

SIMPLIFIED PROSPECTUS

PART A – LEGAL AND GENERAL INFORMATION

Key information:

- ▶ **ISIN code:** **A Units FR0010730051** This unit class will be closed to all new subscribers three months after the unit inception date, i.e. June 30, 2009.  
**B Units FR0010737478**  
**C Units FR0010737486**  
**U Units FR 0011141324**
  
- ▶ **Name:** AFIM OFP 400
  
- ▶ **Legal form:** FCP (Fonds Commun de Placement), Mutual fund governed by French law
  
- ▶ **Sub-funds/feeder fund:** No
  
- ▶ **Investment Management Company:** AVENIR FINANCE INVESTMENT MANAGERS
  
- ▶ **Financial management delegated to:** None
  
- ▶ **Other delegated management:** Administrative and accounting: CACEIS FASNET
  
- ▶ **Term:** This UCITS was initially created for a period of 99 years.
  
- ▶ **Custodian:** RBC DEXIA INVESTOR SERVICES BANK FRANCE  
105 rue Réaumur – 75002 PARIS
  
- ▶ **Statutory Auditor:** PwC SELLAM - 49-53 avenue des Champs-Élysées – 75008 PARIS  
Representative : M. Patrick SELLAM
  
- ▶ **Distributor:**  
  
AVENIR FINANCE INVESTMENT MANAGERS  
A public limited company (*société anonyme*)  
53 rue la Boétie – 75008 PARIS  
  
SICAVONLINE  
A public limited company (*société anonyme*)  
53 rue la Boétie – 75008 PARIS
  
- ▶ **Asset class:** diversified
  
- ▶ **UCITS of UCITS:** less than 10% of net assets.

► **Investment objective:** the Fund's objective is to outperform the daily capitalized EONIA (the Euro Overnight Index Average) by 4% (annualized), over a minimum investment horizon of 12 months, after deduction of management fees.

► **Benchmark index:** Capitalized EONIA

The EONIA index (Euro Overnight Index Average) is the weighted average rate for overnight transactions in euro area countries. It is calculated by the European Central Bank and represents the euro area's risk-free rate.

Investors are reminded that the benchmark index does not reflect the Fund's investment objective, as the Fund adopts a discretionary management style. Comparison with the benchmark index shall be performed ex post. As such, the Fund's performance may differ from the benchmark.

► **Investment strategy:** The strategy implemented is a discretionary selection process for the securities in the portfolio.

The investment strategy is based on analysis of the international markets, supported by quantitative financial and econometric analysis, in order to implement in the Fund the strategies that will present the most favourable [expected return/risk] ratio. The multiple markets analyzed offer a greater number of strategy opportunities.

AFIM OFP400 will mainly invest in bonds and other negotiable debt securities denominated in all currencies from OECD markets and emerging countries (maximum 10% of net assets). Investments will mainly focus on fixed-rate marketable securities, short-, medium- and long-term domestic and international bonds, including zero-coupon bonds, fixed and variable interest rate bonds, convertible (maximum 10% of net assets), index-linked and tradable bonds and, more generally, any marketable security representative of a bond issue rated either Investment Grade or High Yield (maximum 10% of assets) by the ratings agencies (Fitch, Moody's and S&P). Bonds must be rated at least B at the time of investment.

The main strategies used will cover:

**. MANAGING INTEREST RATE CURVES BY:**

- Actively managing the portfolio's duration. The fund manager will implement active interest rate risk management, notably by using duration for the bond portion of the portfolio of between -10 and +10.
- Arbitrages between different yield curve segments;
- Carry trade strategies with an unchanged duration;
- A country allocation which enables the risk of rising or falling rates to be allocated based on the market cycle;

Overall exposure to the fixed income markets may not exceed one times the Fund's assets.

**. CREDIT MANAGEMENT**

- Mainly using a global (top-down) allocation. The Fund will invest in bond issues (private and public debt) rated Investment Grade and High Yield by the ratings agencies. Bonds must be rated at least B at the time of the investment.

**. CURRENCY**

- Active management of currency risk means that up to 30% of the Fund's net assets may be exposed to a single currency other than the euro, and that a total of 50% of net assets may be exposed to currencies other than the euro.

## **. MONETARY POLICY CONVERGENCE AND DIVERGENCE STRATEGIES**

- Imbalances in monetary conditions within the same country or region may occur, such as the deterioration/improvement of the credit market and an over/undervalued currency, as well as over/undervalued interest rates.

Each country or region is covered by a Government and a central bank, whose objective is to ensure growth with controlled inflation. To achieve this, they use monetary and fiscal policy.

Imbalances may appear over extended periods of time. As such, a country may experience extreme monetary conditions, i.e. a strong currency and low rates or conversely a weak currency and high rates. The aim of the strategy is to anticipate convergence (or divergence) of these conditions. Purchasing a country's currency and selling debt, or conversely, selling currency and purchasing debt. This strategy is calibrated by the volatility of underlying assets.

## **. EQUITY AND COMMODITY FUTURES INDICES**

- Using directional anticipation (upward or downward trend in the benchmark index).
- Using arbitrages against the interest rate market.

### Commodities

- The Fund is exposed to the main commodity futures indices, respecting the diversification regulations stipulated, up to a limit of 20% of assets (sum of the absolute value of exposures). Maximum exposure to a single index is 20% in absolute terms.

- Positions will mainly be taken on liquid indices (commodities, oil, metal and soft commodities futures).

### . Other strategies

- Volatility management (equities, interest rates and currencies) (purchase or sale of options on regulated markets). The objective is to maintain volatility of 8% over the Fund's investment horizon.

The Fund may invest in financial futures traded on regulated French, foreign or over-the-counter markets. As such, the fund manager may take positions in order to hedge the portfolio and/or expose the portfolio to benchmark geographic regions in order to benefit from market variations and pursue the Fund's investment objective. The fund manager may therefore invest in futures, options and forward exchange contracts. The Fund seeks no overexposure.

As such, AFIM-OF400 may, via the futures markets (main indices: CRB and SPGSCI), seize investment opportunities from its quantitative models.

These transactions will be carried out within the limit defined by the VaR probabilistic method. VaR corresponds to the potential loss in 95% of cases over a 7-day period under normal market conditions. The VaR level for a 95% confidence interval will be less than 5%.

The UCITS may invest in UCITS managed by the investment management company or an affiliate.

For cash management purposes, the Fund may temporarily sell and acquire securities and borrow cash.

## **► Risk profile:**

Your money will mainly be invested in the financial instruments selected by the management company. These instruments are subject to market trends.

The main risks specifically related to the Fund's profile are:

1 Capital risk: the Fund offers no guarantees. Investors are advised that their invested capital may not be fully recovered.

2. Interest rate risk: this is the risk that interest-rate instruments may decrease in value due to changes in interest rates. This is measured by duration. The portfolio's level of exposure to interest rate risk is based on its duration at the time.

In the case of positive duration, the interest rate risk corresponds to the risk related to a rise in bond market interest rates, which would lead to a fall in bond prices and a subsequent decline in the UCITS' net asset value.

In the case of negative duration, the interest rate risk corresponds to the risk related to a drop in bond market interest rates, which would lead to a rise in bond prices and a subsequent decline in the UCITS' net asset value.

3. Currency risk: the risk of a decrease in the investment currency compared to the portfolio benchmark currency, the euro. Depending on the direction of the UCITS transaction, the decline (in the event of purchase) or the increase (in the event of sale) in a currency against the euro may reduce net asset value.

Total exposure to currencies other than the benchmark currency (euro) will not exceed 50% of net assets.

The maximum exposure to one currency (except the euro) will not exceed 30% of net assets.

4. Credit risk: credit risk is based mainly on the quality of the underlying assets.

Credit risk is associated with the issuer of the debt and the risk that they will default. In the event that the quality of the issuer deteriorates, the net asset value of the Fund may fall.

AFIM-OFP400 indicates that it wishes to limit its investment to a single issuer to 2% for all bonds with maturities of longer than 12 months in order to limit the risk of loss.

5. Arbitrage risk: Arbitrage is a technique used to take advantage of actual (or anticipated) differences in prices between markets, sectors, securities, currencies, etc. If an arbitrage trade is unsuccessful (i.e. a short position rises and or long position falls) the strategy's value declines and the Fund's net asset value may decrease.

6. Equity risk: Equity risk is associated with an inverse trend in the market which underlies the portfolio's exposure, such as a drop in an index when the Fund is purchasing investments (long) in said index, or a rise in an index when the portfolio is selling investments (short) in said index. Equity risk exposure can fluctuate between 0% and 50% of absolute value.

7. Commodity futures risk: Equity risk is associated with an inverse trend in the market which underlies the portfolio's exposure, such as a drop in an index when the Fund is purchasing investments (long) in said index, or a rise in an index when the portfolio is selling investments (short) in said index.

8. Risk linked to discretionary management style: There is also a risk of the UCITS not always being invested in the best performing securities.

For more details on the aforementioned risks, please consult the Detailed Information section.

► **Eligible subscribers and typical investor profile:**

A units: All investors; more specifically aimed at institutional clients and discretionary management. This unit class will be closed to all new investors three months after the inception date, i.e. June 30, 2009.

B units: all investors; more specifically aimed at institutional clients and discretionary management.

C units: private clients.

U units : all investors (creation date : November 6, 2011)

The Fund may be used as an investment medium for life insurance contracts.

The three unit classes may be subscribed to in hundredths of a unit as of the initial subscription.

The amount that might reasonably be invested in this UCITS depends on the personal situation of the investor. To determine this amount, investors must consider their net worth, their current requirements, the recommended investment horizon and their inclination to assume risk or adopt a more cautious investment profile.

It is also strongly recommended that investors sufficiently diversify their investments so that they are not only exposed to the risks of this UCITS.

► **Recommended minimum investment period:** 12 months

**Information on expenses, fees and taxes**

► **Fees and expenses:**

**Subscription and redemption fees**

Front-end and back-end loads are added to the subscription price paid by the investor or deducted from the redemption price. Fees paid to the UCITS are used to offset the cost of investing or disinvesting the UCITS' assets. Fees that are not used up in costs return to the fund management company or the distributor, etc.

<b>Front-end and back-end loads paid by investors</b>	<b>Base</b>	<b>Rate</b>
Front-end load not paid to the UCITS A Units FR0010730051 B Units FR0010737478 C Units FR0010737486 U Units FR0011141324	NAV × Number of units	0.5% maximum 2% maximum 1.50% maximum 2% maximum
Front-end load paid to UCITS (all unit classes)	NAV × Number of units	None
Back-end load not paid to the UCITS (all unit classes)	NAV × Number of units	None
Back-end load paid to the UCITS (all unit classes)	NAV × Number of units	None

**Operating expenses and management fees:**

These fees cover all costs charged directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation (i.e. brokerage fees, stamp duty, etc.) and a handling fee, which may be required by the custodian and the investment management company.

Operating and management expenses may also include:

- Performance fees. These are paid to the investment management company if the UCITS outperforms its objectives. They are therefore invoiced to the UCITS.
- Handling fees are invoiced to the UCITS;
- A percentage of the revenue obtained from temporary securities transactions.

When the UCITS carries out a repurchase agreement, all of the income associated with the transaction is paid to the UCITS and, where applicable, in the event of a reverse repurchase agreement, all income generated will be paid by the UCITS.

For further information regarding the expenses invoiced to the UCITS, see Part B of this simplified prospectus.

Expenses invoiced to the UCITS	Base	Rate
Operating and management expenses, including tax (including all expenses except for transaction costs and expenses associated with investment in UCITS or investment funds)	Net assets	<p>A units: 0.95% Actual rate</p> <p>B units: 1.25% including tax Maximum rate</p> <p>C units: 1.75% including tax Actual rate</p> <p>U units : 1.30% including tax Maximum rate</p>
Performance fee including tax all unit classes	Net assets	The performance fee will equal 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.*
Account handling fee	Charge on each transaction	<p>Investment Management Company: none</p> <p>Custodian: all</p> <p>Fixed fee per transaction</p>

A provision is made for this performance fee each time the NAV is calculated. If the fund underperforms, any provisions previously booked will be written back.

The performance fee is paid annually on the last net asset value date of the year. As such the provision is reset at zero every year. (The first payment took place following the end of the last trading day of June 2010).

► **Tax regime:**

- *Warning: Depending on your tax regime, capital gains and income obtained from your ownership of the UCITS' units may be subject to taxation. We recommend that you seek further information on your tax regime from the UCITS' distributor.*

## General sales-related information

### ► Subscription and redemption requirements:

- The net asset value per unit is calculated daily, except on days when the Paris market is closed or public holidays in France.
- Pursuant to article L.214-30 of the Monetary and Financial Code, the fund's redemption of its units and the issuing of new units may be temporarily suspended by the investment management company, when this is required by exceptional circumstances and if in the interest of shareholders.
- Subscription and redemption requests are received daily, centralized at RBC DEXIA INVESTOR SERVICES BANK FRANCE on the valuation date until 11:30 a.m. and executed at the next net asset value dated the same day. Requests received on Saturdays are centralized on the next business day; subscriptions may be in hundredths of a unit. Settlements take place at D+3.

► **Year-end date:** The fiscal year-end date is set at the last trading day of June (first fiscal year from March 30, 2009 to the last trading day of June 2009).

► **Appropriation of earnings:** accumulation for all unit classes

► **Date and frequency of NAV calculation:** daily

► **NAV dissemination and publication:** The net asset value is published by AVENIR FINANCE INVESTMENT MANAGERS on the website <http://im.avenirfinance.fr>

► **Denomination currency:** euro for A, B, C units, USD for U units.

► **Inception date:** This Fund was approved by the AMF on March 13, 2009. It was created on March 30, 2009.

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## Additional information:

Shareholders can receive the full Fund Prospectus and the most recent annual and periodic reports within one week upon written request to:

AVENIR FINANCE INVESTMENT MANAGERS  
53 rue la Boétie  
75008 PARIS  
Tel.: +33 1 70 08 08 00

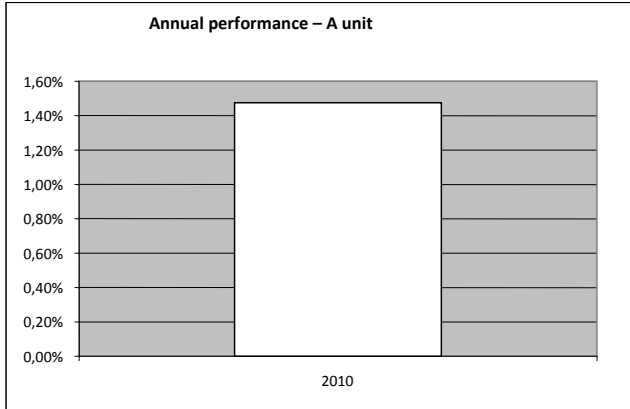
These documents are also available on the website <http://im.avenirfinance.fr>

Prospectus publication date: **November 10, 2011**

The AMF's web site ([www.amf-france.org](http://www.amf-france.org)) provides additional information regarding the required regulatory filings and the various measures implemented to protect investors.

This Simplified Prospectus must be made available to subscribers prior to subscription.

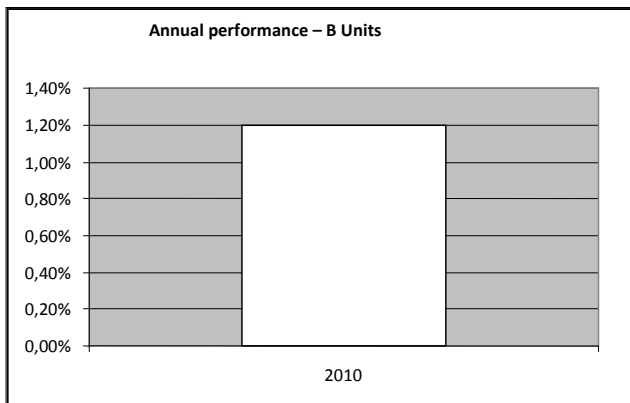
**PART B - STATISTICS**



An.Performance	1 year	3 years	5 years
AFIM OFP 400 - part A	1,47%	N/A	N/A
EONIA + 400 bp	4,34%	N/A	N/A

**WARNING**

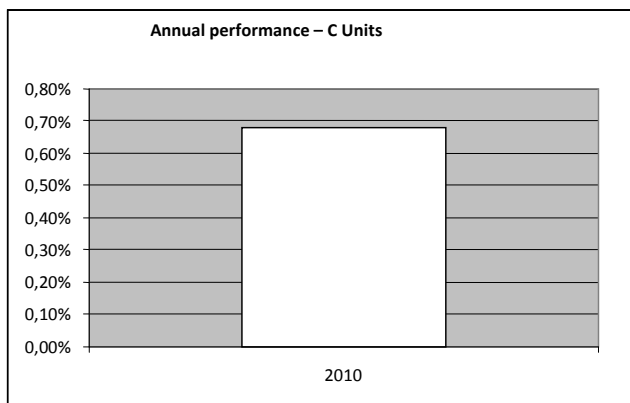
Past performance is not a guide to future performance.  
Performance is not constant over time.



An. performance	1 year	3 years	5 years
AFIM OFP 400 - part B	1,20%	N/A	N/A
EONIA + 400 bp	4,34%	N/A	N/A

**WARNING**

Past performance is not a guide to future performance.  
Performance is not constant over time.



An. performance	1 year	3 years	5 years
AFIM OFP 400 - part C	0,68%	N/A	N/A
EONIA + 400 bp	4,34%	N/A	N/A

**WARNING**

Past performance is not a guide to future performance.  
Performance is not constant over time.

<b>Breakdown of expenses charged to the UCITS during the financial year ended June 30, 2011</b>
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<b>Operating and management expenses for A units</b>	<b>0.95%</b>
<b>Costs generated by investment in other UCITS or investment funds</b> These costs are determined by: <ul style="list-style-type: none"> <li>- costs related to the purchase of UCITS and investment funds,</li> <li>- minus any retrocessions negotiated by the management company of the investing UCITS.</li> </ul>	<b>None</b>
<b>Total expenses charged to the UCITS</b> These expenses break down into: <ul style="list-style-type: none"> <li>- performance fee</li> <li>- account handling fee</li> </ul>	<b>0.42 %</b>  0.42 % 0.00 %
<b>Total expenses charged to the UCITS during the last financial year</b>	<b>1.37%</b>

<b>Operating and management expenses for B units</b>	<b>1.25%</b>
<b>Costs generated by investment in other UCITS or investment funds</b> These costs are determined by: <ul style="list-style-type: none"> <li>- costs related to the purchase of UCITS and investment funds,</li> <li>- minus any retrocessions negotiated by the management company of the investing UCITS.</li> </ul>	<b>None</b>
<b>Total expenses charged to the UCITS</b> These expenses break down into: <ul style="list-style-type: none"> <li>- performance fee</li> <li>- account handling fee</li> </ul>	<b>None</b>
<b>Total expenses charged to the UCITS during the last financial year</b>	<b>1.25%</b>

<b>Operating and management expenses for C Units</b>	<b>1.75%</b>
<b>Costs generated by investment in other UCITS or investment funds</b> These costs are determined by: <ul style="list-style-type: none"> <li>- costs related to the purchase of UCITS and investment funds,</li> <li>- minus any retrocessions negotiated by the management company of the investing UCITS.</li> </ul>	<b>None</b>
<b>Total expenses charged to the UCITS</b> These expenses break down into: <ul style="list-style-type: none"> <li>- performance fee</li> <li>- account handling fee</li> </ul>	<b>None</b>
<b>Total expenses charged to the UCITS during the last financial year</b>	<b>1.75%</b>

Operating and management expenses

*These fees cover all costs charged directly to the UCITS, with the exception of transaction fees and, where applicable, performance fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and any handling fees (see below). Operating expenses and management fees also include financial management, administrative and accounting expenses, custodian fees and auditing expenses.*

Costs generated by investment in other UCITS and/or investment funds

*Some UCITS invest in other UCITS or in investment funds governed by foreign legislation (target UCITS). The acquisition and holding of a target UCITS (or investment fund) generates two types of cost for the purchasing UCITS:*

- a) front-end and back-end loads. Nevertheless, the portion of these fees charged to the target UCITS is considered as transaction costs and therefore not considered here,*
- b) Expenses invoiced directly to the target UCITS, which are considered as indirect costs for the purchasing UCITS.*

*In some cases, the purchasing UCITS may negotiate retrocessions, i.e. the return of a portion of these expenses, which will reduce the total expenses that the UCITS actually has to support.*

Other expenses charged to the UCITS

*Other expenses can be charged to the UCITS. These include:*

- a) Performance fees. These are paid to the management company when the Fund exceeds its objectives and are paid by the Fund.*
- b) Handling fees. Handling fees are charged to the UCITS for each portfolio transaction. The Full Prospectus provides details on these fees. The management company can benefit from these fees under the terms and conditions laid out in Part A of this Simplified Prospectus.*

*Investors are reminded that expenses can vary significantly from one year to the next and that the figures given in this document refer back to the previous financial year.*

## **Information on transactions carried out during the last financial year ended June 30, 2011**

Transaction fees on the equity portfolio compared to average net assets: N/A

Turnover on the equity portfolio compared to average net assets: N/A

Transactions carried out on behalf of the UCITS between the investment management company and related companies represented the following percentage of total transactions for the current financial year: None

## Detailed information

### I - General characteristics

#### I-1 Legal structure and type

► *Name:* AFIM OFP 400

► *Legal structure and Member State where the UCITS was formed:*

Mutual Fund — FCP (Fonds Commun de Placement), governed by French law.

► *Inception date and planned term*

Created on March 31, 2009 for a period of 99 years.

► *Key investment information*

	<i>Characteristics</i>				
ISIN code	Investors concerned	Appropriation of income	Denomination currency	Initial net asset value	Initial subscription
<b>A units</b> <b>FR0010730051</b>	All investors; more specifically aimed at institutional clients and discretionary management.	Accumulation	Euro	€ 1,000	€ 1,000 Minimum initial subscription: € 50,000 This unit class will be closed to all new investors three months after the inception date, i.e. June 30, 2009.
<b>B units</b> <b>FR0010737478</b>	All investors; more specifically aimed at institutional clients and discretionary management.	Accumulation	Euro	€ 1,000	€ 1,000 Units may be subscribed to in one hundredths of a unit as of the initial subscription
<b>C units</b> <b>FR0010737486</b>	Private clients	Accumulation	Euro	€ 100	€ 100 Units may be subscribed to in one hundredths of a unit as of the initial subscription
<b>U units</b> <b>FR0011141324</b> (creation date : November 6 2011)	All investors	Accumulation	USD	20 000 USD	Minimum initial subscription: 1 unit. Later subscriptions : 1 unit (no decimalization)

► **Obtaining the most recent annual and periodic disclosure reports:**

The most recent annual and interim publications may be obtained within one week on written request to:

AVENIR FINANCE INVESTMENT MANAGERS  
53 rue la Boétie - 75008 PARIS  
Telephone: +33 1 70 08 08 00

Information may also be found or requested using the website <http://im.avenirfinance.fr>.

**I-2 Custody, investment management and administration**

► **Investment Management Company:** Avenir Finance Investment Managers - Accreditation No. G 97-124  
53 rue de la Boétie, 75008 Paris, France

► **Depository and Custodian:** RBC DEXIA INVESTOR SERVICES BANK FRANCE  
105 rue Réaumur – 75002 PARIS

► **Institution responsible for registering units or shares (UCITS' liabilities)** RBC DEXIA INVESTOR SERVICES BANK FRANCE  
105 rue Réaumur – 75002 PARIS

► **Administrative and accounting management delegated to:** CACEIS FASTNET

► **Statutory Auditor (including substitute for SICAVs):**

PwC SELLAM - 49-53 avenue des Champs-Élysées – 75008 PARIS

► **Distributors:**

AVENIR FINANCE INVESTMENT MANAGERS  
A public limited company (*société anonyme*)  
53 rue la Boétie – 75008 PARIS

SICAVONLINE  
A public limited company (*société anonyme*)  
53 rue la Boétie – 75008 PARIS

► **Advisors:** None

**II - Fund operation and management**

**II-1 General characteristics:**

► **Unit or share characteristics:**

- ISIN code: A units FR0010730051 (This unit class will be closed to all new investors three months after the inception date, i.e. June 30, 2009).  
B Units FR0010737478  
C Units FR0010737486  
U Units FR0011141324
- Each holder has a joint-ownership right in the UCITS' assets, which is proportional to the number of units owned.
- Upon subscription, shareholders may choose to hold their units in registered or bearer form. Shareholders rights are recorded by book entry in their names or with the intermediary of the shareholder's choice for bearer securities.

- Units are admitted for trading on Euroclear and follow the standard settlement/delivery procedures
- Decimalization: one hundredth of a unit (as of initial subscription) for B, C and S units
- Voting rights: units carry no voting rights and all decisions are made by the investment management company.

► **Account closure date:**

The fiscal year-end date is set at the last trading day of June in Paris (first fiscal year-end date: June 2009).

► **Tax regime:**

The tax regime described below only indicates the main French tax regulations applicable to UCITS. We recommend that shareholders contact an advisor if they are uncertain about their tax situation.

- Due to tax neutrality, UCITS are not subject to corporation tax. Shareholders are subject to tax. The tax situation of a shareholder depends on several factors and varies according to their tax domicile (resident or not) or status as an individual or a legal entity.
- Income distributed is subject to income tax for individuals, except in the specific case of flat-rate withholding or corporation tax for legal entities.
- Capital gains on the disposal of securities carried out by an individual are not subject to tax if the annual amount of disposals within the tax residence does not exceed the threshold specified by the Finance law each year. The tax regulations applied to unrealized capital gains, generated by legal entities subject to corporation tax, depend on the tax regulations that apply to their particular bracket/category.
- Dividends paid to a non-resident are liable to French withholding tax unless there is an international taxation treaty.

However, the tax regime may not be the same if the Fund is subscribed as part of an agreement entitling shareholders to specific advantages (insurance contract, equity savings plan, etc.). The shareholder is therefore recommended to refer to the tax specificities therein.

## **II-2 Specific characteristics**

- **Investment objective:** The Fund's objective is to outperform the daily capitalized EONIA by 4% (annualized), over a minimum investment horizon of 12 months, after deduction of management fees.

- **Benchmark index:** Capitalized EONIA

The EONIA index (Euro Overnight Index Average) is the weighted average rate for overnight transactions in euro area countries. It is calculated by the European Central Bank and represents the euro area's risk-free rate.

Investors are reminded that the benchmark index does not reflect the Fund's investment objective, as the Fund adopts a discretionary management style. Comparison with the benchmark index shall be performed ex post. As such, the Fund's performance may differ from the benchmark.

- **Investment strategy:**

The strategy implemented is a discretionary selection process for the securities in the portfolio.

The investment strategy is based on analysis of the international markets, supported by quantitative financial and econometric analysis, in order to implement in the Fund the strategies that will present the most favourable [expected return/risk] ratio.

AFIM OFP400 will mainly invest in bonds and other negotiable debt securities denominated in all currencies from OECD markets and emerging countries (maximum 10% of net assets). Investments will mainly focus on fixed-rate marketable securities, short-, medium- and long-term domestic and international bonds, including zero-coupon bonds, fixed and variable interest rate bonds, convertible (maximum 10% of net assets), index-linked and tradable bonds and, more generally, any marketable security representative of a bond issue rated either Investment Grade or High Yield (maximum 10% of assets) by the ratings agencies (Fitch, Moody's and S&P). Bonds must be rated at least B at the time of investment.

For diversification purposes, AFIM-OFP400 may also invest in:

- the main UK, US, Japanese and euro area equity markets;
- the commodities market via futures contracts on listed indices, respecting the diversification regulations stipulated, in regulated markets only (CRB and SPGSCI);
- in equity UCITS (up to 10%).

The strategies implemented will cover:

**A) INTEREST RATES:**

- Actively managing the portfolio's duration (in securities or using futures) between -10 and +10.
- Arbitraging relative value between the international fixed-income markets;
- Arbitraging interest-rate curve opportunities (within the same country on the country's interest rate curve).
- Identifying Credit market opportunities.

Overall exposure to the fixed income markets may not exceed one times the Fund's assets.

**B) CREDIT MANAGEMENT**

- Mainly using a global (top-down) allocation. The Fund will invest in bond issues (private and public debt) rated Investment Grade and High Yield by the ratings agencies. Bonds must be rated at least B at the time of the investment.

**C) CURRENCY MARKETS**

- Strategic allocation
- Total exposure to currencies other than the benchmark currency (euro) will not exceed 50% of net assets. The maximum exposure to one currency (except the euro) will not exceed 30% of net assets.

**D) MONETARY POLICY CONVERGENCE AND DIVERGENCE STRATEGIES.**

- Imbalances in monetary conditions within the same country or region may occur, such as the deterioration/improvement of the credit market and an over/undervalued currency, as well as over/undervalued interest rates.

Each country or region is covered by a Government and a central bank, whose objective is to ensure growth with controlled inflation. To achieve this, they use monetary and fiscal policy.

Imbalances may appear over extended periods of time. As such, a country may experience extreme monetary conditions, i.e. a strong currency and low rates or conversely a weak currency and high rates. The aim of the strategy is to anticipate convergence (or divergence) of these conditions. Purchasing a country's currency and selling debt, or conversely, selling currency and purchasing debt. This strategy is calibrated by the volatility of underlying assets.

**E) EQUITY RISK**

- The Fund is exposed to the main equity indices up to a limit 50% of assets (the equivalent value in euros of the sum of positive and negative notional exposures will not exceed 50%). Maximum exposure to a single market is 30% in absolute terms.
- Positions will mainly be taken on liquid indices (S&P500, FTSE, Eurostoxx and Topix) in OECD countries. The maximum position in an index other than the S&P, FTSE, Eurostoxx and Topix is 5%.

**F) COMMODITIES**

- The Fund is exposed to the main commodity futures indices, respecting the diversification regulations stipulated, up to a limit of 20% of assets (sum of the absolute value of exposures). Maximum exposure to a single index is 20% in absolute terms.

The sum of all positive and negative notional exposures in euros will not exceed 20%.

- Positions will mainly be taken on liquid indices (commodities, oil, metal and soft commodities futures indices) via commodities futures indices (forward markets).

#### G) Other strategies

- Volatility management (equities, interest rates and currencies) (purchase of sale of options on regulated markets). The objective is to maintain volatility of 8% over the Fund's investment horizon.

The Fund may invest in financial futures traded on regulated French, foreign or over-the-counter markets. As such, the fund manager may take positions in order to hedge the portfolio and/or expose the portfolio to benchmark geographic regions in order to benefit from market variations and pursue the Fund's investment objective. The fund manager may therefore invest in futures, options and forward exchange contracts.

As such, AFIM-OFP400 may, via the futures markets (main indices: CRB and SPGSCI), seize investment opportunities from its quantitative models.

These transactions will be carried out within the limit defined by the VaR probabilistic method. VaR corresponds to the potential loss in 95% of cases over a 7-day period under normal market conditions. The VaR level for a 95% confidence interval will be less than 5%.

Lastly, the Fund's value is constantly protected from the risk of excessively steep declines by stop loss orders equivalent to 7% of the Fund's value over a period of 15 days.

The UCITS may invest in UCITS managed by the investment management company or an affiliate.

For cash management purposes, the Fund may temporarily sell and acquire securities and borrow cash.

#### Assets:

- Assets excluding embedded derivatives:

money-market instruments or debt securities:

- bonds and negotiable debt securities issued by an OECD Member State or emerging markets that are rated at least Investment Grade or High Yield (at the time of the acquisition).

UCITS: The Fund may invest up to 10% of assets:

1. for ancillary cash management purposes in harmonized French or European money-market UCITS;
2. in alternative fund UCITS governed by French law, with the exception of ARIA 3 funds. AVENIR FINANCE INVESTMENT MANAGERS considers alternative fund UCITS to be a diversification tool rather than a speculation tool. The aim of using these funds is therefore to reduce the risk of the portfolios, measured by volatility, while enabling satisfactory returns to be generated for investors. The UCITS may invest in UCITS or investment funds managed by the investment management company or an affiliate.

- Derivative instruments:

The manager may intervene on futures (purchase and sale of index, equity, rate and currency futures), options (purchase and sale of index, equity, rate and currency options) and currency futures (purchase and sale of currencies).

These transactions to hedge the portfolio against or expose the portfolio to rate and currency risk will not exceed 100% of the Fund's net assets.

In terms of currency risk, the manager may hedge his positions by purchasing or selling currency futures.

1. Basic types of markets:

regulated

- organized
- over-the-counter

2. In the following asset classes:

- equity
- interest rates
- currency

3. Basic types of interventions:

- hedging: rates, currency
- exposure: rates, currency
- arbitrage

4. Types of instruments:

- currency and interest rate futures
- currency and interest rate options
- currency futures: purchasing and selling currency

5. Strategy for using derivatives to achieve the management objective:

- total or partial portfolio hedging;
- creation of synthetic exposure to assets or risks: interest rates and currency;
- increase exposure to the rate, equity and currency markets.

- Securities with embedded derivatives: None
- Deposits made at a lending institution with its registered office located in an EEC or EEA Member State with a term of less than 12 months will be used in order to earn interest on the portfolio's cash holdings, up to a maximum of 10% of net assets.
- Cash borrowing: 10% of the Fund's net assets.
- temporary securities sales: within the limits set under article R 214-16 of the Monetary and Financial Code
- temporary securities purchases: within the limits set under article R 214-16 of the Monetary and Financial Code

#### ► Risk profile

The main risks specifically related to the Fund's profile are:

a) The main risks specifically related to the Fund's management are:

Capital risk: the Fund offers no guarantees. Investors are advised that their invested capital may not be fully recovered.

Interest rate risk: this is the risk that interest-rate instruments may decrease in value due to changes in interest rates. This is measured by duration. The portfolio's level of exposure to interest rate risk is based on its duration at the time.

In the case of positive duration, the interest rate risk corresponds to the risk related to a rise in bond market interest rates, which would lead to a fall in bond prices and a subsequent decline in the UCITS' net asset value.

In the case of negative duration, the interest rate risk corresponds to the risk related to a drop in bond market interest rates, which would lead to a rise in bond prices and a subsequent decline in the UCITS' net asset value.

Currency risk: the risk of a decrease in the investment currency compared to the portfolio benchmark currency, the euro. Depending on the direction of the UCITS transaction, the decline (in the event of purchase) or the increase (in the event of sale) in a currency against the euro may reduce net asset value. Total exposure to currencies other than the benchmark currency (euro) will not exceed 50% of net assets. The maximum exposure to one currency (except the euro) will not exceed 30% of net assets.

Credit risk: the risk that an issuer may default on a payment. Credit risk is based mainly on the quality of the underlying assets. The Fund will only invest in securities rated as Investment Grade by at least one of the three ratings agencies (Moody's, Standard & Poors and Fitch).

Credit risk is associated with the issuer of the debt and the risk that they will default. In the event that the quality of the issuer deteriorates, the net asset value of the Fund may fall.

AFIM-OFP400 indicates that it wishes to limit its investment to a single issuer to 2% for all bonds with maturities of longer than 12 months in order to limit the risk of loss.

Arbitrage risk: arbitrage is a technique used to take advantage of actual (or anticipated) differences in prices between markets, sectors, securities, currencies, etc. If an arbitrage trade is unsuccessful (i.e. a short position rises and/or long position falls) the strategy's value declines and the Fund's net asset value may decrease.

Equity risk: equity risk is associated with an inverse trend in the market which underlies the portfolio's exposure, such as a drop in an index when the Fund is purchasing investments (long) in said index, or a rise in an index when the portfolio is selling investments (short) in said index. Equity risk exposure can fluctuate between 0% and 50% of absolute value.

Commodity futures risk. This risk is associated with an inverse trend in the market which underlies the portfolio's exposure, such as a drop in an index when the Fund is purchasing investments (long) in said index, or a rise in an index when the portfolio is selling investments (short) in said index.

Risk linked to discretionary management style: there is also a risk of the UCITS not always being invested in the best performing securities.

b) Additional risks:

Risk associated with investing in emerging markets: investors' attention is drawn to the conditions under which monitoring of emerging markets operates, which may differ from the standards which prevail in the major international markets. Consequently, upward and downward trends may be sharper and quicker than in the major international markets.

Convertible bond risk: the Fund may invest in convertible bonds, which could lead to a risk of volatility. The value of convertible bonds depends on several factors: interest rate levels, change in the price of underlying equities, change in the derivative price embedded in the CB. These different elements may cause the UCITS' NAV to fall.

Risk associated with investments in High Yield securities: these securities offer higher probabilities of default than Investment Grade securities. Investors are reminded of this UCITS' investment strategy, which is invested in speculative securities which are either unrated or have low ratings, and are traded on markets where operating regulations, in terms of transparency and liquidity, may differ substantially from the prevailing standards on European stock and regulated markets. Consequently, this product is aimed at investors who are sufficiently experienced to be able to evaluate the benefits and risks.

► Guarantee or protection: None

► Eligible subscribers and typical investor profile:

A units: All investors; more specifically aimed at institutional clients and discretionary management. This unit class will be closed to all new investors three months after the inception date, i.e. June 9, 2009)

B units: all investors; more specifically aimed at institutional clients and discretionary management.

C units: all investors; more specifically aimed at private clients.

U units : all investors (creation date : November 6, 2011)

The Fund may be used as an investment medium for life insurance contracts.

The minimum recommended investment horizon is twelve months.

The reasonable amount that investors are recommended to invest in this UCITS is based on their personal situation. Investors are advised to sufficiently diversify their investments so that they are not exposed only to the risks of this UCITS.

► Determination and appropriation of income:

The Fund adopts pure accumulation: all distributable earnings are retained each year, except for those that must be distributed by law.

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

The amount that may be distributed is the net earnings for the year, plus retained earnings and plus or minus the net revenue accruals for the year.

► Units or shares:

A, B and C units are denominated in euros.

The initial net asset value of an A unit at inception is € 1,000. Minimum initial subscription is € 50,000. This unit class will be closed to all new investors three months after the inception date, i.e. June 30, 2009).

The initial net asset value of a B unit at inception is € 1,000. Investors may subscribe in increments of one hundredth of a unit as of the initial subscription.

The initial net asset value of a C unit at inception is € 100. Investors may subscribe in increments of one hundredth of a unit as of the initial subscription.

The initial net asset value of a U unit at inception (November 6, 2011) is 20 000 USD. The unit is not decimalized.

► Terms of subscription and redemption:

- The net asset value per unit class is calculated daily, except on days when the Paris market is closed or public holidays in France.
- Pursuant to article L.214-30 of the Monetary and Financial Code, the Fund's redemption of its units and the issuing of new units may be temporarily suspended by the investment management company, when this is required by exceptional circumstances and if in the interest of shareholders.
- Subscription and redemption requests are received daily, centralized at RBC DEXIA on the valuation date until 11:30 a.m. and executed at the next net asset value dated the same day. Requests received on Saturdays are centralized on the next business day; subscriptions may be in hundredths of a unit. Settlements take place at D+3.
- Initial net asset value of A and B units: € 1,000
- Initial net asset value of C units: € 100
- Initial net asset value of U units : 20 000 USD

- The net asset value is published by AVENIR FINANCE INVESTMENT MANAGERS on the website <http://im.avenirfinance.fr>

► Expenses and fees:

Subscription and redemption fees

Front-end and back-end loads are added to the subscription price paid by the investor or deducted from the redemption price. Fees paid to the UCITS are used to offset the cost of investing or disinvesting the UCITS' assets. Fees that are not used up in costs return to the fund management company or the distributor, etc.

Front-end and back-end loads paid by investors	Base	Rate
Front-end load not paid to the UCITS A UNITS B UNITS C UNITS U UNITS	NAV × Number of units	0.50% maximum. 2% maximum 1.50% maximum 2% maximum
Front-end load paid to UCITS  (all unit classes)	NAV × Number of units	None
Back-end load not paid to the UCITS  (all unit classes)	NAV × Number of units	None
Back-end load paid to the UCITS  (all unit classes)	NAV × Number of units	None

Operating expenses and management fees:

These fees cover all costs charged directly to the UCITS, with the exception of transaction fees. Transaction fees include intermediation (i.e. brokerage fees, stamp duty, etc.) and a handling fee, which may be required by the custodian and the investment management company.

Operating and management expenses may also include:

- Performance fees. These are paid to the investment management company if the UCITS outperforms its objectives. They are therefore invoiced to the UCITS.
- Handling fees are invoiced to the UCITS;
- A percentage of the revenue obtained from temporary securities transactions.

When the UCITS carries out a repurchase agreement, all of the income associated with the transaction is paid to the UCITS and, where applicable, in the event of a reverse repurchase agreement, all income generated will be paid by the UCITS.

For further information regarding the expenses invoiced to the UCITS, see Part B of this simplified prospectus.

Expenses invoiced to the UCITS	Base	Rate
Operating and management expenses, including tax (including all expenses except for transaction costs and expenses associated with investment in UCITS or investment funds)	Net assets	<p>A units: 0.95% Actual rate</p> <p>B units: 1.25% including tax Maximum rate</p> <p>C units: 1.75% including tax Actual rate</p> <p>U units : 1.30% including tax Maximum rate</p>
Performance fee including tax all unit classes	Net assets	The performance fee will equal 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.*
Account handling fee	Charge on each transaction	<p>Investment Management Company: none</p> <p>Custodian: all</p> <p>Fixed fee per transaction</p>

A provision is made for this performance fee each time the NAV is calculated. If the fund underperforms, any provisions previously booked will be written back.

The performance fee is paid annually on the last net asset value date of the year. As such the provision is reset at zero every year. (The first payment took place following the end of the last trading day of June 2010).

Overview of the procedure for selecting UCITS intermediaries:

Authorized intermediaries are referenced on a list which is regularly updated by AVENIR FINANCE INVESTMENT MANAGERS. The addition of an intermediary shall be based on the result of a prior study of all of the services offered. Twice a year, the services offered by all authorized intermediaries are evaluated, which may lead to one or more intermediaries being removed from the list.

The main criteria for selecting intermediaries are:

- the quality of their research (global or specialized coverage, etc.);
- appropriateness of fees based on their services;
- appropriateness of their advice (alerts, signals, etc.);
- execution quality for administrative operations (settlement-delivery);
- possibility of organizing direct contacts with companies;
- order execution quality on the market.

### III – Sales-related information

Subscription and redemption requests are received daily, centralized at RBC DEXIA INVESTOR SERVICES BANK FRANCE on the valuation date at 11:30 a.m. and executed at the next net asset value.

Information on the Fund will be disseminated by AVENIR FINANCE INVESTMENT MANAGERS as part of the periodic information for investors.

### IV – Investment rules

The regulatory ratios applicable to the UCITS are those applicable to UCITS which invest not more than 10% of their assets in the UCITS described in article R. 214-1 et seq. of the Monetary and Financial Code.

The method used to calculate the commitment ratio on forward financial instruments is the absolute VaR probabilistic method with a threshold of 5%.

### V – Rules for asset valuation and recognition

- Securities traded on a regulated market
- marketable securities, debt securities and other similar tradable securities traded on a French or foreign regulated market are valued at the closing price of the benchmark market.

However:

- shares for which no quote is obtained on the day of the valuation must be valued at their probable trading value, under the responsibility of the investment management company. The Statutory Auditor is informed of these valuations and their justification when he performs the audit.

- debt securities and similar tradable securities for which the price has been corrected (price is not representative of the market) or which are not traded in high volumes are valued using the following guidelines:

- Average bid-ask of a benchmark contributor;
- Surrounding the security with two liquid issues from the same issuer with a spread (or price) defined by interpolation;
- Correlation with the rate of a benchmark debt security (Government bond for example) of the same duration, plus a spread which will be reviewed periodically;
- Price provided by the market intermediary (bookrunner) in the case of securitizations.

- negotiable debt securities with a residual life less than or equal to three months and with no particular sensitivity may be valued using the linear method.

- Shares or units in UCITS
  - UCITS shares or units are valued at their last known net asset value.
- Securities not traded on a regulated market
  - The securities that are not negotiated in a controlled market are evaluated under the responsibility of the investment management company at their probable negotiation value.
- Temporary securities transactions
  - Securities that are subject to temporary securities transactions are valued according to current regulations:
    - securities lending and borrowing
      - Lent or borrowed securities are valued at market value; any income due from lending or borrowing the securities is recognized using the linear method under the terms and conditions of the contract.
    - repurchase agreements
      - Securities acquired under repurchase agreements are valued at the value set in the contract.

Securities under reverse repurchase agreements are booked at market value and the debt is registered on the liabilities side of the balance sheet.

Interest associated with repurchase or reverse repurchase transactions is booked using the linear method under the terms and conditions of the contract.

- Futures and options instruments

- Transactions in futures or options traded on regulated and organized markets in France or abroad are valued at 05:30 PM for the market in question.

- Swaps initiated on over-the-counter markets are valued at their market value based on a market price or rate provided by one of the leading market listers (CDC, CL, GREL, etc.) However, transactions with a lifespan of three months or less when entered into are valued using the linear method under the terms and conditions of the contract.

- Currency valuation

- Assets and prices of securities expressed in foreign currencies are converted into euros using the Paris exchange rate on the valuation day according to the regulations set by the investment management company.

- Off-balance-sheet items

- Off-balance sheet items are valued at the closing price, at market value. For options transactions, market value is calculated using the value of the equivalent underlying asset.

Method used for the recognition of income on fixed-income securities:

Paid coupon method.

Fee booking method:

Transactions are booked excluding fees.

Calculating management fees

A units:

Fixed management expenses: maximum 0.95% of net assets. These expenses shall be charged directly to the Fund's income statement.

Variable management expenses: 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.

A provision is made for this performance fee each time the NAV is calculated. If the fund underperforms, any provisions previously booked will be written back. The performance fee is paid annually on the last net asset value date of the year. As such the provision is reset at zero every year. (The first payment took place following the end of the last trading day of June 2010).

B units

Fixed management expenses: maximum 1.25% (including tax) of net assets. These expenses shall be charged directly to the Fund's income statement.

Variable management expenses: 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.

A provision is made for this performance fee each time the NAV is calculated. If the fund underperforms, any provisions previously booked will be written back. The performance fee is paid annually on the last net asset value date of the year. As such the provision is reset at zero every year. (The first payment took place following the end of the last trading day of June 2010).

C units

Fixed management expenses: 1.75% (including tax) of net assets. These expenses shall be charged directly to the Fund's income statement.

Variable management expenses: 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.

U units

Fixed management expenses: maximum 1.30% (including tax) of net assets. These expenses shall be charged directly to the Fund's income statement.

Variable management expenses: 20% including tax of the difference, if positive, between the performance of the Fund and the performance of the EONIA index plus 400 basis points.

A provision is made for this performance fee each time the NAV is calculated. If the fund underperforms, any provisions previously booked will be written back. The performance fee is paid annually on the last net asset value date of the year. As such the provision is reset at zero every year.

Income distribution policy

The UCITS accumulates all income.

## **AFIM OFP 400 Fund Regulations**

### **PART 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 shareholder has a co-ownership right to the Fund's assets in proportion to the number of units owned.

The term of the Fund is 99 years as of March 31, 2009, unless the Fund is terminated prior to this or its term is extended pursuant to these Regulations.

#### **Unit classes:**

The characteristics of the various classes of units and the terms that apply to them are specified in the Fund's Simplified Prospectus and Detailed Information section.

The various classes of units may:

- either distribute or reinvest income;
- be denominated in different currencies;
- be subject to different management expenses;
- be subject to different subscription and redemption fees;
- have different par values.

Units may be grouped together or split upon a decision by the Board of Directors.

Units may be divided, if so decided by the investment management company's Board of Directors, into tenths, hundredths, thousandths or ten thousandths referred to as unit fractions.

The provisions of the Regulations that apply to the issuing and the redemption of units shall also apply to unit fractions, the value of which shall always be in proportion to the units they represent. All of the other provisions of the regulations that apply to the units shall also apply to unit fractions without it being necessary to specify this, unless indicated otherwise.

The investment management company's Board of Directors may, at its sole discretion, split units by creating new units that are attributed to shareholders in exchange for the units they currently own.

#### **Article 2 - Minimum asset requirement**

Units cannot be redeemed if the Fund's assets fall below € 300,000 (three hundred thousand euros). If this happens the investment management company shall have thirty days to either merge or dissolve the fund, unless during this time the asset value rises back above this level.

#### **Article 3 – Unit issuance and redemptions**

Units shall be issued at the request of shareholders, at a price that represents their net asset value plus any subscription fees that may be due.

Unit redemptions and subscriptions will be made pursuant to the terms specified in the simplified prospectus and the detailed information section.

Units in mutual funds may be admitted for trading on a regulated exchange pursuant to applicable regulations.

Subscriptions must be fully paid up on the day that the net asset value is calculated.

This payment can be made in either cash and/or securities. The investment management company has the right to refuse the securities offered and, in this case, has seven days after these securities are presented to notify its decision. If the securities are accepted they shall be valued pursuant to the rules specified in article 4 and the subscription shall be made on the basis of the first net asset value calculated after said securities are accepted as payment.

Units shall be redeemed exclusively in cash, except if the fund is liquidated and shareholders have accepted to be paid in securities. They shall be paid by the custodian within five days after share valuation.

However, if due to exceptional circumstances, redemption requires prior sale of the Fund's assets, the time allowed for payment 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 shareholders, or from a shareholder to a third party shall be considered to be a redemption followed by a subscription. If the transfer is made to a third party, the beneficiary must supplement the sale or transfer price such that it is at least equivalent to the minimum required subscription amount stipulated in the Simplified Prospectus and the full prospectus if this is not the case.

Pursuant to article L.214-30 of the Monetary and Financial Code, the Fund's redemption of its units and the issuing of new units may be temporarily suspended by the investment management company, when this is required by exceptional circumstances and if in the interest of shareholders.

If the Fund's assets fall below the minimum amount specified by regulations, no units may be redeemed.

Minimum subscription requirements are specified in the Simplified Prospectus and the Detailed Information section.

The Fund may stop issuing units pursuant to Article L. 214-30 second paragraph of the French Monetary and Financial Code in any of the following cases:

- the UCITS is reserved for a maximum of 20 investors,
- the UCITS is reserved for a category of investors whose characteristics are specified in the UCITS' full prospectus;
- in situations that objectively require that subscriptions be closed, such as the reaching of a maximum number of shares or units issued, or a maximum amount of assets, or the expiry of a specified subscription period. These objective situations are indicated in the UCITS' detailed information section.

Article 4 – Calculation of net asset value:

The net asset value of the units is calculated pursuant to the valuation rules provided in the Detailed Information section of the full prospectus.

Contributions in kind may only consist of securities or contracts in which UCITS are authorized to invest. Such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

## SECTION 2 - FUND OPERATION

Article 5 – Investment Management Company:

The investment management company manages the Fund in compliance with the Fund's investment policy. The investment management company shall under all circumstances act on the shareholders' behalf and can alone exercise the voting rights attached to the Fund's securities.

Article 5a – Operating rules

The instruments and deposits in which the Fund may invest and the investment rules are specified in the Detailed Information section of the full prospectus.

Article 6 – Custodian

The Custodian holds the Fund's assets and processes the investment management company's orders to buy and sell securities and to exercise the share subscription and bonus share rights attached to the Fund's securities. The Custodian also receives all payments and makes all disbursements.

The Custodian must ensure that the investment management company's decisions are conform and must, wherever necessary, implement any precautionary measures it deems necessary. The Custodian shall inform the *Autorité des Marchés Financiers* (AMF) of any disputes with the investment management company.

## Article 7 – Statutory Auditor

A Statutory Auditor is appointed by the investment management company's Board of Directors for a term of six fiscal years, after agreement from the *Autorité des Marchés Financiers*.

The Statutory Auditor shall perform the auditing functions specified by law and in particular certify whether the financial statements and accounting information in the Management Report provide a true and fair view of the company's position.

The Statutory Auditor may be reappointed.

The Statutory Auditor shall inform the AMF and the Fund's investment management company, of any irregularities or inaccuracies observed in the course of his auditing work.

The Statutory Auditor verifies the valuation of assets and the determination of share exchange ratios in the event of a business transformation, merger or demerger.

The Statutory Auditor evaluates all contributions in kind and prepares a report on the valuation of such contributions and the compensation given thereto, under his responsibility.

The Statutory Auditor certifies the composition of the assets and other information before it is reported.

Fees are agreed between the Statutory Auditor and the investment management company's board of directors, on the basis of the estimated auditing work required.

If the Fund is liquidated, the Statutory Auditor values the assets and prepares a report on the liquidation procedure.

The Statutory Auditor certifies the financial statements that justify the distribution of interim dividends.

The Statutory Auditor's fees are included in the management expenses.

## Article 8 – Financial statements and annual management report

At the end of each financial year, the investment management company prepares the financial statements and the management report for the year.

The inventory of assets is certified by the Custodian and the aforementioned documents are verified by the Statutory Auditor.

The investment management company keeps these documents available to shareholders for four months after the end of the fiscal year and informs them of the amount of income to which they are entitled. These documents are either sent to shareholders, on their express request, or made available to them at the premises of the investment management company or the Custodian.

## SECTION 3 - APPROPRIATION OF EARNINGS

### Article 9

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

The amount that may be distributed is the net earnings for the year, plus retained earnings and plus or minus the net revenue accruals for the year.

Earnings are appropriated by the investment management company.

The Fund adopts pure accumulation: all distributable earnings are retained each year, except for those that must be distributed by law.

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

### Article 10 – Merger and Demerger

The investment management company may either contribute all or part of the assets it manages to another UCITS that it manages, or split the Fund into two or more other mutual funds that it will manage.

Such mergers and demergers may only be carried out at least one month after the shareholders have been informed. This will require a new certificate to be issued, which indicates the number of units owned by each shareholder.

#### Article 11 - Dissolution – Extension

If the fund's assets remain below the amount specified in Article 2 above for thirty days, the investment management company shall inform the AMF and proceed with the dissolution of the Fund, unless it is merged with another fund.

The investment management company may dissolve the Fund before it reaches maturity. In this case it must inform the shareholders of its decision and subscription or redemption requests will not be accepted after this date.

The investment management company will also dissolve the Fund if: there is a request to redeem all funds, the custodian ceases its activity, when no other custodian has been appointed or the Fund reaches its maturity, if this has not been extended.

The investment management company shall inform the AMF by mail of the planned dissolution date and procedure. It will then send the AMF the Statutory Auditor's report.

The investment management company may decide to extend the Fund with the Custodian's approval. It must make this decision at least three months before the Fund's term is to expire and inform shareholders and the AMF of this decision.

#### Article 12 – Liquidation

In the event of dissolution, the Custodian or the investment management company shall be responsible for liquidating the fund. In such an event, they shall be entrusted with full powers to realize assets, pay off any creditors and distribute the remaining balance among the shareholders in the form of cash or securities.

The Statutory Auditor and the Custodian continue to perform their duties until liquidation is completed.

### SECTION 5 - DISPUTES

#### Article 13 – Jurisdiction - Election of domicile

Any disputes that may arise in the course of the Fund's operation or liquidation, either between the shareholders or between shareholders and the investment management company or the Custodian, shall be submitted to competent courts.