

# PROSPECTUS

*The shares or units of the fund mentioned herein ("the Fund") have not been registered under the US Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States of America (including its territories and possessions), to US persons, as defined in Regulation S ("US persons").*

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## 1 GENERAL CHARACTERISTICS

**Name:**

**GROUPAMA AVENIR EURO**

**Legal form and Member State in which the Fund was incorporated:**

French mutual fund (fonds commun de placement, FCP).

**Formation date and planned term:**

11 May 1994

Fund initially formed for a 99-year term.

## Summary of the management offer:

Classes of units:	ISIN code	Allocation of distributable income	Base currency	Eligible subscribers	Minimum initial subscription	Fractioning	Initial net asset value
I units <sup>(1)(3)(4)</sup>	FR0000990038	Accumulation	Euro	Reserved for institutional investors	€150,000	Ten-thousandths of a unit	€1,524.49
N units	FR0010288308	Accumulation	Euro	All subscribers	€500	Ten-thousandths of a unit	€500
MC units <sup>(3)(4)</sup>	FR0010589325	Accumulation	Euro	Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries	One thousandth of a unit	Thousandths of a unit	€100 NAV split by 100 on 10 March 2009
MU units <sup>(3)(4)</sup>	FR0012270247	Accumulation	USD	Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries	One thousandth of a unit	Thousandths of a unit	\$10,000
MUH units <sup>(3)(4)</sup>	FR0013122231	Accumulation	USD (hedged)	Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries	One thousandth of a unit	Thousandths of a unit	\$10,000
MSH units <sup>(2)(4)</sup>	FR0013122249	Accumulation	CHF (hedged)	Reserved for institutional investors excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries	One thousandth of a unit	Thousandths of a unit	CHF 10,000
V units <sup>(3)</sup>	FR0010766733	Accumulation and/or distribution	Euro	Reserved for institutional investors	€15,000,000	Thousandths of a unit	€10,000
G units <sup>(3)</sup>	FR0010891606	Accumulation and/or distribution and/or carried forward	Euro	Reserved for Groupama Assurances Mutuelles' companies, subsidiaries and regional mutuals	€300,000	Thousandths of a unit	€10,000
O units <sup>(3)(4)</sup>	FR0010891663	Accumulation	Euro	Reserved for UCIs and mandates managed by Groupama Asset Management or its subsidiaries within the Opale range.	One thousandth of a unit	Thousandths of a unit	€10,000
R units <sup>(5)</sup>	FR0013297942	Accumulation	Euro	Reserved for investors subscribing via distributors or intermediaries providing advisory services within the meaning of the MiFID II European regulation, individual portfolio management services under mandate and when they are exclusively remunerated by their clients.	€500	Ten-thousandths of a unit	€500

<sup>(1)</sup> Including all units subscribed in the Fund before unit classes were created.

<sup>(2)</sup> These units are systematically hedged against the exchange rate risk of the Fund's reference currency.

<sup>(3)</sup> Including all unitholders who subscribed to the Fund before 24/10/2016

<sup>(4)</sup> Including all subscriptions made before 03/07/2017

<sup>(5)</sup> Including all subscriptions made before 15/02/2018

**Address from which the Fund's regulations (if they are not attached) and latest annual report and interim financial statement may be obtained:**

Investors will be sent the latest annual documents and the breakdown of the assets within eight business days of sending a written request to:

Groupama Asset Management, 25 rue de la Ville l'Evêque, 75008 Paris, France.

The documents are also available on the company's website at [www.groupama-am.com](http://www.groupama-am.com).

**Contact details:**

For corporate and institutional investors: Groupama Asset Management's Business Development Department (Sales office: 01.44.56.76 76).

For individual investors: your distributor (Groupama Assurances Mutuelles' distribution networks; external distributors approved by Groupama Asset Management).

Additional information, if required, may be obtained from the Groupama Asset Management Business Development Department (Sales office: 01.44.56.76 76).

## **2 ADMINISTRATORS**

**Management company:**

Groupama Asset Management, 25 rue de la Ville l'Evêque, 75008 Paris, France, a portfolio management company authorised by the Commission des opérations de bourse, now superseded by the Autorité des marchés financiers (French financial markets authority, AMF) under number GP 93-02 on 5 January 1993.

**Accounting representative:**

CACEIS FUND ADMINISTRATION, 89-91 rue Gabriel Péri – 92120 Montrouge – France, a credit institution authorised by the CECEI (now the ACPR) on 1 April 2005.

**Depository – Custodian:**

CACEIS Bank, 89-91 rue Gabriel Péri – 92120 Montrouge – France, a credit institution authorised by the CECEI (now the ACPR) on 1 April 2005.

The custodian's duties, as defined by the applicable regulations, include custody of the assets, checking that the management company's decisions are lawful and monitoring UCIs' cash flows.

The custodian is independent of the management company.

The description of the delegated custodial duties, the list of representatives and sub-representatives of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: [www.caceis.com](http://www.caceis.com).

Updated information is made available to investors upon request.

**Delegated clearing of subscriptions/redemptions for the management company**

- **Groupama Asset Management**, for pure registered units.

Following collection of these orders, Groupama Asset Management will forward them to CACEIS Bank in its capacity as an affiliate of Euroclear France.

- **CACEIS Bank**, by delegation of the management company, for bearer or administered registered units.

**Institutions designated to receive subscriptions and redemptions, and responsible for respecting the clearing cut-off time indicated in the prospectus**, by delegation of the management company:

-CACEIS Bank, for bearer or administered registered units.

-CACEIS Bank Luxembourg Branch for bearer or administered registered units, for clientèle for whom it ensures custody account-keeping.

### **Fund accounting**

**CACEIS Bank** is responsible for the UCI's fund accounting, which includes the clearance of subscription and redemption orders for units of the UCI. It will process these orders in partnership with Euroclear France, with which the UCI is listed, and manage the UCI's unit issuance account for bearer or administered registered units.

### **Institution responsible for exchange rate hedging:**

CACEIS Bank, 89-91 rue Gabriel Péri – 92120 Montrouge – France, a credit institution authorised by the CECEI (now the ACPR) on 1 April 2005.

### **Statutory auditor:**

Deloitte & Associés, 6 Place de la Pyramide, 92909 Paris-La Défense, France, represented by Ms Virginie Gaitte.

### **Distributors:**

GROUPAMA Assurances Mutelles' distribution networks (8-10 rue d'Astorg, 75008 Paris, France) and external distributors approved by Groupama Asset Management.

### **Conflict of interest management policy**

In order to identify, prevent, manage and monitor conflicts of interest that result from delegations, the management company has implemented a conflict of interest management policy available on request from your usual advisor or on the management company's website: [www.groupama-am.com](http://www.groupama-am.com).

## **3 MANAGEMENT AND OPERATING PRINCIPLES**

### **3.1 General characteristics**

#### **Characteristics of units:**

- Type of right attached to the unit class:  
Each unitholder has a shared ownership right in the Fund's assets in proportion to the number of units held.
- Shareholder register and fund accounting:  
Fund accounting is provided by the custodian.  
Unit administration is performed by Euroclear France.
- Voting rights:  
No voting rights are attached to the units, as decisions are made by the management company.
- Types of units:  
Units are registered and/or bearer units.
- Fractioning:  
Units may be subscribed in exact amounts or in ten-thousandths of a unit for the I, N and R unit classes.  
Units may be subscribed in exact amounts or in thousandths of a unit for the MC, MU, MUH, MSH, V, G and O unit classes.  
Units may be subscribed or redeemed in exact amounts or in ten-thousandths of a unit for the I, N and R unit classes.  
Units may be subscribed or redeemed in exact amounts or in thousandths of a unit for the MC, MU, V, G MSH, MUH and O unit classes.

The total redemption of units will only be possible as a quantity and not as an amount.

**Financial year end:**

- The last Paris stock exchange trading day in February.
- The first financial year ended on the last Paris stock exchange trading day in September 1995.

**Tax system:**

- The Fund is eligible for PEA (personal equity savings plans) for individual investors.
- The Fund is not subject to corporation tax. In accordance with the principle of transparency, the tax authorities consider the shareholder to be the direct owner of a proportion of the financial instruments and cash held in the Fund.
- The tax treatment of any capital gains or income from holding Fund units depends on the tax provisions specific to the unitholder's own particular circumstances and/or on the tax provisions in the country where the unitholder resides. We recommend that you seek advice on this subject from your tax adviser.
- The French tax system considers a switch from one unit class to another unit class to be a sale subject to capital gains tax.

3.2 Special provisions

**ISIN codes of the unit classes:**

- **I unit:** FR0000990038
- **N unit:** FR0010288308
- **MC unit:** FR0010589325
- **MU unit:** FR0012270247
- **MUH unit:** FR0013122231
- **MSH unit:** FR0013122249
- **V unit:** FR0010766733
- **G unit:** FR0010891606
- **O unit:** FR0010891663
- **R unit:** FR0013297942

**Classification:**

“Eurozone equities” UCITS Investment in UCIs: up to 10% of the net assets.

**SFDR classification:**

This UCITS is a financial product that promotes environmental or social characteristics, or a combination of these characteristics, in accordance with Article 8 of the SFDR.

**Investment objective:**

The Fund's investment objective is to outperform its benchmark, the MSCI EMU Small Cap (closing), with net dividends reinvested, after deduction of management fees.

This objective will be implemented via a managerial approach that promotes the sustainability of issuers through an analysis of the ESG (environmental, social and governance) characteristics of the securities held in the portfolio.

**Benchmark index:**

The benchmark is the MSCI EMU Small Cap index (closing), with net dividends reinvested.

The MSCI EMU Small Cap Index is published by Morgan Stanley Capital International and represents small and

medium-capitalisation listed companies in the eurozone that meet appropriate liquidity criteria. It is a sub-index of the MSCI EMU. The index is calculated by weighting each security (approximately 250) by its market capitalisation (public float only). It is expressed in euros with dividends reinvested. This index is only a reference. No mechanism to maintain any level of correlation with it is in place as part of the managerial approach implemented. Nevertheless, the behavioural profile of the portfolio and the index may be comparable in certain market configurations.

### **Investment strategy:**

#### ► Portfolio composition strategy:

The investment strategy implemented is based on financial and non-financial convictions regarding a portfolio made up of companies selected in a fundamental, discretionary manner.

To achieve its investment objective, the management of the Fund is based on a process made up of four major phases:

- Generation of investment ideas;
- Analysis of securities;
- Valuation of securities;
- Investment decision.

The investment process is based on a pure stock-picking approach only, i.e. the identification, analysis and selection of companies deemed capable of creating value over the medium/long term thanks to their positioning in growth markets. No consideration is paid to the macroeconomic context, or the beta, and there is no predefined allocation strategy; this selection is based only on companies' ability to create value for their shareholders over the medium/long term.

It concentrates on an in-depth financial analysis of companies: validation of the industrial model with management, modelling and medium-term valuation of the value-creation potential. Once the securities have been selected and incorporated into the portfolio, the process focuses on monitoring the companies' proper execution of their industrial strategies and their value creation, with a view to long-term success.

The management approach aims to implement:

1. An investment process that prioritises stock-picking and is based on:
  - The weighting given to company visits and analysis within the process
  - The use of an internal valuation model
2. A conviction-based management approach, based on:
  - A high-conviction portfolio
  - Selected economic models deemed to have potential
  - Consistency in the choice of securities

#### Integration of ESG criteria:

Since a sustainable and responsible investment (SRI) UCITS is involved, the extra-financial analysis applied to the UCITS takes into account criteria relating to each environmental, social and governance factor. The Fund seeks to select the highest rated issuers within the investment universe, based on extra-financial criteria (best-in-universe approach).

The management process uses a best-in-universe ESG approach, which is detailed in the ESG annex of the prospectus.

- Assets, excluding embedded derivatives

▶ Equity markets:

In terms of portfolio management, eurozone equities represent at least 75% of the Fund's net assets. However, the manager may invest up to 10% of the net assets in markets outside the eurozone.

The minimum exposure to equity risk is 75% of the Fund's net assets.

The investment universe comprises equities of small- and mid-cap companies. The manager reserves the right to invest in large-cap companies. The relative weighting of small- and mid-cap companies versus large-cap companies is not fixed but remains predominant, varying according to market opportunities.

▶ Bond market:

The Fund may only invest in interest rate products through UCIs, up to a maximum of 10% of its net assets.

▶ Holding shares or units of other foreign UCITS, AIFs or investment funds:

The Fund may invest up to 10% of its net assets in units or shares of UCIs.

The UCIs may be those managed directly or indirectly by Groupama Asset Management.

External UCIs will be subject to a close review of their management procedures, performance, risk, and any other qualitative or quantitative criteria that allow the quality of management to be assessed in the short, medium or long term.

Up to 10% of the net assets may be invested in trackers (listed index entities).

• Derivative instruments and securities with embedded derivatives

The use of derivatives and securities with embedded derivatives is authorised subject to a maximum commitment of 20% of the Fund's net assets and therefore has an impact both on the Fund's performance and its level of risk. However, these make it possible to create exposure to or hedge against a specific risk, and in that respect they increase the strategy's flexibility. Derivatives are therefore used to maximise performance. The strategy for the use of securities with embedded derivatives is the same as that described for derivatives.

The manager may trade in the derivatives and securities with embedded derivatives described in the following table:

Risks in which the manager intends to trade		Types of markets targeted			Types of trades			
Equity	x	Regulated	Organised	Over the counter	Hedging	Exposure	Arbitrage	Other
Interest rate								
Exchange rate	x							
Credit								
<b>Derivatives used</b>								
<b>Futures</b>								
- Equities		x	x		x	x		
- Interest rates								
- Currencies		x	x		x	x		
<b>Options</b>								
- Equities		x	x	x	x	x		
- Interest rates								
- Foreign exchange		x	x	x	x	x		
<b>Swaps</b>								
- Equities		x	x	x	x	x		
- Interest rates								
- Inflation								
- Foreign exchange		x	x	x	x	x		
- Total return swaps								
<b>Forward currency contracts</b>								
- Forward currency contracts		x	x	x	x	x		
<b>Credit derivatives</b>								
- Single entity credit default swaps and basket default swap(s)								
- Indices								
- Index options								
- Structuring on multi-issuers (CDO tranches, iTraxx tranches, FTD, NTD, etc.)								
<b>Other</b>								
- Equity								
<b>Securities with embedded derivatives</b>								
<b>Warrants</b>								
- Equities								
- Interest rates								
- Foreign exchange								
- Credit								
<b>Other</b>								
- EMTN								
- Credit-linked notes (CLN)								
- Convertible bonds								
- Contingent convertible (CoCo) bonds								
- Callable or puttable bonds								
<b>Subscription warrants</b>								
- Equities								
- Interest rates								

▫ Selection criteria for counterparties

Counterparties on over-the-counter instruments (over-the-counter derivatives and effective portfolio management techniques) are selected through a specific procedure applied within the management company; the main selection criteria relate to their financial strength, their expertise on the types of transactions envisaged, the general contractual clauses and the specific clauses relating to counterparty risk mitigation techniques.

• Deposits:

Up to 10% of the Fund's net assets may be in the form of deposits at a credit institution based in a Member State of the European Union or the European Economic Area, with a term of less than 12 months, as a store



of cash to be used as needed.

- **Cash borrowings:**  
On an exceptional basis, with the aim of investing in anticipation of a market rise or on a more temporary basis in connection with managing large redemptions, the manager may borrow cash up to the value of 10% of the Fund's net assets from the custodian.
- **Temporary purchases and sales of securities:**  
The Fund does not anticipate the use of leveraging as a structural approach. The lending and borrowing of securities and repurchase agreements are also not envisaged. From time to time, equity exposure may slightly exceed 100% of the net assets and create a negative cash position. This type of unusual situation will be short-lived and direct equity exposure will not exceed 130% of the net assets.

Since the UCITS fund may use derivatives and securities with embedded derivatives and have access to cash borrowings, the portfolio's total level of exposure will not exceed 200% of the net assets.

Further information is given in the "Charges and fees" section.

#### **Information relating to the Fund's collateral:**

The GROUPAMA AVENIR EURO UCITS complies with the investment rules for financial collateral that are applicable to UCITS and does not apply specific criteria in addition to these rules.

The Fund may receive securities (such as corporate bonds and/or government bonds) or cash in the context of derivatives transactions traded over the counter. The collateral received and its diversification will comply with the restrictions of the Fund/UCITS.

Only the cash collateral received will be reused, via reinvestment in accordance with the rules applicable to UCITS.

All of these assets received as collateral must be issued by high-quality, liquid, diversified issuers with low volatility that are not an entity of the counterparty or its group.

These assets received as collateral will be retained by the custodian of the UCITS on specific accounts. Management of margin calls will be undertaken on a daily basis.

The discounts applied to collateral received take into account the credit quality, the price volatility of the securities and the result of stress tests carried out in accordance with the regulatory provisions.

**The level of financial guarantees and the discount policy are determined in accordance with the regulations in force.**

#### **Risk profile:**

- **Risk of capital loss:**  
Investors will be exposed to the risk of not recovering the full amount of the capital they invest, since the Fund does not offer a capital guarantee.
- **Equity risk:**  
The principal risk to which investors are exposed is equity risk, as a minimum of 75% of the Fund is invested in equities. The Fund's net asset value is highly likely to experience fluctuations comparable to those seen in its preferred investment universe, that of listed equities from the eurozone.  
The value of an investment and the income derived from it may go up as well as down, and investors may not recover the capital initially invested in the company. A portfolio's value may be affected by external factors such as political and economic developments or political changes in certain governments.
- **Risk linked to investments in small and mid-caps:**  
On these markets, the volume of securities listed on a stock exchange is reduced and movements on the market are therefore more dramatic and occur more quickly than on the markets of large-cap companies.  
Unitholders are reminded that the Fund may be exposed to small and mid-cap equity markets that may, by their nature, be subject to significant movements, both upwards and downwards. As such, the Fund's net

asset value could fall.

- Use of derivatives:

The use of derivatives may increase or decrease the Fund's volatility by respectively increasing or decreasing its exposure.

However, this should remain relatively close to its benchmark index, even if it may vary from time to time.

- Liquidity risk:

Some of the Fund's assets may prove to be illiquid, causing a potentially long delay between the date that an order is placed and the date of its execution. During this delay, the value of the instruments may fall significantly, which could entail a drop in the value of the Fund.

- Exchange rate risk:

The exchange rate risk is related to the Fund's exposure, via its investments and through its trades in forward financial instruments, in a currency other than that of the Fund's valuation.

The exchange rate risk related to investments is less than 10% of the net assets.

#### For MU units (denominated in USD)

These units are exposed to exchange rate risk, given that they are denominated in a different currency to that of the benchmark index. Consequently, the net asset value of this unit class may decrease, despite an appreciation of the value of the benchmark index, due to fluctuations in exchange rates.

#### For MUH and MSH units

For such units denominated in a currency other than the euro, the exchange rate risk related to fluctuations in the euro against the valuation currency is residual, due to the use of systematic hedging. This hedging may lead to a performance gap between units in different currencies.

MUH units (denominated in USD) and MSH units (denominated in CHF) will be systematically hedged against exchange rate risk.

All units have the same investment portfolio, and MUH and MSH units are also hedged against the exchange rate risk between the Swiss franc, the US dollar and the euro.

- Credit risk:

This is the potential risk that the credit rating of public or private issuers may fall, which will negatively impact the price of the security, and thus the Fund's net asset value.

In the event of default or a deterioration in the credit ratings of issuers not anticipated by the markets, e.g. the downgrading of their rating by financial rating agencies, the value of the bonds in which the Fund is invested will fall, causing the Fund's net asset value to drop.

- Interest rate risk:

Unitholders are exposed to interest rate risk because of the Fund's investments in bond UCIs. Interest rate risk is the risk that bond market interest rates may rise, which would cause bond prices to fall and, consequently, the Fund's net asset value to fall. Exposure to interest rate risk will not exceed 10% of the Fund's net assets.

- Counterparty risk:

Counterparty risk relates to the conclusion of over-the-counter futures. It consists of assessing the risks for an entity in terms of its commitments with respect to the counterparty with which the contract has been concluded. It therefore refers to the risk that a counterparty may default, causing it to default on payment. In accordance with the regulations, this risk may not exceed 10% of the net assets per counterparty.

- **Sustainability risks:**

Sustainability risks, comprising those on the Major ESG Risks list and the coal policy, are taken into account during decision-making as follows:

- Major ESG Risks list: this list comprises companies whose ESG risks could call into question their economic and financial viability, or could have a significant impact on the company's value and brand, thus resulting in a significant fall in market value or a significant downgrade by rating agencies. The securities comprising this list are excluded from the UCITS.
- Coal policy: the purpose of this policy is to reduce the exposure of the Fund to climate risks, whether these be physical risks or transitional risks. In order to limit these risks, an excluded stocks list has been defined according to the criteria stipulated in Groupama Asset Management's general policy, which is available at [www.groupama-am.com](http://www.groupama-am.com). These stocks are excluded.

There may be several impacts resulting from the emergence of a sustainability risk and they may vary depending on the specific risk, region and asset class. In general, when a sustainability risk occurs for an asset, it will cause a negative impact on the asset or a total loss in its value.

- **Management policy for liquidity risk:**

Management of the Fund's liquidity risk is undertaken as part of an analysis and monitoring procedure that relies on internal tools and methodologies in place within Groupama Asset Management.

This procedure has two main components:

- monitoring the portfolio's liquidity profile based on an asset liquidity assessment in view of current market conditions, and
- monitoring the Fund's ability, whether in current or worsening market conditions, to deal with significant redemption scenarios.

### **Guarantee or protection**

None.

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

I unit: reserved for institutional investors.

N unit: open to all subscribers.

MU unit: reserved for institutional investors, excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries.

MC unit: reserved for institutional investors, excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries.

MUH unit: reserved for institutional investors, excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries.

MSH unit: reserved for institutional investors, excluding UCIs or mandates managed by Groupama Asset Management or its subsidiaries.

V unit: reserved for institutional investors.

G unit: reserved for Groupama Assurances Mutuelles' companies, subsidiaries and regional mutuals.

O unit: reserved for UCIs and mandates managed exclusively by Groupama Asset Management or its subsidiaries within the Opale range.

R unit: reserved for investors subscribing via distributors or intermediaries providing advisory services within the meaning of the MiFID II European regulation, individual portfolio management services under mandate and when they are exclusively remunerated by their clients.

### **Minimum initial subscription:**

I unit: €150,000  
N unit: €500  
MC unit: 1 thousandth of a unit  
MU unit: 1 thousandth of a unit  
MUH unit: 1 thousandth of a unit  
MSH unit: 1 thousandth of a unit  
V unit: €15,000,000  
G unit: €300,000  
O unit: 1 thousandth of a unit  
R unit: €500

GROUPAMA AVENIR EURO is aimed at investors seeking to enhance their savings via equity markets in eurozone countries. Investors wish to adopt an aggressive approach through equity investment.

The recommended investment period is more than five years.

Proportion suitable for investment in the Fund: any investment in equities may be subject to significant fluctuations. The amount that might reasonably be invested in the GROUPAMA AVENIR EURO mutual fund should be determined with reference to the investor's personal situation. To determine this, investors should take into consideration their personal wealth, their needs at the present time and over the next five years and the level of risk they are willing to accept.

Investors are also advised to diversify their investments sufficiently to avoid being exposed exclusively to the risks of the Fund.

Investment diversification: this should be achieved by investing in different classes of assets (money market instruments, bonds and equities) and in specific sectors and different geographic regions so as to spread risks more effectively and optimise portfolio management by taking market trends into account.

#### **Income calculation and appropriation methods:**

This UCITS is a multi-class fund:

- I, N, MC, MU, MUH, MSH, O and R units: accumulation.
- V unit: accumulation and/or distribution.
- G unit: accumulation and/or distribution. Interim dividend payments are authorised. Option to carry forward earnings in full or in part.

#### **Characteristics of units:**

- Initial net asset value of units:
  - ▶ I unit: EUR 1,524.49.
  - ▶ N and R units: EUR 500.
  - ▶ MC unit: EUR 100 (NAV split by 100 on 10 March 2009).
  - ▶ MUH unit: USD 10,000.
  - ▶ MSH unit: CHF 10,000.
  - ▶ MU unit: USD 10,000.
  - ▶ V, G and O units: EUR 10,000.
- Currency of units:
  - ▶ I, N, MC, V, G, O and R units: euro.
  - ▶ MU and MUH units: US dollar.
  - ▶ MSH unit: Swiss franc.
- Fractioning:
  - ▶ I, N and R units: split into ten-thousandths of a unit.
  - ▶ MC, MU, MUH, MSH, V, G and O units: split into thousandths of a unit.

## Subscription and redemption procedures:

Orders are executed in accordance with the table below:

D	D	D	D+1 business day	D+3 business days	D+3 business days
Clearing of subscription orders before 11:00 am (1)	Clearing of redemption orders before 11:00 am (1)	Execution of the order no later than D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

(1) Unless you have agreed a specific deadline with your financial institution.

Subscriptions and redemptions are cleared by CACEIS Bank and may be received every bank business day up to 11.00 a.m.:

- with CACEIS Bank, for bearer or administered registered units,
- with CACEIS Bank Luxembourg Branch for bearer or administered registered units and for clientèle for whom it ensures custody account-keeping,
- with Groupama Asset Management for pure registered units.

They are executed on an unknown net asset value basis with settlement on D+3 Euronext Paris.

Investors are reminded that when sending instructions to distributors other than the institutions indicated above, they must take account of the fact that the cut-off time for clearing imposed by CACEIS Bank applies to these distributors. Consequently, these distributors may stipulate their own earlier cut-off time, which may precede the cut-off time mentioned above so that instructions can be sent to CACEIS Bank on time.

The Fund's net asset value is calculated on every trading day, except on official French public holidays. The reference calendar is that of the Paris stock exchange.

The net asset value may be obtained from: the offices of Groupama Asset Management.

Units may be subscribed in exact amounts or in ten-thousandths of a unit for the I, N and R unit classes.

Units may be subscribed in exact amounts or in thousandths of a unit for the MC, MU, MUH, MSH, V, G and O unit classes.

Units may be subscribed or redeemed in exact amounts or in ten-thousandths of a unit for the I, N and R unit classes.

Units may be subscribed or redeemed in exact amounts or in thousandths of a unit for the MC, MU, MUH, MSH, V, G and O unit classes.

- Minimum initial subscription:
  - ▶ I unit: €150,000.
  - ▶ N and R units: €500
  - ▶ MC, MU, MUH and MSH units: one thousandth of a unit.
  - ▶ V unit: €15,000,000.
  - ▶ G unit: €300,000.
  - ▶ O unit: one thousandth of a unit.

### Swing pricing mechanism:

Groupama Asset Management has chosen to implement a swing pricing mechanism pursuant to the procedures recommended by the AFG Charter to protect the UCITS and its long-term investors from the effects of strong inflows or outflows of capital.

If the net amount of subscription or redemption in the UCITS exceeds a threshold previously set by Groupama Asset Management, the net asset value of the UCITS will be increased or reduced by a percentage intended to offset the costs incurred by the investment or disinvestment of this amount and to ensure that these costs are not charged to the other investors in the UCITS.

The triggering threshold and the extent of the swing of the net asset value are specific to the UCITS and are audited quarterly by a "Swing Price" committee. This committee may change the parameters of the swing pricing mechanism at any time, particularly in the event of a crisis on the financial markets.

Provision of redemption caps or "gates":

Groupama Asset Management may implement the so-called "gates" to allow redemption requests from UCITS unitholders to be spread over several net asset values if they exceed a certain level, determined objectively.

- Description of the method used:

- UCITS unitholders are reminded that the threshold for triggering gates corresponds to the relationship between:
- the difference recorded, on a single clearing date, between the number of UCITS units the redemption of which is requested, or the total amount of these redemptions and the number of UCITS units the subscription of which is requested, or the total amount of these subscriptions; and
  - the net assets or the total number of UCITS units.

If the UCITS has several unit classes, the triggering threshold of the procedure will be the same for all UCITS unit classes.

The threshold above which the gates may be triggered is justified by the frequency at which the net asset value of the UCITS is calculated, its management orientation and the liquidity of the assets it holds. This is set at 5% of the net assets of the UCITS and applies to redemptions received for the UCITS' assets and not specifically to the UCITS' unit classes.

When the redemption requests exceed the threshold for triggering gates, Groupama Asset Management may decide to honour redemption requests beyond the expected cap, and to execute in part or in full those orders that might be blocked.

The maximum duration of the application of the *gates* is fixed at the equivalent of 20 net asset values for 3 months.

- Methods of providing information to unitholders:

In the event the gates system is activated, all UCITS unitholders will be informed by any means, through the website of Groupama Asset Management, [www.groupama-am.com](http://www.groupama-am.com).

UCITS unitholders whose orders have not been executed will be informed as quickly as possible in a specific way.

- Processing of non-executed orders:

Redemption orders will be executed in the same proportions for UCITS unitholders who have requested redemption since the last clearing date. For non-executed orders, these will be automatically carried over to the next net asset value and will not have priority over the new redemption orders placed for execution on the basis of the next net asset value. In any case, redemption orders that are not executed and are automatically carried over may not be revoked by UCITS unitholders.

- Example illustrating the system that has been partially set up:

For example, if the total redemption order of the Fund's units is 10% while the triggering threshold is set at 5% of the net assets, Groupama Asset Management may decide to honour redemption orders up to 7.5% of the net assets (and therefore execute 75% of redemption orders as opposed to 50% if the 5% cap was strictly applied).

## Charges and fees:

- Subscription and redemption fees:

Subscription and redemption fees increase the subscription price paid by the investor, or reduce the redemption price. Fees paid to the Fund are used to compensate the Fund for the expenses incurred in the investment or divestment of the Fund's assets. The remaining fees accrue to the management company, distributor and so on.

### I, N, MC, MU, MUH, MSH, V and R units:

Charges borne by the investor, collected at the time of subscription and redemption	Base	Rate scale
Subscription fee not accruing to the Fund	Net asset value x Number of units or shares	Maximum rate: 3.00%
Subscription fee accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee not accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee accruing to the Fund	Net asset value x Number of units or shares	None

### NOTICE

The management company draws subscribers' attention to the high subscription fees for the units below.

### O and G units:

Charges borne by the investor, collected at the time of subscription and redemption	Base	Rate scale
Subscription fee not accruing to the Fund	Net asset value x Number of units or shares	Maximum rate: 10.00%
Subscription fee accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee not accruing to the Fund	Net asset value x Number of units or shares	None
Redemption fee accruing to the Fund	Net asset value x Number of units or shares	None

- Operating and management fees:

These fees include all those charged directly to the Fund, except for transaction charges. Transaction charges include intermediary fees (e.g. brokerage fees and stock market taxes) and the transaction fee, if any, that may be charged, particularly by the custodian and the management company.

The following fees may be charged in addition to the operating and management fees:

- ▶ Performance fees. These reward the management company if the Fund exceeds its objectives. They are therefore charged to the Fund;
- ▶ Transaction fees charged to the Fund;

For more information regarding ongoing charges invoiced to the Fund, please refer to the “Charges” section of the Key Investor Information Document (KIID).

#### I and R units:

Fees charged to the Fund	Base	Rate scale
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, legal fees, etc.)	Net assets Less units or shares of UCIs	Maximum rate: 1.60% (taxes included)
Maximum indirect fees (management fees and charges)	Net assets	Not significant*
Transaction fee Accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150** incl. tax
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument ***
Performance fee	Net assets	None

\* Not significant, since the UCIs held in the portfolio account for less than 20%.

\*\* Depending on complexity

\*\*\* Refer to the fee schedule below “Transaction fees accruing to the Management Company”



**MUH, MSH, MC, MU and V units:**

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, distribution, legal fees, hedging, etc.)	Net assets Less units or shares of UCIs	Maximum rate: 1.50% (taxes included)
Maximum indirect fees (management fees and charges)	Net assets	Not significant*
Transaction fee Accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150** incl. tax
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument ***
Performance fee	Net assets	None

\* Not significant, since the UCIs held in the portfolio account for less than 20%.

\*\* Depending on complexity

\*\*\* Refer to the fee schedule below "Transaction fees accruing to the Management Company"

**N unit:**

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, legal fees, etc.)	Net assets Less units or shares of UCIs	Maximum rate: 2% (taxes included)*
Maximum indirect fees (management fees and charges)	Net assets	Not significant**
Transaction fee Accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150*** incl. tax
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument ****
Performance fee	Net assets	None

\* Of which 1.50% is the financial management fee.

\*\* Not significant, since the UCIs held in the portfolio account for less than 20%.

\*\*\* Depending on complexity

\*\*\*\* Refer to the fee schedule below "Transaction fees accruing to the Management Company"

**G unit:**

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, legal fees, etc.)	Net assets	Maximum rate: 1.40% (taxes included)
Maximum indirect fees (management fees and charges)	Net assets	Not significant*
Transaction fee Accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150** incl. tax
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument ***
Performance fee	Net assets	None

\* Not significant, since the UCIs held in the portfolio account for less than 20%.

\*\* Depending on complexity

\*\*\* Refer to the fee schedule below "Transaction fees accruing to the Management Company"

**O unit:**

<b>Fees charged to the Fund</b>	<b>Base</b>	<b>Rate scale</b>
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, legal fees, etc.)	Net assets	Maximum rate: 0.10% (taxes included)
Maximum indirect fees (management fees and charges)	Net assets	Not significant*
Transaction fee Accruing to the custodian, CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150** incl. tax
Transaction fee accruing to the management company	Deducted from each transaction	By type of instrument ***
Performance fee	Net assets	None

\* Not significant, since the UCIs held in the portfolio account for less than 20%.

\*\* In accordance with the current VAT rate.

\*\*\* Refer to the fee schedule below "Transaction fees accruing to the Management Company"

## Transaction fees accruing to the management company

<i>Transaction fee accruing to the management company By type of instrument</i>	<i>Base</i>	<i>Maximum rate and/or scale</i>
Equities and equivalent	Deducted from each transaction	0.10% incl. tax
Convertible bonds	Deducted from each transaction	0.05% incl. tax
Corporate bonds	Deducted from each transaction	0.05% incl. tax
Government bonds	Deducted from each transaction	0.03% incl. tax
Exchange rate, including over the counter (OTC)	Deducted from each transaction	0.005% incl. tax
Interest rate swaps (IRS)	Deducted from each transaction	0.02% incl. tax
Credit default swaps (CDS) and asset-backed securities (ABS)	Deducted from each transaction	0.03% incl. tax
Listed derivatives (per lot)	Deducted from each transaction	€2

The portfolio's management strategy may benefit from third-party research services borne by the Fund.

The contribution to the AMF will also be borne by the Fund.

Any exceptional legal costs related to the recovery of the Fund's receivables may be added to the fees detailed above.

Income from transactions involving the temporary purchase and sale of securities accrues to the UCITS. Charges, costs and fees in respect of these transactions are charged by the custodian and paid by the Fund.

- Selection of intermediaries:

Managers have a list of authorised brokers. A Broker Committee meets every six months to assess managers' evaluations of brokers and the entire value chain covering analysts, middle office and so on, and to justify the inclusion of new brokers and/or the exclusion of others.

Based on their expertise, each manager reports on the following criteria:

- ▶ Quality of order execution prices,
- ▶ Liquidity offered,
- ▶ Broker's longevity,
- ▶ Quality of analysis, etc.

## 4 COMMERCIAL INFORMATION

Information relating to the Fund may be obtained by writing to:

Groupama Asset Management  
25 rue de la Ville l'Evêque, 75008 Paris, France,  
or online at: [www.groupama-am.com](http://www.groupama-am.com)

The net asset value of the Fund is available on the website or from the offices of Groupama Asset Management

The latest annual and interim documents are available to unitholders by writing to:

Groupama Asset Management  
25 rue de la Ville l'Evêque, 75008 Paris, France

Subscription and redemption requests are cleared by CACEIS Bank at the following address:

CACEIS Bank  
189-91 rue Gabriel Péri – 92120 Montrouge –  
France

### Information on environmental, social and governance quality (ESG) criteria

Further information regarding the way the management company takes ESG criteria into account is available in the Fund's annual report and on the website of the management company, Groupama Asset Management ([www.groupama-am.com](http://www.groupama-am.com)).

Information on the management company's voting rights:

Groupama Asset Management's voting policy and its report on voting rights are available on the website [www.groupama-am.com](http://www.groupama-am.com).

## 5 INVESTMENT RULES

The Fund complies with the regulatory ratios applicable to UCITS, as defined by the French Monetary and Financial Code.

## 6 OVERALL RISK

The overall risk of this Fund is determined using the commitment approach.

## 7 ASSET VALUATION AND ACCOUNTING RULES

### 7.1 Valuation methods

#### **Securities traded on a French or foreign regulated market, including ETFs**

Securities traded in the eurozone:

=> Last price on the valuation day.

For interest rate products, the management company reserves the right to use consensus prices when these are

more representative of the market value.

Foreign securities denominated in currencies other than the euro are translated into euros at the exchange rate in Paris on the valuation day.

Transferable securities for which a price has not been calculated on the valuation day are valued at the last officially published price. Securities for which the price has been adjusted are valued at their probable market value under the responsibility of the Fund's manager or the management company.

### **UCI shares and securities**

Units or shares of UCIs are valued at their last known net asset value.

### **Negotiable debt securities**

Negotiable debt securities are valued according to the following rules:

Fixed-rate annual interest treasury bills (BTAN) and fixed-rate treasury bills (BTF) are valued on the basis of the day's prices published by the Banque de France.

Other negotiable debt securities (e.g. negotiable short-term and medium-term securities, bonds issued by financial companies, and bonds issued by specialist financial institutions) are valued:

- on the basis of the actual market traded price;
- in the absence of a meaningful market price, by applying an actuarial method to increase the reference rate by a margin reflecting the intrinsic characteristics of the issuer. If the issuer's situation changes significantly, this margin may be adjusted over the period during which the security is held.

### **Over the counter transactions**

Transactions agreed on over-the-counter markets and authorised by the regulations applicable to UCIs are valued at their market value.

### **Futures and options contracts**

Futures contracts on derivatives markets are valued at the day's settlement price. Options on derivatives markets are valued at the day's closing price.

### **Temporary purchases and sales of securities**

#### • Temporary purchases of securities

Securities received under repurchase agreements or borrowed securities are entered in the long portfolio under

"Receivables representing securities received under repurchase agreements or borrowed securities" at the amount provided for in the contract, plus interest receivable.

#### • Temporary sales of securities

Securities sold under repurchase agreements or loaned securities are entered in the portfolio and valued at their current value.

The debt representing the securities transferred under repurchase agreements such as in the case of loaned securities is entered in the short portfolio at the value set in the contract plus accrued interest. On settlement, the interest received or paid is recognised as income from receivables.

#### • Collateral and margin calls

Collateral received is valued at the market price (mark-to-market).

Daily fluctuation margins are calculated using the difference between the valuation at market price of the collateral provided and the valuation at market price of collateralised instruments.

**Valuation methods for off-balance sheet commitments:**

Futures contracts are valued at nominal value x quantity x settlement price x (currency).

Options contracts are valued at the equivalent value of the underlying.

Swaps:

Asset-backed or non-asset-backed swaps

Commitment = nominal value + valuation of the fixed-rate leg (if fixed/variable) or the variable-rate leg (if variable/fixed) at the market price.

Other swaps

Commitment = nominal value + market value (if the Fund has adopted a synthetic valuation method).

**7.2 Method used to recognise income from fixed-income securities**

Accrued interest method.

**7.3 Method used to recognise expenses**

Transactions are accounted for exclusive of costs.

**8 REMUNERATION**

Details of the updated remuneration policy are available on the Groupama Asset Management website at [www.groupama-am.com](http://www.groupama-am.com)

\*\*\*\*\*

## Environmental and/or social characteristics

### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No

It will make a minimum of **sustainable investments with an environmental objective: \_\_\_%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_\_%**



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **30%** of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?



The UCITS promotes environmental and social characteristics via a managerial approach that values the sustainability of issuers through an analysis of the environmental, social and governance (ESG) criteria of the securities held in the portfolio. With this in mind, the UCITS implements a best-in-universe approach and also excludes certain securities.

Furthermore, the UCITS does not have a designated reference benchmark tailored to ESG characteristics under the SFDR.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of its investment policy, the UCITS will report on the following sustainability indicators in order to measure the attainment of each of the environmental or social characteristics it promotes:

- Number of jobs created per year by all companies in the portfolio
- Number of companies invested in with a human rights policy
- Average ESG rating of the UCITS
- ESG rating of the investment universe compared to the UCITS benchmark

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

To measure the attainment of its sustainable investment goal, the UCITS uses indicators regarding the contribution of business activities to the UN Sustainable Development Goals (SDGs). Companies are analysed for their positive contribution to 16 of the 17 SDGs, as SDG 17 (global partnerships) is not applicable to business activities. This contribution, evaluated by our ESG data provider, may be strongly positive, positive, neutral, negative or strongly negative. The UCITS' share of sustainable investment is the percentage of companies that contribute very positively or positively to one of the 16 UN SDGs without contributing negatively or very negatively to any of the other SDGs. At this stage, the portfolio allocation specifically addressing an environmental or social objective is difficult to determine, as part of the SDGs, such as SDG 11 (Sustainable Cities and Communities), identifies activities that contribute to environmental and social issues without distinction.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable investments that the financial product partially intends to make do not cause significant harm to any other sustainable investment objective because any company that contributes negatively to at least one SDG is not considered to meet the sustainable investment objective.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators are integrated within our proprietary ESG analysis methodology, as explained in the question on ESG strategy.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The proprietary ESG analysis methodology incorporates the mandatory Principal Adverse Impacts, including Principal Adverse Impacts 10 and 11 that relate to violations of the principles of the Global Compact and the OECD Guidelines and the lack of a process for monitoring compliance with these principles and guidelines. These Principal Adverse Impacts are addressed by the Global Compact score calculated by our ESG data provider. This score is based on an analysis of the controversies of companies in relation to respect for human rights, labour rights, business ethics and respect for the environment.



*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Yes

Certain indicators relating to principal adverse impacts are considered throughout the investment process and form an integral part of the ESG methodology adopted by the UCITS. Potential investments will therefore be examined through the analysis of quantitative and qualitative data, in accordance with the investment strategy of the UCITS as described in the relevant section. An assessment of the principal adverse impacts will be carried out at UCITS level and will be reported annually as part of the UCITS’ periodic report.

No



### What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The management process uses a best-in-universe ESG approach. The ESG approach developed by Groupama Asset Management is centred around a quantitative and qualitative analysis of the environmental, social and governance practices of the securities in which it invests.

These ESG criteria are analysed on the basis of various indicators, including:

- Environmental (biodiversity, waste management etc.);
- Social (employee training, supplier relations etc.);
- Governance (board independence, executive compensation policy etc.).

The investment universe is then divided into five quintiles, with each quintile representing 20% of the investment universe in terms of number of securities. The securities rated as Quintile 1 represent the best ESG ratings within the investment universe, while those rated Quintile 5 represent the worst ratings.

The main limitation of this analysis relates to the quality of the available information. ESG data is not yet standardised and Groupama Asset Management’s analysis is ultimately based on qualitative and quantitative data provided by the companies themselves, some of which may still be incomplete and heterogeneous.

To overcome this limitation, Groupama Asset Management focuses its analysis on the most important aspects of the sectors and companies analysed.

For more detailed information on the rating methodology used to assess the UCITS and its limitations, investors are invited to refer to the methodology document available on the website [www.groupama-am.com](http://www.groupama-am.com).

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to attain the environmental and social characteristics promoted, the investment strategy is based on the following:

- Exclusion of securities belonging to the “Major ESG Risks” list: Groupama Asset Management tracks a list of securities considered to carry significant ESG risks (the “Major ESG Risks” list). These are companies whose ESG risks could call into question their economic and financial viability or could have a significant impact on the value of the company and thus lead to a substantial loss in the value of their stock or a significant downgrade by the rating agencies.
- Exclusion of sectors deemed to be incompatible with Groupama Asset Management’s engagement policy: companies involved in coal mining and coal-related energy production as well as companies known to be involved in controversial weapons activities (cluster bombs and anti-personnel mines) are excluded from the UCITS’ investment scope.
- Considerably higher average ESG rating for the portfolio vis-à-vis the investment universe: the weighted average ESG rating of the portfolio will be higher than the average ESG rating of the investment universe once the bottom 20% of the lowest-rated securities in the universe are excluded.
- Minimum sustainable investment share of 30%, in accordance with the aforementioned definition of sustainable investment.

The securities in the portfolio must have a minimum screening and monitoring rate of 90% of the portfolio’s ESG ratings, excluding cash and UCIs.

The Subfund must also outperform its benchmark or investment universe for the two following indicators (see the UCI ESG Constraints tab):

- net job creation
- human rights policy

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy is 20%. Securities corresponding to 20% of the lowest-rated companies in the investment universe will thus be excluded from the UCITS.

● **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

To ensure that companies invested in comply with good governance practices, the UCITS uses an internal analysis methodology that takes into account good governance criteria through its ESG approach, as described in the section on its investment strategy.

The criteria taken into account include:

- Percentage of independent members of the board of directors
- Integration of ESG criteria within executive compensation
- Existence of a CSR committee within the board of directors
- Corruption prevention policy and existence of controversies
- Responsible lobbying practices and existence of controversies



**What is the asset allocation planned for this financial product?**

Within the portfolio:

- The minimum proportion of investments contributing to the environmental and social characteristics promoted by the UCITS is 90% (#1 below), excluding UCIs and cash.
- The minimum proportion of sustainable investments is 30% (#1A below), excluding UCIs and cash.
- The minimum proportion of Taxonomy-aligned investments is 0%.
- The minimum proportion of sustainable investments meeting an environmental objective is estimated at 0%, given the difficulty of isolating environmental SDGs from social SDGs.
- The minimum proportion of sustainable investments meeting a social objective is estimated at 0%, given the difficulty of isolating environmental SDGs from social SDGs.

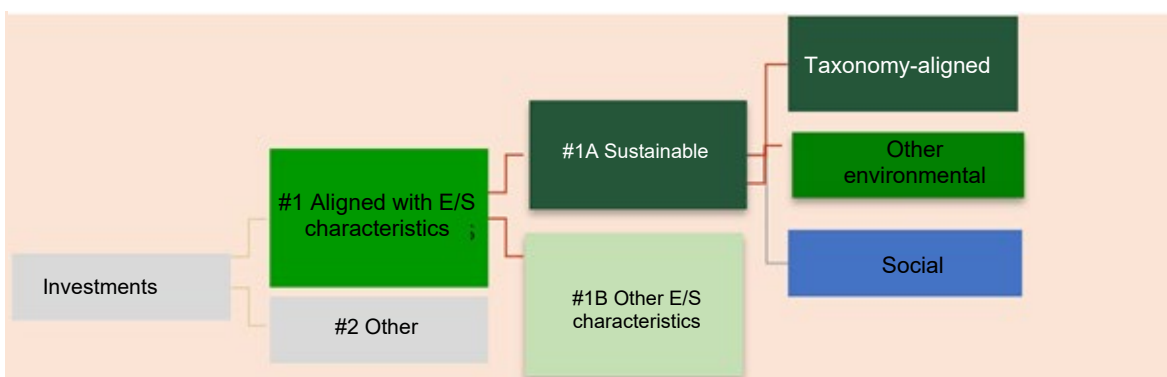
**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a green transition;

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives;

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

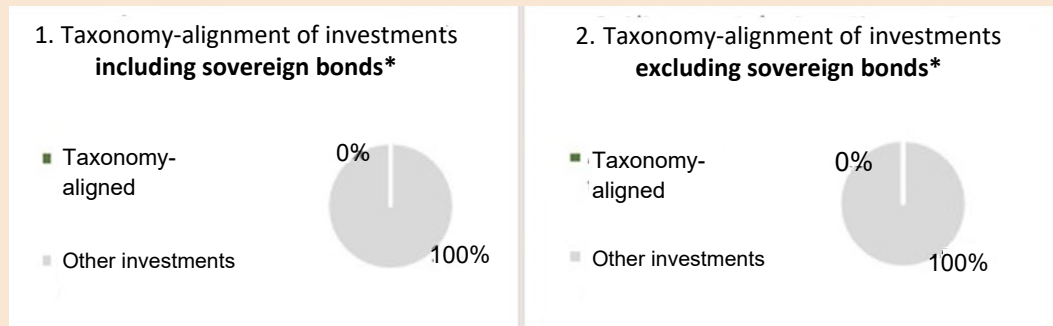
Not applicable.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 30% sustainable investments. However, the UCITS is not committed to making a minimum of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### What is the minimum share of investments in transitional and enabling activities?

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 30% sustainable investments. However, the UCITS is not committed to making a minimum of sustainable investments with an environmental objective aligned with the EU Taxonomy, nor is it committed to making a minimum share of investments in transitional and enabling activities.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 30% sustainable investments. At this stage, the portfolio allocation specifically addressing an environmental objective is difficult to determine, as part of the SDGs, such as SDG 11 (Sustainable Cities and Communities), identifies activities that contribute to environmental and social issues without distinction.

The symbol represents environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 30% sustainable investments. At this stage, the portfolio allocation specifically addressing a social objective is difficult to determine, as part of the SDGs, such as SDG 11 (Sustainable Cities and Communities), identifies activities that contribute to environmental and social issues without distinction.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 Other” category consists of issuers or securities without a score due to a lack of sufficient ESG data but for which the fund exclusion policies apply.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.



**Where can I find more product-specific information online?**

More product-specific information can be found on the website: <https://www.groupama-am.com/en/sustainable-finance/>