fund serve to offset the costs incurred investing or divesting the assets entrusted to it. The fees not paid to the Mutual Fund are attributed to the Management Company, and the promoter, etc.

FEES BORNE BY THE INVESTOR AND DEBITED UPON SUBSCRIPTION AND REDEMPTION	BASE	RATE
SUBSCRIPTION FEE NOT PAYABLE TO THE MUTUAL FUND	/	Maximum 3% for the C and the C EUR H units Maximum 3% for the Privilege and the Privilege EUR H units Maximum 2% for the I, I EUR H, I CHF H, J and J EUR H units 0% for S units until 15 November 2018 3% maximum for S units as of 16 November 2018
SUBSCRIPTION FEES PAYABLE TO THE MUTUAL FUND	Net asset value times the number of units	None
REDEMPTION FEE NOT PAYABLE TO THE MUTUAL FUND	/	None
REDEMPTION FEE PAYABLE TO THE MUTUAL FUND	Net asset value times the number of units	None

**Fees charged to the Mutual Fund**

These fees cover the financial management expenses, administration fees external to the Management Company, and maximum indirect fees (fees and management costs).

Performance fees may be added to the fees charged to reward the Management Company if the Mutual Fund exceeds its performance objective.

FEES CHARGED TO THE MUTUAL FUND		BASE	RATE
FINANCIAL MANAGEMENT FEE		Net assets	Maximum 1.20% incl. tax for the C and the C EUR H units Maximum 0.60% incl. tax for the Privilege and the Privilege EUR H units Maximum 0.65% including tax for I, I CHF H and I EUR H units Maximum 0.55% including tax for J and J EUR H units Maximum 0.45% including tax for S units
ADMINISTRATION FEES EXTERNAL TO THE MANAGEMENT COMPANY		Net assets	Maximum 0.35% incl. tax for the C and the C EUR H units Maximum 0.25% incl. tax for the Privilege and the Privilege EUR H units Maximum 0.25% incl. tax for the I, I CHF H and the I EUR H units Maximum 0.15% including tax for J an J EUR H units Maximum 0.15% including tax for S units
MAXIMUM INDIRECT FEES	SUBSCRIPTION AND REDEMPTION FEES:	/	None
	MANAGEMENT FEES	/	None
PERFORMANCE FEES		/	None

**ADDITIONAL INFORMATION ON TRANSACTIONS FOR THE TEMPORARY SALES AND PURCHASES OF SECURITIES:**

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

**SHORT DESCRIPTION OF THE PROCEDURE FOR CHOOSING INTERMEDIARIES:**

The Management Company selects its intermediaries (brokers) involved in the execution of orders on the basis of the principle of the priority of customers' 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 strategy proposed by the intermediary
- Quality of execution, particularly speed
- Quality of order execution in the secondary market
- Intermediary's capacity to provide liquidity
- Quality of the management of collateral
- Experience on certain markets or financial instruments
- Counterparty rating
- Proposed rates

A detailed description of the Management Company's selection and execution policy is available in the "Best selection and best execution policy" section of the [www.bnpparibas-am.com](http://www.bnpparibas-am.com) website

### III. COMMERCIAL INFORMATION

#### III.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.

#### III.2 - INFORMATION PROVIDED TO THE UNITHOLDERS

##### COMMUNICATION OF THE PROSPECTUS, KEY INFORMATION DOCUMENTS, AND THE LATEST ANNUAL AND INTERIM REPORTS:

The Mutual Fund's prospectus, key information documents, and the latest annual and interim reports are sent within eight business days upon written request by the investor to BNP PARIBAS ASSET MANAGEMENT Europe – CIB Strategies Sales Support

Postal address: TSA 90007, 92729 Nanterre CEDEX, France.

These documents are also available online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

The "voting policy" document as well as the report on the conditions under which voting rights have been exercised can be consulted at the address below:

Service Marketing & Communication, TSA 90007, 92729 Nanterre CEDEX, France.

Or online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

If no answer is obtained within one month of a request for information about the vote on a resolution, it must be assumed that the Management Company voted in accordance with the principles stated in the "voting policy" document and with the proposals of its management bodies.

##### COMMUNICATION OF THE NET ASSET VALUE:

The net asset value may be consulted at BNP PARIBAS branches and online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

##### AVAILABILITY OF THE MUTUAL FUND'S COMMERCIAL DOCUMENTATION:

The Mutual Fund's commercial documentation is made available to investors at branches of the BNP PARIBAS Group and online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

##### INFORMATION IN THE EVENT OF A MODIFICATION TO THE MUTUAL FUND'S MANAGEMENT AND ADMINISTRATION

Investors shall be informed of any change made to how the Mutual Fund is managed and administered, either individually, or through the press, or by any other means, in accordance with AMF instruction no.

2011-19 of 21 December 2011. If any changes are made, this information may be communicated through Euroclear France or its affiliated financial intermediaries.

**TRANSMISSION OF PORTFOLIO'S COMPOSITION TO INVESTORS IS SUBJECT TO THE REQUIREMENTS OF DIRECTIVE 2009/138/EC ("SOLVENCY II DIRECTIVE"):**

Under the conditions indicated in the AMF 2004-07 position, the Management Company can inform unitholders of the composition of the Mutual Fund portfolio subject to the requirements of the Solvency II Directive upon expiry of a minimum period of 48 hours after publication of the liquidation value of the Mutual Fund.

**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/>.

**INFORMATION AVAILABLE FROM THE FINANCIAL MARKETS AUTHORITY (AMF):**

The AMF website ([www.amf-france.org](http://www.amf-france.org)) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

#### **IV. INVESTMENT RULES**

As the legislation currently stands, the investment rules, regulatory ratios, and applicable transition guidance applicable to the Mutual Fund stem from the French Monetary and Financial Code.

The financial instruments and management techniques used by the Mutual Fund are mentioned in chapter II.2 "Special provisions" of the Prospectus.

#### **V. OVERALL RISK**

The Management Company uses the value at risk (VaR) method to calculate the Mutual Fund's overall risk. The leverage of the Mutual Fund, assessed as the sum of the nominal positions of the financial contracts used, is expected to be an average level of 200%. This level may periodically be slightly higher or lower.

The leverage stated above corresponds, pursuant to CESR's Guidelines and the Questions and Answers 2016/ESMA/181 on the application of Directive 2009/65/EU, to the sum of the absolute notional values of the TRS held by the Fund.

In this context, in order to provide Fund unitholders, with more detailed information, leverage was also estimated by examining the TRS used to gain exposure to the investment strategy and the components of the Automated Baskets (the "transparency leverage").

Transparency leverage is generated via synthetic exposure to options and futures contracts on shares and equity indices.

Under normal market conditions, the transparency leverage is expected to be an average level of 30. It may exceed this level or be subject to lower levels from time to time. This level is primarily due to the use of listed delta-hedged options, as outlined in the investment strategy to replicate variance swap volatility exposures. The calculation of transparency leverage is based on the gross sum of the notional values of derivatives, without taking into account the effects of offsetting long positions on the volatility of individual shares and short positions on the volatility of the index. This calculation method results in a high level of leverage, without directly reflecting the Fund's true exposure to market changes. By way of illustration, the Fund's exposure to changes in the volatility of the underlying assets is, on average, around +2.2% on individual shares and -2.2% on the S&P 500 index.

A risk management process oversees this investment strategy through transparency leverage monitoring, daily VaR monitoring (99%, one month) and supplementary backtesting and stress tests.

## VI. ASSET VALUATION RULES AND ACCOUNTING METHODS

### VI.1 - ASSET VALUATION RULES

The Mutual Fund complies with the accounting rules prescribed by the regulations in force and, in particular, with the chart of accounts for UCITS. The accounting currency is the US dollar (USD).

All the transferable securities comprising the portfolio are recorded using the historical cost method, excluding fees.

Securities, financial futures, and options held in the portfolio denominated in foreign currencies are converted into the accounting currency on the basis of exchange rates observed in Paris on the valuation day.

The portfolio is valued at the time of each net asset value and when the accounts are closed, using the following methods:

#### **Transferable securities**

Listed securities: at their market value – including accrued coupons (closing price of the day).

Transferable securities whose prices have not been determined on the valuation day or whose prices have been adjusted, as well as securities not traded on a regulated market, are valued under the Management Company's responsibility at their foreseeable sale prices.

- UCIs: At the last-known net asset value, failing which, at the last estimated value.

Debt instruments and similar marketable securities that are not traded in high volumes are valued by applying an actuarial method, the rate used being that applicable to the issuance of similar securities to which is added, where appropriate, a spread consistent with the intrinsic characteristics of the issuer. In the absence of sensitivity, securities with a residual maturity of three months are valued at the most recent rate until they mature. For those with maturities of less than three months, interest is calculated on a straight-line basis.

#### **Temporary purchases and sales of securities:**

. Securities lending: the receivable represented by loaned securities is calculated at the market value of the said securities.

. Securities borrowing: securities borrowed as well as the receivable represented by such securities are valued at their market value.

#### **Forward financial futures and options**

Futures: settlement price of the day.

Off-balance sheet valuations are calculated on the basis of their nominal amount, the settlement price and, where appropriate, the exchange rate.

Options: closing price of the day or, if unavailable, the last known price.

Off-balance sheet valuations are calculated on an underlying-equivalent basis, depending on the delta and the price of the underlying and, where appropriate, the exchange rate.

Currency forwards: revaluation of currencies committed at the current daily price, carry-over/discount calculated on the basis of the maturity of the contract.

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. In the event of transactions on the OTC market concluded following the receipt of a subscription or redemption order, the Management Company is authorised to apply the market value of the transactions thus processed in order to value the units. The net asset value of the Mutual Fund will take into account the actual cost of adjusting to the portfolio due to net subscription and redemption requests on the same net asset value, thereby including a fluctuation due to the range of execution prices (on the purchase or sale, if any) of over-the-counter transactions.

**Contracts constituting financial guarantees**

Securities received as financial guarantees are valued daily at their market value.

**VI.2 - ACCOUNTING METHOD**

Interest is accounted for using the interest received method.

**VII - REMUNERATION**

The Management Company's compensation policy has been designed to avoid conflicts of interest, protect the interests of customers, and ensure that there is no incentive for excessive risk-taking.

It implements the following principles: compensating performance, sharing wealth creation, aligning the interests of employees and the company in the long term, and promoting a financial connection between employees and risk.

More information on the updated compensation policy, including the persons responsible for awarding compensation and benefits and a description of how these are calculated, is available at <http://www.bnpparibas-am.com/en/remuneration-policy/>. A print version is also available free of charge upon written request to the Management Company.

**Prospectus publication date: 29 October 2025**

**BNP PARIBAS ASSET MANAGEMENT EUROPE**

**1 Boulevard Haussmann  
75009 PARIS**

**319 378 832 R.C.S. PARIS – FRANCE**

**REGULATIONS OF THE MUTUAL FUND**

**THEAM QUANT DISPERSION US**

**SECTION I**

**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 Mutual Fund. Each unitholder has a co-ownership right to the assets of the Mutual Fund, proportional to the number of units held.

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

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

The different unit classes may:

- Have different revenue distribution policies;
- Be denominated in different currencies;
- Incur different management fees;
- Incur 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 Mutual Fund's other unit classes.
- Be reserved for one or more distribution networks.

The governing body of the Management Company, or its Chairman, 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 issuance 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 Management Company's governing body or its Chairman may decide, at their own discretion, to subdivide the units by issuing new units, to be allocated to unitholders in exchange for their existing units. Units may also be merged together.

## **ARTICLE 2 - Minimum assets**

Units may not be redeemed if the Mutual Fund's assets fall below the amount set by the regulations. If the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the Mutual Fund, or to carry out one of the transactions mentioned in Article 411-16 of the AMF General Regulations (transfer of the UCITS).

## **ARTICLE 3 - Issuance 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.

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

Units of the Mutual Fund may be admitted to a regulated stock exchange listing in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They may be paid for in cash and/or by way of contribution in kind of financial instruments. 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 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 Mutual Fund when unitholders have agreed to be reimbursed in securities. Redemptions are settled by the keeper of the issuer accounts within a maximum of five days from the valuation day of the units.

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

With the exception of succession or an *inter vivos* distribution, the sale or transfer of units between unitholders or unitholders and third parties is considered 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 by the prospectus.

In application of Article L.214-8-7 of the French Monetary and Financial Code, the redemption of units by the Mutual Fund as well as the issuance of new units may be suspended on a temporary basis by the Management Company under exceptional circumstances and if this is deemed necessary to protect the interests of the unitholders.

If the net assets of the Mutual Fund fall below the amount set by the regulations, no redemption may be carried out.

Minimum subscription conditions may exist, according to the terms and conditions set out in the Mutual Fund's prospectus.

### **Staging mechanism for redemptions:**

In application of Articles L.214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulations, the Management Company has the option of not fully executing processed redemption orders if the sum of the net redemption requests for the same net asset value exceeds 10% of the Mutual Fund's net assets. In this case, the Management Company may decide to execute redemptions up to a limit

of 10% of the net assets of the Mutual Fund (or higher percentage if the Management Company considers it possible) and in proportion to each request on the basis of the last known figure for net assets.

If the cap is triggered, redemption requests will be reduced proportionately and redemption requests pending execution will automatically be deferred to the next batch to be processed. Orders so deferred will not have priority over subsequent redemption requests. Holders whose redemption requests were postponed will be specifically informed as soon as possible after the centralisation date by the centralising agent BNP PARIBAS.

The unitholders of the Mutual Fund are nevertheless able to formally oppose to the postponement of the non-executed part of their order and request cancellation of the non-executed part of their order in accordance with the Mutual Fund centralisation's notice.

The redemptions staggering mechanism cannot be triggered more than 20 times over a period of 3 months and cannot last more than one month. Beyond this, the Management Company will automatically terminate the redemption staggering mechanism and consider another extraordinary solution (such as the suspension of redemptions, for example) if the situation so requires.

The Mutual Fund 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 Mutual Fund 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 Prospectus.

## **SECTION II**

### **OPERATION OF THE MUTUAL FUND**

#### **ARTICLE 5 - The Management Company**

The Management Company shall manage the Mutual Fund in accordance with its defined strategy.

The Management Company shall act, in all circumstances, for the exclusive benefit of the unitholders, and it alone may exercise the voting rights attached to the securities included in the Mutual Fund.

#### **ARTICLE 5a - Management rules**

The instruments and deposits eligible to form part of the Mutual Fund's assets as well as the investment rules are described in the Prospectus.

#### **ARTICLE 6 - The depositary**

The depositary is responsible for carrying out the tasks under its responsibility pursuant to the 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 Management Company are lawful. Where applicable, it must take all protective measures 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 shall be 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 shall certify that the financial statements give a true and fair view of the Mutual Fund.

The statutory auditor may be reappointed.

The statutory auditor must inform the AMF promptly of any event or decision concerning the Fund observed during the course of its assignment, 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 determine the 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 shall check the composition of the assets and other information before publication.

The statutory auditor's fees shall be determined by mutual agreement between it and the Management Company, on the basis of a work program indicating all duties deemed necessary. The statutory auditor shall certify the financial statements serving as the basis for the payment of interim dividends.

**ARTICLE 8 - The financial statements and the management report**

At the end of each financial year, the Management Company shall prepare the financial statements and a report on the management of the Mutual Fund and, if any, on each sub-fund, for the financial year just ended.

The Management Company shall prepare a statement of the Mutual Fund's assets, under the supervision of the depositary, 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.

**SECTION III****ALLOCATION OF DISTRIBUTABLE SUMS****ARTICLE 9 – Allocation of profit and 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 Mutual Fund and of each sub-fund, if any, plus income generated by temporary cash holdings, less management fees and borrowing costs.

Distributable income is composed of:

1) Net income for the year, plus retained earnings, plus or minus the net revenue accruals for the year ended, and current financial years from 1 January 2013.

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 not yet capitalised, plus or minus the net capital-gain accruals for the year.

The Management Company shall decide the allocation of profit and distributable sums (profit for the year and realised net gains). It may also decide to pay interim dividends and/or carry forward the net profit and/or net realised gains.

The Mutual Fund may issue more than one category of units, for which the allocation of distributable sums is specified in the prospectus.

## **SECTION IV**

### **MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

#### **ARTICLE 10 - Merger - Split**

The Management Company may either merge all or part of the Mutual Fund's assets with another UCITS, or split the Mutual Fund into two or more UCITS.

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

#### **ARTICLE 11 - Dissolution – Extension**

If the assets of the Mutual Fund, or of the sub-fund, if any, remain below the amount specified in article 2 above for thirty days, the Management Company shall inform the AMF and shall dissolve the Mutual Fund, except in the event of a merger with another Mutual Fund, when the Mutual Fund or sub-fund, if any, is dissolved.

The Management Company may dissolve the Mutual Fund or a sub-fund, if any, 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 Mutual Fund or sub-fund, if any, 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 Mutual Fund's term, unless such term is extended.

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

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

#### **ARTICLE 12 – Liquidation**

If the Mutual Fund is dissolved, the depositary or the Management Company shall assume the functions of receiver. Failing this, the receiver 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.

## **SECTION V**

### **SETTLEMENT OF DISPUTES**

**ARTICLE 13 - Competent courts - Jurisdiction**

All disputes relating to the Mutual Fund that may arise during its lifetime or liquidation, either among unitholders, or between the unitholders and the Management Company, or the depositary shall be submitted to the courts of competent jurisdiction.

## **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](http://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.