

# PROSPECTUS

## ROCHE-BRUNE EUROPE ACTIONS

<b>P unit</b>	<b>FR0010237503</b>
<b>I unit</b>	<b>FR0011686930</b>
<b>IXL unit</b>	<b>FR0013213154</b>
<b>Z unit</b>	<b>FR0013259215</b>

## I. GENERAL CHARACTERISTICS

### 1. Form of undertaking for collective investment in transferable securities (hereinafter “UCITS”)

- **Name** **ROCHE-BRUNE EUROPE ACTIONS** (the “Fund”)
- **Legal form and Member State in which the UCITS was established**  
Mutual Investment Fund (*Fonds Commun de Placement – FCP*) established in France under French law
- **Date of creation and scheduled term**  
This UCITS was created on 17/03/2003. The Fund’s term is 99 years from its date of creation except in the event of early dissolution or extension as set out in Article 11 of the UCITS regulations.
- **Summary of the management offer**

Units	Target investors	ISIN Codes	Allocation of amounts available for distribution	Currency denomination	Minimum subscription	Original net asset value	Decimalisation
P	All subscribers (Private individuals)	FR0010237503	Accumulation (net income and capital gains)	Euro	Initial: €1,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
I	All subscribers (Institutional investors and distributors or intermediaries providing independent advisory services or individual management under mandate)	FR0011686930	Accumulation (net income and capital gains)	Euro	Initial: €200,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
IXL	All subscribers (Institutional investors)	FR0013213154	Accumulation (net income and capital gains)	Euro	Initial: €20,000,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
Z	All subscribers (Institutional investors)	FR0013259215	Accumulation (net income and capital gains)	Euro	Initial: €30,000,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units

- **The most recent annual report and the last interim status report are available at:**

The latest annual report and the composition of assets may be obtained by the unitholder within eight business days by submitting a written request to Roche-Brune AM, 19 rue Vivienne, 75002 Paris, France. (Tel.: +33 (0)1 40 41 57 90). These documents can also be found on the website [www.roche-brune.com](http://www.roche-brune.com)

## 2. THE STAKEHOLDERS

### 1. Management Company

Company name: Roche-Brune AM

Legal form: Société par actions simplifiées (Simplified joint-stock company) whose business activity is the management of portfolios on behalf of third parties, accredited by the Autorité des marchés financiers (French Financial Markets Authority) on 26 August 2004 under number GP 04000049

Registered office: 19 rue Vivienne, 75002 Paris, France

The Management Company shall manage the Fund's assets in the exclusive interest of investors. It has the financial, technical and human resources to carry out the proposed investment services.

### 2. Depositary/Custodian

Company name: BNP PARIBAS SECURITIES SERVICES

Legal form: Société en commandite par actions (Publicly-traded limited partnership), a credit institution accredited by the Autorité de Contrôle Prudentiel et de Résolution (French Prudential Supervisory Authority)

With its registered office at 3, rue d'Antin, 75002 Paris, France

Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France

The Depositary shall carry out the duties incumbent upon it pursuant to the laws and regulations in force as well as those assigned to it contractually by the Management Company. It shall carry out the tasks of a Depositary as the custodian of the portfolio assets and shall be in charge of centralising subscription and redemption orders by delegation as well as keeping a register of the Fund's units.

#### Description of the Depositary's responsibilities and potential conflicts of interest

The Depositary has three types of responsibilities: supervising the regularity of the Management Company's decisions (as defined in Article 22.3 of the UCITS 5 Directive), monitoring the UCITS cash flow (as defined in Article 22.4 of this Directive) and ensuring custody of the UCITS assets (as defined in Article 22.5 of this Directive) respectively.

The Depositary's first objective is to protect the interest of the UCITS' holders/investors, which will always prevail over commercial interests.

Potential conflicts of interest may be identified, particularly in the event that the Management Company has trading relations with BNP Paribas Securities Services in parallel with its appointment as Depositary.

In order to manage these situations, the Depositary shall implement and update a management of conflicts of interest policy with the following objectives:

- Identifying and analysing situations of potential conflicts of interest
- Recording, managing and monitoring situations of conflicts of interest by:
  - Focussing on permanent measures for managing conflicts of interest, such as the separation of tasks, the separation of reporting lines and staff functions, monitoring the list of insiders, dedicated IT environments;
  - Implementing these measures on a case-by-case basis:
    - preventative and appropriate measures, such as the creation of ad-hoc watch lists, new Chinese Walls or by checking that the transactions are processed in the appropriate manner and/or by informing the customers in question
    - or by refusing to manage any activities that could give rise to a conflict of interest.

Description of possible custodian functions delegated by the Depository, list of delegators and sub-delegators and identification of conflicts of interest likely to result from such a delegation

The UCITS Depository, BNP Paribas Securities Services, is responsible for the custody of assets (as defined in Article 22.5 of Directive 2009/65/EC amended by Directive 2014/91/EU). In order to offer services related to the custody of assets in a large number of states, thus enabling UCITS to fulfil their investment objectives, BNP Paribas Securities Services has appointed sub-depositaries in the states where BNP Paribas Securities Services does not have a local presence. These entities are listed on the following website: <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>.

The process for appointing and supervising the sub-Custodians shall comply with the highest standards of quality, including managing any potential conflicts of interest that could occur at the time of these appointments.

**3. Institution in charge of maintaining the issuance account:**

Company name: BNP PARIBAS SECURITIES SERVICES

Legal form: *Société en commandite par actions* [Publicly-traded limited partnership] Credit Institution accredited by the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervisory Authority)

With its registered office at 3, rue d'Antin, 75002 Paris, France

Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France

**4. Statutory Auditor**

Company name: DELOITTE & ASSOCIES

Registered office: 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France

Signatory: Olivier Galiène

The Statutory Auditor shall certify the regularity and fairness of the Fund's accounts. The Statutory Auditor checks the composition of the assets as well as information of a financial and accounting nature prior to publication.

**5. Promoters**

Company name: Roche-Brune AM

Legal form: *Société par actions simplifiées* (Simplified joint-stock company)

Registered office: 19 rue Vivienne, 75002 Paris, France

**6. Delegated accounting manager**

Company name: BNP PARIBAS SECURITIES SERVICES

Registered office: 3 rue d'Antin, 75002 Paris, France

Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France

The Accounting Management Delegator shall carry out the tasks it has been given by the Management Company and as defined under contract. More specifically, it maintains the Fund's accounts and calculates its net asset value.

**7. Clearing**

Centraliser: Roche-Brune AM

Legal form: *Société par actions simplifiées* (Simplified joint-stock company)

Registered office: 19 rue Vivienne, 75002 Paris, France

Institution in charge of receiving subscription and redemption orders: BNP PARIBAS SECURITIES SERVICES

Legal form: *Société en commandite par actions* (Publicly-traded limited partnership), a credit institution accredited by the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervisory Authority)

Registered office: 3 rue d'Antin, 75002 Paris, France

Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France

**8. Advisors**

None.

## III. OPERATING AND MANAGEMENT PROCEDURES

### 1. General characteristics

#### 1. Characteristics of the units

- Nature of the rights attached to a unit category: Each unitholder has a co-ownership right to the Fund's assets that is proportional to the number of units owned.
- Fund accounting procedures: Fund accounting is entrusted to BNP Paribas Securities Services and the Fund is issued through EUROCLEAR France.
- Voting rights: There are no voting rights attached to the units, as decisions will be taken by the Management Company.
- Form of units: To the holder.
- Decimalisation of the units: Subscriptions/redemptions may be in thousandths of units.

#### 2. End of the financial year

Last stock market trading day in December.

#### 3. Tax system

The attention of investors is drawn to the fact that the information that follows is only an abstract of the tax system applicable, under current French law, to investment in a French accumulation fund. Investors are therefore invited to study their particular situation with their usual tax advisor.

The management implemented by the Fund aims to make it eligible for the Equity Savings Plan (Plan d'Épargne en Actions – PEA) specified in Articles L.221-30 and following of the French Monetary and Financial Code. The revenue and capital gains realized as part of the management of the PEA are not taxable (except for special cases). Nevertheless, the PEA's tax benefit only comes into play if the invested savings are kept within the PEA for at least five years from the date of the first payment.

Furthermore, the Fund may also act as a unit of account for a life insurance contract.

As mutual investment funds are not a legal entity, they are not subject to corporate tax. Each holder shall be taxed as if he or she is the direct owner of a share of the assets, based on the tax system applicable to him or her.

Depending on your tax system, any capital gains and income linked to the ownership of the Fund's units can be subject to taxation. We advise you to get advice from your tax advisor.

Unit holders who live outside of France shall be subject to the provisions of the tax legislation in force in their country of residence.

The Fund has opted for the accumulation of income.

### 2. Special provisions

#### 1. ISIN Codes

I unit	FR0011686930
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## **2. Classification**

Eurozone equities.

At least 60% of the mutual investment fund shall be permanently exposed to one or several stock markets in countries of the European Union.

## **3. Management objective**

The aim of the Fund is to achieve, via discretionary management, performance that is higher than that of its benchmark index, the STOXX Europe 600 (net dividends reinvested) over a recommended period of five years, by investing in shares listed on the major European stock markets and by adopting a SRI (Socially Responsible Investing) approach.

In order to achieve its management objective, the Fund uses a proprietary investment methodology of Roche-Brune AM by the name of M.U.S.T.<sup>®</sup> (Measurement Under Standardized Tools). The Fund is managed based on this method of picking stocks that are both attractive economically and offer the prospect of capital growth.

## **4. Benchmark index**

STOXX Europe 600 in euros, net dividends reinvested (Bloomberg code: SXXR Index). The benchmark index includes more than 600 securities, classified by the size of the market capitalisation on floating, and representing all investment sectors. The Index is calculated every day on the basis of the closing prices and takes into account coupons (net reinvested dividends). This Index was chosen because it is representative of investment in Eurozone equities.

It is an indicator composed of listed securities in the following 16 developed European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The chosen benchmark indicator is only an ex-post comparison of the Fund's performance. The Fund is not indexed and, since the management style is based on the selection of securities, the composition of the portfolio shall not attempt to reproduce the composition of the benchmark indicator. Consequently, the Fund's performance may permanently deviate from that of its benchmark indicator.

## **5. Investment strategy**

The Roche-Brune Europe Actions Fund shall mainly invest in shares of companies whose registered office or head office is located in a country of the European Union and whose stock market value is higher than €300 million.

Management limits its investments to:

- 10% of its accumulated net assets for the Swiss franc (CHF) and the Norwegian krone (NOK) and currencies of countries outside the European Union;
- 40% of its accumulated net assets for the following currencies combined: the Danish krone (DKK), pound sterling (GBP) and the Swedish krona (SEK).
- The Fund may be exposed to a foreign exchange risk as a result of these investments. The foreign exchange rate risk in relation to non-EU currencies is limited to a maximum of 10% of the Fund's net assets.

The Fund shall be managed based on a pure stock picking method using basic microeconomic criteria. The Fund's aim is not to replicate, either at a geographical or sectoral level, the composition of any benchmark indicator.

The management philosophy developed by Roche-Brune AM is based on the belief that, through in-depth analysis of the accounting data of companies, it is possible to measure their degree of attractiveness and to establish comparisons within comparable peer groups. A portfolio of attractive companies, acquired at a reasonable price, can therefore yield, over a long period of time, a better-than-average performance.

Selection of securities via the proprietary methodology M.U.S.T.<sup>®</sup>, a decision-making tool that is based on:

- Fundamental analysis of companies according to attractiveness and RMV (return on market value) ratings,
- A qualitative analysis is then conducted by the managers on the securities selected by M.U.S.T.<sup>®</sup>:
  - Fundamental analysis of the key historical and forward-looking financial indicators conducted by the managers,
  - A SRI analysis that encompasses ESG criteria based on the method described in the “SRI Approach” section below,
  - An analysis of the company’s intangible assets,
  - An analysis of the risks specific to each security.

These analysis criteria are not exhaustive.

Disciplined portfolio construction, in terms of the numbers and the weightings of the securities that make up the portfolio’s net assets.

Portfolio construction is based more on the company’s economic performance than on its accounting and stock market ratios. Portfolio allocation may be subject to adjustments to avoid unsubstantiated concentration in an industry or market capitalisation deemed too illiquid.

The aim of the management strategy is to have a broad diversification in terms of business sectors, to invest in countries of the European Union, in companies with a stock market value higher than €300 million and value/growth potential.

The Fund’s exposure to the stock market can fluctuate from a minimum of 60 % of the net assets to a maximum 120 % of the net assets.

The managers will be able to use future margins for hedging or exposure purposes in specific sectors (the financial sector in which we have chosen not to select securities).

The Fund is eligible for the Equity Savings Plan (PEA) and therefore a minimum of 75 % shall be invested in PEA-eligible securities.

*SRI (Socially Responsible Investment) approach of Roche-Brune AM:*

**Proprietary ESG framework and methodology**

Supported and carried out by the entire management team, our SRI analysis has since 2009 incorporated an approach based on an ESG proprietary rating framework. This is composed of five pillars, weighted as follows:

- Governance (e.g. degree of independence of Board members);
- Human Capital (e.g. health/safety policy);
- External Stakeholders (e.g. product innovation to meet customers’ expectations);
- Environment (e.g. environmental management system);
- Controversies.

Many different indicators are taken into account when calculating the rating for each pillar. These examples are provided as an illustration. The emphasis is placed on the criterion of governance that we consider as the guarantor of the other ESG pillars.

This proprietary framework receives inputs from the following non-financial rating agencies: Sustainalytics (Large Caps) and EthiFinance (Small & Mid Caps).

An Extra-Financial Committee meets semi-annually with EthiFinance (independent data provider and SRI expert) in order to study the developments to be taken into account for our SRI strategy.

**SRI management process and policy**

The ESG (Environment, Social and Governance) analysis is complementary to the M.U.S.T.<sup>®</sup> approach (financial analysis).

The ESG ratings cover a minimum of 90% of the equities component, which itself represents a minimum of 75% of the Fund’s investments. Only 10 % of the equities component may comprise equities that do not have an ESG rating. With regard to the remaining 90, each equity must have a minimum ESG rating of C+ on a scale of A+ to D-.

The equities selected may be from any sector. The SRI process does not apply to the monetary portion of the Fund. No sector-based exclusions apply. However, Roche-Brune AM steers clear of the gambling sector, which it believes to be incompatible with the task of managing assets for third parties.

## 6. Main categories of assets

- **Shares**

A minimum of 75% of the Fund's net assets shall be invested in stocks of companies whose registered office or head office is located in a country of the European Union and whose stock market value is higher than €300 million.

Additionally, the Fund shall also invest (less than 10 % of the Fund's assets) in the regulated markets of Switzerland and Norway and in countries outside the European Union.

The Mutual Investment Fund's exposure to EU equities shall be at least 60 % of its net assets and no more than 120 % of its net assets.

- **Debt securities and monetary market instruments**

The Fund may, up to a maximum of 25% of its net assets, invest in monetary market financial instruments, based on the non-exhaustive list below:

- French Treasury Bonds (BTF);
- Private or public Negotiable Debt Securities (French Negotiable Debt Securities or foreign "Commercial Paper");
- Eurozone State Bonds.

The rating of these various instruments shall not be lower, at the time of their subscription, than BBB based on the Standard and Poor's credit rating scale (or the equivalent at Moody's or any other rating agency) or deemed to be equivalent by the Manager.

In the world of mutual investment funds, the manager shall carry out its own credit risk analysis in order to choose an interest rate when purchasing or selling, and therefore shall not exclusively and mechanically use the credit ratings issued by the rating agencies.

- **Shares and units of UCITS or Alternative Investment Funds**

Furthermore, (less than 10% of the Fund's assets), the Fund can invest in units or shares in French and/or European mutual funds that invest up to 10% of their net assets in other UCITS or Alternative Investment Funds and that fall within the scope of any AMF classification.

These UCITS or Alternative Investment Funds shall be managed by the Management Company or companies affiliated with it.

- **Derivatives**

Generally speaking, and in order to fulfil the management objective, the Fund may occasionally deal in futures or options, traded on French or foreign regulated markets for the purposes of exposure or hedging of the Fund's portfolio.

The Manager can invest in the following derivatives:

- Type of markets invested in:
  - Regulated: Yes
  - Organised: No
  - Over-the-counter: No
- Risks in which the Manager wishes to trade:
  - Shares: Yes
  - Interest rates: Yes
  - Exchange rate: Yes
  - Credit: No
  - Other: No

- Types of trade (all transactions must be limited to fulfilling the management objective):
  - Hedging: Yes
  - Exposure: Yes
  - Arbitrage: No
  - Other: No
  
- Nature of the instruments used:
  - futures: yes
    - on shares
    - on stock market indexes
    - on currencies
    - on interest rates
  - options: yes
    - on shares
    - on stock market indexes
    - on currencies
    - on interest rates
  - Swaps: no
  - forward exchange rate: yes
  - credit derivatives: no
  - others: no
  
- Strategy of using derivatives to achieve the management objective:
  - Forward contracts can be used to partially hedge the Fund's portfolio against or expose it to stock market risks;
  - Options can be used to modify the profile of the expected result by partially hedging the portfolio against stock market risks;
  - The use of derivatives could lead to a stock market exposure of more than 100 % of the Fund's net assets. The level of accumulated exposure induced by the assets' positions and the off-balance sheet cannot exceed 120% of the Fund's net assets and cannot be lower than 60% of these net assets;
  - The choice of counterparties is made in accordance with the procedure in place within Roche-Brune AM, available on the website [www.roche-brune.com](http://www.roche-brune.com) and is based on the principle of choosing the best counterparties within the OECD.
  
- Information about counterparties of OTC derivative contracts: The Fund does not trade in over-the-counter markets.

- **Securities that include derivatives**

- Risks in which the Manager wishes to trade:
  - Shares: Yes
  - Interest rates: Yes
  - Exchange rate: No
  - Credit: No
  - Others: No
  
- Types of trade (all transactions must be limited to fulfilling the management objective):
  - Hedging: Yes
  - Exposure: Yes
  - Arbitrage: No
  - Other: No
  
- Nature of the instruments used:
  - Bonds convertible into shares
  - Warrants
  - Preferential subscription rights



- Strategy of using derivatives to achieve the management objective:  
The Fund may use securities that include derivatives up to a maximum of 10% of its net assets for the purposes of hedging or exposing the portfolio or to address subscription or redemption turnovers.

- **Cash borrowings**

The Fund can temporarily borrow cash up to 10 % of its assets, however, the lending of cash is prohibited.

- **For deposits**

The Fund shall not make any deposits.

- **For temporary purchases and sales of securities**

The Fund shall not carry out temporary purchases and sales of securities.

- **Contracts constituting collateral**

As part of conducting transactions on OTC derivatives or temporary sales of securities, the Fund may receive collateral with the aim of reducing its exposure to counterparty risk and guarding against counterparty default to which these transactions are tied.

Collateral received comprises cash or securities.

Collateral received in order to reduce counterparty risk must meet, amongst other criteria, those of liquidity, valuation, and issuer credit quality, as well as correlation and diversification.

Any collateral thus received adheres to the following principles:

- Liquidity: Any collateral in securities must be highly liquid and capable of being traded quickly on a regulated market at a transparent price;
- Transferability: Collateral is transferable at any time;
- Valuation: Collateral received is subject to a daily valuation at market price or according to a pricing model. A prudent discount policy will be applied to securities that display significant volatility or according to credit quality;
- Credit quality of issuers: Collateral is of high credit quality according to the Management Company's analysis;
- Investment of collateral received in cash: It is either placed on deposit with eligible entities, or invested in government bonds of high credit quality (rating that meets money market or short-term money market UCITS/AIF criteria), or invested in money market or short-term money market UCITS/AIFs, or used for the purposes of reverse repurchase agreements concluded with credit institutions;
- Correlation: Collateral is issued by an entity independent of the counterparty;
- Diversification: The exposure to a given issuer does not exceed 20% of net assets;
- Retention: Collateral received is invested with the depositary or through one of its agents or third parties under its control, or any third-party depositary subject to prudential supervision and that has no connection with the provider of collateral;
- Prohibition of reuse: Collateral other than in cash may not be sold, reinvested or handed over as collateral.

## 7. Risk profile

Your money will be mainly invested in financial instruments chosen by the Management Company. These instruments shall be subject to market changes and fluctuations. Investors shall be consequently warned that the Fund's performance may not meet their objectives and that their invested capital (after deduction of the subscription fees) may not be returned to them in full. The Fund is exposed to several risk factors:

**Discretionary management risk:** The investment policy is at the discretion of the Manager who relies on forecasts that might not materialise. There is a risk that the Fund is not always invested in the best performing markets or products at all times, which could lead to a decrease in the net asset value.

**Capital risk:** Investors are warned that their capital invested is not guaranteed and may not be returned. In other words, a capital risk occurs when a unit is sold at a price lower than its purchase value.

**Equity and market risk:** Stock market falls may lead to a significant decline in the Fund's net asset value. The Fund's degree of exposure to the share risk shall range from 60 % to 120 %. The Fund's net asset value can vary depending on changes in the prices of the securities held in the portfolio. The changes in the prices of the securities can be due to market movements, the economic climate and also factors directly impacting such and such asset in the portfolio. Stock market variations can lead to significant changes in the Fund's net assets, which could have a negative impact on the development of its net asset value.

The Fund can be directly or indirectly exposed to medium capitalisation securities. The investors' attention is drawn to the fact that these securities can be less liquid than the large capitalisation securities given the low trading volume. These securities are likely, especially when the stock market drops, to experience short-term price volatility as well as a significant gap between the sale price and the purchase price. The combined effect of the price volatility and restricted liquidity of these markets can negatively affect the Fund's performance.

**Concentration risk:** In the absence of any management constraint, the portfolio's concentration in securities in a given geographical zone, capitalisation size or business sector may lead to a fall in the net asset value in the event of negative market trends affecting these sectors.

Investors shall be subject to a **volatility risk** comparable to that of the benchmark index.

**Risk specific to the model:** Investors' attention is drawn to the fact that the construction of the portfolio as well as the selection and weighting of assets are carried out according to the M.U.S.T.<sup>®</sup> model developed by Roche-Brune AM. It is possible that this model does not select the best performing assets.

**Interest rate risk:** Exposure to interest rate products (debt securities and monetary market instruments) renders the Fund sensitive to interest rate fluctuations. The interest rate risk results in a potential drop in the securities' value and therefore the Fund's net asset value in the event of changes in the Yield Curve. The Fund's degree of exposure to the interest rate risk is between 0 % and 25 %.

**Credit risk:** The Fund's net asset value may potentially fall, either due to a possible downgrading of the rating of an issuer of negotiable debt securities, or due to the inability of the issuer of negotiable debt securities to meet its maturities. The Fund's degree of exposure to the credit risk is between 0 % and 25 %.

**Currency risk:** The Fund shall be exposed to a foreign exchange rate risk of 50 % of its assets (10 % for the Swiss (CHF), Norwegian (NOK) and non-European Union currencies and 40 % for the currencies of those European Union countries outside the Eurozone) equal to its investments in foreign currencies in comparison to the Euro, the portfolio's benchmark currency. The foreign exchange rate risk is not systematically hedged for the share of the investments made outside the Eurozone, which may lead to a fall in the asset value.

**Impact of derivatives:** The use of financial futures (derivatives) increases the Fund's exposure to various risk factors, according to the expectations of the management teams, and increases (or reduces) valuation fluctuations, without changing the composition of the securities portfolio. In the event of overexposure and adverse market developments, the fall in the Fund's net asset value will be even more significant and rapid

**Risk associated with convertible bonds:** Convertible bonds are securities representing a company's debt, with the opportunity to convert the debt into company shares. Given this nature, these instruments are indirectly tied to the stock market and the interest rate and credit markets. As the volatility of stock markets is greater than that of bond markets, owning these instruments may lead to an increase in the portfolio's risk. The value of convertible bonds depends on several factors: the interest rate level, changes in underlying share prices, changes in the price of the derivatives included in the convertible bonds. These different elements may lead to a fall in the Fund's net asset value. The Fund's degree of exposure to the convertible bond risk will be a maximum of 10 % of the Fund's net asset value.

## **8. Guarantee or protection**

The UCITS does not receive any guarantee or protection.

## **9. Subscribers and the profile of a typical investor**

P units are intended for all subscribers and more specifically for private individuals.

I units are open to all subscribers and more specifically to institutional investors. I units are accessible to subscriptions made through distributors or intermediaries providing an independent investment advisory service or individual management service under mandate for third parties.

IXL and Z units are intended for all subscribers and more specifically for institutional investors.

Generally, the Fund is more likely to interest investors wishing to invest in a mutual investment fund that is exposed to the market risks of European Union countries while at the same time being eligible for the Equity Savings Plan (PEA).

A diverse investment portfolio is strongly recommended so that you are not just exposed to the risks of this Fund.

### *Situation of "US Persons"*

The Units have not been nor shall be registered under the 1933 U.S. Securities Act (hereinafter referred to as the "1933 Act"), or under any applicable law in an American State, and the Units cannot be directly or indirectly transferred, offered or sold in the United States of America (including its territories and dependencies), to any citizen of the United States of America (hereinafter referred to as "US Person", as this term is defined by the American "S Regulation" within the context of the 1933 Act adopted by the Securities and Exchange Commission or "SEC"), except if (i) a registration of the Units had been carried out or (ii) an exemption was applicable (with the prior consent of the mutual investment fund's management company).

The mutual investment fund is not nor shall be registered under the 1940 US Investment Company Act. Any sale or transfer of Units in the United States of America or to a "US Person" may constitute a breach of American law and shall require the prior written consent of the mutual investment fund's management company. Any person wishing to acquire or subscribe for units must certify in writing that they are not a "US Person".

The mutual investment fund's management company has the power to impose restrictions (i) on the ownership of units by a "US Person", or (ii) the transfer of units to a "US Person". This power also extends to any person (a) who appears to be in direct or indirect breach of the laws and regulations of any country or governmental authority, or (b) who could, in the opinion of the Fund's Management Company, cause the Fund a negative impact that it would not otherwise have sustained.

The offer of units has not been authorised or rejected by the SEC, the specialised commission of an American State or any other American regulatory authority, no more than the said authorities making a determination on or sanctioning the merits of this offer, nor the accuracy or the adequacy of the documents related to this offer. Any statement to this effect is contrary to the law.

Any unitholder must immediately inform the Management Company if they become a “US Person”. Any owner of units becoming a “US Person” will no longer be authorised to purchase any new units and he or she could be asked to dispose of his or her units at any time on behalf of persons who do not have the status of “US Person”.

A Non-Eligible Person is a “US Person” as defined by the SEC’s Regulation S (Section 30 - 17 CFR 230.903). A definition of a “US Person” is available at the following link: <http://www.sec.gov/about/laws/secrulesregs.htm>

“Being a beneficial owner” generally refers to having a direct or indirect economic or financial interest in a financial security, including amongst members of the same family sharing the same residence. Rule 16a-1(a)(2) of the 1934 U.S. Securities Exchange Act that includes the full legal definition of the concept of “beneficial owner” can be found at the following link: <http://www.sec.gov/about/laws/secrulesregs.htm> (Part 240 - 17 CFR 240.16a-1).

## **10. Minimum recommended investment period**

The minimum recommended investment period is five years.

## **11. The appropriate amount to invest in this UCITS depends on your profile.**

The appropriate amount to invest in the Fund depends on the investor's personal situation. To determine the level of their investment, investors should consider their personal assets and current and future financial needs (in five to eight years), as well as their desire to take risks. The investor is advised to seek the advice of one or more professionals (financial advice, legal and tax advice, accounting advice) to diversify their investments and determine the proportion of their financial portfolio or their assets to invest in the Fund.

## **12. Terms and conditions for calculating and allocating distributable sums**

In accordance with the provisions of Article L.214-17-2 of the French Monetary and Financial Code, the net income of a financial year is equal to the amount of interest, arrears, dividends, bonuses and allotments, attendance fees as well as any earning from the securities forming the mutual investment fund’s portfolio plus the income from amounts momentarily available and reduced by management fees and borrowing costs.

The amounts distributable by an Undertaking for Collective Investment in Transferable Securities are made up of:

- The net income plus amounts carried forward and plus or minus the net accrued income for the year;
- The realized capital gains, net of fees, less any realized capital losses, net of fees, recorded during the financial year, plus similar types of net capital gains recorded from previous financial years that were not distributed or capitalised and plus or minus the net accrued capital gains.

The amounts mentioned in 1° and 2° can be distributed, in whole or in part, independently of each other.

Terms and conditions for allocating distributable amounts:

- Net income: Capitalisation
- Net realized capital gains: Capitalisation

### 13. Characteristics of the units

Units	Target investors	ISIN Codes	Allocation of amounts available for distribution	Currency denomination	Minimum subscription	Original net asset value	Decimalisation
P	All subscribers (Private individuals)	FR0010237503	Accumulation (net income and capital gains)	Euro	Initial: €1,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
I	All subscribers (Institutional investors and distributors or intermediaries providing independent advisory services or individual management under mandate)	FR0011686930	Accumulation (net income and capital gains)	Euro	Initial: €200,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
IXL	All subscribers (Institutional investors)	FR0013213154	Accumulation (net income and capital gains)	Euro	Initial: €20,000,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units
Z	All subscribers (Institutional investors)	FR0013259215	Accumulation (net income and capital gains)	Euro	Initial: €30,000,000 Subsequent: 1/1,000 of a unit	€1,000	Thousandths of units

### 14. Subscription and redemption terms and conditions

Subscription and redemption orders are received every day and cleared by BNP Paribas Securities Services, with its registered office at 3 rue d'Antin, 75002 Paris, France (Postal address: Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France), up until 12.30 pm on the day of the net asset value calculation and executed on the basis of this net asset value.

Completion of the transaction (payment/delivery) occurs two working days (D+2) after the order is placed and as soon as the net asset value is known.

The net asset value is calculated each working day, except on days when French markets are closed (official Euronext calendar) and on French public holidays.

### 15. Determination of the net asset value

The net asset value is calculated each working day, except on days when the Paris stock exchange is closed and on French public holidays.

The net asset value is equal to the net assets divided by the total number of units. The Fund's assets are valued at market value according to the principles set out in Section V "Asset valuation and accounting" of this prospectus.

The net asset values are calculated on D+1 on the basis of the D closing prices.

The Fund's net asset value is available at the offices of the Management Company, located at 19 rue Vivienne, 75002 Paris, France.

Investors intending to subscribe to units and unitholders wishing to redeem units are invited to contact their account-holding institution in order to obtain information on the deadlines for placing subscription and redemption orders, as these may be earlier than the clearing time stated above.

## 16. Charges and fees

- **Subscription and redemption fees**

The subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The commission fees received by the UCITS are used to offset the fees paid by the UCITS to invest or disinvest the assets entrusted to it. Unearned commission fees are returned to the Management Company or the Promoter.

### Concerning P units

<b>Fees to be paid by investors, deducted during the subscriptions and redemptions</b>	<b>Tax base</b>	<b>Rate scale</b>
Subscription fees unearned by the UCITS	net asset value × number of units/shares	Maximum 5% (inclusive of all taxes) *
Subscription fees earned by the UCITS	net asset value × number of units/shares	None
Redemption fees unearned by the UCITS	net asset value × number of units/shares	None
Redemption fees earned by the UCITS	net asset value × number of units/shares	None

### Concerning I, IXL and Z units

<b>Fees to be paid by investors, deducted during the subscriptions and redemptions</b>	<b>Tax base</b>	<b>Rate scale</b>
Subscription fees unearned by the UCITS	net asset value × number of units/shares	Maximum 2 % (inclusive of all taxes) *
Subscription fees earned by the UCITS	net asset value × number of units/shares	None
Redemption fees unearned by the UCITS	net asset value × number of units/shares	None
Redemption fee paid to the UCITS	net asset value × number of units/shares	None

(\*) It is possible to conduct, exempt of fees, simultaneous redemption/subscription transactions based on the same net asset value for a zero balance volume.

- **Operating and management fees**

These charges cover:

- Financial management fees;
- Administrative charges external to the Management Company;
- Maximum indirect fees (management fees and charges). In the case of UCITS that invest over 20% of net assets in French or foreign UCITS, French AIFs or AIFs established in another member state of the European Union, or investment funds established under foreign law, state the maximum level of indirect fees and charges;
- Transaction fees. The scale of transaction fees appearing in the prospectus must specify in particular:
  - the bases used for:
    - transactions;
    - securities transactions;
    - other transactions.

- the rates or amounts applicable to these various bases (by way of simplification, UCITS have the option of referring to a maximum rate, for all instruments);
  - the keys for allocation between the various players;
- the performance fee.

Operating and management fees are provisioned at each net asset value and charged monthly.

For more information about the fees charged to the UCITS, please refer to the Key Investor Information Document.

Concerning P units

	<b>Fees charged to the UCITS</b>	<b>Tax base</b>	<b>Rate scale</b>
1	Financial management fees	Net assets	Maximum of 2.00% inclusive of all tax (annual)
2	Administrative fees external to the Management Company	Net assets	
3	Maximum indirect fees (management fees and charges)	Net assets	N/A (the Fund invests less than 10% of its assets in UCIs)
4	Turnover fees	Deduction from each transaction	None
5	Super-performance commission	Net assets	Maximum 20% (inclusive of all taxes) of the difference, if positive, between the Fund's performance and that of the benchmark index (STOXX EUROPE 600 NR) denominated in Euros and calculated with dividends reinvested.

Concerning I units

	<b>Fees charged to the UCITS</b>	<b>Tax base</b>	<b>Rate scale</b>
1	Financial management fees	Net assets	Maximum of 1.00 % inclusive of all tax (annual)
2	Administrative fees external to the Management Company	Net assets	
3	Maximum indirect fees (management fees and charges)	Net assets	N/A (the Fund invests less than 10% of its assets in UCIs)
4	Turnover fees	Deduction from each transaction	None
5	Super-performance commission	Net assets	Maximum 20% (inclusive of all taxes) of the difference, if positive, between the Fund's performance and that of the benchmark index (STOXX EUROPE 600 NR) denominated in Euros and calculated with dividends reinvested.

Concerning IXL units

	<b>Fees charged to the UCITS</b>	<b>Tax base</b>	<b>Rate scale</b>
1	Financial management fees	Net assets	Maximum of 0.75 % inclusive of all tax (annual)
2	Administrative fees external to the Management Company	Net assets	

	<b>Fees charged to the UCITS</b>	<b>Tax base</b>	<b>Rate scale</b>
3	Maximum indirect fees (management fees and charges)	Net assets	N/A (the Fund invests less than 10% of its assets in UCIs)
4	Turnover fees	Deduction from each transaction	None
5	Super-performance commission	Net assets	Maximum 20% (inclusive of all taxes) of the difference, if positive, between the Fund's performance and that of the benchmark index (STOXX EUROPE 600 NR) denominated in Euros and calculated with dividends reinvested.

Concerning Z units

	<b>Fees charged to the UCITS</b>	<b>Tax base</b>	<b>Rate scale</b>
1	Financial management fees	Net assets	Maximum of 0.75 % inclusive of all tax (annual)
2	Administrative fees external to the Management Company	Net assets	
3	Maximum indirect fees (management fees and charges)	Net assets	N/A (the Fund invests less than 10% of its assets in UCIs)
4	Turnover fees	Deduction from each transaction	None
5	Super-performance commission	Net assets	None

Only the fees referred to below may be excluded from the five blocks of charges set out above and must in this case be referred to below:

- contributions due for management of the UCITS in accordance with Article L.621-5-3 Section II 3 d) of the French Monetary and Financial Code;
- any exceptional and non-recurring taxes, levies, duties and government fees or charges associated with the UCITS;
- exceptional and non-recurring costs for the purposes of debt recovery (e.g. Lehman) or proceedings to assert a right (e.g. class action proceedings).

Information relating to these fees is also described ex-post in the UCITS annual report.

A portion of operating and management fees may potentially be attributed to a third-party distributor as remuneration for the marketing of the UCITS.

• **Performance fees (excluding Z units)**

For each type of Fund Unit, when the performance of the Unit in question is positive and exceeds that of the benchmark index, the variable portion of the fees will amount to no more than 20 % (inclusive of all taxes) of this difference. The variable management fees are deducted annually during the closing of the financial year.

In the event that the Fund's Unit in question (net of management fees) performs below the threshold, the provision for variable management fees will be readjusted via a provision reversal capped to the existing allocation.



The variable management fees are only attributable if the net asset value on the last working day of September is higher (i) than the original nominal value for the first financial year, (ii) than the net asset value at the beginning of the financial year for the following financial years.

## **17. Selection of financial intermediaries**

The monitoring of the relationship between Roche-Brune AM and financial intermediaries forms part of a formalised set of procedures.

Any new relation shall be subject to an approval procedure in order to minimise the risk of failure during financial instrument transactions traded on regulated or organised markets (bond and interest rate derivative instruments, paper securities and derivatives and, if applicable, monetary instruments).

The criteria used for choosing counterparties are the following: the capacity to offer competitive intermediation costs; the quality with which the orders are processed; the relevance of the search services granted to users; their availability to discuss and argue the merits of their assessments; their capacity to offer a (broad or specialised) range of products and services that are in line with the needs of Roche-Brune AM; their capacity to optimise the administrative processing of these transactions.

The weight allocated to each criterion depends on the nature of the investment process in question.

For further information, holders can refer to the Fund's annual report.

## **IV. COMMERCIAL INFORMATION**

### Methods for communicating information about the prospectus, the Key Investor Information Document, the latest annual and periodical documents

Distribution of the Mutual Fund is managed by Roche-Brune AM, located at 19 rue Vivienne, 75002 Paris, France.

### Method for communicating the net asset value

The net asset value is available through Roche-Brune AM, 19 rue Vivienne, 75002 Paris, France.

### Availability of the Fund's marketing documentation

The Fund's marketing documentation is available to unitholders at the registered office of Roche-Brune AM, 19 rue Vivienne, 75002 Paris, France.

### Information in the event of a change in the Fund's operating procedures

Unitholders shall be informed of any changes made to the Fund's operating procedures, either individually, or via the press or by any other method in accordance with the regulations in force.

This information can be communicated, if applicable, via Euroclear France and its affiliated financial intermediaries.

### Information regarding the social, environmental and quality of governance criteria ("ESG")

Information regarding the social, environmental and quality of governance (ESG) criteria is available on the Management Company's website and in the annual report of the UCITS.

All these documents are also available on the following website: [www.roche-brune.com](http://www.roche-brune.com).

### Information available from the Autorité des marchés financiers

The AMF website ([www.amf-france.org](http://www.amf-france.org)) provides additional information regarding the list of regulatory documents and all investor protection provisions.

### Other information

The net asset value is available at the registered office of the Management Company.

Clearing and processing of subscription and redemption orders is managed on behalf of the Management Company by BNP Paribas Securities Services.

## V. INVESTMENT RULES

In addition to the requirements imposed by the regulations applicable to the PEA under Articles L.221-30 and following of the French Monetary and Financial Code, the Fund complies with the regulatory ratios applicable to UCITS under European Directive 2009/65/EC.

In accordance with the regulations, the rules on the composition of assets provided for by the French Monetary and Financial Code and the risk-spreading rules applicable to this UCITS must be adhered to at all times. If these limits are exceeded independently of the Management Company or following the exercise of subscription rights, the Management Company will as a priority rectify this situation as soon as possible, taking into account the interests of the Fund's unitholders.

If assets exceed the set limits, the Management Company rectifies the situation as quickly as possible.

## VI. OVERALL RISK

The method used to calculate the overall risk ratio is the commitment method.

## VII. ASSET VALUATION AND ACCOUNTING RULES

The UCITS complies with ANC regulation 2014-01 of 14 January 2014 relating to the chart of accounts for open-ended undertakings for collective investment.

The accounting currency is the euro.

All transferable securities in the portfolio are recorded at historical cost, excluding charges.

Securities, financial futures and options held in the portfolio denominated in a foreign currency are converted into the accounting currency based on the exchange rates in Paris on the valuation day.

The portfolio's value is appraised whenever the net asset value is calculated and at the end of the accounting period using the following methods:

### **Transferable securities**

Listed securities: at stock market value – including accrued coupons (at the day's closing price).

However, transferable securities for which the price has not been established on the valuation day or which are quoted by contributors and for which the price has been adjusted, and securities that are not traded on a regulated market, are valued under the responsibility of the Management Company (or the Board of Directors for a SICAV), at their likely trading value. Prices are adjusted by the Management Company based on its knowledge of the issuers and/or markets.

-UCIs: at their last published net asset value, or failing that at their last estimated value. The net asset values of securities of foreign undertakings for collective investment, valued on a monthly basis, are confirmed by the Fund administrators. Valuations are updated weekly based on the estimate issued by the administrators of these UCIs and validated by the Fund manager.

Negotiable debt securities and equivalent securities that are not traded in large volumes are valued using an actuarial method, at a rate applicable to issues of equivalent securities, to which a variance representative of the intrinsic characteristics of the issuer is assigned, if appropriate. In the absence of sensitivity, securities with a residual term of three months are valued at the most recent rate until maturity, and for those acquired for periods of less than three months, the interest is calculated on a straight-line basis.

EMTNs are appraised at market value, based on prices provided by the counterparties. These valuations are subject to audits by the Management Company.

## Financial futures and options

Futures: at the day's settlement price.

The off-balance sheet valuation is calculated on the basis of the nominal value, its settlement price and, where appropriate, the exchange rate.

Options: the closing price for the day, or failing this, the last known price.

OTC options: these options are valued at market value, based on prices provided by the counterparties. These valuations are subject to audits by the Management Company.

The off-balance sheet valuation is calculated as an underlying equivalent based on the delta and the price of the underlying asset and, where appropriate, the exchange rate.

Special case: Floor: these options are valued by third-party counterparties using a "marked-to-market" discount rate based on market volatility and a market rate curve checked by the manager and taken at the close of the market every Thursday.

Commitments on futures or options relating to the same underlying asset are allocated in the off-balance sheet table in terms of absolute value under the following headings:

"Hedging transactions" if the underlying asset is held in portfolio and the sum of their commitments is negative.

"Other transactions" in other cases.

Forward exchange: revaluation of currencies committed at the daily rate, taking into account the forwardation/backwardation calculated according to the maturity date for the contract.

Term deposits: these are recorded and valued at their nominal amount, even if their maturity date extends beyond three months. Any associated accrued interest is added to this amount. However, some contracts specify special terms in the event of early repayment in order to take into account the impact of the increase in the counterparty's financing curve. Accrued interest may then be reduced by this impact but cannot be negative. Term deposits are valued at least at their nominal value.

Interest rate swaps:

For swaps with a maturity of less than three months, interest is calculated on a straight-line basis.

Swaps with a maturity of more than three months are revalued at market value.

Synthetic products (a security linked to a swap) are recognised as a whole. Interest accrued on swaps forming part of these products is valued on a straight-line basis.

Asset swaps and synthetic products are valued on the basis of their market value. The valuation of asset swaps is based on the valuation of hedged securities, less the impact of changes in credit spreads. This impact is valued from the average of the spreads reported monthly by four counterparties, adjusted by a margin, according to the issuer's rating.

The off-balance sheet commitment for swaps corresponds to their nominal value.

Structured swaps (swaps with optional components): these swaps are valued at their market value, based on prices communicated by the counterparties. These valuations are subject to audits by the Management Company.

## VIII. REMUNERATION

Details of the management company's remuneration policy, including a non-exhaustive description of how the remuneration and benefits are calculated, is available on the management company's website [www.roche-brune.com](http://www.roche-brune.com). The remuneration policy may also be obtained free of charge upon request from Roche-Brune AM.

Prospectus updated on: 12 February 2018

*This document is a free translation of the French document, which alone is authentic*