

# 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**

#### **GAN PRUDENCE**

The Fund is a feeder of GROUPAMA SELECTION ISR PRUDENCE (F class), which is a sub-fund of the French SICAV GROUPAMA SELECTION.

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

French mutual fund (*Fonds Commun de Placement*, FCP).

### **Formation date and planned term**

28 April 1997

This Fund was initially formed for a 99-year term.

## Summary of the management offer

Unit class	ISIN code	Eligible subscribers	Allocation of distributable income	Base currency	Minimum subscription amount	Net asset value at launch
ID units (1) (2)	FR0007010244	Reserved for institutional investors	Distribution and/or Retention	Euro	Ten-thousandths of a unit	€1,524.49
IC units (2)	FR0010287748	Reserved for institutional investors	Accumulation	Euro	Ten-thousandths of a unit	€1,000
N units	FR0010287730	All subscribers	Accumulation	Euro	Ten-thousandths of a unit	€500
R units	FR0013296324	Reserved for investors subscribing via distributors or intermediaries providing advisory services as defined by the MiFID II European regulations, or individual portfolio management services under mandate when they are exclusively remunerated by their clients	Accumulation	Euro	Ten-thousandths of a unit	€500

(1) including all unit holders who subscribed to the Fund before unit classes were created.

(2) including all subscriptions processed before 11/07/2017.

### Address from which the 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.

Documentation relating to the master sub-fund, GROUPAMA SELECTION ISR PRUDENCE, approved by the *Autorité des Marchés Financiers* on 16 January 2001, may be obtained from Groupama Asset Management, 25 rue de la Ville-l'Evêque – 75008 Paris – France.

These 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: +33 (0)1 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: +33 (0)1 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* (Stock Exchange Committee), now the *Autorité des marchés financiers* (French financial markets authority – AMF) under number GP 93-02 on 5 January 1993.

## **Depository – Custodian**

**CACEIS Bank** – 89–91 rue Gabriel Péri, 92120 Montrouge, France, a credit institution authorised by the CECEI (now the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*, the French Prudential Supervisory Authority) on 1 April 2005.

As defined by applicable regulations, the role of the custodian is to safekeep assets, to monitor the regularity of the management company's decisions and to monitor the cash flow of UCIs.

The custodian is independent of the management company.

The description of the delegated custodial functions, the list of CACEIS Bank's delegates and subdelegates and information on conflicts of interest likely to 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.

## **Deputy custodian for foreign assets**

**CACEIS Bank** – 89–91 rue Gabriel Péri, 92120 Montrouge, France, credit institution authorised by the CECEI (now the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*, the French Prudential Supervisory Authority) on 1 April 2005.

## **Clearing house for subscriptions/redemptions**

- **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 appointed to receive subscriptions and redemptions, and responsible for compliance with the clearing deadlines indicated in the prospectus, by delegation of the management company**

**CACEIS Bank**, for bearer or administered registered units.

## **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.

## **Statutory auditor**

**Deloitte & Associés** – 6 Place de la Pyramide, 92909 Paris-La Défense, France.

## **Accounting representative**

**CACEIS Fund Administration** – 89–91 rue Gabriel Péri, 92120 Montrouge, France, a credit institution authorised by the CECEI (now the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*, the French Prudential Supervisory Authority) on 1 April 2005.

## **Marketing agents**

Groupama Assurances Mutuelles 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 UCITS fund's assets in proportion to the number of units held.

###### Shareholder register and fund accounting:

Fund accounting for liabilities 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 unit:

Units are registered and/or bearer units.

###### Fractioning:

Units may be subscribed or redeemed in ten-thousandths of a unit.

##### Financial year end

The last Paris Stock Exchange trading day in September.

The first financial year end was the last Paris stock exchange trading day in December 1998.

##### Tax treatment

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 UCITS fund units depends on tax provisions specific to the unitholder's own particular circumstances and/or on the tax provisions in the country where the unitholder resides. Investors should seek professional financial advice.

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

##### 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.

##### ISIN codes of the unit classes:

IC units	FR0010287748
ID units	FR0007010244
N units	FR0010287730
R units	FR0013296324

##### Investment objective

Its investment objective is, through profiled management, to aim to outperform the following composite index: 15% MSCI World Euro closing (net dividends reinvested), 85% Bloomberg Euro Aggregate closing (coupons reinvested).

This objective will be implemented through active management that respects environmental, social and governance (ESG) criteria, in order to assess the sustainability of companies.

Its performance may be different from that of its master sub-fund, the GROUPAMA SELECTION ISR PRUDENCE sub-fund (F class), given its own management fees.

### **Benchmark index**

The benchmark index is the following composite index: 15% MSCI World Euro closing (net dividends reinvested), 85% Bloomberg Euro Aggregate closing (coupons reinvested).

The MSCI World Euro is a market-cap weighted index (free-float adjusted) that measures the performance of equity markets in developed countries. It is denominated in euros.

The Bloomberg Euro Aggregate index is composed of bonds denominated in euros: government bonds, bonds issued by public issuers and private "investment grade" issuers (financial, corporate and utilities). All issues are at a fixed rate and denominated in euros.

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**

The GAN PRUDENCE fund is a feeder fund of the GROUPAMA SELECTION ISR PRUDENCE sub-fund (F class). The GAN PRUDENCE Fund's assets shall at all times be comprised entirely of F shares of the GROUPAMA SELECTION ISR PRUDENCE sub-fund and, on an ancillary basis, liquid assets.

The investment strategy of the GAN PRUDENCE feeder fund is similar to that of its master sub-fund, GROUPAMA SELECTION ISR PRUDENCE, as shown below, and integrates the sustainability risks of its master.

### ***Recap of the management objective and investment strategy of the master sub-fund:***

***Master sub-fund investment in UCIs: permitted above 20% of net assets.***

### ***SFDR classification of the master sub-fund:***

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

### ***Management objective of the master sub-fund:***

*The investment objective is, through profiled management, to aim to outperform the following composite benchmark index: 15% MSCI World Euro closing (net dividends reinvested), 85% Bloomberg Euro Aggregate closing (coupons reinvested).*

*This objective will be implemented through active management that respects environmental, social and governance (ESG) criteria, in order to assess the sustainability of companies.*

### ***Investment strategy of the master sub-fund:***

#### **Description of the strategies used:**

- ***Overall sub-fund strategy:***

*The purpose of the GROUPAMA SELECTION ISR PRUDENCE sub-fund is to manage a portfolio of eurozone and international securities, primarily by investing in equity and interest rate UCITS, and, for up to 10% of its net assets, in bearer securities (equities, debt securities and money market instruments).*

The sub-fund is managed within the portfolio's sensitivity range of between 0 and 8.

The sub-fund's overall exposure to risky equity and high-yield-bond (speculative or high-yield securities) emerging asset classes will be limited to 30% of the sub-fund's net assets.

The sub-fund may present an exchange rate risk, particularly due to investments in UCITS, which may themselves present an exchange rate risk. The sub-fund's direct or indirect exposure to exchange rate risk is limited to 30% of the sub-fund's net assets.

The sub-fund's investment strategy was implemented by a "Lead Manager" responsible for asset allocation. The Lead Manager selects the UCITS and securities to include in the portfolio.

- **Portfolio composition strategy:**

The portfolio composition strategy is implemented by combining the traditional financial approach with the integration of ESG investment criteria.

In selecting UCITS and securities for the portfolio, the manager applies a top-down process, based around a dual approach combining a tactical allocation and the selection of securities and UCITS.

- **Tactical asset allocation:**

The Lead Manager sets the tactical allocation (weighting of various asset classes, choice of geographical diversification) based on the macroeconomic fundamentals per region or country (unemployment rate, inflation rate, GDP growth, interest rates), the performance outlook of the various asset classes and risk/return ratios (a top-down approach).

- **Selection of securities and UCITS**

- Interest rate market

Major decisions and selections are based partly on directional management, which consists of making the portfolio more or less sensitive than its benchmark index (arbitraging UCITS of various durations), to overexpose or underexpose the portfolio to credit risk by using specialised UCITS. Investments in the form of bearer securities or within such UCITS will primarily focus on investment grade issues or issues deemed equivalent by the Management Company.

The selection of issuers that the manager includes in the portfolio is based on his/her own analysis, which may be primarily based on the ability of our internal credit analysis team to evaluate the risk of issuers in the portfolio and on credit quality ratings issued by external entities.

- Equity market

The manager selects the UCITS and securities to be included in the portfolio based on the various sources of added value revealed through economic analysis, financial engineering and financial analysis. They will select UCITS and securities according to various criteria: capitalisation size (large, medium and small), different styles (growth stocks, high-yield securities), their sector positioning, etc.

- **Integration of ESG criteria:**

A minimum of 90% of the sub-fund's net assets will always be invested in SRI-labelled UCITS. The selection of these UCITS is based on the inclusion of extra-financial criteria (social, environmental and governance) in addition to the traditional financial criteria of analysis and stock-picking.

- Methodological limitations:

UCIs will be based on different methodologies, whether in terms of the ESG criteria analysed or the approaches implemented. In order to limit the inconsistencies arising from these differences, particular attention will be paid to the selection of UCIs and especially to compliance with the stated requirements.

When selecting a UCI, the management company's sustainability risk policy will be analysed. The following elements will be checked: existence of a policy, publicity and consistency with Groupama AM's policy on this matter.

- **Integration of the EU Taxonomy:**

This sub-fund promotes environmental characteristics. As such, in compliance with Article 6 of the EU Taxonomy, it must be noted that the "Do No Significant Harm" principle only applies to the underlying investments of financial products that take account of the European Union's criteria for environmentally sustainable economic activities.

The underlying investments of the remaining portion of this financial product do not take account of the European Union's criteria for environmentally sustainable economic activities.

However, it should be noted that, notwithstanding the foregoing, the estimated proportion of environmentally sustainable investments as defined in the Taxonomy Regulation is 0%. As a result, the "do no significant harm" principle does not apply to any investments of this financial product.

- **Management style:**

The sub-fund will be actively managed in order to achieve performance corresponding to its management objective with regard to the risk criteria defined a priori.

Assets, excluding embedded derivatives:

- **Interest rate and equity instruments**

Interest rate market:

The portion of investments in debt securities and money market instruments will be between 75% and 100% of net assets. These investments, whether in the form of bearer securities or within underlying UCITS, will primarily focus on investment grade issues (investment category) or issues deemed equivalent by the Management Company.

Through these investments in bearer securities or within underlying UCITS, the sub-fund may be exposed, for up to 30% of its net assets, to high-yield bonds (speculative securities with a rating below BBB- (S&P/Fitch) or Baa3 (Moody's) or those deemed equivalent by the Management Company).

The assets of the underlying UCITS will be composed of fixed-rate bonds, EMTNs (Euro Medium Term Notes), negotiable debt securities, inflation-linked variable-rate bonds, securitisation vehicles, mortgage-backed securities and high-yield bonds (speculative securities).

Equity market:

The sub-fund's equity exposure will be between 0% and 25% of its net assets, through UCITS and direct equities.

- **Units or shares in other UCITS, AIFs, or foreign investment funds:**

The sub-fund may invest up to 100% of its net assets in units or shares of French or European UCITS.

The UCITS will be held within the limit of the sub-fund's Rate and Equity exposures.

UCITS invested in non-OECD countries (emerging markets) are authorised within the limit of 10% of the net assets.

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

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

Up to 100% of net assets may be invested in ETFs (listed index entities) that replicate movements in equity or bond markets.

Derivative instruments and securities with embedded derivatives:

The use of derivatives is authorised subject to a maximum commitment of 100% of the sub-fund's net assets and therefore has an impact both on the performance and investment risk of the portfolio.

The sub-fund may also invest up to 100% of its net assets in securities with embedded derivatives. The strategy for the use of securities with embedded derivatives is the same as that described for derivatives.

These instruments will allow:

- the sub-fund's overall exposure to equity and interest rate risks to be increased or decreased;
- arbitrage strategies to be put in place; and
- the portfolio's exchange rate risk to be fully or partially hedged.

The manager will use these instruments to deal in markets to adjust exposure to interest rate or yield curve risks in strict compliance with the portfolio's volatility range between 0 and 8.

In this respect, they increase management flexibility. Derivatives are therefore used to maximise performance.

The manager may trade in the derivative instruments and securities with embedded derivatives described in the table below:

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



- Contingent convertible bond (CoCo bonds)							
- Callable or puttable bond							
- Credit Link Notes (CLN)							

- **Selection criteria for counterparties:**

Counterparties for 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 planned, the general contractual clauses and the specific clauses relating to counterparty risk mitigation techniques.

Deposits:

Up to 10% of the sub-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 temporary basis as part of managing large redemptions, the Manager may borrow cash up to the value of 10% of the net assets of the sub-fund from the custodian.

Temporary purchases and sales of securities:

It is not intended that the sub-fund will carry out temporary purchases or sales of securities.

As the sub-fund uses derivatives and securities with embedded derivatives and may borrow cash, the portfolio's total level of exposure will not exceed 200% of the net assets.

**Information relating to the master sub-fund's financial guarantees**

The GROUPAMA SELECTION ISR PRUDENCE sub-fund complies with the investment rules for collateral that are applicable to UCITS funds and does not apply specific criteria in addition to these rules.

The sub-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 investment restrictions applicable to the sub-fund.

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 sub-fund 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 collateral and the discount policy are determined in accordance with the regulations in force.

**Risk profile**

The risk profile of the GAN PRUDENCE feeder Fund is the same as the risk profile of its master sub-fund, GROUPAMA SELECTION ISR PRUDENCE, as defined below.

**Recap of the master sub-fund's investment profile**

**Risks specific to the interest rate market:**

Interest rate risk:

As unitholders are exposed to a fixed-income risk, they may find the performance of that portion is negative as a result of interest rate fluctuations.

Credit risk:

This is the potential risk that the credit rating of an issuer of securities invested in the portfolio may fall, leading to a payment default which will negatively impact the price of the security and may lead to a drop in the sub-fund's net asset value.

Risk linked to the use of (high-yield) speculative securities:

*This sub-fund is to be considered as partially speculative and is aimed particularly at investors aware of the inherent risks of investing in securities with a low rating or no rating at all. As such, the use of high-yield securities means that the net asset value may drop more significantly.*

**Risks specific to the equity market:**

Risk linked to equity markets:

*The value of an investment and the income 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.*

*Shareholders are reminded that the sub-fund may be exposed to the small- and mid-cap equity markets which may, by their nature, be subject to significant movements, both upwards and downwards. As such, the sub-fund's net asset value may fall.*

**Risks common to the interest rate and equity markets:**

Capital loss risk:

*Investors will be exposed to the risk of not recovering the full amount of the capital they invest, since the sub-fund does not offer a capital guarantee.*

Counterparty risk:

*Counterparty risk exists and is associated with the conclusion of over-the-counter financial futures contracts. It consists of assessing the risks for an entity in terms of its commitments with respect to the counterparty with which the agreement has been concluded. It therefore refers to the default risk of a counterparty, causing it to default on payment.*

Discretionary management risk:

*Discretionary management style relies on anticipating trends in the various markets (equities, bonds, etc.). There is a risk that the sub-fund may not be invested in the best-performing markets at all times.*

Exchange rate risk:

*It is the risk of a downturn in the currencies in which investments are held compared to the portfolio's benchmark currency, the euro. In the event of a drop in the value of a currency, the net asset value may also fall.*

*The sub-fund may present an exchange rate risk, particularly due to investments in UCITS, which may themselves present an exchange rate risk. The sub-fund's direct or indirect exposure to exchange rate risk is limited to 30% of the sub-fund's net assets.*

Risk linked to the use of derivative financial instruments:

*The use of derivatives may increase or decrease the volatility of the sub-fund by respectively increasing or decreasing its exposure. In the event of adverse market developments, the net asset value may fall.*

Risk associated with trading in emerging markets:

*The rise and fall in markets can be more dramatic and occur more quickly than on major international stock exchanges. Risks associated with trading in emerging markets shall not exceed 10% of the sub-fund's net assets.*

Sustainability risk:

- For investments in bearer securities:

*Sustainability risks, comprising those on the Major Environmental, Social and Governance 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 on this list are excluded from the sub-fund.*
- *Coal policy: the objective of this policy is to reduce the sub-fund's exposure to climate risks, including both physical and transition risks. In order to limit these risks, an excluded stocks list has been defined according to the criteria stipulated in Groupama AM's general policy, which is available at [www.groupama-am.com](http://www.groupama-am.com). These stocks are excluded.*

- For investments in UCITS units:

The sustainability risks are defined by each management company of the underlying UCIs held in the sub-fund's assets. 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 master sub-fund liquidity risk:**

Management of the sub-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 sub-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**

IC units	Reserved for institutional investors
ID units	Reserved for institutional investors
N units	Open to all subscribers
R units	Reserved for investors subscribing via distributors or intermediaries providing advisory services as defined by the MiFID II European regulations, or individual portfolio management services under mandate when they are exclusively remunerated by their clients

The GAN PRUDENCE Fund is aimed at investors wishing to obtain a return on their savings by combining the performance of the interest rate and equity markets.

The recommended investment period is more than three years.

Proportion suitable for investment in the Fund: all bond investments are subject to interest rate fluctuations and private corporate issuers carry a risk of default. The amount that might reasonably be invested in the GAN PRUDENCE 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 three 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 this 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.

**Procedures for determining and allocating distributable sums**

IC units	Accumulation.
ID units	Distribution. Interim dividend payments are authorised. Option to carry forward earnings in full or in part.
N units	Accumulation.

R units	Accumulation.
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### Characteristics of units

	Initial net asset value	Base currency	Fractioning
IC units	€1,000	Euro	Ten-thousandths of a unit
ID units	€1,524.49	Euro	Ten-thousandths of a unit
N units	€500	Euro	Ten-thousandths of a unit
R units	€500	Euro	Ten-thousandths of a unit

### Subscription and redemption procedures

	Minimum initial subscription amount	Subscriptions	Redemptions
IC units	€600	In amounts or in ten-thousandths of a unit	In ten-thousandths of a unit
ID units	€600	In amounts or in ten-thousandths of a unit	In ten-thousandths of a unit
N units	€500	In amounts or in ten-thousandths of a unit	In ten-thousandths of a unit
R units	One thousandth of a unit	In amounts or in ten-thousandths of a unit	In ten-thousandths of a unit

Orders are executed in accordance with the table below:

D	D	D	D+2 business days	D+3 business days	D+3 business days
Clearing of subscription orders before 09.00 am(1)	Clearing of redemption orders before 09.00 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.

Subscription and redemption requests are cleared on each business day until 09.00 am:

- at CACEIS Bank for those clients for whom it provides custody account-keeping services, for bearer or administered registered units,
- and at Groupama Asset Management for pure registered units.

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

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

The net asset value may be obtained from: [www.groupama-am.com](http://www.groupama-am.com).

Bearers should be aware that instructions sent to marketing agents other than the institutions mentioned above must take into account the fact that the cut-off time for clearing orders applies to these marketers regarding CACEIS Bank. Consequently, such marketing agents may stipulate their own cut-off time, which may precede the cut-off time mentioned above, so that instructions can be sent to CACEIS Bank on time.

## 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, marketing agent, etc.

Unit class	Base	Subscription fee not accruing to the Fund	Subscription fee accruing to the Fund	Redemption fee not accruing to the Fund	Redemption fee accruing to the Fund
IC units	Net asset value x Number of units or shares	Maximum rate: 3.00% (taxes included)	None	None	None
ID units	Net asset value x Number of units or shares	Maximum rate: 3.00% (taxes included)	None	None	None
N units	Net asset value x Number of units or shares	Maximum rate: 3.00% (taxes included)	None	None	None
R units	Net asset value x Number of units or shares	Maximum rate: 3.00% (taxes included)	None	None	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, stock-market taxes, etc.) 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.

Regarding charges actually invoiced to the Fund, please refer to the Key Information Document (KID).

Unit class	Management fees, indirect costs and performance fees				Transaction fees		
	Base	Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Maximum indirect fees (management fees and charges)	Performance fee	Base	Fee accruing to the custodian	Fee accruing to the Management Company
IC and ID units	Net assets	Maximum rate: 0.25% (taxes included)	Maximum rate: 1.05% (taxes included)	None	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity	None
N units	Net assets	Maximum rate: 1.05% (taxes included)	Maximum rate: 1.05% (taxes included)	None	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity	None
R units	Net assets	Maximum rate: 0.60% (taxes included)	Maximum rate: 1.05% (taxes included)	None	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *Depending on complexity	None

Any exceptional legal costs related to recovery of the Fund's receivables may be added to the fees detailed above. The contribution to the AMF will also be borne by the Fund.

**Recap of the charges and fees applicable to the master sub-fund, GROUPAMA SELECTION ISR PRUDENCE (F class):**  
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 sub-fund are used to compensate the sub-fund for the expenses incurred in the investment or divestment of the sub-fund's assets. The remaining fees accrue to the Management Company, marketing agent, etc.

Base	Subscription fee not accruing to the sub-fund	Subscription fee accruing to the sub-fund	Redemption fee not accruing to the sub-fund	Redemption fee accruing to the sub-fund
Net asset value x Number of units or shares	Maximum rate: 3% (taxes included)	None	None	None

Exemptions: Subscriptions carried out by feeder funds in their master fund, the GROUPAMA SELECTION ISR PRUDENCE sub-fund.

Operating and management fees:

These fees include all those charged directly to the sub-fund, except for transaction charges. Transaction charges include intermediary fees (e.g. brokerage fees, stock-market taxes, etc.) 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 sub-fund exceeds its objectives. They are therefore charged to the sub-fund;
- Transaction fees charged to the sub-fund.

For charges invoiced to the sub-fund, please refer to the Key Information Document (KID).

Fees charged to the sub-fund	Base	Rate scale
Financial management fees and administrative fees external to the management company (statutory auditor, custodian, distribution, lawyers, etc.)	Net assets	Maximum rate 0.80% incl. tax
Maximum indirect fees (management fees and charges)	Net assets	Maximum rate 0.25% incl. tax
Transaction fee accruing to CACEIS Bank	Deducted from each transaction	Transferable securities: None Foreign exchange transaction: €10 incl. tax OTC product: from €10 to €150* incl. tax *depending on complexity
Transaction fee accruing to the Management Company	Deducted from each transaction	By type of instrument*
Performance fee	Net assets	None

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

- *Transaction fees accruing to the management company*

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

*Any exceptional legal costs related to recovery of the sub-fund's receivables may be added to the fees detailed above. The contribution to the AMF will also be borne by the sub-fund.*

#### **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 by visiting the website at: <http://www.groupama-am.com>

The Fund's net asset value is available on the website: [www.groupama-am.com](http://www.groupama-am.com)

The latest annual and interim documents are available to unitholders on request from:

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  
89–91 rue Gabriel Péri, 92120 Montrouge, France

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

Further information regarding the way the Management Company takes ESG criteria into account will be available in the Fund's annual report and on the Groupama Asset Management website [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**

Up to 100% of the feeder fund's assets are permanently invested in units or shares of the master sub-fund.

## **6 OVERALL RISK**

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

## **7 ASSET VALUATION AND ACCOUNTING RULES**

The Fund complies with the accounting rules prescribed by current regulations, in particular those applying to UCITS.

The base accounting currency is the euro

The Fund is a feeder fund, its net asset value is calculated from the net asset value of the master sub-fund.

### **7.1 Method used to recognise income from fixed-income securities**

Coupons received method.

### **7.2 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).

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**Annex level 2** - Pre-contractual disclosure for the financial products referred to in Article 8, paragraph 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:**  
**GAN PRUDENCE**

**Legal entity identifier:**  
969500EOTZH9ZU0W0Q98

## Environmental and/or social characteristics

The UCITS GAN PRUDENCE, as a feeder fund for the subfund GROUPAMA SELECTION ISR PRUDENCE (class F) of the unit trust fund under French Law GROUPAMA SELECTION, its ESG strategy is that of its parent. **The annex below is therefore that of its parent subfund.**

**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**. This 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?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**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 \_\_\_% 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 subfund 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 subfund implements a best-in-universe approach and also excludes certain securities.

Furthermore, the subfund does not have a designated benchmark index tailored to ESG characteristics under the SFDR Regulation.

**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?***

Under its investment policy, at least 90% of the sub-fund's net assets will always be invested in SRI UCITS.

- ***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?***

Not applicable.

- ***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?***

Not applicable.



*The EU Taxonomy sets out a "Do No Significant Harm" principle, in accordance with which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives, and which is accompanied by specific EU criteria.*

The 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 concerning environmental, social and employee-related matters, respect for human rights, and combating corruption and bribery.

Yes

For the mutual funds managed by Groupama Asset Management:

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 subfund. Potential investments will therefore be examined through the analysis of quantitative and qualitative data, in accordance with the investment strategy of the subfund as described in the relevant section.

An assessment of the principal adverse impacts will be carried out at subfund level and will be reported annually as part of the subfund's periodic report.

No



## What investment strategy does this financial product follow?

Mutual funds invested in are selected from the universe of eligible ESG investments, according to the following criteria:

- At least 90% of the subfund's net assets will always be invested in SRI UCITS. The selection of these UCITS is based on the inclusion of ESG (environmental, social and governance) criteria, in addition to the traditional financial criteria of analysis and stock-picking. The UCITSs may be based on differing EST approaches, which is a limit on this ESG strategy;
- When selecting a UCI, the Management Company's sustainability risk policy will be analysed. The following elements will be checked: existence of a policy, publicity and consistency with Groupama AM's policy on this matter.

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

The subfund may be invested in underlying funds managed by Groupama AM and in external mutual funds managed by other management companies, based on the varying investment strategies. Therefore, the investment strategies applied in the subfund are multiple. However, the majority of the assets of the subfund are invested in the underlying funds managed by Groupama AM.

The management process uses a best-in-universe ESG approach for the funds managed by Groupama AM. It is centred around a quantitative and qualitative analysis of the environmental, social and governance practices of the businesses 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.

For countries, these ESG criteria are analysed on the basis of various indicators, including:

- Environment: Carbon intensity corresponds to the total national emissions, plus the emissions corresponding to the production of all the goods and services imported into the country, as a ratio of GDP;
- Social: Long-term unemployment rate: Percentage of the working population aged 15 to 74 who have been unemployed for 12 months or more;
- Human rights: Freedom of expression and citizenship: Perception of democracy (people's ability to choose their government), freedom of expression, freedom of association and freedom of the media.

The ESG analysis results in a score of 1 to 100 for all countries belonging to this investment universe (with 100 being the best).

For more detailed information on the rating methodology implemented in the UCITSs and their limitations, investors are invited to read the methodology document available at 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 factors:

At least 90% of the subfund's net assets will always be invested in SRI UCITS. The selection of these UCITS is based on the inclusion of ESG (environmental, social and governance) criteria, in addition to the traditional financial criteria of analysis and stock-picking.

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

Not applicable.

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

For the mutual funds managed by Groupama Asset Management:

To ensure that companies invested in comply with good governance practices, the subfund 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.

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

The criteria taken into account include:

- The percentage of independent members of the board of directors;
- The integration of ESG criteria within executive compensation;
- The existence of a CSR committee within the board of directors;
- A corruption prevention policy and the existence of controversies;
- Responsible lobbying practices and the existence of controversies.

To ensure that the countries invested in comply with good governance practices, the fund uses an internal analysis methodology that takes into account good governance criteria through its ESG approach. The criteria analysed include government efficiency, regulatory quality, rule of law, corruption control, freedom of expression and gender equality.



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

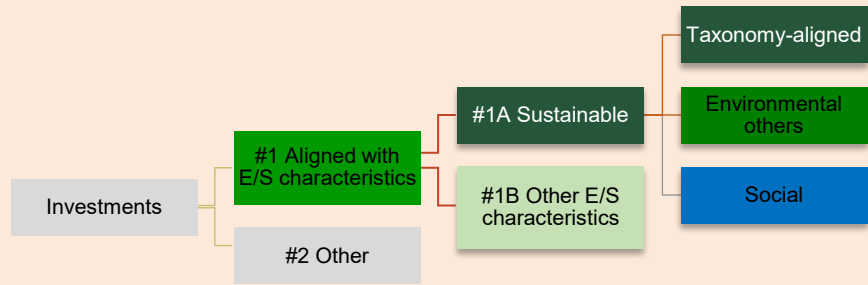
### **What is the asset allocation planned for this financial product?**

Within the portfolio:

- The minimum proportion of investments contributing to the environmental and social characteristics promoted by the subfund is 90% (#1 below), excluding mutual funds and cash.
- The minimum proportion of sustainable investments is 0% (#1A below), excluding mutual funds and cash.
- The minimum proportion of Taxonomy-aligned investments is 0%.
- The minimum proportion of sustainable investment meeting an environmental objective is estimated at 0%, considering the difficulty of separating environmental SDGs from social SDGs.
- The minimum proportion of sustainable investment meeting a social objective is estimated at 0%, considering the difficulty of separating environmental SDGs from social SDGs.

Taxonomy-aligned activities are expressed as a percentage of:

- the **turnover**, in order to reflect the share of revenue derived from the green activities of investee companies;
- **capital expenditure** (CapEx), in order to show the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx), so as to reflect the 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 not aligned with the environmental or social characteristics and are not 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?**

Not applicable.

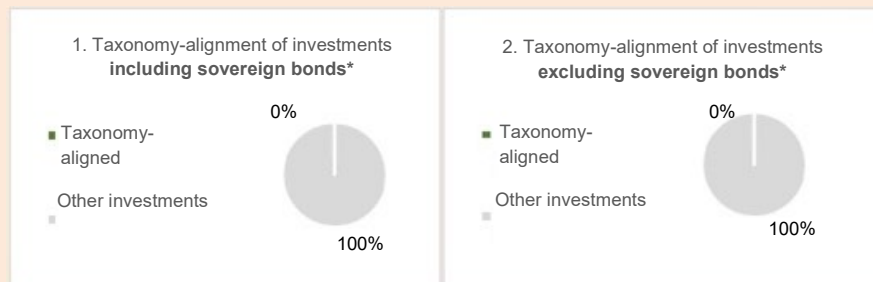
**Enabling activities**

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 other characteristics, have greenhouse gas emission levels corresponding to the best possible performance.

**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 in sovereign bonds.**



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

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

Not applicable.



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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



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

Not applicable.



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

Category “#2 Others” consists of mutual funds not designated as SRI, due to the absence of funds designated SRI for a specific strategy.



**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.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



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

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