

French FCP conforming to the European Directive on UCITS

Detailed Memorandum

31st March 2020

General Characteristics

- **Form of the Fund**

French mutual fund (FCP)

- **Name**

LUTETIA Patrimoine

- **Legal form and member state in which the Fund is incorporated**

French mutual fund (FCP) incorporated in France in compliance with Directive 2009/65 CE (referred to as the UCITS Directive).

- **Launch date and anticipated term**

The Fund was approved by Autorité des Marchés Financiers on 23/10/2009 and launched on 30/11/2009 for a term of 99 years.

- **Summary of the management offering:**

Class	ISIN Code	Dividend policy	Currency	Minimum initial subscription	Minimum subsequent subscription	Initial Net Asset Value	Type of investors
P EUR	FR0010816801	Accumulation	EUR (Hedged)	None	None	EUR 100	All investors
P USD	FR0010816785	Accumulation	USD	None	None	USD 100	All investors
I EUR	FR0010816819	Accumulation	EUR (Hedged)	EUR 100 000	None	EUR 100	All investors, especially institutional investors
I USD	FR0010816793	Accumulation	USD	USD 100 000	None	USD 100	
I GBP	FR0013161486	Accumulation	GBP (Hedged)	GBP 100 000	None	GBP 100	
F EUR	FR0012749968	Accumulation	EUR (Hedged)	EUR 5mln	None	EUR 100	
F USD	FR0013223419	Accumulation	USD	USD 5mln	None	USD 100	
S EUR	FR0011175975	Accumulation	EUR (Hedged)	None	None	EUR 100*	Employees, shareholders, members of the Advisory Board and Supervisory Board of Lutetia Capital and any bank authorized by the Management Committee to issue a structured product on this class
S USD	FR0013223427	Accumulation	USD	None	None	USD 100	

* the nominal of this share class has been divided by 100 on 31/03/2020.

- **Place or location where the latest annual report and interim documents can be obtained**

The fund's prospectus and latest annual and interim reports and documents will be sent to subscribers, on request to:

LUTETIA CAPITAL
7 place Vendôme, 75001 Paris – FRANCE

Any additional explanations relating to this fund can be obtained from the Management Company, whose contact details are shown above.

Directory

- **Management company**

LUTETIA CAPITAL SAS, 7 place Vendôme 75001 Paris – FRANCE, approved on 15/10/2009 under number GP09000017

- **Custodian and entity responsible for centralizing subscription and redemption orders on behalf of the Management Company**

CACEIS Bank, 1-3 place Valhubert 75013 Paris – FRANCE, approved by Autorité de Contrôle Prudentiel et de Résolution
The Custodian fulfils the normal duties and obligations in respect of the safekeeping and monitoring of deposits of cash, transferable securities and other assets, and controls the regularity of the decisions taken by the Management Company.
The Custodian is also acting as Transfer Agent on behalf of the Management Company.

Delegation

The description of delegated depositary functions, the list of delegates and under-delegates appointed by CACEIS Bank and information related to conflict of interest likely to result from these delegations are available on CACEIS website: www.caceis.com.

Updated information is available to investors upon request.

The Custodian is independent from the Management Company.

- **Fund administration and accounting**

CACEIS Fund Administration, 1-3 place Valhubert 75013 Paris – FRANCE

- **Statutory auditor**

Deloitte & Associés, représenté par M. Rachid Ezzahhaf, 185 avenue Charles de Gaulle 92524 Neuilly-sur-Seine – FRANCE

- **Promoter**

LUTETIA CAPITAL SAS, 7 place Vendôme 75001 Paris – FRANCE

General Informations

1 General Characteristics

- **Characteristics of the units**

- ISIN codes

Class	ISIN
P EUR	FR0010816801
P USD	FR0010816785
I EUR	FR0010816819
I USD	FR0010816793
I GBP	FR0013161486
F EUR	FR0012749968
F USD	FR0013223419
S EUR	FR0011175975
S USD	FR0013223427

- Nature of the rights attached to the units

Each unit holder shall have a right of joint ownership to the Fund's assets, pro rata to the number of units held.

- Liabilities management

CACEIS Bank is responsible for liabilities management. Euroclear France is responsible for the administration of the units.

- Voting rights

Given that the Fund is a co-ownership of securities, no voting rights are attached to the units held. Decisions relating to the Fund are taken by the Management Company in the interests of the unitholders.

- Form of units

Units are in bearer form.

- Decimalisation of units

Each unit may be divided into ten thousandths.

- **Financial year-end**

- Date of the accounting year
Last stock market trading day in Paris of December each year.
- Date de clôture du 1er exercice
31 December 2009.

- **Taxation**

The FCP is eligible for life insurance contracts.

Depending on the investor's tax situation, any capital gains and income associated with holding Fund units may be subject to taxation. Subscribers may contact the Fund's promoter for more information on this subject.

2 Specific Provisions

- **Investment objective**

The objective of the Fund is to outperform the interest rate on the overnight interbank market in euros (EONIA capitalized) minus the management cost over a recommended investment horizon of three years, by actively investing on the equity markets, primarily in the context of merger and acquisition transactions. The Fund will at all times be hedged against the fluctuations in the equity markets. The Fund has an average annual volatility target of 2% - 4%.

This investment objective is provided for information purposes. The actual performance of the Fund over a given year and the volatility may vary significantly from this objective.

- **Benchmark**

The EONIA Capitalized (Euro Overnight Index Average) corresponds to the average overnight investment rate in the Eurozone. It is calculated by the European Central Bank and published by the European Money Markets Institute (EMMI).

In accordance with article 52 of Regulation (UE) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the administrator of the benchmark a jusqu'au 01/01/2020 shall apply for authorisation in by 1 January 2020. At the date of updating this prospectus, the EMMI, EONIA's administrator, has still not been approved and is not referenced on the register for administrators and benchmarks maintained by ESMA. Additional information on benchmarks is available on the website of the administrator: www.emmi-benchmarks.eu.

- **Investment strategy – General procedure**

The Fund's investment strategy is to:

- manage the equity allocation of the portfolio on the basis of valuations and the outlook for this asset class,
- within the equity holdings, carry out a selection of mainly European and North American stocks (stock picking) considered to be undervalued by the market.

To reduce the correlation with the equity markets and to limit the risks of capital loss, the Fund managers will reduce the Lutetia Patrimoine Fund's equity market exposure (Beta) as much as possible. As a result, the Fund's Beta will not exceed 10% on average. Positions will be taken via the direct purchase of stocks. Exposure to the equity markets will be reduced using forward contracts, listed options and short positions (in theory the Fund may invest 0% - 100% of its assets in money market instruments).

Hedging will be carried out using derivatives traded on a listed market, such as forward contracts or options, which will enable the Fund to sell a stock, sector or general index. Part of the hedge will be carried out using short positions. The Fund may buy and sell securities denominated in currencies other than the accounting currency. In order to minimise the impact of adverse fluctuations in the foreign exchange market, the Fund will automatically implement a currency risk hedging policy. However, it cannot guarantee that all amounts will be perfectly hedged at all times. This hedge is valid for investments in both US dollars and euros shares.

- **The different investment strategies implemented**

In order to achieve the investment objective the Fund managers will implement a set of securities strategies (principally on the equity markets).

These various strategies are based on a number of techniques, markets and sectors, which will enable a correctly diversified portfolio to be constructed.

The breakdown of the portfolio between the different strategies will depend on market conditions.

The strategies will be implemented primarily in the following geographic regions:

- Europe,
- North America.

Investments in shares of other geographic regions (exclusively OECD countries) will be limited to 10% of the Fund's assets.

With regard to market capitalisation, the Fund will comply with the following rules:

- investments in shares of companies with a market capitalisation of less than EUR 500 million (or US dollars depending on the listing market) are limited to 20% of the Fund's net assets,
- no investments will be carried out in shares of companies with a market capitalisation of less than EUR 50 million (or US

dollars depending on the listing market).

The fund's investment in forward financial instruments is limited to:

- on OTC markets, currency swaps/forwards (for hedging purposes) or CFDs. The fund may also borrow securities,
- derivative instruments listed on French or foreign regulated markets.

The different planned strategies in the Fund are:

- **primarily: Investment strategies on announced mergers and acquisitions**

To buy or sell equities (or other securities) that are subject of financial transactions in the form of takeover bids, public exchange offers, squeeze-out, mergers etc. These strategies are implemented only when the transaction has been announced officially in the market.

The natural direction of the transaction is to buy the share of the target company at a discount versus the implicit value of the offer and to retain the securities until the transaction has been completed. If the offer is paid for in shares of the purchasing company (or a combination of shares and cash), a short position is taken on the shares of the purchasing company to take advantage of the difference between the implicit value of the offer and the market price of the target.

- **to a lesser extent: Investment strategies on expected or announced events**

Transactions or events (offers, mergers, spin-offs, exchanges of securities, changes to management, changes to the regulatory framework, sale of assets, changes to the shareholder structure etc.) that are expected or announced may have a risk profile that is higher than in the rest of the portfolio, but will offer a more attractive return.

In practice, these transactions operate on the basis of the same principle as that described above for announced merger and acquisition transactions. It involves taking advantage of the market's undervaluation of the target asset of the event versus its theoretical value (determined by the management teams according to tested valuation methods).

- **to a lesser extent: Subscription rights arbitrage**

It consists in buying the subscription rights when it is priced under its theoretical value and sell the underlying shares (equities, convertibles, warrants), or taking the opposite position when the price of the subscription right is over its theoretical value.

The arbitrage is balanced if the quantity of shares bought for the short position is exactly those obtained making the conversion of the rights.

- **to a lesser extent: Share class arbitrage**

This is the arbitrage between two different share classes issued by the same company. These distinct share classes may be for example: ordinary shares, preferred dividend shares or new shares. The spread between the two share classes depends on the liquidity, the dividend, the interest for voting rights, the conversion probability,...

The natural way is to anticipate the conversion of the shares but we may consider the opposite situation if the spread is too small.

- **Categories of assets**

The following assets are used:

- **Equities**

The equity holdings, which may represent 0% - 100% of the Fund's assets, are comprised solely of shares listed on regulated markets, primarily in Europe and North America. Equities from other regions will represent a maximum 10% of the Fund's assets, and will be listed exclusively in OECD countries. The allocation is discretionary in terms of business sectors.

With regard to market capitalisation, the Fund will comply with the following rules:

- * investments in shares of companies with a market capitalisation of less than EUR 500 million (or US dollars depending on the listing market) are limited to 20% of the Fund's net assets,
- * no investments will be carried out in shares of companies with a market capitalisation of less than EUR 50 million (or US dollars depending on the listing market).

The equity portfolio will be comprised of 20 to 80 stocks, under normal markets conditions.

- **Funds**

The Fund may invest up to 10% of its assets in:

- * funds complying with the European Directive (UCITS) that are not funds of funds,
- * French Funds which do not comply with the European Directive or Foreign Funds that do not comply with the European Directive (ETF only) but fulfil the requirements of the R214-13 article of the Monetary and Financial Code.

- **Money market instruments and debt securities**

As part of the Fund's cash management, in addition to investments in money market funds, the Fund may invest in OECD corporate or government bonds and negotiable debt securities with a minimum "investment grade" rating. These investments will comprise up to 100% of the Fund's assets. Aside from the management of cash, this asset category can also help reduce the Fund's exposure to the equity markets. The maximum duration of these instruments will be one year.

- **Forward financial instruments (options, futures and equity/index forward contracts)**

These instruments are used notably to hedge the portfolio against an anticipated fall in the equity markets, a business sector or a portfolio security. 0% - 100% of the Fund's assets may be invested in these instruments.

The fund may also invest in VIX futures, within an exposure limit between -20% and 20% of the net asset.

- **Temporary purchase and sale of securities**

The fund may carry out temporary purchases/sales of securities in order to optimise its income, invest its cash or adjust the portfolio in view of changes in the assets under management. The fund may carry out the following: securities repurchase and reverse repurchase transactions, securities lending/borrowing.

Any temporary purchase or sale of securities shall be carried out under market conditions and within regulatory limits.

- **Currency swaps and currency forwards**

Currency hedges will be carried out via currency swaps and currency forwards. 0% - 100% of the Fund's assets may be invested in these instruments.

- **Other financial instruments**

The fund may use CFD ("Contract For Difference"), Equity Swaps or tailor-made DPS in order to take a long or short exposure.

These products are simple financial forwards having equity as underlying. They allow to obtain a synthetic exposure corresponding to sell a stock and borrow it simultaneously into the same contract.

In terms of performance, these products are similar to the underlying but may face a liquidity problem. This is the reason why the counterparts will be chosen following a strict process.

- **Cash borrowing**

None.

• **Risk profile**

The Fund will be invested primarily in financial instruments selected by the Management Company. These instruments will be affected by market trends and fluctuations.

The value of the Fund's unit is likely to fluctuate depending on different factors such as the risks specific to companies in the portfolio or more general risks that may affect the value of the portfolio securities (changes in interest rates, macro-economic data, legal and tax legislation etc.).

The main risks inherent in the Lutetia Patrimoine Fund are:

- **Risk associated with arbitrage strategies**

Arbitrage is a technique that consists of profiting from price differences on different markets, sectors, securities, currencies, instruments, etc. If the prices for these arbitrages move in the wrong direction (price rise for short transactions and/or price fall for long transactions), the Fund's net asset value may fall.

- **Risk associated with discretionary management**

The discretionary management style applied to the Fund is based on anticipating market movements and allocating assets, carried out by the manager, and on the quality of stock picking. There is a risk that the manager may not select the best performing stocks and that the asset allocation among the various markets is not optimal.

- **Risk of capital loss**

Investors should be aware that the Fund does not offer any guarantee or protection and that they may not get back their original investment.

- **Equity risk**

Equity risk corresponds to the risk of a downturn in the equity markets. Since the Fund is hedged against movements in the equity markets, this risk is limited to the risk of changes in the prices of securities held in the portfolio, less the changes in the corresponding equity market.

In addition, despite a strict investment policy based on the market capitalisation of shares (refer to the "Investment strategy" paragraph above), the Fund may invest in shares of mid-cap companies (over EUR 50 million or US dollars). Given that the volume traded in terms of these shares may be limited, market movements are more marked and more rapid than on large-cap stocks. The Fund's net asset value may therefore be affected by these more marked market movements (both upward and downward).

- **Currency risk**

Currency risk is the risk of a fall in the investment currencies versus the accounting currency (USD). The fluctuation in currencies may have a positive or negative effect on the value of these instruments.

- **Interest rate risk**

Interest rate risk corresponds to the risk associated with an increase in bond market interest rates, which causes a fall in the prices of bonds and as a result a decline in the Fund's net asset value.

- **Credit risk**

Credit risk represents the risk of a downgrade of the issuer and the risk that the issuer cannot meet its repayment commitments, which will result in a fall in the price of the security and therefore a decline in the Fund's net asset value.

- **Leverage risk**

On derivatives instruments, a small variation of the underlying price may lead to a significant gain or loss relative to the generally low initial deposit. The fund may use leverage through cash or securities borrowings or specific financial

instruments.

The use of leverage may increase potential gains but may also raise risks of losses and of a drop of the net assets of the fund.

- Counterparty risk

This risk measures the losses incurred by the Fund under its contractual commitments with a defaulting counterparty. The use by the Fund of over-the-counter forward financial instruments and/or repurchase agreements exposes the net asset value to a fall in the event of default by a counterparty.

• Guarantee or protection

None

• Target investors

All investors

• Typical investor profile

All investors - May be used in conjunction with a unit-linked life insurance policy taken out with an insurance company.

The Fund is aimed at all subscribers, individuals and institutionals. In particular, this Fund is intended for subscribers wishing to invest in a fund with an equity strategy, and more specifically based on a mergers and acquisitions theme, while being uncorrelated to the equity markets through the use of hedging.

The amount that it is reasonable to invest in this Fund depends on each investor's individual situation. To determine this, investors should take into account their personal assets, current needs and those over a three year horizon. Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risk of this Fund.

S units are exclusively available for employees, shareholders, members of the Advisory Committee and Supervisory Board of Lutetia Capital and any bank authorized by the Management Committee to issue a structured product on this unit.

• Recommended investment period

The recommended investment period is 3 years.

• Allocation of income

The Fund's income is capitalised in full.

• Characteristics of the units

Class	ISIN Code	Dividend policy	Currency	Minimum initial subscription	Minimum subsequent subscription	Initial Net Asset Value	Type of investors
P EUR	FR0010816801	Accumulation	EUR (Hedged)	None	None	EUR 100	All investors
P USD	FR0010816785	Accumulation	USD	None	None	USD 100	All investors
I EUR	FR0010816819	Accumulation	EUR (Hedged)	EUR 100 000	None	EUR 100	All investors, especially institutional investors
I USD	FR0010816793	Accumulation	USD	USD 100 000	None	USD 100	
I GBP	FR0013161486	Accumulation	GBP (Hedged)	GBP 100 000	None	GBP 100	
F EUR	FR0012749968	Accumulation	EUR (Hedged)	EUR 5mln	None	EUR 100	
F USD	FR0013223419	Accumulation	USD	USD 5mln	None	USD 100	
S EUR	FR0011175975	Accumulation	EUR (Hedged)	None	None	EUR 100*	Employees, shareholders, members of the Advisory Board and Supervisory Board of Lutetia Capital and any bank authorized by the Management Committee to issue a structured product on this class
S USD	FR0013223427	Accumulation	USD	None	None	USD 100	

* the nominal of this share class has been divided by 100 on 31/03/2020.

Units are divided into 10,000ths of a unit. The accounting currency is expressed in US Dollars (USD).

• Subscription and redemption conditions

Subscription and redemption requests are centralised the day before each valuation day (D-1) by 12.00pm and are executed on the basis of the next net asset value calculated on the following day (D+1) on the previous day's (D) closing prices. Settlement

takes place on D+2.

Subscriptions may be for an amount, a full number of units or fractions of a unit, with each unit being divided into ten thousandths. Redemptions may be for a full number of units or fractions of a unit, with each unit being divided into ten thousandths.

Subscription and redemption requests are centralised by CACEIS Bank, whose address is:

CACEIS Bank
1-3 place Valhubert 75013 Paris – FRANCE

D-1 open day	D-1 open day	D: reference date for the NAV	D+1 open day	D+1 open day	D+2 open days	D+2 open days
Collection of subscriptions before 12.00pm	Collection of redemptions before 12.00pm	Execution of orders	Calculation of NAV	Publication of NAV	Settlement of subscriptions	Settlement of redemptions

The Investors are reminded that the requests transmitted to promoters, other than the institutions mentioned above, must take into account the fact that the centralization deadline of requests applies to so-called marketers vis-a-vis CACEIS Bank. As a result, these distributors may apply their own cut-off time earlier than the one mentioned above, in order to take into account the time required to transmit requests to CACEIS Bank.

- **Frequency of net asset value calculation**

Daily. The net asset value is not calculated the day where the Euronext Paris markets are closed and/or it is a public holiday in France.

- **Place for publication or communication of net asset value**

The Fund's net asset value is available on request from the Management Company and on its website www.lutetiacapital.com.

- **Charges and fees**

- **Subscription and redemption fees**

Subscription fees will be payable in addition to the subscription price paid by the investor. Redemption fees will be deducted from the redemption price. Fees retained by the Fund are used to cover costs incurred by the Fund to invest or divest the assets invested in it. Fees not retained by the Fund will be paid to the Management Company, the Promoter etc.

Fees charges to the investor, payable upon subscriptions or redemptions	Basis	Fee structure
Subscription fee not retained by the Fund	Net asset value x number of units	P, I and F class: 2% maximum S class: none
Subscription fee retained by the Fund	Net asset value x number of units	None
Redemption fee not retained by the Fund	Net asset value x number of units	F class: 5% maximum P, I and S class: none
Redemption fee retained by the Fund	Net asset value x number of units	None

- **Operating and management costs**

These costs include all fees invoiced directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation charges (brokerage, stock market taxes, etc) and activity charges, where applicable, that may be charged by the Custodian and the Management Company.

Performance fees may also be applied in addition to operating and management costs. These are paid to the Management Company if the Fund exceeds its objectives. They are therefore invoiced to the Fund.

Cost invoiced to the Fund	Basis	Rate / scale
Financial management fees and external administrative fees (taxes incl.)	Net assets	P units: 2% maximum I units: 1.5% maximum F units: 1.25% maximum S units: 0.1% maximum
Performance fee	Net assets	P & I units: 20% of the performance above EONIA F units: 10% of the performance above EONIA S units: none

Transaction fees paid to the management company	Deducted from each transaction	0.4% maximum (taxes incl.)
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The first date a performance fee will be paid, if applicable, will be 31 December 2010.

Policy on sharing of return generated by Securities Financing Transactions: the net revenues achieved from efficient portfolio management transactions or SFTs, if any, remain with the Fund.

- **Variable fees**

Whenever the net asset value is calculated, a provision for variable management fees will be recorded and paid to the Management Company at the end of the Fund's accounting year. This fee will be calculated as follows:

- * On each calculation of the net asset value the fixed management fees are deducted, which gives the net asset value (NAV) before variable management fees,
- * The fund's NAV (before variable management fees but after fixed management fees) is calculated and compared against the NAV of a fund recording the performance of the EONIA capitalized over the same period, and with the same subscriptions and redemptions activity (neutralization of volume effect),
- * If since the start of the Fund's accounting year, the NAV before variable management fees is less than that of the EONIA capitalized, no provision for variable management fees is recorded,
- * If since the start of the Fund's accounting year, the NAV before variable management fees is higher than that of the EONIA capitalized, a provision for variable management fees is recorded, subject to the conditions set out below ("high water mark" principle). This is calculated as equal to 20% of the Fund's positive performance before variable management fees (but after fixed management fees) for "I" and "P" shares and 10% of the Fund's positive performance before variable management fees (but after fixed management fees) for "F" shares ;
- * If the Fund underperforms its pre-established performance during the year, a provision reversal is carried out. These reversals will be capped at the amount of the provisions booked previously.
- * In the event of redemption, a share of the provision for variable management fees on the amount outstanding, recorded at the last valuation, is deducted and paid to the Management Company in proportion to the number of units redeemed.

- **"High Water Mark" principle**

Provisions are increased only if the performance exceeds the best performance since the end of the financial year, or if a performance fee has been paid.

Performance fees therefore follow the "High Water Mark" principle: no performance fee is paid at year-end if the performance has been negative since the Fund's launch and since the last time a variable fee was paid.

- **Choice of intermediaries**

Intermediaries will be selected objectively by the Management Company on the basis of prices (brokerage fees) and the quality of services (execution, middle office, compliance etc.). The Management Company is prohibited from placing orders with a single intermediary.

Sales-related information

• **Subscriptions and redemptions**

In the context of the provisions of the Detailed Memorandum, subscription and redemption requests for the Fund's units should be addressed to CACEIS Bank:

CACEIS Bank
1-3 place Valhubert 75013 Paris – FRANCE

• **Fund documentation**

The documents relating to the Fund and the net asset value can be viewed and downloaded from the following website: www.lutetiacapital.com.

They can also be obtained by contacting the Management Company directly, which can also respond to requests for information:

LUTETIA CAPITAL
7 place Vendôme, 75001 Paris

• **Information available from the French Financial Markets Authority (Autorité des Marchés Financiers)**

The AMF's website (www.amf-france.org) provides additional information about the list of regulatory documents and all rules governing investor protection.

Investment rules

The ratios applicable to the Fund are those stipulated in Article R.214-1 and seq. of the French Monetary and Financial Code (Code Monétaire et Financier), and particularly Article R.214-25. If despite endeavouring to comply with these investment rules a limit is unfortunately exceeded by Lutetia Capital, or following the exercise of subscription rights, Lutetia Capital's priority will be to promptly rectify the situation via its sell transactions, while considering the interests of the unitholders.

Overall Risk

Overall risk is calculated using the absolute Value-at-Risk method with a 99% confidence threshold over 20 days.

Asset valuation and accounting rules

• Asset valuation rules

- Financial instruments and forward financial instruments traded on a regulated market

- * Equities and equivalent securities
Eurozone equities and equivalent securities are valued on the basis of the day's closing prices.
- * Debt securities and money market instruments:
French bonds and equivalent securities are valued on the basis of the day's closing prices. Eurozone bonds and equivalent securities are valued on the basis of the day's closing prices.
Negotiable debt securities with a maturity of more than three months are valued at their market price.
Negotiable debt securities with a residual maturity of less than three months are valued up to maturity on the basis of the last known prices. If they are acquired less than three months before maturity, interest and the premium/ discount are accounted for on a straight-line basis.
- * Shares and units of other UCITS or investment funds:
Shares and units of other UCITS or investment funds are valued on the basis of the last known net asset value.
- * Forward financial instruments and derivatives:
Futures contracts are valued on the basis of the day's closing settlement price. Options contracts are valued on the basis of the day's closing prices.
Financial instruments for which a price is not given on the valuation day or whose price has been corrected are valued at their probable trading value, under the Management Company's responsibility.

• Accounting methods

Accounting method used to record income from fixed-income deposits and financial instruments: "coupon received" method.

Method for recording acquisition and sales costs for financial instruments: net of fees.

Remuneration

This policy promotes sound and effective risk management consistent with management guidelines and constraints of UCITS managed by LUTETIA CAPITAL. It aims to ensure the interests of unitholders while meeting the long-term objectives of the management company.

The fixed part of the employees' remuneration will reflect the responsibilities and obligations associated with their position as well as their competence and experience. The distribution of variable remuneration is inherently discretionary but favors behaviors aiming at the development of the management company in the long term, based on both quantitative and qualitative criteria.

The variable remuneration is subject to an adequate payment mechanism. Half of the variable component of compensation is deferred over a three-year period, and is indexed to the performance of the UCIs for which the persons concerned are responsible. Variable remuneration may be reduced or cancelled if its amount is not consistent with the financial health of LUTETIA CAPITAL or with the performances of the person concerned.

Details of the remuneration policy are available on www.lutetiacapital.com. A copy of the policy is available from the management company upon request.

French Mutual Fund Regulations

TITLE 1 – Assets and units

Article 1 - Co-ownership units

The co-owners' rights are expressed in units, each unit corresponding to the same portion of the Fund's assets. Each unitholder has a co-ownership right over the Fund's assets proportional to the number of units held.

The duration of the fund is 99 years from its launch date, except in the cases of early dissolution or extension provided for in these Fund Regulations.

The units shall be divided into ten thousandths, referred to as fractions of units.

The provisions of the Regulations governing the issue and redemption of units apply to fractions of units, whose value shall always be proportional to the value of the unit they represent. All the other provisions of the Regulations relating to the units apply to fractions of units, without it being necessary to specify this, unless otherwise provided for.

Lastly, the Management Company may decide to split the units by creating new units, which are awarded to the unitholders in exchange for the old units.

Article 2 - Minimum total assets

The units may not be redeemed if the Fund's assets amount to less than the amount stipulated in the regulations. In this case, unless the assets increase above this amount within a period of 30 days, the Management Company will take the necessary measures to carry out the merger or dissolution of the Fund.

Article 3 - Issue and redemption of units

Units will be issued at any time as and when requested by investors, on the basis of their net asset value increased, if applicable, by a subscription fee. Redemptions and subscriptions shall be carried out under the conditions and in accordance with the terms defined in the Detailed Memorandum. Units of the Fund may be admitted for listing according to current regulations.

Subscriptions must be fully paid up on the net asset value calculation day. They may be paid for in cash and/or securities. The Management Company is entitled to reject the securities proposed, and for this purpose has seven days from their deposit to inform the subscriber of its decision. In the event that the securities are accepted, they will be valued according to the rules set forth in Article 4, and the subscription will be undertaken based on the first net asset value following acceptance of the securities in question.

Redemptions are carried out in cash only, unless the Fund is liquidated and the unitholders have agreed to be repaid in securities. In such cases the Custodian will have a maximum of five days following the valuation of the unit to repay the unitholders. Under Article L. 214-8-7 of the French Monetary and Financial Code, redemption by the Fund of its units, as well as the issuance of new units, may be temporarily suspended by the Management Company if exceptional circumstances require this and if this is in the interests of the unitholders, particularly if the redemption requires the prior realisation of assets in the Fund. The suspension period for the redemption and issue of new units may be extended, but must not exceed 30 days.

Units may not be redeemed when the Fund's net assets are below the minimum set by the Fund regulations.

The UCITS may cease issuing units pursuant to the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, provisionally or definitively, partially or totally, in objective situations resulting in the closure of subscriptions such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a specified subscription period. The triggering of this tool will require the information by any means of the existing unitholders relating to its activation, as well as the threshold and the objective situation that led to the decision of partial or total closure. In the case of a partial closure, this information by any means will specify the terms upon which existing holders may continue to subscribe for the duration of such partial closure. Unitholders are also informed by any means of the decision of the UCITS or the management company to either terminate the total or partial closure of subscriptions (when passing under the triggering threshold), or to pursue with it (in the event of a change of threshold or modification of the objective situation leading to the implementation of this tool). A change in the objective situation invoked or the triggering point of the tool must always be made in the interests of the unitholders. Information by any means specifies the exact reasons for these changes.

Except in the event of succession or inter vivos distribution, the assignment or the transfer of the units between unitholders or from a unitholder to a third party is treated as a redemption followed by a subscription; in the case of a third party, the amount of the assignment or the transfer must, if applicable, be supplemented by the beneficiary to reach at least the minimum subscription amount required by the Prospectus.

Article 4 - Calculation of the net asset value

The net asset value of the units is calculated on the basis of the valuation rules set out in the Detailed Memorandum of the Full Prospectus. Contributions in kind are only accepted in the form of shares, securities and contracts eligible as assets of the Fund. They are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

TITLE 2 – Management of the fund

Article 5 - Management company

The Fund is managed by the Management Company pursuant to the guidelines set out for the Fund.

The Management Company acts in all circumstances on behalf of the unitholders, and it alone may exercise the voting rights attached to the securities included in the Fund.

Article 5 bis - Operating rules

The instruments and deposits eligible to comprise the Fund's assets and the investment rules are described in the Detailed Memorandum of the Full Prospectus.

Article 6 – Custodian

The Custodian fulfils the normal duties and obligations in respect of the safekeeping and monitoring of deposits of cash, transferable securities and other assets, and controls the regularity of the decisions taken by the Management Company.

The Custodian if also acting as Transfer Agent on behalf of the Management Company.

Delegation

The description of delegated depository functions, the list of delegates and under-delegates appointed by CACEIS Bank and information related to conflict of interest likely to result from these delegations are available on CACEIS website: www.caceis.com.

Updated information is available to investors upon request.

The Custodian is independent from the Management Company.

Article 7 – Auditor

A statutory auditor is appointed by the Management Company for six financial years, upon the approval of the Financial Markets Authority. It performs checks and controls as set out by law, and, whenever necessary, certifies the accuracy and consistency of the accounts and accounting information contained in the management report. The Auditor's appointment may be renewed. It shall inform the Financial Markets Authority and the Fund's Management Company of any irregularities or inaccuracies it has found during its audit. Assets are valued, and exchange rates in conversion, merger or spin-off transactions are carried out under the supervision of the Auditor. It assesses any contribution in kind and prepares a report relating to its valuation and remuneration under its responsibility.

The statutory auditor certifies the accuracy of the statement of assets and other items prior to publication. The fees of the statutory auditor are determined by agreement between the auditor and the Management Company, on the basis of a work schedule setting out the checks that are considered necessary. In the event of the liquidation of the Fund, the auditor shall assess the total amount of assets and prepare a report on the terms of the liquidation. It certifies the situations that are used as a basis for distributing interim dividends. The statutory auditor's fees are included in the management fees.

Article 8 - Accounts and management report

Upon closure of each financial year, the Management Company draws up the summary documents and a report on the management of the Fund during the past financial year. The inventory is certified by the Custodian, and all the documents herein above are checked by the auditor.

The Management Company makes these documents available to unitholders within four months following the end of the financial year and informs them of the amount of income to which they are entitled. These documents are mailed at the express request of unitholders, or made available to them at the offices of the Management Company.

TITLE 3 – Allocation of distributable income

Article 9 - Capitalisation and distribution of net profit

Net profit for the financial year is equal to the amount of the interest, arrears, dividends, bonuses and awards, attendance fees and all other income relating to the securities constituting the Fund's portfolio, plus the income from any monies available at that time and minus the amount of management fees and borrowing costs. The distributable amounts are equal to the net profit, plus retained earnings, plus or minus the balance of the equalisation account for income relating to the financial year that has been completed.

For each unit category, the allocation of distributable income are defined in the prospectus.

TITLE 4 – Merger - Spin-off - Dissolution - Liquidation

Article 10 - Merger - Spin-off

The Management Company may either contribute all or part of the assets in the Fund to another UCITS that it manages, or split up the Fund into two or more other mutual funds, which it will manage. These merger and spin-off transactions may only be carried out one month after unitholders have been so advised. They give rise to the issuance of a new certification setting out the number of units held by each subscriber.

Article 11 - Dissolution - Extension

If the Fund's assets remain less than the amount fixed in Article 2 above for 30 days, the Management Company will inform the Financial Markets Authority and will proceed with the dissolution of the Fund, except in the event of a merger with another mutual fund. The Management Company may dissolve the Fund early. It will inform the unitholders of its decision to dissolve the Fund and requests for subscription or redemption will no longer be accepted from that date.

The Management Company will also proceed with the dissolution of the Fund in the event of a request to redeem all units, or in the event the Custodian ceases its functions, if no other custodian has been appointed, or at the expiry of the life of the Fund, if it has not been extended. The Management Company shall inform the Financial Markets Authority by post of the date of dissolution and the dissolution procedure selected. It shall then send the auditor's report to the AMF. Renewal of a Fund may be decided on by the Management Company in agreement with the Custodian. Such extension must be decided at least three months before the Fund expires and notified to the unitholders and the Financial Markets Authority.

Article 12 - Liquidation

In the event of dissolution, the Management Company shall be responsible for the liquidation operations. It shall, to this effect, have the fullest powers to realize the assets, pay any creditors and distribute the available balance among the unit holders in cash or in securities.

The Auditor and the Custodian shall continue to perform their work until the end of the liquidation operations.

TITLE 5 – DISPUTES

Article 13 - Jurisdiction - Address for service

All fund-related disputes that may arise during the life of the Fund, or during the liquidation of the Fund, either between the unitholders or between the unitholders and the Management Company or the Custodian, shall be submitted to the courts with jurisdiction.

Supplementary Information for Foreign Investors

Investors are informed that local paying agents or financial intermediaries may charge additional subscription, redemption or conversion fees.

FRANCE

CACEIS Bank, 1-3 place Valhubert 75013 Paris – FRANCE has been appointed as local correspondent and financial agent to whom subscription and redemption orders should be addressed.

GERMANY

The function of Information Agent in Germany is carried out by Deutsche Bank AG, Global Securities Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

The information agent is making available, upon request and free of charge, the following documents: key investor information document (KIID), prospectus, annual and semi-annual reports.

Net asset values of the fund are published in Germany on www.vwd.com. This information as well as Share Profits (*Aktiengewinn*), Interim Profits (*Zwischengewinn*) and “*Accumulated Deemed Distribution Income*” (ADDI) is published on our website www.lutetiacapital.com, as well as on the eBundesanzeiger.

SWITZERLAND

• Qualified investors

The fund may only be distributed in Switzerland to qualified investors within the meaning of art. 10 para. 3, 3bis and 3ter CISA.

• Representative in Switzerland

The representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich.

• Paying agent in Switzerland

The paying agent is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

• Location where the relevant documents may be obtained

The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative.

• Payment of retrocessions and rebate

The fund management company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular: any offering of and advertising for the fund, including any type of activity whose object is the purchase of the fund, such being for example the organization of road shows, the participation at fairs and presentations, the preparation of marketing materials, the training of distributors, etc.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In the case of distribution activity in or from Switzerland, the fund management company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the fund management company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the fund management company are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;

- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the fund management company must disclose the amounts of such rebates free of charge.

- **Place of performance and jurisdiction**

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.