

# GALILEO MULTI ASSET PREMIA FUND

## PROSPECTUS

### **FONDS PROFESSIONNEL SPECIALISE**

#### LEGAL FORM OF THE AIF

The alternative investment fund "GALILEO MULTI ASSET PREMIA FUND" (hereinafter the "AIF" or the "Fund") is a French fonds professionnel spécialisé (Specialised professional fund). It does not require the approval of the Autorité des Marchés Financiers (AMF) and is not subject to the rules that apply to approved alternative investment funds. Its investment and management rules are specified in its prospectus. Before investing in this Fund you should understand how it is managed and the particular risks that its investment strategy entails. You should in particular understand the following terms and conditions that govern the Fund's operation and management:

- The Fund's investment rules and limits;
- The terms that govern the subscription, acquisition and redemption of units in the Fund;
- The minimum net asset value below which the Fund will be dissolved.

These terms and conditions are specified in the Fund's rules, under Articles 3, 3b and 11, as are the terms by which the Rules may be amended.

Only investors who are "eligible investors" as defined herein may subscribe units in the Galileo Multi Asset Premia Fund .

PROSPECTUS DATE: 07 November 2022

## **I. GENERAL CHARACTERISTICS**

- **Name** GALILEO MULTI ASSET PREMIA FUND
- **Legal form and member state in which the fund was incorporated** Fonds Commun de Placement (FCP) incorporated in France.
- **Date of establishment and expected duration** The Fund was established on 17 April 2020 with a duration of 99 years

Share Class	ISIN	Initial Net Asset Value per Unit ("INAV")	Allocation of Distributable Income	Fund currency	Eligible investors	Initial minimum subscription amount	Date and frequency of net asset value calculation ("Net Asset Value Date")
D	FR0013481249	1,000 EUR	Distribution	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR (*)	Weekly
D2	FR0014000OV1	1,000 EUR	Distribution	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR (*)	Weekly

A	FR0013483260	1,000 EUR	Accumulation	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR (*)	Weekly
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### Summary of investment management proposal

(\*) The amount does not apply to FundRock Management Company S.A. and Longchamp Asset Management, their employees, funds and accounts under management.

The NAV or Net Asset Value means the net asset value of the Fund, as calculated and established in accordance with the valuation rules of this prospectus and published by the Management Company. The Fund is registered with Euroclear France.

### Where to obtain the most recent annual and interim reports, the latest net asset value and information about past performances

The most recent annual and periodic reports will be sent within one week to Fund's unit-holders who request these documents in writing to:

**FundRock Management Company S.A.**  
**Registered Office: 33 rue de Gasperich**  
**L-5826 Hesperange**  
**Grand-Duchy of Luxembourg**

Requests for more information or explanations may be addressed to the Management Company's registered office.

The AMF's website at [www.amf-france.org](http://www.amf-france.org) provides additional information on regulatory documents and the protection of investors. This Prospectus must be made available to investors prior to subscription.

Information required by Article 421-34 paragraphs IV and V of the AMF General Regulation are communicated in the annual report.

## II. SERVICE PROVIDERS

### Management Company

**FundRock Management Company S.A.** A limited liability company (*société anonyme*) incorporated and registered under the laws of the Grand-Duchy of Luxembourg. The Management Company is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier to provide alternative investment fund manager services as defined under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as may be amended from time to time ("AIFMD"). The Management Company is managing the Fund via its alternative investment fund managers passport in accordance with AIFMD.

Registered Office and Postal Address: 33 rue de Gasperich, L-5826 Hesperange, Grand-Duchy of Luxembourg

### Custodian/Depositary

**Société Générale**, A credit institution founded on 8 May 1864 by special decree of Napoleon III and certified by the Autorité de Contrôle Prudentiel et de Résolution.

Registered office: 29, bld Haussmann – 75009 Paris - France

Depositary function's Postal address: 75886 Paris cedex 18 – France

### Registrar and Transfer Agent

**Société Générale**

Registered office: 29, bld Haussmann – 75009 Paris - France

Postal address: 32, rue du Champs de Tir, 44000 Nantes – France

### Auditor

**PricewaterhouseCoopers Audit Limited Liability Company ("Société Anonyme").**

Registered office: Crystal Park - 63 rue de Villiers – 92200 Neuilly sur Seine – France

Represented by: Mr. Amaury Couplez

Entity responsible for ensuring that prospective investors and purchasers of units in the fund meet eligibility criteria and have received the required information

**FundRock Management Company Registered Office: 33 rue de Gasperich  
L-5826 Hesperange  
Grand-Duchy of Luxembourg**

#### Delegated Functions

The Management Company will delegate the Fund's administrative and accounting management to:

##### **Société Générale**

**Head office : 29 bld Haussmann – 75009 Paris - France**

**Postal address : 75886 Paris Cedex 18 - France**

The services that Société Générale provide to the Management Company consist in helping it with the administrative and accounting management of the Fund, and in particular in calculating Net Asset Values and preparing annual reports and statistics for Banque de France.

Investors should note that the administrator by delegation of the AIF is an entity of the Société Générale group.

The Management Company will delegate the financial management of the Fund to:

##### **Longchamp Asset Management** (the "Delegated Investment Manager")

A Société par Actions Simplifiée Authorised by the AMF

Registered Office and Postal Address: 30 rue Galilée - 75116 Paris - France

## III. FUND OPERATION AND MANAGEMENT

### III-1 General Characteristics

#### Unit Characteristics

##### ISIN Code:

Class D: FR0013481249

Class D2: FR0014000OV1

Class A: FR0013483260

##### UNIT CHARACTERISTICS

Each unit-holder has a co-ownership right to the Fund's net assets proportional to the number of units held. The units do not bear any voting rights as all decisions are made by the Management Company.

Units are held in bearer form.

The units may be divided into thousandths of units.

Subscriptions are made in amount or a number of units. Redemptions are made in a number of units.

##### CLOSING DATE

The balance sheet date is the last Business Day of September each year.

The first fiscal year ends on December 31, 2020.

##### TAXATION

Depending on investor's tax regime, capital gains and income resulting from the ownership of shares in the Fund may be subject to tax.

The Fund as such is not subject to corporate tax and fiscal transparency is applicable to the bearer of the share. Income and capital gains associated with holding units of the Fund may be subject to tax depending on the tax regime applicable to each investor.

In the event of doubt, investors are advised to seek the advice of a professional tax advisor.

## III-2 Specific Characteristics

### Capital Guarantee

None

### Investment Objective

The Investment Objective of the Fund is to generate a stable income primarily through exposure to various algorithmic investment strategies as described in Investment Strategy.

The Class A shares will accumulate income and the Class D and D2 shares will seek to distribute income in the form of an annual dividend.

With respect to Class D shares it is expected that, during each of the first 5 years after its launch date, the Fund will distribute an annual dividend per unit equal to 5% of the Initial Net Asset Value per Unit. After the initial period of the 5 years, the amount of potential annual dividend will be determined at the discretion of the Delegated Investment Manager. As an indication, from the 6th anniversary of the launch date of the Fund onward, the Delegated Investment Manager will aim to distribute an annual dividend corresponding to the Fund's performance accrued over the previous year. It is expected that the dividend will be limited to 5% of the Initial Net Asset Value even if the Fund's performance exceeds 5%. The performance accrued but not distributed on any given year will be kept in reserve and may, at the discretion of the Delegated Investment Manager, be distributed in future years in case the annual performance of that year alone would not enable the Delegated Investment Manager to distribute 5%. There is no guarantee that an annual dividend will be paid after the 5<sup>th</sup> anniversary.

With respect to Class D2 shares it is expected that, during each of the first 5 years after its launch date, the Fund will distribute an annual dividend per unit equal to 3% of the Initial Net Asset Value per Unit. After the initial period of the 5 years, the amount of potential annual dividend will be determined at the discretion of the Delegated Investment Manager. As an indication, from the 6th anniversary of the launch date of the Fund onward, the Delegated Investment Manager will aim to distribute an annual dividend corresponding to the Fund's performance accrued over the previous year. It is expected that the dividend will be limited to 3% of Initial Net Asset Value even if the Fund's performance exceeds 3%. The performance accrued but not distributed on any given year will be kept in reserve and may, at the discretion of the Delegated Investment Manager, be distributed in future years in case the annual performance of that year alone would not enable the Delegated Investment Manager to distribute 3%. There is no guarantee that an annual dividend will be paid after the 5<sup>th</sup> anniversary.

**Prospective investors should note that there is no guarantee they will recover the capital they would invest in the Fund nor that they will receive any coupon from the structure.**

### Benchmark Index

Given the Fund's investment strategy it has no relevant benchmark index. Investors may however compare the Fund's performance to €STR+8.5bps.

€STR (Euro Short-Term Rate) is the reference rate for the currency euro. The €STR is calculated by the European Central Bank (ECB) and is based on the money market statistical reporting of the Eurosystem. €STR is published, inter alia, on the website of the Banque de France: [www.banque-france.fr](http://www.banque-france.fr)

Additional information is available on the website of the administrator:

[https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/euro\\_short-term\\_rate/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html)

### Investment Strategy

To achieve its objective, the Management Company has chosen to delegate the investment management of the Fund to the Delegate Investment Manager.

The Fund seeks to achieve this objective through discretionary management as follows:

#### 1- Exposition to Multi Asset Strategies and to Diversifying Strategies:

The Fund gains exposure to risk premia strategies on various markets (the "**Multi Asset Premia Strategies**"). Risk premia strategies are algorithmic strategies which are designed to gain access to, or exploit arbitrage on, various asset classes, geographies, sectors or other factors. Risk premia strategies are generally designed by investment banks and leverage the banks' research and market execution capabilities on various liquid markets.

The Fund may also allocate a portion of its net assets to diversifying and/or hedging strategies (together, the "**Diversifying Strategies**"). The Diversifying Strategies are selected with a view to mitigate the draw down risks, and more generally mitigate the risk of negative performance, which may be associated with the Multi Asset Premia Strategy. However, there can be no guarantee that the Diversifying Strategies will be effective in reducing these risks. Diversifying Strategies include, but are not limited to, bank algorithmic strategies, discretionary strategies or investment funds, structured payoffs.

Risk premia strategies and Diversifying Strategies exhibit various degrees of correlation with their underlying markets. The Fund does not purport to eliminate or reduce correlation to the main equity, fixed income, commodity and FX markets.

The Delegate Investment Manager employs a flexible and opportunistic approach and the exposure to the Multi Asset Premia Strategies and to the Diversifying Strategies will vary over time. The Delegate Investment Manager will use its discretion to identify and invest in new Multi Asset Premia Strategies and Diversifying Strategies or remove strategies from the portfolio with a view to achieve stable performance and contain volatility.

The Multi Asset Premia Strategy and the Diversifying Strategies can be implemented through various instruments and techniques including, but not limited to, over-the-counter derivatives, investment in structured notes or certificates issued by main financial institutions and/or their affiliates and investment in collective investment schemes. Additional details relating to the use of derivative instruments are provided below.

The Fund may also use interest rate derivative swaps in order to generate annual dividends with a notional of up to 100% of the Fund's net assets.

The Fund may employ leverage and the Exposures (as defined below) to the Multi Asset Premia Strategy and to the Diversification Strategy may each exceed the net assets of the Fund. The maximum aggregate Exposure of the Fund to the Multi Asset Premia Strategies and Diversifying Strategies is 400% of the Fund's net assets. "Exposure" is measured as aggregate notional exposure to each of the indices, discretionary strategies or investment schemes and structured pay-offs underlying the Multi Asset Premia Strategies and the Diversifying Strategies.

The maximum Exposure of the Fund to equity risk is 400% of the Fund's net assets.

The maximum Exposure of the Fund to interest rate risk is 400% of the Fund's net assets.

The maximum Exposure of the Fund to credit risk is 400% of the Fund's net assets.

The maximum Exposure of the Fund to commodity risk is 400% of the Fund's net assets.

The maximum Exposure of the Fund to emerging markets risk is 400% of the Fund's net assets.

The maximum Exposure of the Fund to FX risk is 400% of the Fund's net assets.

The Fund employs the following investment strategy:

#### 2- Government bonds:

The Fund may get exposure to the Multi Asset Premia Strategies and / or to the Diversifying Strategies in a synthetic manner through the use of derivative instruments. As such, the Fund may have excess cash. The Fund may invest all or part of such excess cash, and up to 100% of its net assets, in government bonds of any duration. The government bonds in which the Fund may invest must be rated at least investment grade by one of the main rating agencies, i.e. at or above BBB- (S&P) / Baa3 (Moody's) or ratings deemed equivalent by the Delegate Investment Manager, be issued by an OECD country and be denominated in EUR or in USD. The Fund may not seek to diversify across sovereign issuers and may invest up to 100% of its net assets government bonds issued by a single country, including Italy.

#### 3- Use of derivative instruments:

The Fund may use OTC derivatives in the form of swaps, including total return swaps, with one or more bank counterparties in order to gain exposure to the Multi Asset Premia Strategy and / or to the Diversifying Strategies.

The Fund may also use OTC derivatives in the form of interest rate derivative swaps in order to generate the annual dividends as needed.

Each of these OTC derivatives may be traded with an eligible counterparty (a "Counterparty") without first seeking competitive bids from two or more counterparties. When there is no first seeking competitive bid from two or more counterparties the Management Company requires that the Counterparty commits to taking all reasonable steps to obtain, when executing orders, the best possible result for the Fund in accordance with Article L.533-18 of the French monetary and financial code.

The Counterparty(ies) of the aforementioned OTC derivatives shall have no discretion regarding the composition of the Fund's investment portfolio, nor regarding the underlying assets of the derivatives.

The Fund will enter into collateral agreements with the Counterparty(ies) whereby the mark-to-market of the OTC derivative (in favour of the Counterparty(ies) or the Fund) is collateralized by the transfer of the corresponding amount of cash in Euro or bonds issued by Eligible Countries ('Pays Eligibles' as defined in the collateral agreements).

The government bonds purchased by the Fund, to the exclusion of the amounts posted under the collateral agreement with the Counterparty(ies) of the OTC derivative transaction if any, shall not be subject to any pledge nor security interest of any kind in favor of a third party other than the Counterparty(ies).

However, the collateral posted by the Fund related to collateral agreements can be re-used by the Counterparty(ies). The collateral posted by the Counterparty(ies) related to collateral agreements cannot be re-used by the Fund.

#### 4- Collective Investment Schemes:

The Fund may invest or be exposed to up to 100% of its net assets in:

- Units or shares of French or foreign UCITS.
- Units or shares of AIF governed by French law or established in other EU Member States or investment funds governed by foreign law that meet the conditions laid down in Article R214-13 of the Monetary and Financial Code.

The Fund is authorized to invest in Collective Investment Schemes managed by Longchamp Asset Management.

#### 5- Cash and money market instruments:

The Fund may hold cash or other money market instruments including, but not limited to, deposits, short term bonds or money market funds. They are referred to collectively herein as the Money Market Instruments. The Fund does not have specific limits for each of the Money Market Instruments in which it invests. The aggregate amount invested in the Money Market Instruments may not exceed 100% of the Fund's assets. In particular, the Fund may deposit up to 100% of its net assets with credit institutions belonging to the same group as the depositary.

#### 6- Cash borrowing:

The Fund may borrow up to 10% of its net assets.

#### 7- Leverage:

The leverage effect is determined by the AIFMD as being any method by which the investment managers increases the exposure of a fund whether through borrowing of cash or securities, derivative transactions (such as swaps), leverage embedded in derivative positions or by any other means. The leverage creates risks for the Fund.

Leverage of an AIF shall be calculated as the ratio between the exposure of an AIF and its net asset value. The AIFMD prescribes two required methods to calculate the exposure of an AIF: the "gross method" and the "commitment method" (both set out in detail in Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time).

The leverage will be controlled on a frequent basis and shall not exceed a specific threshold under each methodology, as further described below.

The level of leverage of the Fund is limited as follows:

- The gross and the commitment exposure (calculated in compliance with the respective methods defined by the AIFMD) may not exceed 550% of the net asset value of the Fund.

The gross method and the commitment method are defined in detail in AIFMD.

### **Liquidity Management**

With respect to liquidity management, the Management Company shall:

- employ an appropriate liquidity management system and adopt procedures which enable to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the investments of the Fund comply with their underlying obligations;
- regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable to assess and monitor the liquidity risk of the Fund
- ensure that the investment strategy, liquidity profile and redemption policy are all consistent.

### **RISK PROFILE**

#### **WARNING**

The Fund is a specialised investment fund (a French unregulated AIF). It does not require the approval of the l'Autorité des marchés financiers and is not subject to the rules that apply to approved alternative investment funds. Its investment and management rules are specified in this prospectus. Before investing in this Fund you should understand how it is managed and the particular risks that its investment strategy entails. You should in particular understand the following terms and conditions that govern the Fund's operation and management:

- The Fund's investment rules and limits
- The terms that govern the subscription, acquisition and redemption of units in the Fund
- The minimum net asset value below which the Fund may be dissolved.

These terms and conditions are specified in the Fund's Rules, under Articles 3, 3b and 11, as are the terms by which the Rules may be amended.

Only investors who are "eligible investors" as defined below will be allowed to purchase units in the Fund.

#### **WARNING REGARDING THE SPECIFIC RISKS TO WHICH THIS FUND IS EXPOSED**

An investment in the Fund includes a high degree of risk. An investment in the Fund and the Fund's investments in financial instruments comprise a substantial number of additional risks. There can be no assurance that the Fund will be able to achieve its investment objective or that it will be able to return the investor's capital, and investment returns may vary significantly on a weekly, monthly, quarterly or yearly basis.

The following information does not purport to be an exhaustive description of all of the potential risks to which an investment in the Fund may be exposed.

##### **Risk of capital loss:**

The price of Units can go up as well as down and investors may not realize their initial investment.

The investments and the positions held by the Fund are subject to inter alia; (i) market fluctuations, (ii) reliability of counterparties and (iii) operational efficiency in the actual implementation of the investment policy adopted by the Fund in order to realize such investments or take such positions. Consequently, the investments of the Fund are subject to, inter alia, market risks, credit exposure risks and operational risks. At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Units. Due to the risks embedded in the investment objective adopted by Fund, the value of the Units may decrease substantially and even fall to zero, at any time.

**Risk that the Fund's Investment Objective is only partially achieved:**

No assurance can be given that the Fund will achieve its Investment Objective. There can be no assurance that the Management Company will be able to manage the Fund's assets in a manner that is profitable to the Fund or that the hedging strategy will be efficient in reducing risks for the Fund. In addition, there is no assurance that the investment and asset allocation strategy as presented in the Investment Objective and Investment Policy can lead to a positive performance in the value of the Units. The Fund could suffer losses at a time where concomitantly some financial markets experience appreciation in value.

**Risk associated with discretionary investment management:**

This investment strategy of the Fund is fully discretionary and is based on expectations regarding the performance of various markets and / or on the securities selected for an investment. There is a risk that the Fund may not, directly or indirectly, be invested in the best-performing markets or securities at all times and that the discretionary selection of securities leads to a loss of capital.

**Equity risk:**

This risk relates to an adverse move of equity markets relative to the Fund's exposure, such as a global decline of the equity market. In case of an equity markets decline, the net asset value may decrease.

**Risk associated with investments in emerging markets:** operating and monitoring conditions of these markets may deviate from the standards prevailing in the major international markets. The net asset value of the Fund may fall more rapidly and more sharply.

**Interest rate risk:**

Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Interest rate risk is generally greater for investments with long durations or maturities.

**Credit risk:**

This risk is linked to an issuer's ability to repay its debts as well as to an issuer's rating deterioration. Declining financial conditions of an issuer which securities are held in the portfolio or through the Master Fund will have a negative impact on the Fund's net asset value.

**Bond Re-pack Risk**

By construction of this combined transaction, in an event of euro-denominated Italian bond (BTP) default (or the default of any other bond owned by the Fund), the Fund will be exposed to the following risk of loss :

- Risk if loss on the defaulted BTP bond or such other bond as relevant (the amount of recovery under the bond may be in an amount comprised between zero and 100%),
- Risk of loss on the unwinding of the OTC Derivative: if the OTC Derivative mark-to-market is in favor of the OTC Derivative counterparty, the Fund will have to pay such mark-to-market amount, to the extent however, that such amount does not exceed the amount of recovery received under the defaulted BTP bond or other bond. Unit-holders may therefore lose all their invested capital.

**Concentration Risk**

Initially, the Fund will invest substantially all of its assets in BTPs. Therefore the Fund will be fully exposed to the credit risk linked to the Republic of Italy.

**Currency risk:**

This risk relates to fluctuation in currencies which the Fund is exposed to. A decrease in the currency which the Fund is long directly or indirectly may have a negative impact on the Fund's net asset value.

**Liquidity risk:**

This risk relates to the difficulties that may occur of finding counterparties to buy or sell financial instruments at a reasonable price. In this case, the deterioration of prices due to lower liquidity could lead to a decrease of the Sub-Fund's net asset value. The occurrence of this risk could lead to a decrease of the Fund's net asset value.

### **Reinvestment Risks**

It is possible that the Fund will not be able to reinvest its net income or the capital generated by the realization of assets in other assets with a similar level of risk-return.

### **Risk of using of Leverage**

The Fund may use leverage in its investment strategy.

Leverage generates specific risks. It indeed amplifies both upside and downside movements of the underlying, hence increasing the Fund volatility. A high level of leverage implies that a moderate loss on one or more underlyings could lead to large capital losses for the Fund.

Finally, leverage leads to a proportional increase of Fund investment costs (especially replication and transaction costs).

In extreme conditions, the Fund's assets might not be sufficient to pay the Fund's liabilities when due. In those circumstances, the Fund might lose its entire value.

### **Financial Derivative Instruments Risk**

In order to reach its investment, the Fund may use Financial Derivatives Instruments (FDI), such as over-the-counter swaps. Transactions in FDI may carry a high degree of risk.

A relatively small movement of market prices may then result in a potentially substantial impact, which can prove beneficial or detrimental to the Fund.

FDI are highly volatile instruments and their market values may be subject to wide fluctuations.

When the Fund uses FDI, whether in order to get exposure to markets or to hedge risks, there is no guaranty that those FDI will allow the Fund to achieve its investment objective. If the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives.

Instruments traded in over-the-counter markets may trade in smaller volumes and their prices may be more volatile than those of instruments traded in regulated markets. When the Fund performs over-the-counter trades, it may be exposed to a counterparty risk, as further described in the "Counterparty risk" part.

### **Counterparty Risk**

The Fund is predominantly exposed to a counterparty risk resulting from the use of over-the-counter FDI. The Fund may be exposed to the risk of bankruptcy, settlement default or any other type of default of the counterparty related to any trading transaction or agreement entered into by the Fund. In case of default of the counterparty, the relevant trading transaction or agreement can be early terminated. The Fund will then endeavour its best efforts to reach its investment objective by entering into, if necessary, another trading transaction or agreement with another counterparty, in the market conditions which will prevail during the occurrence of such event. The realization of this risk can in particular have impacts on the capacity of the Fund to reach its investment objective.

### **In Specie Redemptions Risk**

Redemptions requests could be paid in specie. When this occurs, Shareholders may then become bondholders of a BTP or other bonds, which may be difficult to realize or sell in a secondary market.

## **DISCLOSURE CONCERNING INTEGRATION OF SUSTAINABILITY RISKS BY THE FUND**

For the purposes of this section, the following terms have the ascribed meanings:

"Sustainability risk (s)" means events or situations relating to the environment, social responsibility or governance which, if they occur, could have a significant negative impact, actual or potential, on the value of investments made by the Fund.

"SFDR " means Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector.

### **Classification of the Fund according to SFDR**

SFDR requires transparency with regard to the integration of evaluation of Sustainability Risks in investment decisions and their possible impact on the performance of financial products.



In addition, SFDR defines two categories of products: products which promote, among other characteristics, environmental or social characteristics, or a combination of these characteristics (so-called "Article 8" products) and products whose objective is sustainable investment (so-called "Article 9" products).

The Fund is categorized as an Article 6 financial product under SFDR since it does not promote sustainability characteristics nor does it have sustainable investment as its objective.

The Fund's investment objective does not systematically take into account sustainability risks; they are not an essential part of the investment strategy either. The Fund does not promote specific environmental, social and governance (ESG) characteristics and it does not aim for a specific objective in terms of sustainability or environmental impact. Due to the nature of the Fund's investment objective, sustainability risks are not deemed to be relevant. Currently, they are not expected to have a significant impact on the Fund's performance.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

## **TAXONOMY REGULATION DISCLOSURES**

The Fund seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of the SFDR and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation") as they are introduced due to both delays in implementation of the legislation and lack of clarity. The Fund may be required to incur costs in order to comply with these new requirements during the initial implementation phase and may also be required to incur further costs as the requirements change and further elements are introduced. If there are adverse political developments or changes in government policies as the implementation phase progresses this increases the likelihood of such changes to the relevant legal measures. These elements could have an impact on the viability of the Fund and its returns.

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Fund.

Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

It is notable that the scope of environmentally sustainable economic activities, as prescribed in the Taxonomy Regulation, is narrower than the scope of sustainable investments under SFDR. Therefore, although there are disclosure requirements for both, these two concepts should be considered and assessed separately. This section addresses only the specific disclosure requirements of the Taxonomy Regulation.

Given the investment focus and the asset classes/sectors in which the Fund invests, the Delegated Investment Manager does not integrate a consideration of environmentally sustainable economic activities (as prescribed by the Taxonomy Regulation) into the investment process for the Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

It is expected that this section of the Prospectus will be reviewed and updated once the relevant RTS come into effect.

At the date of this Prospectus, the Fund and its underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

## **ELIGIBLE INVESTORS AND TYPICAL INVESTOR PROFILE:**

Subscriptions in the Fund must comply with Article 423-27 of the *Règlement Général de l'Autorité des marchés financiers* (i.e. the General Regulations of French financial regulator) (as may be amended from time to time).

As of the date of this Prospectus, the subscription and acquisition of units in the Fund are reserved exclusively for:

- 1° The investors indicated in Article L. 214-155 of the French monetary and financial Code;
- 2° Investors whose initial subscription is at least equal to 100,000 euros;
- 3° Investors, individuals or legal entities whose initial subscription is at least equal to 30 000 euros and who meet one of the following three conditions:
  - a) they provide assistance in technical or financial matters to unlisted companies falling within the purpose of the Fund for their creation or development;
  - b) they provide assistance to the management company of the specialised professional fund in order to seek potential investors or contribute to the objectives sought by it in connection with research, selection, monitoring, disposal of investments;
  - c) they have acquired a knowledge of the private equity field as direct provider of equity to unlisted companies or as subscriber either (i) in a French FCPR not subject to advertising and solicitation, (ii) in a professional equity fund, (iii) in a specialised professional fund, or (iv) in an unlisted venture capital company;
- 4° all other investors when the subscription or acquisition is carried out in their name and on their behalf by an investment services provider acting within the scope of a portfolio management investment service, pursuant to section I of Article L.533-13 of the French monetary and financial Code and Article 314-60 of the general Regulation of the *Autorité des marchés financiers*.

The minimum initial subscription amount in the Fund is EUR 500,000 or a number of units for an equivalent amount.

This Fund is intended in general for investors who have enough experience to be able to assess the risks of their investments.

#### CALCULATION AND ALLOCATION OF DISTRIBUTABLE AMOUNTS

The Management Company reserves the right to distribute once or several times a year whole or part of the income and capital gains received or made by the Fund as dividends to holders of Class D and D2 shares.

Class A shares are accumulating shares and will not distribute dividends.

The reinvestment of income is accounted for using the method of accrued coupons.

The distribution will be made on whole or part of the distributable amounts, coming from income (coupons, dividends or any other proceeds), and or net realized capital gains made over previous accounting years, in accordance with the provisions of the financial and monetary code. The share of net realized capital gains which has not been distributed for a given accounting year may either be reinvested, or carried over the following accounting years.

#### UNIT CHARACTERISTICS

Share Class	ISIN	Initial Net Asset Value per Unit ("INAV")	Income Distribution	Fund currency	Eligible investors	Initial minimum subscription amount	Date and frequency of net asset value calculation ("Net Asset Value Date")
D	FR0013481249	1,000 EUR	Distribution	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR(*)	Weekly
D2	FR0014000OV1	1,000 EUR	Distribution	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR(*)	Weekly
A	FR0013483260	1,000 EUR	Accumulation	EURO	Professional investors within the meaning of article L.533-16 of the <i>Code Monétaire et Financier</i> and all investors mentioned in section "Eligible investors and typical investor profile"	500,000 EUR(*)	Weekly

(\*) The amount does not apply to FundRock Management Company S.A., Longchamp Asset Management, their employees, funds and accounts under management.

Units are held in bearer form and may be divided into thousandths of units.

Liability accounting is performed by the Custodian. Units are administered under Euroclear France.

The Management Company seeks to ensure the fair treatment of all Unit-holders. Amongst other things, the principle of treating investors fairly means (i) ensuring that all marketing communications are clear, fair and not misleading and carefully tailored to their intended audience; and (ii) ensuring that material conflicts of interests are identified, avoided where possible, managed and disclosed to ensure fair outcomes to investors.

## SUBSCRIPTION AND REDEMPTION

### **Financial institution responsible for centralizing subscription and redemption requests**

SOCIETE GENERALE - 32 rue du Champ de Tir - 44300 Nantes.

DD-2 BDs	DD-2 BDs	DD	DD+2 BDs	DD+2 BDs	DD+2 BDs
Cut-off by 3:00pm of subscription orders <sup>1</sup>	Cut-off by 3:00pm of redemption orders <sup>1</sup>	Execution	NAV computation	Subscription settlement	Redemption settlement

<sup>1</sup> Except if there is a specific deadline agreed with your financial institution.

### **“DD”, or “Dealing Day” is the reference day for the Fund’s net asset value.**

#### Dealing Deadline

Subscription and redemption orders received by 3:00 PM of a Wednesday (DD-2) (as per official calendar of Euronext Paris SA) are executed on the basis of the net asset value calculated on the closing market prices of the Dealing Day (DD) falling on the following Friday.

#### Execution

- Orders received before 3:00 PM on a Wednesday, will be executed on the basis of the Dealing Day (DD) falling on the following Friday.
- Orders received after 3:00 PM on a Wednesday, will be executed on the basis of the next following Dealing Day (DD+5).

#### Settlement

- In the case of subscriptions, payment (cash) and delivery (shares/units) shall occur within 2 business days (as defined by Article L. 3133-1 of the French Labor Code and as per official calendar of Euronext Paris SA) following the relevant Dealing Day (DD+2).
- In the case of redemptions, payment (cash) and delivery (shares/units) shall occur within 2 business days (as defined by Article L. 3133-1 of the French Labor Code and as per official calendar of Euronext Paris SA) following the relevant Dealing Day (DD+2).

## Date and frequency of net asset value calculation

The Fund will have weekly liquidity and its net asset value will be calculated weekly, every Friday, unless the Dealing Day occurs on a holiday as defined in Article L. 3133-1 of the French Labor Code and / or if it occurs on a day when the Paris Stock Exchange is closed (as per Euronext SA calendar) and / or when the Indian stock exchange is closed (as per Mumbai Exchange Group calendar), in which case, the Sub-Fund’s net asset value will be calculated on the closing market price of the following business day.

A net asset value is calculated on the last dealing day (as previously defined) of each month.

The net asset value calculation occurs 2 business days after the Dealing Day (DD+2) (the “Net Asset Value Calculation Date”).

The Fund’s net asset value will be made available upon request at the offices of the Management Company on the next business day following its computation, and on the Management Company’s website: [www.fundrock.com](http://www.fundrock.com). It will be calculated on the basis of latest available closing market prices for the securities which the Sub-Fund is invested in.

## FEES AND CHARGES

### Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and reduce the redemption price. The fees kept by the Fund compensate it for the expenses it bears in investing in or selling the Fund’s assets. Fees that are not kept by the Fund may be paid to the Management Company, marketing agent, or other service provider.

Subscription and redemption fees will be as follows:

Subscription and redemption fees paid by investors	Base	Maximum Rate
Subscription fee not kept by the Fund	NAV per unit x Number of units	0%
Subscription fee kept by the Fund	NAV per unit x Number of units	0%
Redemption fee not kept by the Fund	NAV per unit x Number of units	0%
Redemption fee kept by the Fund	NAV per unit x Number of units	0%

#### Operating and management expenses

These expenses include all expenses directly invoiced to the Fund, with the exception of transaction expenses. Transaction expenses include intermediation costs (e.g. brokerage fees, stock-exchange tax) and any transaction fees that may be charged by the depositary, for example.

For more information concerning the expenses that the Fund actually pays see the Statistical Information section (IX) in the Detailed memorandum section of the full prospectus.

Fees charged to the Fund	Base	Rate
Management fees and operating expenses including taxes (operating expenses includes all fees/expenses that are not included in the Management fees, i.e. by the Auditor, Depositary, administrator, distributor, lawyer, etc.)	Net Asset Value	Share classes A, D, D2: Up to 1.00% per year
Performance fee	Net Asset Value	NA
Transaction expenses, intermediation costs, brokerage etc <sup>1</sup> .	Transaction Amount / Swap Notional	Share classes A, D, D2: Up to 0.50%

Notes: <sup>1</sup> These fees include costs and commissions incurred with respect to advisory, structuring and set-up and financial engineering.

#### **NOTICE**

**Depending on your tax regime, you may have to pay taxes on any capital gains or income from your units in the Fund. For more information about this we recommend that you contact your Fund's distributor.**

## **IV. COMMERCIAL INFORMATION**

The Fund will not be subject to any quotation, advertising, selling or other form of public solicitation

Subscription and redemption orders are placed by the investor's financial intermediaries and are processed by the Depositary which communicates a global amount and, where appropriate, an aggregate number of units as the result of the centralized receipt of orders.

The address of the Transfer Agent:

SOCIETE GENERALE

32, rue du Champs de Tir

F-44000 Nantes

Telephone: + 33 2 51 85 57 09

Fax: + 33 2 51 85 58 71

Distribution of this prospectus and the offer or purchase of units in the Fund may be subject to restrictions with regard to certain persons or in certain countries by virtue of national regulations applying to such persons or such countries. Each investor is therefore responsible for ensuring that he or she is authorized to subscribe to or invest in this Fund. As a result, the information contained in this prospectus cannot be understood as constituting an offer or solicitation to buy or sell units in the Fund in a country where such offer or solicitation is unlawful.

This prospectus or more generally any information or documents with respect to or in connection with the Fund does not constitute an offer for sale or solicitation of an offer for sale in any jurisdiction (i) in which such offer or solicitation is not authorized, (ii) in which the person making such offer or solicitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such offer or solicitation. In addition, Participating Shares have not been and will not be registered under the Securities Act of 1933 of the United States of America (as amended) (the "1933 Act") or the

securities laws of any of the States of the United States. Participating Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "United States") or to or for the account or benefit of any U.S. Person as defined below. Any person wishing to apply for Participating Shares will be required to certify they are not a "U.S. Person". No U.S. federal or state securities commission has reviewed or approved this prospectus or more generally any information or documents with respect to or in connection with the Fund. Any representation to the contrary is a criminal offence.

For the purpose of this document the term U.S person shall mean (A) A "U.S. Person" within the meaning of Regulation S under the Securities Act of 1933 of the United States, as amended; or (B) any person other than a "Non-United States person" as defined in CFTC Rule 4.7 (a) (1) (iv); or (C) a "U.S. Person" within the meaning of Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended.

Without limitation to the foregoing, no holder of Participating Shares will be permitted to sell, transfer or assign directly or indirectly (for example, by way of swap or other derivatives contract, participation or other similar contract or agreement), their Participating Shares to U.S Person without obtaining prior consent from the Management Company. Any such sale, transfer or assignment shall be void unless consented by the Management Company.

Other exclusion: Subscription to units/shares of this Fund is prohibited for any national, natural person or legal person/entity mentioned in EU Regulation No. 833/2014.

No one other than the people listed in this full prospectus are authorized to provide information about the Fund.

Potential investors in the Fund should inform themselves of the legal requirements that apply to subscribing to units in the Fund and obtain information about exchange control regulations and taxation in their country of citizenship or residency, or in the country in which they are domiciled.

Investors will receive information about the Fund via the mandatory periodic reports with which the Management Company provides its clients.

## **V. INVESTMENT RULES**

Since the Fund is a "*fonds professionnel spécialisé*" it is not subject to the investment rules specified in Article articles L. 214-24-55, R.214- 32-16 and seq of the *Code monétaire et financier* (French Monetary and Financial Code) and it may invest in the assets indicated in Article

L. 214-154 of the aforesaid code.

Pursuant to the Articles L. 214-154 and L. 214-157 of the Code monétaire et financier and pursuant to the Article R.214-202 of the aforementioned code, which excludes the application of Articles R. 214-32-16 to R. 214-32-42, none investment ratios or limits have to be observed.

The procedure for amending these rules is described in Article 5b of the Rules.

## **VI. RISK MONITORING**

The Management Company will implement a risk management process in order to spot, assess, manage and follow up the risks related to the Fund's investments together with their effects on the risks profile of the Fund. The Management Company will monitor the consistency between the Fund's risk profile and the size and structure of the portfolio and the objective and strategy of the Fund, as stated in the Prospectus.

## **VII. RULES FOR ASSET VALUATION AND RECOGNITION**

### **VII-1 Valuation Rules**

The Fund's assets are valued in accordance with applicable laws and regulations and in particular the rules of CRC Regulation no. 2014-01 of January 14th, 2014 on the chart of accounts for French mutual funds (1st part).

Financial instruments traded on a regulated market are valued at the closing price recorded on the day prior to the calculation of the Net Asset Value. If these financial instruments are traded on several regulated markets at the same time, the closing price used is that recorded on the regulated market on which they are principally traded.

However, in the absence of significant trading on a regulated market, the following financial instruments are valued using the following methods:

- Negotiable debt securities ("NDS") with a remaining life upon acquisition that is less than or equal to three months are valued by applying the difference between the acquisition value and the redemption value on a straight-line basis over the remaining life. However, the Management Company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.
- NDS with a remaining life of more than three months upon acquisition but less than or equal to three months at the Net Asset Value calculation date are valued by applying the difference between the most recent valuation and the redemption value on a straight-line basis over the remaining life. However, the Management Company reserves the right to value these securities at their current value if it deems that they are particularly exposed to market risks (interest rates, etc). The rate used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.
- NDS with a remaining life at the Net Asset Value calculation date that exceeds three months are valued at their current value. The rate

used is that at which equivalent securities are issued and a margin is applied to account for the risk associated with the issuer.

Financial futures traded on organized markets are valued at the clearing price on the day prior to the calculation of the Net Asset Value. Options traded on organized markets are valued at their market price on the day preceding Net Asset Value calculation. Over-the-counter derivatives are valued at the price quoted by the counterparty. The Management Company monitors these prices independently.

Bank deposits are valued at their nominal value plus accrued interest.

Warrants, short and medium-term notes, promissory notes and mortgage notes are valued under the Management Company's responsibility at their most likely trading value.

Temporary purchases and disposals of securities are valued at the market price.

Shares and units in French collective investment funds are valued at the last known Net Asset Value at the date the Fund's Net Asset Value is calculated.

Shares and units in foreign investment funds are valued at the last known Net Asset Value or at the last known Net Asset Value at the date the Fund's Net Asset Value is calculated. If no such Net Asset Value can be obtained, the Management Company may use an estimated value provided by the Management Company of the underlying fund or by its depository when this estimated value seems to be closer to the actual market value of the underlying fund's units or shares.

Financial instruments traded on a regulated market and for which no price has been quoted or whose price has been corrected, are valued under the Management Company's responsibility at their most likely trading value.

The exchange rates used to value financial instruments denominated in a currency other than the Fund's base currency are those published by the ECB (European Central Bank) at close the day of the Fund's Net Asset Value.

### **VII-2 Accounting Method for Trading Fees**

Trading expenses are recorded separately from transactions.

### **VII-3 Accounting Method : Income From Fixed-Income Securities**

The accounting method used for recording income from financial instruments is the « coupons received » method.

### **VII-4 Income Distribution Policy**

For more information see the section entitled "*CALCULATION AND ALLOCATION OF DISTRIBUTABLE AMOUNTS*".

Capitalized income is recorded using the coupons received method.

Distribution may impact all or part of the distributable amount, generated by the earnings (coupons, dividend or any other distributable earnings) and/or net capital gain of the current and/or the precedent fiscal years, in accordance with the French Monetary and Financial Code. Non distributed realized net appreciation from the previous fiscal year can be wholly or partially capitalized and/or carried forward in the next fiscal years. In case of distribution of the distributable amounts, the Management Company will do the distribution after the end of the fiscal year. However, the Management Company may decide to distribute one or several interim amount(s) throughout the fiscal year.

### **VII-5 Accounting Currency**

The Fund's accounting currency is the EURO.

## **VIII. ADDITIONAL INFORMATION**

The Fund was declared to the Autorité de marchés financiers on 11/05/2020 and was launched on the 17/04/2020.

The most recent prospectus, annual and periodic reports will be sent within one week to Fund unit-holders who request these documents in writing from:

**FundRock Management Company S.A.**  
**Registered Office: 33 rue de Gasperich**  
**L-5826 Hesperange**

## Grand-Duchy of Luxembourg

Requests for more information or explanations may be addressed to the registered office of the Management Company

The prospectus was published on 11/05/2020.

The AMF's website at <https://www.amf-france.org/fr> provides additional information on regulatory documents and the protection of investors.

This Prospectus must be made available to investors prior to subscription.

## IX. SECTION B STATISTICAL INFORMATION

*THIS SECTION OF THE PROSPECTUS WILL NOT BE AVAILABLE UNTIL AFTER THE COMPLETION OF THE FIRST FULL CALENDAR YEAR AFTER THE FUND'S INCEPTION.*

## X. SECTION B EXPENSES

Expenses invoiced to the Fund during the fiscal year ended 31.12.2020

GALILEO MULTI ASSET PREMIA FUND

Operating and management expenses		
Expenses arising from investment in other UCITS or alternative investment funds (AIF). These expenses consist of: <ul style="list-style-type: none"><li>the cost of purchasing shares or units in other UCITS or AIF</li><li>less any fee rebates negotiated by the investing fund's management company</li></ul>		
Other expenses charged to the Fund These expenses include : <ul style="list-style-type: none"><li>incentive fees</li><li>account activity charges</li></ul>		
Total amount charged to the Fund during the past fiscal year		

The Fund has been launched on 17/04/2020. The rates shown have been annualized.

### Operating and management expenses

These include all expenses charged directly to the Fund, except for transaction fees and any incentive fee that may be due. Transaction fees include the expense of intermediation (i.e. broker charges, stock exchange taxes, etc.) and the account activity charge (see below). Operating and management expenses include, among other things, expenses related to investment management, administration, accounting, depositary services, custody and auditing.

### Expenses arising from investment in UCITS and/or AIF

Some AIFs may invest in UCITS or in AIFs subject to foreign law, referred to collectively as "investee funds". Such "investing funds" must bear the following two types of expenses when purchasing and holding shares or units in an investee UCITS (or AIF):

- Subscription and redemption fees. However, the portion of these fees that are paid to the investee fund are considered "transaction expenses" and are not included here.
- The fees and expenses paid by the investee fund, which constitute indirect costs for the investing fund.

In some cases the investing fund may negotiate a rebate on some of these fees and expenses (sometimes known as a "retrocession"). These fee rebates reduce the total expenses borne by the investing fund.

### Other expenses charged to the Fund

The following fees or charges may also be charged to the Fund:

- a) Performance fees, which are paid to the management company if the Fund exceeds its investment objective.
- b) Account activity charges, which are charged to the Fund on every portfolio transaction. More information on these fees is provided in the full prospectus. The management company may be entitled to these charges, subject to the terms and conditions of the prospectus. Investors should note that these expenses may vary considerably from one year to the next and that the figures shown here are those observed for the past year.

**PROSPECTUS PUBLICATION DATE:** 07 November 2022



# GALILEO MULTI ASSET PREMIA FUND

## FUND RULES

### SECTION 1 - ASSETS AND UNITS

#### Article 1 - Co-ownership of units

The rights of the co-owners of the Fund are represented by units, each of which represents the same proportion of the Fund's assets. Each unit-holder has a co-ownership right to the Fund's assets in proportion to the number of units owned.

The Fund reserves the right to combine or divide units.

The units may be divided, if so decided by the Management Company's chairman or the chief operating officer, into thousandths known as unit fractions.

Rules pertaining to the issue and redemption of units shall be applicable to fractional units, whose value shall be proportional to that of the unit they represent. All of the other provisions of these rules that apply to the units shall also apply to unit fractions without it being necessary to specify this, unless indicated otherwise. Finally, the Management Company's chairman or the chief operating officer may, at its sole discretion, carry out the division of units through the creation of new units that are allocated to unit holders in exchange for old units.

#### Article 2 - Minimum amount of assets

Units cannot be redeemed if the Fund's assets fall below 300 000 Euros. If this happens, the Management Company will have thirty days to either merge or dissolve the Fund, unless during this time the asset value rises back above this amount.

#### Article 3 - Unit issuance and redemption

##### Unit subscription, issuance and purchase

Units shall be issued at their net asset value plus any subscription fees that may be due.

The subscription, issuance and acquisition of units are also subject to the following conditions:

Subscription orders shall be executed under the conditions and according to the procedures defined in the prospectus.

Subscription orders must be fully paid up and received by the entity that processes subscription and redemption orders at the latest 3 Business Days (as defined in the Prospectus) following the Net Asset Value Date

This payment can be made in either cash and/or securities. The Management Company has the right to refuse the securities offered and, in this case, has seven days after these securities are deposited to notify its decision. If the securities are accepted they shall be valued as indicated in Article 4 and the subscription shall be made on the basis of the first Net Asset Value calculated after the securities are accepted.

##### Unit redemption

Units shall be redeemed at their net asset value less any redemption fee that may be applicable. The redemption of units is also subject to the following terms:

Units shall be redeemed as indicated in the prospectus.

Units shall be redeemed exclusively in cash, except if the unit-holders have asked to be paid in securities and the Management Company agrees to it. The redemption price shall be paid by the depositary within two (4) Business Days after the Net Asset Value Date (as defined in the prospectus). However, if due to exceptional circumstances, Fund assets must be sold before units can be redeemed, this time may be extended to up to 30 days.

Except in the event of succession or inter vivos distribution of an estate between heirs, the sale or transfer of units between unit-holders, or from a unit-holder to a third party shall be considered to be a redemption followed by a subscription. If sale or transfer is made to a third party, the amount of such sale or transfer shall, if necessary, be supplemented by the beneficiary until the minimum subscription requirement specified in the full prospectus (if any) is reached.

Pursuant to Article L. 214-8-7 of the Code monétaire et financier (French Monetary and Financial Code), the Management Company may temporarily suspend the redemption of the fund's units and the issuing of new units, when this is required by exceptional circumstances, is in the interest of unit-holders and is in accordance with the provisions of the full prospectus.

If the Fund's net assets fall below the minimum regulatory amount, no units shall be redeemed.

When the total amount of redemptions orders at a given Net Asset Value Date minus the total amount of subscriptions exceeds 10% of the Fund's net assets, the Management Company may postpone the execution of the redemptions above the 10% threshold and execute them on the following next Net Asset value Dates. In such case, the redemption orders will be executed pro rata of the amount above the 10% threshold. Postponed orders won't benefit from any priority right. The Fund may decide to postpone the execution of the redemption orders above the 10% threshold on the next Net Asset Value Date, in function of the current market conditions.

#### Entity responsible for ensuring that subscribers or purchasers of units in the Fund meet eligibility criteria

The Management Company or the entity designated for this purpose ensures that criteria for the capacity of subscribers and purchasers of units in the Fund were met and that they have received information required under Articles 423-30 and 423-31 of the general Regulation of the Autorité des marchés financiers. It also ensures the existence of the written statement specified in Article 423-31 of the general Regulation of the Autorité des marchés financiers.

#### Article 3b: The Fund's investment rules and limits

Since the Fund is a "fonds professionnel spécialisé" it is not subject to the investment rules specified in articles L. 214-24-55, R.214-32-16 and seq of the Code monétaire et financier (French Monetary and Financial Code) and it may invest in the assets indicated in Article L. 214-154 of the aforesaid code.

Pursuant to the Article L. 214-154 of the Code monétaire et financier, none investment ratios or limits have to be observed. The Fund is exclusively subject to the investment limits specified in Section III "FUND OPERATION AND MANAGEMENT".

#### **Article 4 - Calculation of net asset value**

The net asset value of the units shall be calculated in accordance with the valuation rules indicated in the prospectus (the "Net Asset Value"). Contributions in kind shall consist solely of securities or contracts that French mutual funds are authorized to invest in and shall be valued in accordance with the valuation rules used to calculate Net Asset Value.

## **SECTION 2 - FUND OPERATION**

#### **Article 5 – The Management Company**

The management company shall manage the Fund in compliance with the Fund's Investment Strategy.

The management company is authorized to make any decision to change the investment strategy or the investment policy of the alternative investment fund, for the benefit of unit-holders, in compliance with laws and regulations.

The management company shall act in all circumstances in the sole interest of the unit-holder and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

In order to cover its professional liability risk resulting from the activities it may carry out, the Management Company holds sufficient additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

#### **Article 5b – Operating rules**

The instruments and eligible securities as assets of the Fund and the investment strategy of the Fund are described in the Prospectus.

The management Company when deciding the modifications of the investment objective and the investment strategy of the Fund will duly inform the units holders in a reasonable time.

All the other modifications of the prospectus or the funds rules will be made at the management company discretion.

#### **Article 6 – The depositary**

The depositary shall provide the services required under applicable laws and regulations and the services entrusted to it contractually by the Management Company. The depositary shall ensure that the Management Company's decisions are proper and shall take any protective measures it deems necessary. The depositary shall inform the Autorité des marchés financiers (AMF) of any disputes with the Management Company.

#### **Article 7 – The auditor**

An auditor shall be appointed for a term of six fiscal years by any two directors of the Management Company, with the approval of the Autorité des marchés financiers.

The auditor shall certify that accounts are true and fair.

The auditor may be reappointed.

It shall inform the Autorité des marchés financiers as soon as possible of any event or decision concerning the collective investment scheme of which it gains knowledge in the course of its work that may:

1° constitute an infringement of applicable laws or regulations and which may have a significant effect on the Fund's financial situation, earnings or assets

2° compromise the operation of the Fund's business

3° result in a qualified opinion or a refusal to certify the accounts.

The valuation of assets and the determination of exchange ratios during transformations, mergers or demergers shall be carried out under the auditor's supervision.

The auditor shall determine the value of all contributions in kind.

The auditor shall certify the composition of the Fund's assets and other information before it is reported.

The auditor's fees shall be agreed between the auditor and Management Company's "Directoire" on the basis of the estimated auditing work. The auditor shall validate the accounting statements serving as the basis for the payment of interim dividends.

The auditor's fees shall be included in the management expenses.

#### **Article 8 - Financial statements and the management report**

At the end of each financial year, the Management Company shall prepare the financial statements and the management report on the past year for the Fund, and if necessary for each sub-fund.

The Management Company shall draw up an inventory of the Fund's assets at least every six months and under the depositary's supervision. The Management Company shall keep these documents available to unit-holders for four months after the end of the fiscal year and shall inform them of the amount of income to which they are entitled. These documents shall be either mailed to unit-holders at their express request or made available to them at the office of the Management Company or of any other entity selected by the Management Company for this purpose.

## **SECTION 3 - PROCEDURES FOR ALLOCATING INCOME AND DISTRIBUTIONS**

#### **Article 9 - Procedures for allocating income and distributions**

The net income for the year is the sum of the interest, arrears, dividends, premiums, bonuses, directors' fees and any other proceeds from the securities in the Fund's portfolio, plus any proceeds from sums temporarily made available, after deduction of management expenses and interest expenses.

An AIF may distribute the following amounts:

1° The net income for the year, plus retained earnings and plus or minus the net revenue accruals for the year

2° Realized capital gains, net of expenses, minus realized capital losses, net of expenses, recognized for the year, plus similar net capital gains recognized over the previous years that were not distributed or accumulated, minus or plus the balance of capital gains accruals.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

The distributable amounts shall be paid within five months after the end of the fiscal year.

The Management Company may opt to reinvest the income in the assets of the Fund or to distribute them one or several times a year. The Management Company may adopt the following policies;

- **Pure accumulation:** all distributable income shall be full reinvested, with the exception of those amounts that must be distributed by law.
- **Distribution:** available amounts are fully distributed, through the potential interim accounts.
- **Accumulation and/or Distribution:** each year, the Management Company may decide on how to allocate the income of the Fund. The Management Company may decide, throughout the fiscal year, to distribute one or several interim accounts within the limit of available amounts recorded at the date of the decision. Undistributed available amounts will be reinvested, except realized net capital gains which are carried forward by the on the next fiscal years.

The appropriation of earnings and other distributable amounts is described in detail in the prospectus.

## SECTION 4 – MERGER, DEMERGER, DISSOLUTION & LIQUIDATION

### Article 10 - Merger – Demerger

The Management Company may transfer all or part of the assets in the Fund to another fund or FIA, or split the Fund into two or more funds.

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

### Article 11 - Winding up – Extension

If the Fund's assets (or the assets of a sub-fund if applicable) fall below and remain less than the amount indicated in Article 2 of the Fund's Rules for a period of thirty days, the Management Company shall inform the Autorité des marchés financiers and shall dissolve the Fund (or sub-fund if applicable) unless it is merged with another AIF.

The Management Company may dissolve the Fund before it reaches its term. In this case it must inform the unit-holders of its decision and subscription or redemption orders will not be accepted after this date.

The Management Company shall also dissolve the Fund if the redemption of all units has been requested, the depositary ceases its activity and no other depositary has been appointed or if the Fund reaches its initial term and said term has not been extended, or upon expiry of the Fund's extended term.

The Management Company shall inform the AMF by mail of the planned dissolution date and procedure. It will then send the AMF the auditor's report.

The Management Company may decide to extend the Fund's term with the depositary's approval. It shall make this decision at least three months before the Fund's term is to expire and inform unit-holders and the AMF of this decision.

Notwithstanding the first paragraph of this article, the Management Company, reserves the right to wind-up the Fund in the event that the Fund's assets at any time fall below EUR 5,000,000.

### Article 12 - Liquidation

In the event of dissolution, the Management Company or the depositary with its approval shall manage the liquidation. Failing this, a liquidator shall be appointed by the courts at the request of any unit-holder. For this purpose liquidators shall be entrusted with full powers to sell assets, pay off any creditors and distribute the remaining balance among the unit-holders in the form of cash or securities.

The auditor and the depositary shall continue to perform their duties until the liquidation is completed.

## SECTION 5 – DISPUTES

### Article 13 – Competent courts - Election of domicile

Any disputes concerning the Fund that may arise during its lifetime or upon its liquidation, either between the unit-holders or between unit-holders and the Management Company or the depositary, shall be subject to the jurisdiction of the competent courts.