UCITS
under Directive 2009/65/EC

PROSPECTUS
La Française Global Coco
Mutual Fund

1. General information

1.1 Legal form of the UCITS

Name:
La Française Global Coco

Legal form and Member State in which the UCITS was established:
Fonds Commun de Placement [mutual fund] under French law

Launch date and scheduled duration:
18/01/2017 - 99 years

Date of approval by the French Financial Markets Authority:
10/05/2016

Summary of the management offer

Type of unit	ISIN code	Initial net asset value	Sub-funds	Allocation of income	Allocation of gains and losses:	Denomination currency	Target investors	Minimum initial investment value
S units	FR0013175221	EUR 1,000	No	Capitalisation	Capitalisation	EUR	All investors, particularly large institutional investors	EUR 5,000,000
R C EUR units	FR0013301082	EUR 100	No	Capitalisation	Capitalisation	EUR	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	EUR 50,000
TC EUR units	FR0013292224	EUR 1,000	No	Capitalisation	Capitalisation	EUR	All subscribers without payment of retrocession fees to distributors	EUR 100,000
R C USD H units	FR0013251071	USD 100	No	Capitalisation	Capitalisation	USD	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services	USD 50,000

The minimum initial subscription value does not apply to the Management Company or the entities of the La Française Group.

Units in foreign currencies are systematically hedged against exchange risk for the reference currency of the Fund.

Location where the latest annual report and the latest interim report may be obtained:
The latest annual reports and the breakdown of assets will be sent within eight working days, upon written request by the unitholder to:

LA FRANÇAISE ASSET MANAGEMENT
Marketing Department
128, boulevard Raspail
75006 Paris
Tel. +33 (0) 1 44 56 10 00
E-mail: contact-valeursmobilieres@lafrancaise-group.com

For further information, please contact the Marketing Department of the Management Company by e-mail at: contact-valeursmobilieres@lafrancaise-group.com.

1.2 Participants

Management company:
LA FRANÇAISE ASSET MANAGEMENT
Simplified joint stock company, registered in the Paris Trade and Companies Register under number 314 024 019
Management company approved by the French Financial Markets Authority on 1 July 1997, under number GP 97-76,
Registered office: 128, boulevard Raspail, 75006 PARIS

Depositary and registrar:

Identity of the UCITS Depositary
The Depositary of the UCITS is BNP Paribas Securities Services SCA, a subsidiary of the BNP PARIBAS SA group located at 9, rue du Débarcadère, 93500 PANTIN (the "Depositary"). BNP PARIBAS SECURITIES SERVICES, a partnership limited by shares, registered in the Trade and Companies Register under number 552 108 011, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), whose registered office is located at 3, rue d'Antin, 75002 Paris, France.

Description of the responsibilities of the Depositary and potential conflicts of interest
The Depositary carries out three types of responsibilities: checking the legality of the decisions of the Management Company (as defined in Article 22(3) of the UCITS V Directive), monitoring the UCITS cash flow (as defined in Article 22(4)) and holding UCITS assets (as defined in Article 22(5)).
The main objective of the Depositary is to protect the interests of unitholders/investors in the UCITS. This will always take precedence over commercial interests.
Potential conflicts of interest may be identified, especially in the case where the Management Company has a commercial relationship with BNP Paribas Securities Services SCA alongside its appointment as Depositary (which may be the case where BNP Paribas Securities Services, by delegation from the Management Company, calculates the net asset value of the UCITS while BNP Paribas Securities Services is the Depositary or where a group connection exists between the Management Company and the Depositary).
In order to manage situations such as this, the Depositary has implemented and regularly updates a conflict of interest management policy, with the aim of:
- identifying and analysing potential conflicts of interest;
- recording, managing and monitoring conflicts of interest:
    - o based on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and dedicated IT environments;
    - o on a case-by-case basis:
        - by implementing appropriate preventive measures such as the creation of an ad hoc monitoring list and new Chinese walls, or by verifying that transactions are properly processed and/or by keeping the relevant clients informed; or
        - by refusing to manage activities which could lead to conflicts of interest.

Description of any safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest likely to result in such a delegation
The UCITS Depositary, BNP Paribas Securities Services SCA, is responsible for the safekeeping of assets (as defined in Article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services SCA has no local presence. These entities are listed on the following website:
http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html
The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.
Up-to-date information relating to the above points will be sent to investors upon request.

Statutory auditor:
DELOITTE et Associés
185, avenue Charles de Gaulle, 92524 NEUILLY SUR SEINE cedex
Represented by Mr Jean-Marc LECAT

Marketers:
LA FRANCAISE AM FINANCE SERVICES
Customer service
128, boulevard Raspail, 75006 PARIS

Delegates:

Appointed Account Manager
BNP PARIBAS SECURITIES SERVICES, SCA
With its registered office at 3, rue d'Antin, 75002 PARIS
With its postal address at Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin

Advisers:
None

Centralising agent:
LA FRANÇAISE ASSET MANAGEMENT
Simplified joint stock company, registered in the Paris Trade and Companies Register under number 314 024 019
Management company approved by the French Financial Markets Authority on 1 July 1997, under number GP 97-76,
Registered office: 128, boulevard Raspail, 75006 PARIS

Appointed establishment responsible for subscription and redemption orders:
LA FRANCAISE AM FINANCE SERVICES
Customer service
128, boulevard Raspail, 75006 PARIS

2. Terms of operation and management

2.1 General information

Unit features:
- Nature of right attached to each unit category: each unitholder has the right of co-ownership in Fund assets in proportion to the number of units held.
- Liabilities managed by BNP Paribas Securities Services.
- Units admitted to EUROCLEAR France.
- Voting rights: the units do not carry any voting rights; decisions are taken by the Management Company.
- Form of units: bearer units.
- Decimalisation:
* **S & TC EUR units**: each unit can be divided into hundred thousandths
* **R C USD H** & **R C EUR units**: each unit can be divided into thousandths

Closing dates:

• End of accounting period:	last trading day in December
• Closing date of the 1st financial year:	29 December 2017

Tax system:
Please note: Depending on your tax system, any capital gains and income associated with holding units in the UCITS could be subject to taxation. If the unitholder is uncertain about his tax situation, he must consult the UCITS marketer or his financial adviser for more information.

2.2 Specific provisions

ISIN code:

S units	FR0013175221
R C EUR units	FR0013301082
TC EUR units	FR0013292224
R C USD H units	FR0013251071

Classification:
International bond and other debt securities

Management objective:
The objective of the Fund is to outperform its benchmark, the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index, over a recommended investment period of more than 5 years, by notably gaining exposure to subordinated debt securities.

Benchmark index:
The mutual fund is neither an index fund nor an index benchmark but, for post-hoc comparison purposes, the unitholder can refer to:
- for units denominated in EUR: the performance of the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index.
- for units denominated in USD: the performance of the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index.
Ticker Bloomberg [COCO Index].
The ICE BofA Contingent Capital Index is composed of subordinated debt issues, mainly issued by financial institutions.

Investment strategy:

1. Strategy used

The investment strategy of the Fund consists of managing, on a discretionary basis, a portfolio of subordinated debt instruments issued mainly by financial institutions and conventional bonds and negotiable debt securities.
As part of its active management, the Fund aims to take advantage of existing opportunities within an investment universe composed of Additional Tier 1, Tier 2 and Convertible Quota ("CoCo") bonds.
CoCos are more speculative and carry a higher default risk than conventional bonds, but these CoCos will be sought as part of the management of the fund owing to their high yield. This remuneration compensates for the fact that these securities can be converted into equity (shares) or may be subject to capital loss if the contingency clauses of the financial institution concerned are triggered (crossing of a capital threshold predefined in the prospectus of a subordinated bond issue).
The manager may invest in securities denominated in currencies other than the euro, but will systematically hedge against currency risk. There may, however, be a residual exchange risk due to imperfect hedging.

Up to 100% of the Fund will be invested in issues rated “investment grade” (ratings higher than or equal to BBB- according to Standard & Poor's or Baa3 according to Moody's) or speculative (rating less than BBB- or Baa3) or deemed equivalent according to the analysis of the management company. The Management Company shall not exclusively or systematically use external ratings to determine which securities in which it would be useful to invest. It shall carry out its own credit analysis to establish the creditworthiness of assets at the time of investment or in the event of a decline in the latter, in order to decide whether to sell or maintain the position.

The selection of securities is based on the quality of the issuers and the evaluation of the technical characteristics of the bonds. To evaluate the quality of the issuers, the manager shall be particularly attentive to the quality and composition of assets, financing and solvency. The assessment of the technical characteristics of the bonds depends on the rank of subordinations, the structure of the coupons, the recall dates and the liquidity of the latter.

The sensitivity range for interest rates in which the mutual fund is managed	0 to + 10
Geographical area of the issuers of securities to which the mutual fund is exposed	OECD countries (all zones): 0-100%; non-OECD countries (emerging markets): 0-100%
Security denomination currencies in which the mutual fund is invested	euro; all currencies
Level of exchange risk supported by the mutual fund	Residual due to imperfect hedging

The allocation between private and public debt is not determined in advance and will be based on market opportunities.

The Fund may invest up to 10% of its assets in units or shares of UCITS under French or foreign law. These UCITS may be managed by the Management Company or an associated company, as applicable. They will be used to manage cash flow and/or to achieve the management objective.

The fund may use Total Return Swaps (TRS) up to a limit of 25% maximum of the net assets. The expected proportion of assets under management that shall be subject to TRS may be 10%. The assets underlying the TRSs may be credit indices.

The Fund reserves the right to invest in preferred shares, mainly issued by financial institutions, up to a limit of 10% of its assets.
The Fund may also engage in transactions for the temporary purchase and sale of securities in order to (i) ensure the investment of the liquid assets available (e.g. reverse repurchase transactions), (ii) optimise the performance of the portfolio (e.g. securities lending).

The Fund may invest in financial futures traded on French and foreign regulated markets or OTC.

In this context, the manager may take positions to hedge and/or expose the portfolio to interest-rate credit and/or equity market risks through futures, options and/or swaps and single name CDS and/or on indexes only to hedge the portfolio.
Global exposure is limited to 300% of net assets, with equity exposure limited to a maximum of 10% of net assets.

2. Assets (excluding integrated derivatives)

a. Equities

The Fund does not intend to hold shares. However, since the Fund may invest in bonds of any rank of subordination or in contingent convertible bonds, there exists a possibility that these instruments may be converted into shares on the initiative of the regulator or in the event, for example, of a fall in solvency ratio beyond a threshold that is generally determined contractually.
If the bonds held in the portfolio are converted into shares, the Fund may temporarily hold shares and sell them as soon as possible in the best interest of the holders.
The shares can be of any market capitalisation and denominated in any currency.
The fund may invest in preferred shares. Preferred shares are hybrid securities because they are equity securities that generally pay a fixed-rate dividend and have a preferential ranking in the capital structure of the issuing company, as compared to the ordinary shares of the same company. In general, holders preferred shares do not have voting rights.
Exposure of the portfolio to equity risk shall be limited to maximum 10% of the net assets.

2. Debt securities and money-market instruments

The Fund may invest up to 100% of its assets in bonds and up to 10% in money market instruments.

Negotiable debt securities: yes
- Bonds: yes
- Treasury bills: yes
- Commercial paper: yes
- Certificates of deposit: yes

with the following characteristics:
- rating: investment grade, high yield or not rated
- the securities selected will be selected independently in the private and/or public sectors
- denominated in currencies: all currencies

c. UCITS

The Fund may invest up to 10% of its assets in units or shares of UCITS under French or foreign law.
These UCITS will be used to manage cash flow and/or to achieve the management objective.

These UCITS may be managed by the management company or an associated company, as applicable.

3. Derivative instruments

The Fund may invest in futures traded on French and foreign regulated markets or OTC.
In this context, the manager may take positions to hedge and/or expose the portfolio to interest rate and/or equity risks (exposure to equities shall not exceed 10% of the net assets), through futures, Total Return Swaps and/or swaps and single name CDS and/or on indexes only to hedge the portfolio.

Nature of the markets used:

- regulated: yes
- organised: yes
- OTC: yes

Risks on which the manager seeks to act:

- equities: yes (within a limit of -10% and +10% maximum)
- interest rates: yes
- exchange rates: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes

- arbitrage: no
-
Nature of the instruments used:

- futures: yes
- vanilla options (listed, OTC): yes
- swaps (interest rates, currencies): yes
- Total Return Swaps (TRS): yes
- forward exchange (NDF): yes
- credit derivatives: yes, CDS (single name)

4 - Securities with embedded derivatives

Risks on which the manager seeks to act:

- equities: yes (within a limit of -10% and +10% maximum)
- interest rates: yes
- exchange rates: yes
- credit: yes
- indices: yes

Nature of activities:

- hedging: yes
- exposure: yes
- arbitrage: no

Nature of the instruments used:

- convertible bonds
- warrants
- EMTN
- share warrants

5- Deposits

The Fund reserves the right to make deposits of up to 10% in order to manage its cash flow.

6- Cash borrowings

The Fund reserves the right to temporarily borrow cash up to a limit of 10% of its net assets.

7- Temporary securities purchase and sale transactions

• **Nature of activities**: Transactions for the temporary purchase or sale of securities shall be carried out in accordance with the Monetary and Financial Code. They shall be carried out within the framework of cash flow management and/or the optimisation of UCI income. In no circumstances shall these strategies aim to create or result in the creation of a leverage effect.
• **Nature of transactions used**: These transactions shall consist of securities loans and borrowings and repurchase and reverse repurchase transactions of interest rate or credit products of OECD Member States. The instruments subject to transactions of this nature shall be bonds, financial instruments and other negotiable debt securities issued by public and/private entities and rated “investment grade” (rating higher than or equal to BBB- according to Standard&Poor’s or Baa3 according to Moody’s) and/or speculative (rating lower than BBB- or Baa3) and/or unrated.
• **Envisaged level of use**:
Transactions for the temporary sale of securities (securities lending, reverse repurchase transactions) may be carried out up to an amount equivalent to 50% maximum of UCI assets, while the transactions for the temporary purchase of securities (securities borrowing, repurchase agreements) may be carried out up to an amount equivalent to 10% maximum of UCI assets.
The expected proportion of assets under management that shall be subject to such transactions may be 25% of assets.
8. Information relating to financial guarantees (temporary acquisitions and sale of securities and/or OTC derivatives for the total return swaps (TRS)):
• **Financial guarantees management**:
Within the framework of transactions negotiated on OTC markets for the temporary purchase or sale of securities and/or OTC derivatives, the UCI may receive cash in its reference currency as collateral. Guarantees are held by the Depositary of the UCI.
• **Reinvestment policy and guarantees received**:

Financial guarantees received in cash are reinvested in accordance with the rules in effect. Financial guarantees received must be able to be fully enforced by the UCI at any time and without consulting or obtaining the approval of the counterparty.
Financial guarantees received in cash may be:
- placed in deposit;
- invested in high-quality government bonds;
- invested in short-term money market funds. Securities received as collateral cannot be sold, reinvested or used as a guarantee deposit.
• **Selection of counterparties**:
The Management Company follows a specific selection process for financial intermediaries, also used for intermediaries designated for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS). These intermediaries are selected based on their research quality, the cash assets that they offer, and their speed and reliability with regard to the execution and processing quality of orders.
At the end of this rigorous and regulated process, subject to a grade, the counterparties selected for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS) are credit institutions authorised by the Management Company which have their registered office in a Member State of the European Union.
• **Remuneration**:
No remuneration is due to the Depositary (within the framework of his capacity as Depositary) or to the Management Company for transactions for the temporary purchase or sale of securities and/or certain derivatives such as total return swaps (TRS).
All income from these transactions is paid in full to the UCI.
The costs/fees relating to transactions for the temporary purchase and sale of securities and/or total return swaps (TRS) are not invoiced to the Fund. These costs/fees are fully undertaken by the Management Company.
Moreover, the Management Company does not take any commission in kind for these transactions.
• **Risks**:
There is no correlation policy to the extent that guarantees received in cash in the reference currency of the UCI do not present an exchange risk or valuation risk due to fluctuating financial markets. Therefore, there is no haircut policy applied to the guarantee received.
The risks relating to these types of transactions are described in the section “risk profile of the prospectus”.
The audit teams in charge of the Fund shall respect all the limits described in the investment strategy and/or under the heading “Forecasted level of use”. The policy for financial guarantees in cash does not require a specific risk procedure in order to monitor collateral and associated haircuts.

Risk profile:
“Your money will be invested primarily in financial instruments selected by the Management Company. These instruments are subject to market changes and fluctuations.”
The risks described below do not constitute an exhaustive list: investors should analyse the risks inherent to each investment and make their own decisions. Investors are exposed to the following risks through the mutual fund:

Risk of capital loss:
Investors should be aware that their capital is not guaranteed and may therefore not be returned to them.

Discretionary risk:
The discretionary management style applied to the mutual fund is based on the selection of portfolio assets and/or market expectations. There is a risk that the mutual fund may not be invested in the best-performing assets or markets at all times. The mutual fund's performance may therefore be lower than the management objective. In addition, the net asset value of the mutual fund may have a negative performance.

Credit risk:
Credit risk may arise from a downgrading of the credit rating of an issuer of debt securities or the default of an issuer. If an issuer’s credit rating is downgraded, the value of its assets falls. Consequently, this may cause the net asset value of the mutual fund to fall.

Risk related to contingent convertibles:
CoCos are hybrid securities, whose main objective is to enable recapitalisation of the issuing bank or financial institution, during a financial crisis. Indeed, these securities have loss-absorption mechanisms, as described in their issue prospectuses, that are activated generally when the issuer's equity ratio falls below a certain trigger threshold.
The trigger is primarily mechanical: it is generally based on the CET1 ("Common Equity Tier 1") accounting ratio, relative to risk-weighted assets. To offset the discrepancy between book values and the financial reality, there is a discretionary clause allowing the supervisor to invoke the loss absorption mechanism if s/he considers that the issuing institution is insolvent.
CoCos are therefore subject to specific risks, in particular subordination to specific triggering criteria (e.g. deterioration of the equity ratio), conversion into shares, loss of capital or non-payment of interest.
The use of subordinated bonds, particularly so-called Additional Tier 1 bonds, exposes the fund to the following risks:

- triggering of the contingency clauses: if an equity threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.
- cancellation of the coupon: Coupon payments on these types of instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and without time constraints.
- capital structure: unlike traditional, secured debt, investors in this type of instrument may incur a capital loss without prior bankruptcy of the company. Furthermore, the subordinated creditor will be repaid after ordinary creditors, but before shareholders.
- call for extension: These instruments are issued as perpetual instruments, callable at pre-set levels only with the approval of the competent authority
- valuation / performance: The attractive yield of these securities can be considered a complexity premium

Risk associated with holding convertible bonds:
The Fund may be exposed up to 100% in convertible bonds. The value of convertible bonds depends to some extent on the evolution of the prices of their underlying equities. Changes in the underlying equities may lead to a fall in the Fund's net asset value.
Exposure to equity risk shall be limited to maximum 10% of the net assets.

Liquidity risk:
This is the risk that a financial market, when trading volumes are low or in the event of volatility on this market, not be able to absorb sales volumes (or purchases) without significantly reducing (or raising) the price of assets. This may result in a reduction in the net asset value.

Risk arising from techniques such as derivative products:
This is the risk of increased losses owing to the use of financial futures such as OTC financial agreements and/or futures contracts.

Interest rate risk:
This is the risk of a decrease in interest rate instruments due to interest rate fluctuations, which may cause a decline in the net asset value of the mutual fund.

Exchange risk:
The mutual fund may invest in transferable securities denominated in currencies other than the reference currency.
The manager will always hedge the exchange risk. There may however be a residual exchange risk due to imperfect hedging. The net asset value of the Fund may fall as a consequence.

Risk arising from overexposure:
The Fund may use financial futures (derivatives) to generate overexposure and thus increase the Fund's overall exposure to a maximum of 300%. Depending on the direction of the Fund's transactions, the effect of the fall (in the case of purchase of exposure) may be amplified and therefore increase the fall of the net asset value of the Fund.

Volatility risk:
It is the risk of a fall in the net asset value brought about by a rise or fall in volatility which is decorrelated from the performances of traditional markets in dynamic securities. In case of an adverse movement in the volatility on the strategies implemented, the net asset value will suffer a fall.
If the Fund has taken a buying position and the implicit volatility falls, the net asset value of the mutual fund will fall.
If the Fund has taken a selling position and the implicit volatility rises, the net asset value of the mutual fund will fall.

Risk associated with investments in "speculative" securities:
This fund may be exposed to “speculative” securities. These securities have a higher risk of default; they are likely to suffer higher and/or more frequent variations in valuations and are not always sufficiently liquid to be sold at all times at the best price. The value of the mutual fund unit may therefore be lower when the value of these securities in the portfolio falls.

Risk arising from investments in non-OECD countries (emerging markets):
The mutual fund may be exposed up to 100% in non-OECD countries. Market risk is amplified by any investment in non-OECD countries where upward and downward market movements may be stronger and more sudden than on major international markets.
Investing in non-OECD countries involves a high degree of risk due to the political and economic situation of these markets, which may affect the value of the Fund's investments. Their operational and supervisory conditions may differ from the standards prevailing on major international markets. In addition, investing in these markets entails risks due to the restrictions imposed on foreign investments, counterparties, the higher market volatility, the delay in settlements/deliveries as well as the limited liquidity of some lines contained in the mutual fund's portfolio. The net asset value of the mutual fund may fall as a consequence.

Counterparty risk:
Counterparty risk arises from entering into contracts in financial futures traded on over-the-counter markets, and from temporary purchases and sales of securities. This is the risk that a counterparty may default on payment. Thus, the default of a counterparty may lead to a decline in the net asset value.

Risks associated to preferred shares:
The fund may invest in "preferred shares": these are hybrid capital securities which combine the characteristics of common shares and fixed-income debt securities. They do not offer an exchange option into shares, and their value is not linked to the valuation of the shares.
The returns on preferred shares are set by a dividend rate similar to an interest rate on bonds. Similar to bonds, the market value of preferred shares increases when interest rates fall and vice versa.
A holder of preferred shares does not take part in shareholders meetings.

Potential risk of a conflict of interests:
This risk relates to the completion of temporary purchases and sales of securities transactions, during which the mutual fund uses an entity as counterparty and/or financial intermediary that is linked to the group to which the mutual fund's Management Company belongs.

Legal risk:
The use of purchase and/or sale transactions of securities and/or total return swaps (TRS) may result in legal risks, in particular relating to contracts.

Target investors:

S units	All investors, particularly large institutional investors
R C EUR units	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services
TC EUR units	All subscribers without payment of retrocession fees to distributors
R C USD H units	All subscribers, including investors subscribing via distributors providing a non-independent advisory service within the meaning of MiFID II or Reception and Transmission of Orders (RTO) with services

U.S. investors
Mutual fund units have not been and will not be registered under the U.S. Securities Act of 1933 (hereinafter the “Act of 1933”) or any other law applicable in a U.S. state. Units may also not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions) to any U.S. Person (hereinafter “U.S. Person”), as defined in the American Regulation “Regulation S” of the Act of 1933 as adopted by the Securities and Exchange Commission (“SEC”) unless (i) the units have been registered or (ii) an exemption applies (with the prior agreement of the Management Company’s governing body).
The mutual fund has not been and will not be registered under the U.S. Investment Company Act of 1940. Any re-sale or transfer of units in the United States of America or to a U.S. Person may be in breach of U.S. law and requires the written agreement of the Management Company of the mutual fund. Those wishing to acquire or purchase units will have to certify in writing that they are not U.S. Persons.

The appropriate amount to invest in the mutual fund depends on your personal financial situation. In order to determine this amount, you should take into account your personal assets and current requirements, and also your willingness to take risks or your wish to favour prudent investment. You are also strongly advised to diversify your investments so that they are not exposed solely to the risks of this mutual fund.

Characteristics of units in foreign currencies:
Units not in the same currency as the mutual fund currency are completely hedged, i.e. hedged against exchange risk via the use, in particular, of forward exchange contracts, swaps, forwards, etc.
There may however be a residual exchange risk due to imperfect hedging.

Recommended investment period:
This fund may not suit investors who intend to withdraw their contribution within five years.

Methods of determining and allocating distributable amounts:

S units	Capitalisation
R C EUR units	Capitalisation
TC EUR units	Capitalisation
R C USD H units	Capitalisation

The distributable amounts are made up of:
1. Net income, which is equal to total interest payments, arrears, dividends, bonuses and lots, fees and all earnings from securities held in the Fund's portfolio, plus earnings from amounts held as liquid assets, minus management fees and borrowing costs, plus the amount carried forward and plus or minus the balance of prepayments and accrued income;

2. The realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.

Accounting currency:
EUR

Subscription and redemption terms:
***Subscriptions*:**
Subscription orders in value or hundred of thousandths of units (S and TC EUR units) or thousandths (R C USD H and R C EUR units) and redemption orders (in thousandths of units) are processed by La Française AM Finance Services on each net asset value calculation day (D) at 11.00 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the net asset value calculated on D+1.
The clearing and settlement of securities relating thereto shall be made on D+2 (the 2nd trading day following the valuation date).
The S units will be closed for subscription on 29 December 2017 at 11.00 a.m. From this date, only investments preceded by a redemption on the same day for the same number of units, for the same net asset value and by the same unitholder may be executed.

Redemptions:
Redemption orders in value or hundred of thousandths of units (S and TC EUR units) or thousandths (R C USD H and R C EUR units) and redemption orders (in thousandths of units) are processed by La Française AM Finance Services on each net asset value calculation day (D) at 11.00 a.m. (if the Stock Exchange is open in Paris, except for public holidays in France) and are executed on the basis of the net asset value calculated on D+1.
The clearing and settlement of securities relating thereto shall be made on D+2 (the 2nd trading day following the valuation date).

How to subscribe to T units:
Subscriptions for T units (net units) are reserved:
- for investors subscribing through distributors or intermediaries:

  - subject to national legislation prohibiting all retrocession fees to distributors
  - providing:
    o independent advice within the meaning of European regulation MiFID II,
    o individual portfolio management under mandate

- for funds of funds

Any arbitrage of fund units towards T units will benefit from the MiFID II tax exemption until 31/12/2018 (letters dated 16 March 2017 and 31 October 2017 of the Directorate-General for Public Finance, which confirms that such exchange transactions benefit from the tax deferral provided for in Article 150-0 B of the General Tax Code; www.la-francaise.com), provided that subscriptions for T units are immediately preceded by a redemption in I units by the same unitholder for a product equivalent to the number of redeemed units and on the same net asset value date.

Minimum initial subscription value:

S units	EUR 5,000,000
R C EUR units	EUR 50,000
TC EUR units	EUR 100,000
R C USD H units	USD 50,000

Minimum value for subsequent subscriptions:

S units	None
R C EUR units	None
TC EUR units	None
R C USD H units	None

Date and frequency of the net asset value:
The net asset value is calculated on each trading day of the Paris Stock Exchange, excluding legal holidays in France.

Initial net asset value:

S units	EUR 1,000
R C EUR units	EUR 100

TC EUR units	EUR 1,000
R C USD H units	USD 100

Location where the net asset value is published:

The Management Company's premises and online at: www.la-francaise.com

Charges and fees:

Subscription and redemption fees:

Subscription fees are added to the subscription price paid by the investor and redemption fees are deducted from the redemption price. The fees received by the UCITS offset the charges it incurs in investing or divesting the assets entrusted to it. Fees that are not paid to it revert to the Management Company, marketer, etc.

Fees charged to the investor, levied at the time of subscription and redemption	Base	Rate/scale
Subscription fee not paid to the UCITS	Settlement value X Number of units	**S units:** 5.00% maximum **R C EUR units:** 4.00% maximum **TC EUR units:** None **R C USD H units:** 4.00% maximum
Subscription fee paid to the UCITS	Settlement value X Number of units	**S units:** None **R C EUR units:** None **TC EUR units:** None **R C USD H units:** None
Redemption fee not paid to the UCITS	Settlement value X Number of units	**S units:** None **R C EUR units:** None **TC EUR units:** None **R C USD H units:** None
Redemption fee allocated to the UCITS	Settlement value X Number of units	**S units:** None **R C EUR units:** None **TC EUR units:** None **R C USD H units:** None

Operating and management fees:

These fees cover all costs charged directly to the UCITS, apart from transaction costs. Transaction costs include intermediation costs (brokerage, stock exchange tax, etc.) and any turnover fees, charged notably by the Depositary and the Management Company.

In addition to operating and management fees, there may also be:

- outperformance fees. These are paid to the Management Company when the UCITS has exceeded its objectives. They are therefore charged to the UCITS;

- turnover fees charged to the UCITS.

	Costs billed to the UCITS	Base	Rate/scale
1	Financial management fees	Net assets	**S units:** 0.200% maximum rate (including taxes) **TC EUR units:** 0.650% maximum rate (including taxes) **R C USD H & R C EUR units:** 1.100% maximum rate (including taxes)
2	Administrative fees not paid to the Management Company	Net assets	**S & TC EUR & R C USD H & R C EUR units:** 0.100% maximum rate (including taxes)
3	Maximum indirect costs (commission and management fees)	Net assets	None
4	Turnover fees	Deducted from each transaction	**Equities**: 0.40% (with a minimum of EUR 120) **Convertible bonds <5 years**: 0.06% **Convertible bonds >5 years**: 0.24% **Other bonds**: 0.024% (with a minimum of EUR 100) **Monetary instruments**: 0.012% (with a minimum of EUR 100) **Swaps**: EUR 300 **Forward exchange**: EUR 150 **Spot exchange**: EUR 50 **UCI**: EUR 15 **Futures**: EUR 6 **Options**: EUR 2.50

5	Outperformance fee	Net assets	**S & TC EUR & R C EUR units**: Maximum 20% (including taxes) of the difference, if it is positive, between the performance of the fund and that of the ICE BofA Merrill Lynch Contingent Capital Euro Hedged Total Return Index (coupons included) [COCO Index]. Variable management fees are capped at 2.5% (including tax) of the net assets. **R C USD H units:** Maximum 20% (including taxes) of the difference, if it is positive, between the performance of the fund and that of the ICE BofA Merrill Lynch Contingent Capital USD Hedged Total Return Index (coupons included) [COCO Index]. Variable management fees are capped at 2.5% (including tax) of the net assets.

The UCITS may not inform unitholders specifically or offer them the possibility of redeeming their shares or units without incurring charges in the event of an increase in administrative costs external to the Management Company which would be equal to or less than 10 basis points per accounting year; the notification of the unitholders may therefore be made by any means.

EUR units: The outperformance is calculated by comparing the change in the UCITS's assets with that of a benchmark UCITS with a performance identical to that of the ICE BofA Merrill Lynch Contingent Capital Euro Hedged Total Return Index (coupons included) and registering the same subscription and redemption variations as the actual Fund.

USD units: The outperformance is calculated by comparing the change in the UCITS's assets with that of a benchmark UCITS with a performance identical to that of the ICE BofA Merrill Lynch Contingent Capital USD Hedged Total Return Index (coupons included) and registering the same subscription and redemption variations as the actual Fund.

A provision or, where applicable, a reversal of the provision in the event of underperformance is recognised for each net asset value calculation.
The share of variable fees corresponding to redemptions reverts definitively to the Management Company.

The closing date for variable management fees is set at the last net asset value in December.

S units: the first reference period for the variable management costs is from 1 January 2018 to 31 December 2018.
R C USD H units: the first reference period for the variable management costs is the date of activation of the unit on 31 December 2019, depending on the date of creation of the unit.
TC EUR units: the first reference period for the variable management costs is the date of activation of the unit on 31 December 2019, depending on the date of creation of the unit.
R C EUR units: the first reference period for the variable management costs is the date of activation of the unit on 31 December 2019, depending on the date of creation of the unit.

Following this, the reference period shall be the financial year of the Fund. Under all circumstances, the reference period of each unit may not be less than one year.

Other costs billed to the UCITS:
- contributions due to the UCITS management pursuant to Article L621-5-3 (II)(3)(d) of the French Monetary and Financial Code;
- taxes, duties, licence fees and government fees (relating to the UCITS), both extraordinary and non-recurring;
- extraordinary and non-recurring costs relating to debt recovery or a procedure for asserting a right (e.g. class action procedure).
Information concerning these fees is also laid out*, ex post,* in the UCITS annual report.

Choice of financial intermediaries:
The financial intermediaries will be independently selected by the Management Company based on different criteria: the quality of the provider, research, execution, set prices, quality of the Back Office for clearing and settlement transactions. The Management Company is prohibited from placing its orders through a single intermediary.

For further information, unitholders may refer to the mutual fund's annual report.

3. Commercial information

1. The units of the Fund are distributed by La Française AM Finance Services.
2. Subscription/redemption orders are processed by La Française AM Finance Services.

3. Information about the “La Française Global Coco” mutual fund is available on the premises of the Management Company or online at: www.la-francaise.com.
4. Information regarding consideration of ESG (environmental, social and quality of governance) criteria in the investment policy is available on the Management Company's website: www.la-francaise.com and stated in the annual report.
5. Communicating the composition of the portfolio: the Management Company may directly or indirectly communicate the breakdown of assets of the UCI to unitholders of the UCI having the status of professional investors, only for purposes associated with regulatory obligations as part of the calculation of shareholders’ equity. This communication, where applicable, shall be carried out within a period of no less than 48 hours following the publication of the net asset value.

4. Investment rules

The Fund shall comply with the investment rules set by the French Monetary and Financial Code.

5. Total risk method

Method used to calculate the overall risk: relative VaR method. The Fund's VaR is limited by the Management Company and may not exceed 200% of the VaR of the reference index, the ICE BofA Merrill Lynch Contingent Capital EUR Hedged Total Return Index, with a confidence interval of 99% and a monitoring period not exceeding 20 working days.
The expected level of leverage calculated on the basis of the notional sum approach is 300% (outside of exceptional market circumstances).

6. Valuation and accounting rules for the assets

The Fund abides by the accounting rules laid down under the regulations in force and in particular the accounting rules applicable to UCIs.

All transferable securities in the portfolio are recorded at historic cost, excluding transaction costs.

On each net asset valuation date and balance sheet date, the portfolio is valued based on:

Transferable securities

- Listed securities: at market value – excluding accrued coupons on bonds – closing price. Foreign prices are converted to euros using the closing exchange rates on the valuation day. Transferable securities whose price has not been noted on the valuation day are valued at the last officially published rate or at their probable trading value, under the responsibility of the Management Company.
- UCIs: at the last known net asset value.
- Negotiable debt securities and swaps maturing in more than three months are revalued at market value. When the time to maturity becomes equal to three months, negotiable debt securities are valued at the last rate up to maturity. If they are purchased with less than three months' maturity, interest is calculated using a linear method.
- Any temporary securities purchase and sale transactions will be valued according to the provisions of the contract. Some fixed-rate transactions with a time to maturity of more than three months may be valued at market price.

Financial futures

French and European markets: fixing value at closing on valuation days. American market: fixing value at closing on the previous day. Asian market: closing market prices.
Market commitments on conditional futures are converted to the equivalent underlying securities.
Commitments on swaps are valued at their market value.
Forward exchange transactions are valued using the forward exchange rates on the valuation date, taking into account the premium/discount.
The valuation prices of credit default swaps (CDS) come from a contributor chosen by the Management Company.

Accounting method for interest

Interest on bonds and debt securities is recorded using the accrued interest method.

Method for adjusting the net asset value relating to swing pricing with a trigger threshold

This mechanism aims to protect unitholders in the event of significant subscriptions or redemptions on the liabilities side of the Fund’s balance sheet by applying an adjustment factor to unitholders who invest or redeem significant amounts of outstanding assets, which is likely to generate costs for unitholders in the event of inflows or outflows, which would otherwise affect all unitholders in the Fund.

Therefore, in the event that on the net asset value calculation day, the total net subscription/redemption orders of investors of all Fund units exceeds the pre-established threshold set by the Management Company and defined on the basis of objective criteria as a percentage of the net assets of the Fund, the net asset value may be adjusted upwards or downwards to take into account the readjustment costs arising from net subscription/redemption orders.

The cost parameters and threshold triggers are established by the Management Company and reviewed on a regular basis. The costs are estimated by the Management Company on the basis of transaction costs and the bid-ask spread.

It is not possible to forecast if the swing shall be applied at a given time in the future, or how often the Management Company shall carry out such adjustments.

Accordingly, such adjustments may not exceed 2% of the NAV. Investors shall be informed that the volatility of the NAV of the mutual fund shall not only reflect that of the securities held in the portfolio due to the application of swing pricing.

The swung net asset value is the only net NAV of the Fund and the only one communicated to unitholders of the Fund. However, if there are outperformance fees, these shall be calculated on the basis of the NAV before application of the adjustment mechanism.

7. Remuneration

In accordance with Directive 2009/65/EC and Article 314-85-2 of the General Regulations of the Financial Markets Authority, the Management Company has implemented a remuneration policy for categories of staff whose professional activities have significant repercussions on the risk profile of the Management Company or of the UCITS. These categories of staff include managers, members of the Board of Directors (including the senior management), risk takers, persons performing auditing tasks, persons in a position to influence employees, and all employees receiving a total remuneration who are in the same remuneration range as the risk takers and the senior management. The remuneration policy is compliant and encourages healthy and effective risk management, and does not encourage risk-taking which would be incompatible with the risk profiles of the Management Company, and do not hinder the obligation of the Management Company to act in the greater interests of the UCITS.

The La Française Group has established a remuneration committee at Group level. The remuneration committee is set up in accordance with the internal regulations and in accordance with the principles laid down in Directive 2009/65/EC and Directive 2011/61/EU. The remuneration policy of the Management Company is designed to promote good risk management and to discourage risk-taking which would exceed the tolerable level of risk, by taking into account the investment profiles of the funds under management and by implementing measures enabling any conflicts of interests to be avoided. The remuneration policy is reviewed annually.

The remuneration policy of the Management Company, detailing the way in which remuneration and benefits are calculated, is available free of charge from the registered office of the Management Company. A summary is available online at: http://lfgrou.pe/MnDZx7

HEADING 1: ASSETS AND UNITS

Article 1: Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of Fund assets. Each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.

The duration of the Fund shall be 99 years from its launch, except in the event of early dissolution or extension as provided for under these rules.

The units may be divided, regrouped or split into tenths, hundredths, thousandths, ten thousandths or hundred thousandths – fractional units – on the decision of the Management Company's Executive Board.

The features of the different unit categories and their access conditions are specified in the mutual fund prospectus.

The different classes of units may:
- use different income distribution procedures (distribution or capitalisation or carry forward);
- be denominated in different currencies;
- have different management fees;
- have 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 provided through financial instruments, minimising the impact of hedging on the other classes of units of the mutual fund;
- be confined to one or more marketing channels.

The provisions of these rules regulating the issue and redemption of units shall also apply to fractional units, the value of which is always proportional to that of the unit they represent. Unless otherwise stipulated, all other provisions of these rules relating to units also apply to fractional units, without it being necessary to state this explicitly.

The Executive Board of the Management Company may decide unilaterally to split units by creating new units to be allocated to the unitholders in exchange for the old units.

Article 2: Minimum assets

Units may not be redeemed if the assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the General Regulations of the Financial Markets Authority (transfer of the UCITS).

Article 3: Issue and redemption of units

Units may be issued at any time at the request of the unitholders, based on their net asset value plus any subscription fees, where applicable.
Redemptions and subscriptions are carried out according to the terms and conditions set out in the prospectus.
Units of the mutual fund may be admitted to the official listing in accordance with the regulations in force.
Subscriptions must be fully paid-up on the date of calculation of the net asset value. They may be paid for in cash and/or through the contribution of transferable securities. The Management Company shall be entitled to reject securities offered to it, and to this end shall have a period of seven days from the date of receipt of the securities to announce its decision. If the securities are accepted, they are valued in accordance with the rules set out in Article 4 and the subscription is carried out on the basis of the net asset value immediately following acceptance of the securities concerned.
All redemptions are made exclusively in cash, except where the Fund is liquidated and where unitholders have expressed their consent to reimbursement in the form of securities. Redemptions are settled by the bookkeeper no later than five days after unit valuation.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the Fund, this period may be extended to a maximum of 30 days.
Except in the case of inheritance or inter vivos distribution, the disposal or transfer of units from one unitholder to another or to a third party is treated as a redemption followed by a subscription. In the case of a third party, the amount of the disposal or transfer must, if necessary, be made up by the beneficiary to the minimum subscription amount specified in the prospectus.
Pursuant to Article L214-8-7 of the French Monetary and Financial Code, both the redemption by the mutual fund of its units and the issue of new units may be suspended on a temporary basis by the Management Company where required by exceptional circumstances and where this is in the interests of the unitholders.
Where the net assets of the mutual fund fall below the amount set out in the regulations, no units may be redeemed.
Minimum subscription conditions may be set out in the prospectus.
The mutual fund may suspend the issue of units pursuant to the second paragraph of Article L214-8-7 of the French Monetary and Financial Code in objective situations leading to the suspension of subscriptions, such as a maximum number of units or shares being issued, a maximum amount of assets being achieved or the expiry of a specified subscription period. These objective situations are defined in the mutual fund prospectus.

The Management Company reserves the right to restrict or deny the direct or indirect holding of Fund units by any person or entity which is prohibited from holding the Fund units (hereinafter “Ineligible Person”) as described below:
An Ineligible Person is:
- a U.S. Person as defined in SEC Regulation S of the Securities and Exchange Commission (SEC) (Part 230 – 17 CFR 230.903); or
- any other person who (a) is directly or indirectly in violation of the laws and regulations of any country or government institution, or (b) may, in the opinion of the Management Company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.
To this end, the Management Company of the mutual fund may:
(i) refuse to issue any units as soon as it becomes evident that such issuance will or may result in the aforementioned units being directly or indirectly held by or for an Ineligible Person;
(ii) demand, at any time, that a person or entity whose name appears on the register of unitholders provide any information, accompanied with a solemn declaration, which it deems necessary in order to establish whether the actual beneficiary of the relevant units is an Ineligible Person or not;
and
(iii) when it is apparent that a person or entity is (i) an Ineligible Person and, (ii) solely or jointly, the effective beneficiary of the units, proceed with the forced redemption of all the units held by a unitholder without delay and, at the latest, within five days.
The forced redemption will take place at the last known net asset value, minus, where applicable, the relevant fees, rights and commissions, which will be charged to the Ineligible Person within five days, during which time the actual beneficiary of the units may present his observations to the competent authority.
This power also covers any person (i) who is in direct or indirect violation of the laws and regulations of any country or government institution, or (ii) may, in the opinion of the Management Company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

Article 4: Calculation of net asset value

The net asset value of the units is calculated pursuant to the valuation rules provided in the prospectus.
Contributions in kind may only consist of securities, transferable securities or contracts in which UCIs are authorised to invest; such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

HEADING 2: OPERATION OF THE FUND

Article 5: The Management Company

The Fund is managed by the Management Company in accordance with the strategy defined for the Fund.
The Management Company shall act under all circumstances in the exclusive interests of the unitholders and may alone exercise the voting rights attached to the securities in the Fund.

Article 5a: Operating rules

The instruments and deposits in which the UCI may invest and the investment rules are specified in the prospectus.

Article 6: The Depositary

The Depositary carries out the assignments incumbent upon it in application of the applicable legislation and regulations, as well as those binding on it as applied by the Management Company. It must ensure the legality of decisions taken by the portfolio Management Company. Where necessary, it must take all the precautionary measures that it deems to be necessary. In the event of any dispute with the Management Company, it shall inform the AMF.

Article 7: Statutory auditor

A statutory auditor is appointed by the Executive Board of the Management Company for a period of six financial years, subject to the approval of the AMF.
It certifies the consistency and accuracy of the accounts.
The statutory auditor's term of office may be renewed.
The statutory auditor is required to notify the AMF as quickly as possible of any fact or ruling regarding the UCITS of which it becomes aware over the course of its assignment, of a nature that:
1. constitutes a breach of the legislative or regulatory provisions applicable to this body and liable to have significant effects on the financial situation, the profits or the assets;
2. jeopardises the conditions or the continuity of its operation;
3. leads to the issuance of reserves or the refusal to certify the accounts.
The valuations of the assets and the calculation of the exchange parity in conversion, merger or demerger transactions shall be supervised by the statutory auditor.
It assesses all contributions in kind under its responsibility.
It monitors the composition of the assets and other elements prior to publication.
The statutory auditor's fees are fixed by mutual agreement between the statutory auditor and the Executive Board of the Management Company on the basis of a work schedule specifying the duties which are considered to be necessary.
It shall certify the situations on the basis of which interim distributions are made.

Article 8: Financial statements and management report

At the close of each financial year, the Management Company shall draw up summary documents and a report on the management of the Fund for the past financial year.
The Management Company shall draw up, at least semi-annually and under the supervision of the Depositary, the inventory of assets of the UCI.
The Management Company shall make these documents available to unitholders within four months of the end of the financial year, and will inform them of the income to which they are entitled: these documents shall be sent to unitholders by post at their express request or made available to them at the offices of the Management Company.

HEADING 3: PROCEDURES FOR ALLOCATING DISTRIBUTABLE AMOUNTS

Article 9: Procedures for allocating income and distributable amounts

The distributable amounts are made up of:
1) the net profit plus the amount carried forward, plus or minus the balance of prepayments and accrued income;
2) the realised capital gains, net of costs, minus the realised capital losses, net of costs, during the financial year, plus the similar net capital gains realised during the previous financial years which were not subject to distribution or capitalisation, minus or plus the balance of accrued capital gains.
The amounts stated in 1) and 2) may be distributed, in whole or in part, independently of each other.
Payment of the distributable amounts shall be carried out within five months of the end of the financial year.
The net income of the mutual fund is equal to total interest payments, arrears, premiums and bonuses, dividends, attendance fees and all earnings from securities held in the Fund's portfolio, plus earnings from amounts held as liquid assets, minus management fees and borrowing costs.
The Management Company shall decide how income will be distributed.
For each equity category, as applicable, the mutual fund may opt for one of the following formulae for each of the amounts detailed in 1) and 2):
Pure capitalisation: the amounts available for distribution are fully capitalised, with the exception of those that are subject to mandatory distribution by law;
Pure distribution: the amounts are fully distributed, to the nearest rounded figure.
For mutual funds seeking to maintain the freedom to capitalise and/or distribute and/or carry distributable amounts forward, the Management Company shall decide on the allocation of each of the amounts detailed in 1) and 2) each year.
As applicable, during the course of the financial year, the Management Company may decide to make one or more prepayments not exceeding the net income of each of the amounts detailed in 1) and 2); these prepayments are recorded at the date of the decision.
The exact methods for the allocation of income are detailed in the prospectus.

Article 10: Merger – Demerger

The Management Company may transfer all or part of the assets held in the Fund to another UCITS which it manages, or it may split the Fund into two or more other mutual funds which it will manage.
Unitholders must be notified before any such merger or demerger takes place. A new statement will then be issued showing the number of units held by each unitholder.

Article 11: Winding up – Extension

If the assets in the Fund remain below the amount laid down above in Article 2 for 30 days, the Management Company shall advise the AMF and dissolve the Fund, unless there is a merger operation with another mutual fund.
The Management Company may dissolve the Fund early; it shall inform the unitholders of its decision, and subscription or redemption orders will not be accepted after this date.
The Management Company shall also dissolve the Fund in the event of a redemption order for all of the units, or where the Depositary is relieved of its responsibilities and no other Depositary has been appointed, or on expiry of the term of the Fund, if not extended.
The Management Company shall inform the AMF by post of the date and of the procedure adopted for dissolution. Subsequently, the Management Company shall send the statutory auditor’s report to the AMF.
The Management Company, in agreement with the Depositary, may decide to extend a fund. Its decision must be taken at least three months prior to expiry of the Fund's term, and must be notified to the unitholders and the AMF.

Article 12: Liquidation

In the event of dissolution, the Management Company shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, they are vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.
The statutory auditor and the Depositary shall continue to carry out their duties until the liquidation operations have been completed.

Article 13: Jurisdiction – Choice of domicile

Any disputes concerning the mutual fund arising during its existence or upon its liquidation, whether between unitholders, or between unitholders and the Management Company or the Depositary, shall be subject to the jurisdiction of the competent courts.