

# PROSPECTUS **MAGELLAN**

9 February 2018

UCITS governed by European Directive  
2014/91/EU

## I GENERAL CHARACTERISTICS

□ **NAME:**

Magellan, hereinafter referred to in this document as the “SICAV”.  
Registered office: 17 Square Edouard VII, 75009 Paris

□ **LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WAS CREATED:**

SICAV (*Société d'Investissement à Capital Variable*), an open-ended investment company organised and existing under French law.

□ **DATE OF CREATION AND EXPECTED DURATION:**

The SICAV was authorised by the French financial markets authority (*Commission des Opérations de Bourse*, subsequently replaced by the AMF) on 24 March 1988. It was created on 15 April 1988 for a period of 99 years.

□ **SUMMARY OF THE INVESTMENT OFFER:**

Equities	ISIN code	Allocation of distributable sums	Currency	Target subscribers	Minimum initial subscription	Minimum subsequent subscription
C	FR0000292278	Allocation of net income: Capitalisation Allocation of net realised capital gains: Capitalisation	EUR	All subscribers	N/A	N/A
Z	FR0013290863	Allocation of net income: Capitalisation Allocation of net realised capital gains: Capitalisation	EUR	All investors who have previously entered into a specific remuneration agreement with an intermediary for a service such as that described below (*)	N/A	N/A

A	FR0010259317	Allocation of net income: Distribution Allocation of net realised capital gains: Capitalisation	EUR	Institutional investors	1 <sup>st</sup> subscription €250 million	1 share
I	FR0011238344	Allocation of net income: Capitalisation Allocation of net realised capital gains: Capitalisation	EUR	All subscribers	1 <sup>st</sup> subscription €1.5 million	N/A

(\*) Discretionary management service or investment advisory service provided on an independent basis (see Article 24 of Directive 2014/65/EU: MiFID 2) or service in a country in which the regulations prohibit management fee retrocessions paid to intermediaries. For further information, please refer to the section entitled "Target subscribers and investor profile".

□ **AVAILABILITY OF LATEST ANNUAL REPORT AND INTERIM REPORT:**

Shareholders can obtain the latest annual and interim reports, the most recent net asset value and information on the SICAV's past performance within eight business days by sending a written request to: COMGEST S.A.

17, Square Edouard VII  
75009 Paris  
Tel.: +33 (0)1 44 94 19 00  
Email: [info@comgest.com](mailto:info@comgest.com)

Additional information can be obtained from Comgest S.A. Contact details are given above.

## II DIRECTORY

□ **DELEGATED FINANCIAL MANAGER:**

COMGEST S.A.

Legal form: *société anonyme* (limited company) with a Board of Directors

17, Square Edouard VII  
75009 Paris

Authorised by the *Autorité des marchés financiers* (hereafter "AMF") on 12 June 1990, under reference number GP90023.

□ **DEPOSITARY, CUSTODIAN, CENTRALISING AGENT FOR SUBSCRIPTION AND REDEMPTION REQUESTS APPOINTED BY THE MANAGEMENT COMPANY AND SHARE REGISTRAR:**

CACEIS Bank

Legal form: *société anonyme* (limited company) with a Board of Directors

Credit institution authorised by the CECEI

1-3 place Valhubert  
75206 Paris Cedex 13

The depositary's responsibilities include the tasks, as defined by the applicable Regulations, of safekeeping of the assets, controlling the compliance of the financial manager's decisions and monitoring cash flows from the UCITS.

In addition, the financial manager has delegated management of the Fund's liabilities to the depositary, which includes the centralisation of subscription and redemption orders for the SICAV's shares and the administration of the SICAV's share account. It acts independently of the financial manager.

A description of the delegated custodial tasks, the list of delegated agents and sub-agents appointed by CACEIS Bank and information on potential conflicts of interest that may arise as a result of such delegations are available on the CACEIS website: [www.caceis.com](http://www.caceis.com).

Investors will receive updated information on request.

□ **STATUTORY AUDITOR:**

PricewaterhouseCoopers Audit, represented by Mr. Frédéric SELLAM

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

□ **PROMOTER:**

Comgest S.A.

Legal form: *société anonyme* (limited company) with a Board of Directors

17, Square Edouard VII

75009 Paris

The SICAV's financial manager draws investors' attention to the fact that not all the promoters have been specifically instructed to act as such by it and that it is not aware of all the promoters.

The SICAV is authorised to be marketed in Germany, Austria, Belgium, the Netherlands, the United Kingdom and Switzerland.

□ **ACCOUNTING, ADMINISTRATIVE AND LEGAL AGENT:**

CACEIS Fund Administration

Legal form: *société anonyme* (limited company) with a Board of Directors

1-3 place Valhubert

75206 Paris Cedex 13

The financial manager has put in place effective policies and procedures designed, *inter alia*, to manage and monitor conflicts of interest, and ensures they are implemented. This delegation of authority has not resulted in any situation likely to result in a conflict of interest.

□ **MEMBERS OF THE SICAV'S GOVERNING AND MANAGEMENT BODIES AND THEIR RESPONSIBILITIES:**

A list of the SICAV's corporate officers and managers, indicating their main responsibilities, is included in the SICAV's annual report. Each corporate officer or manager is responsible for the information relating to himself/herself.

### III OPERATION AND MANAGEMENT OF THE SICAV

#### 1 General Characteristics:

□ **CHARACTERISTICS OF THE SHARES:**

◆ Rights attached to the class of shares:  
Each share confers a right of ownership in the SICAV's assets and a share of the profits, in proportion to the fraction of the capital that it represents.

◆ Entries in registers, details concerning management of liabilities:  
CACEIS Bank is responsible for the management of liabilities.  
Euroclear France is responsible for share administration.

◆ Voting rights:  
The shares in the SICAV have voting rights attached; procedures for exercising voting rights are set out in the Memorandum and Articles of Association.

◆ Form of shares:  
The shares are in registered or bearer form.

◆ Fractions of shares:  
Shares are denominated in euro and are available in fractions of  $\frac{1}{10,000}$ .

□ **END OF FINANCIAL YEAR:**

Last trading day in December on the Paris Bourse.

□ **INFORMATION ON TAX TREATMENT:**

The SICAV is not subject to corporation tax and a tax transparency arrangement applies to shareholders.

As the SICAV comprises four share classes, a switch from one share class to another is treated by the tax authorities as a sale followed by a subscription and is therefore subject to capital gains tax on transferable securities.

The tax treatment applicable to the sums distributed by the SICAV will depend on the various tax rules and regulations that apply to each shareholder. Shareholders are advised to contact their usual adviser for details of the procedures that apply to their specific personal situation.

Tax laws and regulations in the countries in which the SICAV invests are subject to change. In some countries such changes may result in retroactive taxation. The SICAV may be subject to a tax that could not have been reasonably anticipated at the time of investment or of valuation of its assets.

#### 2 Special provisions

□ **ISIN CODE:**

C Shares: FR0000292278

Z shares: FR0013290863

A Shares: FR0010259317

I Shares: FR0011238344

□ **CLASSIFICATION:**

International equities.

□ **INVESTMENT OBJECTIVE:**

The SICAV's investment objective is to achieve a satisfactory medium- or long-term performance without reference to any particular index, by using stock picking techniques.

At least 60% of the portfolio will at all times be invested in or exposed to equities issued by companies that have their registered office or carry out most of their business in emerging countries that have a high economic growth potential compared with the average in the major industrialised countries.

□ **BENCHMARK INDEX:**

There is no benchmark index. The manager's investment policy is by nature very flexible, and will depend on its assessment of emerging markets. Investments will not be selected on the basis of any benchmark index as this could mislead investors.

Investors may, however, if they wish, refer (*ex posteriori* and for information purposes only) to the MSCI Emerging Markets index.

This is an equities index that represents the leading emerging market stocks, calculated with net dividends reinvested. It is published by MSCI and is available on the website [www.msci.com](http://www.msci.com).

□ **INVESTMENT STRATEGY:**

The SICAV's investment strategy is to spread risks by diversifying in equities issued by companies that have their registered office or carry out most of their business in emerging countries.

**1 – STRATEGY USED:**

The technique of stock picking consists of selecting investments solely on the basis of criteria concerning the issuer, not the stock markets in general.

Comgest S.A. has therefore developed an investment method that focuses mainly on investments in a limited number of first-rate, high-growth companies. It selects the companies after an in-depth, fundamental internal analysis of issuers. The first stage of the analysis is the close examination of the companies' latest annual reports, and this is followed by intensive fieldwork with frequent contacts with company managers and operational staff, as well as visits to production and distribution sites. If necessary, the managers will also check facts with competitors, customers and suppliers.

Selected issuers will have an experienced and highly qualified management team, will be mindful of their shareholders' interests, and will possess a recognised brand or an innovative product or unique know-how which gives them a dominant market position and allows them a certain degree of freedom in setting prices and margins. With the protection afforded by these barriers to entry, transparency of operations will also be a key factor.

The manager will therefore select investments at its sole discretion, without being bound by investment restrictions relating to the specified geographic areas, economic sectors or market capitalisations (large, medium, small).

Securities will be held in the portfolio for as long as their growth potential and valuation merits this. There is no predefined investment horizon. This means the portfolio turnover rate is generally low.

The manager has internal means for assessing credit risk when selecting stock, and will not rely solely or systematically on credit ratings issued by credit rating agencies.

**2 – TYPES OF ASSETS AND FINANCIAL INSTRUMENTS:**

**2-1 Equities:**

At least 60% of the SICAV's portfolio will at all times be invested in or exposed to equities issued by companies that have their registered office or carry out most of their business in emerging countries.

**2-2 Debt securities and money market instruments:**

The SICAV may hold up to 20% of its assets in debt securities and money market instruments. These will be convertible bonds issued by listed companies (private debt) that may not have a rating and are exposed to stock markets in emerging countries and, for cash management purposes, bonds and money market instruments issued by private issuers or governments of the Member States of the European Union.

**2-3 Shares or units in other UCITS, AIF or foreign investment funds:**

The SICAV may invest up to 10% of its assets in shares or units of the following UCITS, AIF or foreign investment funds:

French UCITS*	X
European UCITS*	X
French AIF* that meet the conditions of article R. 214-13 of the French Monetary and Financial Code ( <i>Code monétaire et financier</i> )	X
European AIF* that meet the conditions of article R. 214-13 of the French Monetary and Financial Code	X
Foreign (non-European) investment funds that meet the conditions of article R. 214-13 of the French Monetary and Financial Code*	X

\* These UCITS, AIF and foreign investment funds may not hold more than 10% of their assets in UCITS, AIF and foreign investment funds.

Investments in UCITS and AIF may be made through money market UCITS or AIF for short-term cash investments and/or in UCITS, AIF and foreign investment funds with an investment policy allowing exposure to markets that are difficult to access.

UCITS, AIF and foreign investment funds held by the SICAV may be managed by Comgest S.A. or any legally related company.

**2-4 Derivatives:**

The SICAV may trade in over-the-counter interbank derivatives markets (forward foreign exchange transactions, namely 3-month forward currency sales) to hedge currency risks.

**2-5 Securities with embedded derivatives:**

On an ancillary basis, the SICAV may also invest in securities with embedded derivatives (up to 10% of the assets) on the regulated markets in emerging countries.

- Type of transaction: the manager may expose or hedge the SICAV against equity risk. The purpose of any transaction must be to achieve the investment objective.
- Type of instruments used: EMTN issued by first-rate issuers, provided the underlying is listed, share subscription options, warrants.
- Strategy to be used: the use of embedded derivatives will be limited to specific stock markets in the European Union.

**2-6 Deposits:**

The SICAV may make deposits of up to 10% of its assets for a maximum period of twelve months. Deposits will be used to place cash pending investment opportunities in line with the investment policy.

**2-7 Cash:**

The SICAV may hold cash on an incidental basis.

**2-8 Cash loans:**

Not applicable.

**2-9 Temporary purchase or sale of securities:**

Not applicable.

**2-10 Information on collateral**

In the course of transactions on over-the-counter derivatives markets, the SICAV may receive financial assets, including cash, as collateral in order to reduce exposure to the counterparty risk. Discounts applied to collateral received will take into account, in particular, credit rating, the volatility of security prices and the results of stress tests.

Cash collateral will be reinvested in accordance with the prevailing regulations. The risks associated with reinvesting cash depend on the type of asset and/or the type of transactions, and may include counterparty risks and liquidity risks.

□ **RISK PROFILE**

The SICAV invests essentially in financial instruments selected by the manager that comply with the investment strategy described above. These instruments will be affected by market trends and fluctuations. The SICAV's net asset value may vary considerably owing to the type of financial instruments in which it invests. This means there is a risk that investors will not recover their capital in full, even when they invest over the recommended investment period.

Discretionary management risk:

The portfolio is managed on a discretionary basis, based on predicted changes in the various equity markets on which the SICAV trades. This means there is a risk that the SICAV's assets may not be invested in the market or sectors giving the best performance at a given time.

Equity risk:

There is a risk associated with the investments and/or exposure of the portfolio to equities or indexes, that the value of the equities and/or indexes will depreciate. Owing to its investment strategy, the SICAV is exposed to a significant equity risk, as the level of exposure to equities is between 60% and 100% of the assets. Fluctuations in share prices may have a detrimental effect on the net asset value. The drop in share prices corresponds to the market risk.

Currency risk:

This is the risk that the currencies (other than the euro) in which the financial instruments in which the SICAV has invested are denominated will fall as compared to the portfolio's reference currency, which is the euro. Owing to its investment strategy, the SICAV is exposed to a significant currency risk, as exposure to securities listed or valued in a currency other than the euro can be between 90% and 100% of its assets.

Emerging countries risk:

Investors are also warned that the conditions under which certain markets operate and are supervised and on which the SICAV may invest may differ from the standards that apply on the major international markets.

Risk of loss of capital:

The SICAV is not guaranteed or protected. A loss will be sustained whenever a share is sold for less than its purchase price.

□ **TARGET SUBSCRIBERS AND INVESTOR PROFILE**

C and I shares: all subscribers, with the exception of investors who are "US Persons", as defined below. Likewise, certain Non-Eligible Intermediaries cannot be registered in the SICAV's register or the transfer agent's register.

Z shares: reserved for all subscribers (except for investors who are "US Person", as defined below) who have previously entered into a specific remuneration agreement with an intermediary for a discretionary management service or independent advisory service within the meaning of Directive 2014/65/EU (MiFID 2) or with an intermediary in a country in which the regulations prohibit management fee retrocessions paid to intermediaries.

No management fee retrocessions will be paid to distributors in the case of investments in Z shares.

A shares: institutional investors except investors with "US Person" status, as defined below.

The following are Non-Eligible Persons:

- "US Persons" within the meaning of the SEC's Regulation S (Part 230-17 CFR230.903): the SICAV is not and will not be registered under the 1940 US Investment Company Act. The resale or transfer of shares in the United States of America or to a "US Person" within the meaning of SEC Regulation S (Part 230-



17 CFR 230.903) may constitute a breach of the US laws and will require the prior, written consent of the financial manager.

The offer of shares has neither been authorised nor refused by the SEC, any specialist US State commission or any other US regulator, and no such authorities have expressed an opinion on or endorsed the merits of the offer, or the accuracy or adequacy of the documents relating to the offer. Any statement to the contrary is in breach of the law.

The definition of "US Person(s)" as defined by the SEC's Regulation S (Part 230-17 CFR230.903) is available at the following address: <http://www.sec.gov/rules/final/33-7505.htm>

- "US Person" within the meaning of the Foreign Account Tax Compliance Act (FATCA), defined by the intergovernmental agreement signed between France and the USA on 14 November 2013. The definition of "US Person(s)" as defined by the FATCA is available at the following address: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)

The following are Non-Eligible Intermediaries:

- Financial institutions that are not Participating Financial Institutions within the meaning of the FATCA; and
- Passive Non-Financial Foreign Entities within the meaning of the FATCA.

Definitions of these terms are available at the following address: [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)

Any person wishing to purchase or subscribe SICAV shares will be required to certify in writing that they are not "US Persons" within the meaning of the aforementioned SEC Regulation S and/or the FATCA.

The Fund's FATCA status, as defined by the intergovernmental agreement signed on 14 November 2013 between France and the USA: Non-Reporting French Financial Institution, deemed compliant (annex II, II, B of the aforementioned agreement; [http://www.economie.gouv.fr/files/usa\\_accord\\_fatca\\_14nov13.pdf](http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf)).

Any shareholder who becomes a Non-Eligible Person must immediately inform the SICAV's Board of Directors. Any shareholder who becomes a Non-Eligible Person will not be entitled to purchase any new shares. The SICAV's Board of Directors reserves the right to arrange for the compulsory redemption of any shares held by a Non-Eligible Person directly or indirectly, or through a Non-Eligible Intermediary, or when the ownership of shares by any person whomsoever is in breach of the law or contrary to the SICAV's interests.

The amount investors should reasonably invest in the SICAV will depend on their individual circumstances. Investors should take into consideration their personal assets, their needs over the next five years, and also whether they are willing to take risks or prefer to opt for a conservative investment strategy.

The SICAV's risk profile means it is suitable for shareholders wishing to invest on the international equity markets and, more specifically, to diversify into emerging countries.

It is also strongly recommended that investors diversify their investments, to ensure they are not exposed only to the risks inherent in this SICAV. Anybody who is considering investing in the SICAV is advised to contact his/her usual advisors for information and advice tailored to his/her personal situation.

**Minimum recommended investment period:** five years.

□ **PROCEDURES FOR THE ALLOCATION OF DISTRIBUTABLE AMOUNTS:**

C shares:

Allocation of net income: capitalisation

Allocation of net realised capital gains: capitalisation

Z shares:

Allocation of net income: capitalisation

Allocation of net realised capital gains: capitalisation

A shares:  
Allocation of net income: distribution (annual)  
Allocation of net realised capital gains: capitalisation

I shares:  
Allocation of net income: capitalisation  
Allocation of net realised capital gains: capitalisation

□ **SHARE CHARACTERISTICS:**

Shares	ISIN code	Currency	Target subscribers	Minimum initial subscription	Minimum subsequent subscription	Net asset value at issue
C	FR0000292278	EUR	All investors	N/A	N/A	€3,811.23 (FRF25,000) on 15 April 1988) (100-for-1 stock split based on the net asset value of the share dated 01/07/2013)
Z	FR0013290863	EUR	All investors who have previously entered into a specific remuneration agreement with an intermediary for a service such as that described below (*)	N/A	N/A	The net asset value of the C shares at the date of the 1 <sup>st</sup> subscription
A	FR0010259317	EUR	Institutional investors	1 <sup>st</sup> subscription €250 million	1 share	The value of the C shares when this class was created (9/12/2005)
I	FR0011238344	EUR	All investors	1 <sup>st</sup> subscription €1.5 million	N/A	The value of the C shares when this class was created (20/04/2012) (100-for-1 stock split based on the net asset value of the share dated 01/07/2014)

(\*) Discretionary management service or investment advisory service provided on an independent basis (see Article 24 of Directive 2014/65/EU: MiFID 2) or services in a country in which the regulations prohibit

management fee retrocessions paid to intermediaries. For further information, please refer to the section entitled "Target subscribers and investor profile"

Shares are denominated in euros and are available in fractions of  $\frac{1}{10,000}$ .

□ **SUBSCRIPTION AND REDEMPTION TERMS:**

Subscription and redemption requests are centralised by CACEIS Bank, at 10.30 a.m. on each valuation day.

They are processed on the basis of the next net asset value calculated after receipt of the order, i.e., at an unknown price.

Investors wishing to subscribe and shareholders wishing to redeem shares are invited to contact their usual promoter for information on the deadline for submitting subscription and redemption requests, as this may be before the aforementioned centralisation deadline.

The net asset value is calculated on every day that Euronext Paris is open for trading ('D'), including public holidays in France, and is calculated on the following business day ('D+1') on the basis of prices at end of trading on the previous day ('D').

The net asset value is also displayed on the website [www.comgest.com](http://www.comgest.com)

As required by the applicable regulations, the financial manager, in conjunction with the centralising agent, has put in place a system to control late trading and a system to control market timing practices, to ensure all investors are treated equally.

In exceptional market circumstances, if requests for an exceptionally large number of redemptions have been received or in other exceptional circumstances, the SICAV may be unable to redeem shares within the time period stated in the prospectus. In that case, the financial manager may suspend subscriptions or redemptions or extend the settlement period, in accordance with the SICAV's Memorandum and Articles of Association and if this is in the investors' interest.

□ **CHARGES AND FEES:**

**Subscription and redemption fees:**

Subscription fees will be payable in addition to the subscription price paid by the investor and redemption fees will be deducted from the redemption price. Fees retained by the UCITS will be used to cover charges borne by the UCITS to invest or divest the assets under management. Fees not retained by the UCITS are paid to Comgest S.A., the promoter, etc.

<b>Investor's charges, payable with subscriptions or redemptions</b>	<b>Base</b>	<b>Rate, scale</b>
Subscription fee not retained by the UCITS	Net asset value X number of shares	C shares: max. 3.25% Z shares: max. 3.25% A shares: max. 10% I shares: N/A
Subscription fee retained by the UCITS	Net asset value X number of shares	N/A
Redemption fee not retained by the UCITS	Net asset value X number of shares	N/A
Redemption fee retained by the UCITS	Net asset value X number of shares	N/A

Charges invoiced to the UCITS (*)	Base	Rate, scale
Financial management fees and external administrative charges	Net assets (excluding UCI managed by the Comgest Group)	C shares: max. 1.75%, incl. taxes Z shares: max. 1.30%, incl. taxes A shares: max. 0.80%, incl. taxes I shares: max. 1.25%, incl. taxes
Turnover commission payable to Comgest S.A.	Deducted from each transaction	0.4186% including taxes
Performance fee	Net assets	N/A

(\*) An annual research fee will be charged to the UCITS up to a maximum of 2.50 basis points of the net assets of the UCITS. These research costs that have to be disclosed since the Directive 2014/65/EU (known as "MiFID 2") came into force on January 3, 2018, remunerate research providers used in the investment management of the UCITS and are added to the list of charges indicated above.

For further details of the charges invoiced to the UCITS, please refer to the Key Investor Information Document (KIID).

□ **INCOME FROM TEMPORARY PURCHASES AND SALES OF SECURITIES**

N/A

□ **DESCRIPTION OF INTERMEDIARY SELECTION PROCEDURE**

The financial manager selects and evaluates its intermediaries independently with a view to obtaining the best possible result when executing orders. The list of authorised intermediaries is drawn up periodically by an ad-hoc committee after they are assessed according to objective criteria such as cost and quality of order execution, speed and quality of confirmations, liquidity offered, and quality of research and of customer service.

## IV SALES AND MARKETING INFORMATION

□ **DISTRIBUTION OF INFORMATION CONCERNING THE SICAV – INFORMATION FOR SHAREHOLDERS:**

The SICAV prospectus, the latest annual and interim reports, the most recent net asset value, information on past performances, the voting policy document and the report detailing how voting rights have been exercised are available at the registered office of the delegated financial manager and can be sent to shareholders within eight business days following a written request sent to:

Comgest S.A.  
17, Square Edouard VII  
75009 Paris  
E-mail: [info@comgest.com](mailto:info@comgest.com)

- **COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**  
Pursuant to Decree 2012-132 of January 30, 2012, the investment policy of the SICAV simultaneously takes into account environmental, social, and governance criteria.  
Information on the ESG criteria is available at [www.comgest.com](http://www.comgest.com).

## V INVESTMENT RULES

The SICAV complies with the investment rules laid down in the French Monetary and Financial Code.

## VIGLOBAL RISK

The calculation method used by the UCITS is the commitment method.

## VII RULES ON VALUATION OF ASSETS AND ACCOUNTING METHODS

### 1 RULES ON VALUATION OF ASSETS

#### **I Securities portfolio**

Transferable securities and futures and options held in the portfolio will be valued using the following methods:

#### **A) French securities**

- spot, deferred settlement system: on the basis of the *last known price at end-of-trading*
- Paris OTC market ("Marché Libre OTC"): on the basis of the *last known price at end-of-trading*

#### **B) Foreign securities**

- listed and deposited in Paris: on the basis of the *last known price at end-of-trading*
- unlisted and not deposited in Paris: on the basis of the *last known price at end-of-trading*

If the price of a security has not been recorded on the valuation day or is subsequently corrected, its value will be calculated on the basis of its probable trading value, under the responsibility of the SICAV's Board of Directors.

#### **C) French treasury bonds (OAT)**

French treasury bonds will be valued by taking the middle price in a contributor's range of prices (primary dealer selected by the French Treasury) obtained from an information portal. The reliability of the price will be checked by comparing it with prices indicated by other primary dealers.

#### **D) UCITS, AIF and foreign investment funds**

UCITS, AIF and foreign investment funds are valued at the last known net asset value.

#### **E) Negotiable debt securities (TCN):**

Negotiable debt securities traded in significant quantities are valued at their market price by applying a reference rate plus or minus, as applicable, a margin representing the intrinsic characteristics of the issuer.

Negotiable debt securities not traded in significant quantities are valued on an actuarial basis using a reference rate defined below, increased if necessary by a spread representing the characteristics of the issuer, and by using an actuarial method:

- TCN with a term of 3 months: on a straight-line basis on the day of the purchase or the valuation;
- TCN with a term of 3 months to 1 year: Euribor;
- TCN with a term of 1 to 5 years: BTAN government bonds;
- TCN with a term of more than 5 years: OAT.

Treasury notes (*Bons du Trésor*) are valued at the market prices published every day by the Banque de France.

## **II Futures and options**

### **A) Transactions on the futures markets:**

Transactions on futures markets are valued at the price at end-of-trading.

### **B) Transactions on the options markets**

Transactions on options markets are valued on the basis of the last price or the clearing price.

### **C) Currency forwards**

Currency forwards are valued at the exchange rate on the date of valuation, taking into account any premium/discount.

## **III Off-balance sheet commitments**

Firm forward contracts are recognised at their market value as off-balance sheet commitments at the price used in the portfolio.

Options are converted to their equivalent underlying.

Commitments on swap contracts are shown at their nominal value, or for an equivalent amount if they have no nominal value.

## **IV Currencies**

Foreign currencies will be translated into euros at the exchange rate on the valuation day.

## **2 ACCOUNTING METHODS**

Income will be recorded using the accrued interest method.

Purchases in the portfolio will be recorded on the basis of the acquisition price, including charges, and disposals will be recorded at their sale price, including charges.

## **VIII REMUNERATION**

Comgest S.A.'s remuneration policy is determined by the Board of Directors. Its objective is to promote healthy and efficient risk management and to align the interests of employees with those of clients, while complying with the applicable regulations. The remuneration policy does not encourage the taking of risks

that are incompatible with the risk profile, the regulations and the governing documents of the UCITS managed by Comgest S.A.

Comgest S.A. offers its employees a remuneration package comprising a number of components, including in particular:

- a fixed portion, determined on the basis of the employee's position and responsibilities; and
- a potential variable portion, determined (i) on the basis of an evaluation of the employee's performance taking into consideration quantitative and qualitative criteria selected on the basis of his/her position, and (ii) on the basis of the financial manager's financial situation. The variable portion may include a bonus in the form of a cash payment and/or the award of bonus shares.

Comgest S.A. relies on a number of different bodies for the governance of its remuneration policy, and more specifically on:

- the Board of Directors, which defines, approves and re-examines the remuneration policy on an annual basis;
- the Remuneration Committee, which is an independent body that conducts an annual review of the remuneration policy and its components. The Committee submits its findings to the Board of Directors for review and approval, including in particular: (i) its findings on implementation of the Policy, following the annual assessment; and (ii) its findings on the list (and list updates) of employees whose professional activities may have a material impact on the risk profile of the financial manager or the UCITS it manages.

Special rules may be introduced to diversify and defer payment of part of the variable remuneration paid to employees whose professional activities may have a material impact on the risk profile of the financial manager or the UCITS it manages.

Details of Comgest S.A.'s current remuneration policy are published on the [www.comgest.com](http://www.comgest.com) website. Paper copies can be requested in writing from the financial manager.

## MEMORANDUM AND ARTICLES OF ASSOCIATION

**MAGELLAN**  
17 Square Edouard VII, 75009 Paris  
Trade and Companies Register No. B 344.395.413

Updated: 4 April 2016

### TITLE 1 - FORM, OBJECTS, NAME, REGISTERED OFFICE, DURATION

#### Article 1 – Form

The holders of the shares created below and any shares subsequently issued have agreed to form a French open-ended investment company (*Société d'Investissement à Capital Variable*, or "SICAV") governed, *inter alia*, by the provisions of the French Commercial Code (*Code de commerce*) on companies incorporated as a *société anonyme* (limited company) (Book II – Title II – Chapter V), the French Monetary and Financial Code (*Code Monétaire et Financier*) (Book II – Title I – Chapter IV – section I – sub-section I), their implementing decrees, all subsequent legislation, and the company's Memorandum and Articles of Association.

The Board of Directors may decide to create sub-funds and different classes of shares, in accordance with the applicable regulations.

In that case, the Board of Directors is authorised to amend the SICAV's Memorandum and Articles of Association accordingly, subject to ratification by an Extraordinary General Meeting of the shareholders.

#### Article 2 – Company objects

The company's object is to build up and manage a portfolio of financial instruments and deposits.

#### Article 3 – Name

The company's name is: Magellan to be followed by the words "Société d'Investissement à Capital Variable". The abbreviation "SICAV" may, but need not, also be added.

#### Article 4 – Registered office

The registered office is 17 Square Edouard VII, 75009 Paris.

It may be transferred to any other place in the same administrative area (*département*) or any neighbouring administrative area by a decision of the Board of Directors, subject to ratification of this decision by the next Ordinary General Meeting of the shareholders, and to any other place by a resolution adopted by an Extraordinary General Meeting of the shareholders.

#### Article 5 – Duration

The company shall exist for 99 years as from its registration in the Trade and Companies Register, unless it is dissolved in advance or its duration is extended, as provided in these Articles of Association.

### TITLE 2 - CAPITAL, CHANGES TO THE CAPITAL, CHARACTERISTICS OF THE SHARES

#### Article 6 – Share capital

The SICAV has an initial capital of 7,622,450.86 euros (FRF50,000,000), divided into 2,000 shares of 3,811.23 euros (FRF25,000) each, all fully paid in. The capital results from cash contributions.



The Extraordinary General Meeting of shareholders held on 6 April 1999 resolved to multiply the number of issued and outstanding shares by ten on 14 April 1999, by exchanging one old share for ten new shares.

A description of the SICAV's different share classes and the conditions of ownership can be found in the Prospectus.

The Board of Directors may decide to create new share classes. A description of the SICAV's new share classes and the conditions of ownership will be included in the Prospectus.

The different share classes may:

- be subject to different treatment as regards income (distribution and/or capitalisation);
- be denominated in different currencies;
- be subject to different management charges;
- be subject to different subscription and redemption fees;
- have a different par value;
- be systematically partially or fully hedged against risk, as described in the Prospectus. This will be achieved using financial instruments while reducing to a minimum the impact of the hedging transactions on the other share classes;
- be reserved for one or more marketing networks.

The Extraordinary General Meeting of shareholders may resolve to carry out a stock split or reverse stock split.

The Board of Directors may decide to fraction shares into tenths, hundredths, thousandths or tens of thousandths, known as fractions of shares.

The total amount of assets may be limited by capping the total value of the assets or the number of shares.

The provisions of the Articles of Association governing the issue and redemption of shares shall also apply to fractions of shares, the value of which shall at all times remain proportionate to the value of the whole share. All the other provisions of the Articles of Association concerning shares shall automatically apply to fractions of shares, unless specified otherwise.

### **Article 7 – Changes to the capital**

The amount of the capital may vary as a result of the issue of new shares by the company or of the reduction of the number of shares following share redemptions requested by shareholders.

### **Article 8 – Share issues and redemptions**

The company shall issue shares whenever requested by shareholders, on the basis of the net asset value per share plus subscription fees, if any.

Redemptions and subscriptions shall be carried out under the conditions and in accordance with the terms defined in the Prospectus.

To be valid, all new share subscriptions must be paid up in full. Newly issued shares shall have the same rights attached as the shares existing on the date of issue. Pursuant to article L. 214-7-4 of the Monetary and Financial Code, the Board of Directors may temporarily suspend share redemptions and issues of new shares when this is justified by exceptional circumstances and is in the shareholders' best interests.

In the event the amount of net assets of the SICAV (or of a sub-fund) falls below the minimum set in regulations, the SICAV (or the sub-fund, as the case may be) shall be prohibited from making share redemptions.

The company may cease to issue shares in accordance with article L. 214-7-4, paragraph 3, of the Monetary and Financial Code in circumstances that will objectively result in the closure of subscriptions, such as a maximum number of shares having been issued, a maximum amount of assets having been achieved or expiry of a specific subscription period. Any such objective circumstances will be defined in the Prospectus.

**Article 9 – Calculation of the net asset value**

The net asset value per share shall be calculated by applying the valuation rules set out in the Prospectus.

Moreover, Euronext shall calculate an instantaneous indicative net asset value if the share is admitted to trading.

Only shares, securities and contracts allowed as assets of UCITS may be contributed in kind; their value shall be calculated by applying the valuation rules for calculating the net asset value.

**Article 10 – Form of shares**

Shares may be registered or bearer shares, at the subscribers' choice.

Pursuant to article L. 211-4 of the Monetary and Financial Code and its implementing legislation on rules governing transferable securities, the shares must be registered in accounts held by the issuer or an authorised intermediary.

Shareholders' rights shall be evidenced by an account entry made in their name:

- by the intermediary of their choice, for bearer shares;
- by the issuer and also, if they wish, the intermediary of their choice, for registered shares.

The company may request the names, nationalities and addresses of the SICAV's shareholders, as well as the number of shares held by each of them, in accordance with article L. 211-5 of the Monetary and Financial Code, in which case the company shall pay any fee charged.

**Article 11 – Admission to trading on a regulated market and/or a multilateral trading facility**

Shares may be admitted to trading on a regulated market and/or a multilateral trading facility in accordance with currently applicable regulations. If the SICAV whose shares have been admitted to trading on a regulated market has an index-based investment objective, it must have put in place measures to prevent any significant variance between the share price and the net asset value.

**Article 12 – Rights and obligations attached to shares**

Each share shall entitle its holder to a share of the corporate assets and the profits, in proportion to the fraction of capital it represents.

The rights and obligations attached to a share shall remain with it, irrespective of its holder. Whenever several shares need to be held in order to exercise any rights whatsoever, including in particular for exchanges or reverse stock splits, the owners of single shares or an insufficient number of shares shall only be entitled to exercise said rights on condition they personally arrange to group together, or purchase or sell the necessary number of shares.

A shareholder's heirs, assigns or creditors shall not under any circumstances be entitled to demand that the company's assets be placed under seal or request the division or licitation thereof, nor may they interfere in any way in the governance of the company. When exercising their rights they shall rely on the corporate ledgers and the resolutions of General Meetings.

The Board of Directors may decide that the SICAV can act as a feeder fund.

**Article 13 – Indivisibility of shares**

All joint holders of shares and assigns shall be required to appoint one person to represent them in dealings with the company, either by mutual agreement or by the Presiding Judge of the Commercial Court for the area in which the registered office is located.

Holders of fractions of shares may group together, in which case they must be represented by one person as stipulated in the previous paragraph. For each group, the representative shall exercise the rights attached to a whole share.

The voting rights attached to shares shall be exercised by the beneficial owners at Ordinary General Meetings and by the legal holders at Extraordinary General Meetings.

The voting rights attached to any pledged shares shall be exercised by the shareholders. For that purpose the pledgee shall be required to deposit the pledged shares as required by law. The shareholders' statutory right to receive corporate documents shall, however, apply to all joint shareholders and to both the beneficial and the legal owners of shares.

### **TITLE 3 – CORPORATE GOVERNANCE AND MANAGEMENT**

#### **Article 14 – Governance**

The company shall be governed by a Board of Directors comprising at least three members and no more than eighteen members, appointed by the General Meeting of shareholders.

The aforementioned maximum of eighteen directors may, however, be exceeded under the conditions and within the limits defined by the applicable legislation on *sociétés anonymes* (limited companies).

The directors shall be appointed and re-appointed by Ordinary General Meetings of the shareholders during the company's existence.

Directors may be natural persons or legal entities. When a legal entity is appointed it must appoint a permanent representative, who shall be bound by the same obligations and conditions and who shall incur the same civil and criminal liability as if he were a member of the Board of Directors in his own right, without prejudice to the liability of the legal entity he represents.

The permanent representative shall be appointed for the term of office of the legal entity he represents. If a legal entity dismisses its representative, it shall be required to promptly inform the SICAV by recorded delivery letter of the dismissal and the identity of its new permanent representative. This rule shall also apply in the event of the permanent representative's death, resignation or extended unavailability.

#### **Article 15 – Directors' term of office – Renewal of the Board**

Subject to the provisions of the last paragraph of this article, the first directors shall be appointed for a three-year term of office, and all subsequent directors for a six-year term of office at most. One year shall correspond to the period between two consecutive Annual General Meetings.

If one or several seats on the Board fall vacant between two General Meetings due to death or resignation, the Board of Directors may make temporary appointments.

Any director temporarily appointed to replace another shall remain in office only for the remainder of his predecessor's term of office. He shall be appointed subject to ratification of the appointment by the next General Meeting.

All outgoing directors may be re-appointed. Directors may be removed from office at any time by a resolution of the Ordinary General Meeting.

Each director's term of office shall expire at the close of the Ordinary General Meeting of shareholders called to vote on the financial statements for the previous financial year that is held in the year in which his term of office is due to expire. If a meeting is not held that year, the director's term of office shall expire on 31 December of said year, subject to the exceptions stipulated below.

Directors may be appointed for less than six years whenever this is necessary to ensure that the members of the Board are renewed at regular intervals and that the entire Board is renewed every six years. This rule shall apply, in particular, if the number of directors is increased or decreased and this affects the rate of renewal.

Whenever the number of members of the Board of Directors falls below the statutory minimum, the remaining member(s) shall immediately call an Ordinary General Meeting of shareholders in order to appoint the requisite number of directors.

The Board of Directors may be partially renewed.

No person aged 80 or over on the date of the General Meeting called to vote on the appointment may be appointed as a director. Directors may not be re-appointed in or after the calendar year in which they reach the age of 80.

Each permanent representative of a Board member that is a legal entity shall be appointed for the legal entity's term of office, subject to the [aforementioned] age limits. The appointment must be confirmed each time the legal entity is re-appointed.

In the event any seat on the Board falls vacant due to resignation, death or any other reason, the Board may temporarily replace the director in question. Such temporary appointments are made subject to their ratification by the next General Meeting. Any director temporarily appointed to replace another shall remain in office only for the remainder of his predecessor's term of office.

In the event of the resignation or death of a director (provided the number of remaining directors is equal to or greater than the statutory minimum), the Board may temporarily replace the director for the remainder of his term of office.

#### **Article 16 – Board committee**

The Board shall elect one of its members as Chairman for a period set by it but which may not exceed his term of office as a director. The Chairman must be a natural person.

The Chairman of the Board of Directors shall organise and supervise its work, and report on this to the General Meeting of shareholders. He shall ensure the corporate bodies function correctly and, more specifically, that the directors are able to carry out their duties.

If he considers it appropriate he may appoint a Deputy Chairman, and may also appoint a secretary, who need not be a Board member.

The duties of the Chairman of the Board of Directors shall automatically come to an end at the close of the General Meeting called to approve the financial statements in the year of his 80<sup>th</sup> birthday. The Board may, however, extend his term of office for a further two years maximum.

The Chairman may be re-elected.

In the event of the Chairman's death or temporary unavailability, the Board of Directors may delegate a director to act as chairman.

In the event of [the Chairman's] temporary unavailability, the delegation shall be granted for a limited period of time but may be renewed. In the event of [the Chairman's] death, it shall remain valid until a new Chairman is elected.

#### **Article 17 – Board meetings and decisions**

The Board of Directors shall meet when called by the Chairman, as and when the interests of the company so require. Meetings shall be held at the registered office or any other venue mentioned in the notice of the meeting.

If a meeting has not been held for more than two months, at least one-third of its members may ask the Chairman to call a meeting to discuss a set agenda. The Managing Director, if there is one, may also ask the Chairman to call a meeting of the Board of Directors to discuss a set agenda. The Chairman must act on any such request.

Internal rules and regulations may define the terms and conditions for organising meetings of the Board of Directors, in accordance with the applicable laws and regulations. Meetings may be held

using videoconferencing facilities, although certain decisions, expressly defined in the Commercial Code, cannot be taken using such facilities.

Meetings may be called by any means, including orally.

At least half the members must be present for the Board to validly transact business.

Any director may appoint another director to represent him at a given meeting of the Board of Directors, in accordance with the conditions laid down in the applicable laws.

No director may hold more than one proxy pursuant to the previous paragraph at any given meeting.

Decisions shall be taken by the majority of the votes of members present or represented. Each director shall have one vote. In the event of a tie, the chairman of the meeting shall have a casting vote.

An attendance register shall be kept, which shall be signed by each of the directors attending each Board meeting.

In the event videoconferencing facilities can be used, the internal rules and regulations may provide that directors who attend the Board meeting via a videoconference link shall be counted as present when calculating the quorum and majority, in compliance with the applicable regulations.

#### **Article 18 - Minutes**

Minutes shall be drawn up, and copies of or excerpts from minutes shall be issued and certified, in accordance with the law.

Copies of, and excerpts from, minutes shall be issued and certified true either by the Chairman of the Board, or by the Managing Director, or by a director temporarily delegated to act as chairman, or by the Board secretary, or any person authorised for this purpose by the Chairman of the Board.

#### **Article 19 – Powers of the Board of Directors**

The Board of Directors shall make policy decisions relating to the company's business activities and ensure these are implemented. Within the scope of the company's objects and subject to any powers expressly reserved by law for General Meetings of shareholders, the Board shall deal with all matters concerning the running of the company and shall settle all business relating to it. The Board shall perform any controls and checks it considers appropriate. Each director shall receive all the information he needs to carry out his duties, and may obtain any documents he considers useful from General Management.

The Board may set up any committees under the conditions laid down by law, and may grant any of its members or any third parties special powers for one or several predefined purposes, with or without the right to delegate such powers.

#### **Article 20 – General Management – advisory Board members**

Either the Chairman or another natural person appointed by the Board of Directors with the title Managing Director shall be responsible for the General Management of the company.

The Board of Directors shall opt for one of these methods of General Management under the conditions laid down in these Articles of Association, which decision shall remain valid until expiry of the current Chairman's term of office. Shareholders and third parties shall be informed of the method of general management in accordance with the conditions laid down in the applicable laws and regulations.

Either the Chairman or a Managing Director shall be responsible for the General Management of the company, depending on the decision made by the Board of Directors in compliance with the aforementioned provisions.

In the event the Board of Directors decides to separate the positions of Chairman and Managing Director, it shall appoint a Managing Director and fix his term of office.

When the Chairman is responsible for the General Management of the company, the following provisions relating to Managing Directors shall apply to the Chairman.

Within the limits of the company's objects and subject to the powers expressly reserved by law for General Meetings of shareholders and those specifically reserved for the Board of Directors, the Managing Director shall be vested with the broadest powers to act in the company's name in any circumstances. He shall exercise such powers within the limits of the company's objects and subject to those powers expressly reserved by law for General Meetings of shareholders and the Board of Directors. He shall represent the company in its dealings with third parties.

The Managing Director may delegate some of his powers to any individual of his choice.

The Managing Director may be removed from office by the Board of Directors at any time.

Voting on a proposal by the Managing Director, the Board of Directors may appoint up to five individuals to assist the Managing Director, who shall have the title of Assistant Managing Director.

Voting on a proposal by the Managing Director, the Assistant Managing Directors may be removed from office by the Board at any time.

In conjunction with the Managing Director, the Board of Directors shall determine the scope and duration of the powers granted to the Assistant Managing Directors.

These powers may include the right to sub-delegate some of them. Should the Managing Director cease or be unable to perform his/her duties, the Assistant Managing Directors shall remain in office with the same powers and duties until a new Managing Director is appointed, unless the Board decides otherwise.

Assistant Managing Directors shall have the same powers as the Managing Director in their dealings with third parties.

The appointment of any Managing Director shall expire in the year in which he reaches the age of 65. The Board may, however, extend his term of appointment for a further two years, maximum.

The Board of Directors may decide to pay the Chairman and the Managing Director an annual remuneration, fixing the terms and conditions thereof.

The General Meeting of shareholders may appoint a maximum of ten advisory members of the Board of Directors (*censeurs*), who may but need not be shareholders and who may be natural persons or legal entities. They shall be appointed for a three-year term of office, which may be renewed. They shall attend meetings of the Board of Directors in an advisory capacity only.

The Board of Directors may also appoint advisory members, provided the shareholders ratify the appointments at the next General Meeting.

A natural person may not be appointed as an advisory member of the Board if he is aged 68 or over on the date of the General Meeting called to vote on his appointment. The appointment of an advisory member of the Board may not be renewed in or after the year in which he is aged 70 or over. This rule also applies to the representatives of advisory members that are legal entities.

**Article 21 – Directors’ and advisory Board members’ fees and remuneration**

The General Meeting may allocate a fixed annual amount to the members of the Board of Directors by way of directors' fees, which amount shall remain unchanged until a new resolution by the General Meeting.

The Board of Directors shall decide how to divide this amount between its members and the advisory members (*censeurs*).

**Article 22 – Depositary**

The Board of Directors shall appoint the depositary.

The depositary shall be responsible for the tasks it is required to perform pursuant to the applicable laws and regulations and those contractually entrusted to it by the Management Company.

More specifically, it shall monitor the compliance of the decisions made by the Management Company. It must take any protective measures it considers appropriate. It shall inform the French regulatory authority (l’Autorité des Marchés Financiers – ‘AMF’) in the event of a dispute with the financial manager.

If the SICAV is a feeder fund, the depositary shall enter into an agreement to exchange information with the depositary for the master fund (or, if it also acts as depositary for the master fund, it shall draw up suitable terms of reference).

**Article 23 – Prospectus**

The Board of Directors, or the Management Company when the SICAV has delegated all aspects of its management, has full powers to make any modifications to the Prospectus necessary for the proper management of the company, in compliance with the laws and regulations applying to SICAVs.

The Board of Directors is authorised to delegate its powers to any qualified person and particularly to any financial, administrative or accounting manager through an agreement to provide these services to the SICAV.

**TITLE 4 – STATUTORY AUDITOR****Article 24 - Appointment - Powers – Remuneration**

The Statutory Auditor shall be selected from the list of firms and persons authorised to act as Statutory Auditor for commercial companies and shall be appointed by the Board of Directors for six financial years, subject to agreement by the AMF.

He shall certify that the financial statements are true and fair.

He may be re-appointed.

The Statutory Auditor has a duty to promptly inform the AMF of any event or decision concerning the undertaking for collective investment in transferable securities that he discovers in the course of performance of his duties, which is likely to:

- 1° constitute a breach of the laws or regulations applying to the undertaking which may have a material impact on its financial situation, results or assets;
- 2° adversely affect its operating conditions or jeopardise business continuity;
- 3° cause the Statutory Auditor to issue a qualified opinion or refuse to certify the financial statements.

The Statutory Auditor shall supervise the valuation of assets and the calculation of exchange ratios for transformations, mergers or demergers.

He shall be responsible for valuing all contributions in kind.

The Statutory Auditor shall check that details of the assets and other accounting entries are accurate before publication.

The Statutory Auditor's fees shall be mutually agreed by the Statutory Auditor and the SICAV's Board of Directors, in light of his work schedule and the estimated work required.  
The Statutory Auditor shall certify the statements used to calculate interim dividend distributions.

If the SICAV is a feeder fund, the Statutory Auditor shall enter into an agreement to exchange information with the statutory auditor for the master fund or, if he is also the statutory auditor for the master fund, he shall draw up a suitable work schedule.

## **TITLE 5 – GENERAL MEETINGS**

### **Article 25 – General Meetings**

General Meetings shall be called and shall deliberate in accordance with the law.

The Annual General Meeting, which shall approve the company's financial statements, must be held within four months of the end of the previous financial year. Meetings shall be held at the registered office or at any other venue mentioned in the notice of the meeting.

Each shareholder may take part in General Meetings personally or via a proxy, provided he produces proof of his identity and ownership of his shares, either through their registration in the registered shareholders' accounts kept by the company or in the bearer shareholder accounts, at the places indicated in the notice of the meeting. The time allowed for completion of these formalities shall expire two days before the General Meeting. Shareholders may be represented at General Meetings in accordance with article L. 225-106 of the Monetary and Financial Code. Shareholders may also vote by post under the conditions laid down in the applicable regulations.

General Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Deputy Chairman or a director appointed by the Board for that purpose. Failing that, the General Meeting shall appoint a chairman.

Minutes of meetings shall be drawn up and copies shall be certified and issued in accordance with the law.

## **TITLE 6 – FINANCIAL STATEMENTS**

### **Article 26- Financial year**

The financial year shall begin on the day after the last trading day in December on the Paris Bourse and shall end on the last Paris Bourse trading day in December in the following year.

### **Article 27- Allocation of income and amounts distributable**

The Board of Directors shall determine the net income or loss for the financial year which, in accordance with the law, shall correspond to the interest, back interest, premiums and lots, dividends, directors' fees and all other income generated by the securities in the portfolio, plus any sums currently available and less management fees and charges, loan interest and any allowances for depreciation.

The distributable sums shall be:

1) The net income plus retained earnings, plus or minus the balance of the income adjustment account for the previous financial year;

2) Realised capital gains, net of charges, less realised losses, net of charges, recorded during the financial year, plus net undistributed, uncapitalised capital gains of the same type recorded during previous years, plus or minus the balance on the capital gains adjustment account.

The sums mentioned in 1) and 2) above may be distributed in part or in full and independently of each other.

Distributable sums shall become available for payment once the annual financial statements have been approved by the Ordinary General Meeting.

For each share class, where appropriate, the Prospectus provides that the SICAV must adopt one of the following formulae for each of the sums mentioned in 1) and 2) above:



. The SICAV has opted for straight capitalisation. Accordingly, net income/net realised capital gains is/are capitalised in full each year, with the exception of those sums that must be distributed by law.

. The SICAV has opted for straight distribution. Accordingly, the SICAV distributes its net income/net realised capital gains each year, to the nearest euro, after approval of the annual financial statements by the Ordinary General Meeting. The Board may decide during the financial year to pay one or more interim dividends, within the limit of either of the net income recognised, or net capital gains realised, on the date of the decision.

The SICAV reserves the rights to capitalise and/or distribute all or part of its net income/net realised capital gains and/or carry the distributable sums forward.

The General Meeting shall decide on the allocation of net income/net realised capital gains each year.

In the case of a partial or full distribution, the Board of Directors may decide during the financial year to pay one or more interim dividends, within the limit of either of the net income recognised, or net capital gains realised, on the date of the decision.

The specific methods of allocation of the distributable sums relating to capitalisation, distribution and carrying forward are described in the Prospectus.

## **TITLE 7 - EXTENSION - DISSOLUTION – LIQUIDATION**

### **Article 28 – Extension or early dissolution**

The Board of Directors may propose that an Extraordinary General Meeting of shareholders extend the company's duration, dissolve it in advance or place it in liquidation, at any time and for any reason whatsoever.

No further shares shall be issued and shareholders' redemption requests shall cease to be processed as from the date the notice of the General Meeting at which the shareholders will be asked to vote on the early dissolution of the company and its liquidation, or the expiry of its duration, is published.

### **Article 29- Liquidation**

On expiry of the duration set in the Articles of Association, or in the event the shareholders vote in favour of the company's early dissolution, the Board of Directors shall define the method of liquidation and appoint one or more liquidators.

In accordance with article L. 214-12 of the Monetary and Financial Code, the depositary and the SICAV's Management Company shall act as liquidator.

The liquidator shall represent the SICAV. He shall be authorised to pay creditors and distribute any available funds. His appointment shall bring an end to the appointments of the directors, but not that of the Statutory Auditor.

If authorised by a resolution passed by the Extraordinary General Meeting of shareholders, the liquidator may transfer all or part of the dissolved company's assets, rights and obligations to another company or decide to sell or assign its assets, rights and obligations to another company or person.

The net proceeds of liquidation, after settlement of all liabilities, shall be divided between the shareholders in the form of cash or securities.

At the end of the liquidation proceedings, a properly formed General Meeting shall vote on the final liquidation accounts, grant the liquidator release and discharge and record completion of the liquidation.

If the General Meeting is unable to validly transact business, the liquidator or any interested party shall apply to the courts for a court order.

**TITLE 8 - DISPUTES****Article 30 - Jurisdiction – Address for service**

Any dispute that may arise during the company's existence or upon its liquidation concerning the company's business, either between the shareholders and the company or between the shareholders themselves, shall be judged in accordance with the law and referred to the courts having jurisdiction.

