

# Prospectus

The shares or units of the UCITS mentioned below (“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”).

(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”).

- 1. General characteristics ..... 2**
- 2. Participants ..... 3**
- 3. Operating and management procedures..... 4**
  - 3.1 General characteristics ..... 4
  - 3.2 Specific provisions..... 4
- 4. Business information ..... 21**
- 5. Investment rules ..... 21**
- 6. Overall risk:..... 21**
- 7. Rules for asset valuation and accounting: ..... 21**
- 8. Remuneration ..... 22**

## 1. General characteristics

**Name:**

**GROUPAMA EURO FINANCIAL DEBT**

**Legal form and Member State of constitution of the UCITS:**

FCP under French law.

**Creation date and intended duration:**

31 May 2017.

This UCITS was initially created for a duration of 99 years.

**Summary of the management offer:**

Units	ISIN code	Subscribers concerned	Allocation of distributable amounts	Base currency	Minimum initial subscription amount	Original net asset value
GA unit:	FR0013259140	Reserved for Groupama Assurances Mutuelles companies, subsidiaries and regional funds.	Accumulation and/or distribution and/or carry-forward	Euro	€300,000	€1,000
IC unit:	FR0013259132	Reserved for institutional investors for whom the Groupama group and its external distributors are marketers	Accumulation	Euro	€100,000	€1,000
ID unit	FR001400EFB8	Reserved for institutional investors for whom the Groupama group and its external distributors are marketers	Distribution and/or carry-forward	Euro	€100,000	€1,000
JC unit	FR0013259165	Reserved for institutional investors for whom Axiom Alternative Investments is a marketer	Accumulation	Euro	€100,000	€1,000
JC CHFH unit	FR0013303492	Open to all subscribers, particularly those for whom Axiom Alternative Investments is a marketer(1).	Accumulation	CHF	CHF 100,000	CHF 1,000
JC USDH unit	FR0013303484	Reserved for institutional investors for whom Axiom Alternative Investments is a marketer	Accumulation	USD dollar	\$100,000	\$1,000
JD unit	FR0013302833	Open to all subscribers	Distribution and/or carry-forward	Euro	€100,000	€1,000
LC unit	FR0013259173	Reserved for subscribers for whom Axiom Alternative Investments is a marketer	Accumulation	Euro	1 unit	€1,000
NC unit:	FR0013259181	Open to all subscribers	Accumulation	Euro	1 unit	€1,000
OAD unit	FR0013259199	Reserved for UCIs and mandates managed by Groupama Asset Management or its subsidiaries and belonging to the Oxygène range, as well as for UCIs or mandates managed by Axiom Alternative Investments	Distribution and/or carry-forward	Euro	1 unit	€1,000
OSD unit	FR001400QJM1	Reserved for UCIs and mandates managed by Groupama Asset Management or its subsidiaries and belonging to the Opale range, as well as for UCIs or mandates managed by Axiom Alternative Investments	Distribution and/or carry-forward	Euro	1 unit	€1,000
PC unit	FR0013251881	Reserved for institutional investors	Accumulation	Euro	€1,000,000	€1,000
RC unit	FR0013302858	Reserved for investors subscribing via distributors or intermediaries associated with Groupama Asset Management providing advisory services under the European MiFID II regulation, portfolio management under mandate, and when they are exclusively remunerated by their clients	Accumulation	Euro	1 unit	€1,000

(1) Includes all unit holders who subscribed to the UCITS before 14/06/2019

As of 24/06/2024, the names of the units will change:

- Unit G becomes GA
- Unit I becomes IC
- Unit J becomes JC
- Unit JS becomes JC CHFH
- Unit JU becomes JC USDH
- Unit L becomes LC
- Unit N becomes NC
- Unit OA becomes OAD
- Unit P becomes PC
- Unit R becomes RC

**Details of where to obtain the FCP regulations, the latest annual report, and the latest periodic statement if not attached:**

The latest annual documents, as well as the composition of assets, are sent within eight business days upon written request from the unit holder to:

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

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

## 2. Participants

### Management Company

Groupama Asset Management (Société Anonyme), 25, rue de la Ville l'Évêque - 75008 Paris - France, Management Company authorised by the Commission des opérations de bourse (now the Autorité des marchés financiers) under number GP 93-02 on 5 January 1993.

### Policy on managing conflicts of interest:

To identify, prevent, manage and monitor conflicts of interest that may arise from delegations, the Management Company has implemented a conflict-of-interest management policy, which is available from your usual contact or on the Management Company's website: [www.groupama-am.com](http://www.groupama-am.com).

### Depository - Custodian

**CACEIS BANK**, société anonyme, a credit institution authorised by the CECEI (now the ACPR) on 1 April 2005, whose registered office is at 89-91 rue Gabriel Péri – 92120 Montrouge - France.

The duties of the Depository cover the tasks, as defined by the applicable regulations, of safekeeping the assets, checking the regularity of the decisions of the Management Company and monitoring the cash flows of the UCIs.

The depository is independent of the Management Company.

A description of the custody functions delegated, a list of CACEIS Bank's delegates and sub-delegates and information on conflicts of interest that may arise from these delegations are available on the CACEIS website: [www.caceis.com](http://www.caceis.com).

Updated information is available to investors.

### Centralising agent for subscriptions/redemptions:

- **Groupama Asset Management** for units to be registered or held in pure registered form.

Once these orders have been collected, Groupama Asset Management will send them to CACEIS Bank in its capacity as affiliate of Euroclear France.

- By delegation of the Management Company, **CACEIS Bank**, for units to be registered or registered in bearer or administered registered form.

### Establishment designated to receive subscriptions and redemptions, and responsible for ensuring compliance with the centralisation cut-off time indicated in the prospectus, by delegation from the management

CACEIS BANK

### Liabilities maintenance:

**CACEIS Bank** is responsible for maintaining the UCI's liabilities, which includes centralising subscription and redemption orders for UCI units and processing these orders in conjunction with Euroclear France, with which the UCI is admitted, as well as maintaining the issue account for UCI units to be registered or recorded in bearer or administered registered form.

### Statutory Auditor

**PWC Audit** - 2 rue Vativesnil - 92300- Levallois-Perret.

### Accounting delegate:

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) on 1 April 2005.

### 3. Operating and management procedures

#### 3.1 General characteristics

**Unit characteristics:**

Nature of the rights attached to the unit category:

Each unit holder has a co-ownership right to the assets of the UCITS proportional to the number of units held.

Entry in a register or details of how liabilities are maintained:

Liabilities are maintained by the depositary.

The UCITS is admitted to Euroclear France.

Voting rights:

No voting rights are attached to the units, as decisions are made by the Management Company.

Form of units:

Units are held in registered and/or bearer form.

Decimalisation:

Subscriptions and redemptions may be made in amounts or in thousandths of a unit.

**Closing date:**

Last day of trading on the Paris stock exchange in February.

The first financial year ended on the last trading day of December 2017.

**Tax system:**

The UCITS is not subject to corporate tax. Under the transparency principle, the tax authorities consider that the unit holder directly owns a fraction of the financial instruments and cash held in the UCITS.

The tax treatment of any capital gains and income linked to the holding of units in the UCITS depends on the tax provisions applicable to the investor's particular situation and/or the jurisdiction from which the investor invests his funds. We advise you to seek advice from your local council.

Under French tax rules, switching from one unit category to another is treated as a sale that may be subject to capital gains tax.

#### 3.2 Specific provisions

**ISIN Codes:**

GA unit:	:	FR0013259140
IC unit:	:	FR0013259132
ID unit	:	FR001400EFB8
JC unit	:	FR0013259165
JC CHFH unit	:	FR0013303492
JC USDH unit	:	FR0013303484
JD unit	:	FR0013302833
LC unit	:	FR0013259173
NC unit:	:	FR0013259181
OAD unit	:	FR0013259199
OSD unit	:	FR001400QJM1
PC unit	:	FR0013251881
RC unit	:	FR0013302858

**SFDR Classification:**

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

**Investment in UCIs:** up to 10% of its net assets.

**Management Objective:**

The management objective is to seek to achieve an annualised return equal to or greater than that of its benchmark, the index composed of 40% ICE BofA Contingent Capital Index (hedged in euros) and 60% ICE BofA Euro Financial Index after management fees, over the recommended investment horizon of more

than 4 years. To achieve this, the manager may actively and discretionarily manage the portfolio, primarily investing in bonds issued by financial institutions that meet ESG (Environmental, Social and Governance) criteria.

**Benchmark:**

No benchmark is intended to be used for evaluating the performance of the UCITS, as available benchmarks are not representative of its management method. However, the performance of the UCITS may be compared and assessed retrospectively against the following composite index: 40% ICE BofA Contingent Capital Index (hedged in Euro) and 60% ICE BofA Euro Financial Index.

The ICE BofA Contingent Capital Index (Bloomberg Code: COCO) is composed of subordinated debt issues primarily issued by financial institutions on the Eurobond markets or national markets within the Eurozone.

The ICE BofA Euro Financial Index (Bloomberg Code: EB00) is representative of the high quality financial sector bond market issued in Euro, including both senior and subordinated debt.

The administrator of the indices ICE BofA Contingent Capital Index (hedged in Euro) and ICE BofA Euro Financial, Bank of America ("the Administrator"), has until 31 December 2025 to apply for approval to the register of administrators and benchmarks maintained by ESMA under Article 36 of Regulation (EU) 2016/1011 of the European Parliament and Council of 8 June 2016 ("the ESMA Register"). As of the publication date of this prospectus, the Administrator has not yet obtained approval and is therefore not yet listed in the ESMA Register.

The Administrator provides public information regarding its indices on its website: [https://www.bofam1.com/content/boaml/en\\_us/home.html](https://www.bofam1.com/content/boaml/en_us/home.html).

Groupama Asset Management has an internal action plan that will be implemented in the event of a substantial change to or discontinuation of the index.

**Investment strategy:**

Description of the strategies used:

The portfolio's investment policy mainly consists of selecting bonds, debt securities or preferred shares issued by financial institutions (banks and insurers).

The portfolio aims to generate a return by investing in instruments offering attractive coupons while minimising the risk of capital loss. The strategy also seeks to adjust its positions based on changes in supply and demand in the subordinated securities market of banks and insurers, taking advantage of new issues that meet the sector's regulatory standards and offer better liquidity.

Consequently, the portfolio is constructed through a dynamic allocation process that considers market conditions and regulatory developments:

- Fundamental analysis (bottom-up approach):
  - o Issuer selection process: the portfolio favours financial institutions with strong fundamentals, effective governance, and the ability to withstand economic cycles.
  - o Securities analysis: each bond is evaluated based on its capital structure, yield and contractual terms (e.g., step-up, early call, conversion thresholds, etc.).
  - o Investment in senior debt and subordinated debt of financial institutions (including bank and insurance subordinated debt, legacy subordinated debt, Tier 2, Additional Tier 1 and contingent convertible bonds (Coco Bonds)).
- Geographic and sectoral allocation (top-down approach).
  - o Targeted investment in OECD countries: the portfolio focuses its investments on strong and stable financial systems.
  - o Sectoral diversification: the portfolio spreads its investments to diversify risks.
- Portfolio monitoring and regulatory developments.
  - o Proactive regulatory monitoring: the financial sector is heavily influenced by regulations. Management continuously monitors regulatory developments to understand their implications for issuers and invested instruments.
  - o Strategic adaptation: by anticipating changes, management adjusts the portfolio to take advantage of new opportunities or protect against risks linked to regulatory changes.
  - o Managing change and scarcity effect: the market is transitioning, with the gradual replacement of legacy issues by new instruments that comply with the latest regulatory standards. Management leverages this dynamic by investing in these new issues, which may offer improved features. The progressive disappearance of legacy issues creates scarcity, which can increase their value. Management may exploit this effect by maintaining a strategic exposure to these instruments when deemed appropriate.

The selection of issuers invested in by the management is based on its own analysis, which may include the expertise of the internal credit analysis team to assess issuer risk in the portfolio and credit quality ratings issued by external entities.

The UCITS may invest in bonds where the issuer's long-term agency rating (or an equivalent rating estimated by the Management Company), or in the absence of the issuer's rating, that of the issuer's group, is at least "Investment Grade," with up to 20% in non-"Investment Grade" or unrated securities.

The "Investment Grade" category includes securities where the issuer's or group's minimum rating, according to the Basel method (the second-best assigned rating), is BBB- by Standard and Poor's, Baa3 by Moody's, or BBB- by Fitch Ratings, or an equivalent rating as estimated by the Management Company.

The UCITS will adopt a flexible and opportunistic management style, with investments fluctuating from 0% up to a maximum of 55% of its net assets in "Additional Tier 1" bonds or "contingent convertible bonds" (Coco bonds) and up to 50% in preferred shares issued by financial institutions, aiming to capture potentially higher returns related to their subordination, in exchange for higher risk.

Coco bonds are hybrid instruments between debt and equity: they are issued as debt but are automatically converted into equity when the financial institution (in this case) is in distress. The bonds will therefore be converted into shares at a predetermined price when certain trigger criteria (loss levels, degraded capital levels, capital adequacy ratios, falling price-to-earnings ratios, etc.) are met.

Interest rate sensitivity range within which the UCITS is managed:	Between 0 and 8
Geographical area of issuers of securities to which the UCITS is exposed*	OECD countries (all regions): 0 - 110% Non-OECD countries (emerging markets): 0–10%
Currencies of securities held by the UCITS	Euro: from 0% to 110% of the net assets Other currencies: 0–110% of the net assets
Currency risk exposure of the UCITS	Limited to 10% of the net assets

Excludes exposure via derivative instruments

- Incorporation of ESG criteria:

While the UCITS has no minimum objective for specific sustainable investments as defined in the SFDR Regulation, it adopts the following binding restrictions consistent with its own investment objective, which also incorporates certain environmental and social characteristics. The UCITS falls under the scope of Article 8 of the SFDR Regulation.

Tools used to integrate ESG factors are detailed further in the ESG annex of the prospectus.

ESG criteria are considered in the portfolio management process, adhering to the following requirements:

- **Exclusions at the level of the management company:**

- o Application of sector exclusions on controversial weapons and fossil fuels in accordance with Groupama AM's exclusion policy, available on the Groupama AM website.
- o Exclusion of issuers from the List of Major ESG Risks: issuers identified as presenting poor governance or significant sustainability risks that could jeopardise their economic and financial viability or could have a significant impact on the value of the company and therefore lead to a significant loss of market value or a significant downgrade by the rating agencies.
- o Application of regulatory exclusions in relation to non-cooperation for tax purposes, corruption and money laundering in accordance with Groupama AM's AML/CFT policy.

- **Constraints specific to the portfolio:**

- o Exclusion of companies involved in the production and/or exploration of conventional and unconventional natural gas.
- o Exclusion of companies involved in nuclear energy production.
- o The average ESG score of the portfolio must be higher than that of its investment universe.

The outcome of the portfolio's securities selection must result in an ESG rating coverage and monitoring rate of at least 90% for "Investment Grade" securities and at least 75% for "High Yield" securities, excluding money market funds and liquidity.

Consideration of the European Taxonomy:

Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020, establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (the "European Taxonomy" or "Taxonomy Regulation"), aims to identify economic activities considered environmentally sustainable. The Taxonomy identifies these activities based on their contribution to six main environmental objectives:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy (waste prevention and recycling).
- Pollution prevention and reduction.
- Protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must: substantially contribute to one of the six objectives and not significantly harm any of the other five objectives (the "Do No Significant Harm" principle or "DNSH" principle). The principle of "do no significant harm" only applies to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities. For an activity to align with the European Taxonomy, it must also respect human and social rights guaranteed under international law.

The management team endeavours to consider the EU criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852 in its investment decisions. Based on currently available issuer data, the minimum alignment percentage with the European Taxonomy is 0%.

Methodological limitations: the ESG approach developed by Groupama Asset Management is based on a quantitative and qualitative analysis of the environmental, social and governance practices of the securities in which it invests. The main limitation of this analysis lies in the quality of the available information. ESG data is not yet standardised, and the analysis ultimately depends on qualitative and quantitative data provided by the companies themselves, which may still be incomplete and heterogeneous. To address this limitation, Groupama Asset Management focuses its analysis on the most material aspects of the sectors and companies it reviews.

- Management style adopted:

The UCITS adopts an active management style aimed at achieving its investment objective and optimising performance.

Assets, excluding embedded derivatives:

- Fixed-income market:

Investments in fixed income products will represent between 0 and 110% of net assets.

o Bonds and other debt securities:

The UCITS will invest in bonds issued by sovereign states, industrial companies, commercial companies and financial institutions.

All financial instruments may have fixed, variable and/or adjustable interest rates.

These securities, issued by international issuers, may be traditional, unsecured or subordinated.

The UCITS may invest in securities where the issuer or the guarantor entity qualifies as "Investment Grade" under the Basel method or is deemed equivalent by the Management Company. Up to 20% of the net assets may be invested in high-yield ("speculative") issuers or unrated issuers.

o Money market instruments:

During periods when the investment strategy leads the management team to reduce the UCITS' exposure to bonds and/or other debt securities to achieve its investment objective, the UCITS may hold up to 100% in short-term negotiable securities and Euro Commercial Papers. These financial instruments may also be used incidentally, up to 10% of net assets, for cash management purposes.

- Equity market:

The UCITS' equity exposure will not exceed 50% of its net assets.

The UCITS may invest up to 50% of its net assets in preferred shares and up to 10% in ordinary shares.

Preferred shares are equity instruments that provide priority and guaranteed rights to a fixed dividend. This dividend has priority over that of ordinary shares. The absence of dividend payments to ordinary shareholders does not automatically mean non-payment of dividends to preferred shareholders. The dividend generally corresponds to a fixed percentage of the nominal value or prioritised reimbursement of dividends, or both. As a result, preferred shares combine the characteristics and benefits of debt securities while being classified as equity in accounting terms. However, these shares carry the same risks as debt securities.

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

The UCITS may hold up to 10% of its net assets in shares or units of:

o UCITS established under French or European law.

o AIFs established under French, European or third-country law, provided that their supervision and investor protection are equivalent.

The UCITS used may belong to all classifications, including money market UCITS. Additionally, as part of its investment strategy, the UCITS may use index-tracking funds (ETFs or trackers) primarily invested in subordinated debt.

The UCITS may invest in funds managed directly or indirectly by Groupama Asset Management.

External UCITS will be carefully reviewed for their management process, performance, risk, and any other qualitative and quantitative criteria to assess their short-, medium- and long-term quality.

- For each of the categories mentioned above:

o Holding ranges:

- Bonds, debt securities and money market instruments: Up to 110% of net assets.
- Preferred shares: up to 50% of the net assets.
- Ordinary shares: Up to 10% of net assets.
- Shares or units of other UCITSs or AIFs (including ETFs): Up to 10% of net assets.

Derivatives and securities embedding derivatives:

The use of derivatives and securities embedding derivatives is permitted up to a maximum commitment of one times the net assets of the UCITS, impacting both the portfolio's performance and risk. The strategy for using securities embedding derivatives is the same as that described for derivatives.

These instruments allow:

Increasing or decreasing the UCITS' overall exposure to interest rate risk.

Hedging the portfolio against currency risk.

This increases management flexibility. Derivatives are used to optimise performance.

The manager may invest in futures, options, swaps and CFDs (Contracts for Difference) traded on regulated or over-the-counter markets in the Eurozone and/or internationally. In this context, the manager may take positions to hedge, arbitrage and/or expose the portfolio to sectors, geographic areas, interest rates, equities (all capitalisations), currencies and indices to achieve the management objective.

- Nature of derivatives used

The manager may use the derivatives described in the following table:

Risks the manager intends to address		Nature of intervention markets			Nature of interventions			
		Regulated	Organised	Over-the-counter	Hedging	Exposure	Arbitrage	Other type
Equities	X							
Rate	X							
Foreign exchange	X							
Credit	X							
<b>Derivatives used</b>								
<b>Futures</b>								
- Equities		X	X		X	X		
- Interest rates		X	X		X	X		
- Currencies		X	X		X			
<b>Options</b>								
- Equities		X	X	X	X	X		
- Interest rates		X	X	X	X	X		
- Foreign exchange		X	X	X	X			
<b>Swaps</b>								
- Equities								
- Interest rates				X	X	X		
- Inflation swaps								
- Foreign exchange				X	X			
- Total return swaps				X	X	X	X	
<b>Forward exchange</b>								
- Forward currencies				X	X	X		
<b>Credit derivatives</b>								
- Credit default swaps (single-entity or multi-entity reference)				X	X	X		
- Indices				X	X	X		
- Index options								
- Structured products on multiple issuers (CDO tranches, ITRAXX tranches, FTD, NTD, etc.)								
<b>Other</b>								
- Equity								
<b>Securities embedding derivatives used</b>								
<b>Warrants</b>								
- Equities								
- Interest rates								
- Foreign exchange								
- Credit								
<b>Other</b>								
EMTNs (structured)				X	X	X		
<b>Convertible bonds</b>								
Exchangeable bonds				X	X	X		
Convertible bonds				X	X	X		
<b>Callable rate products</b>								
				X	X	X		
<b>Puttable rate products</b>								
				X	X	X		
Credit-linked notes (CLNs)				X	X	X		
<b>Subscription warrants</b>								
- Equities				X	X	X		
- Interest rates				X	X	X		

- Total return swaps (TRS):
  - o General description and justification for using TRS:  
A total return swap (TRS) is a contract that exchanges the return on an index consistent with the management objective for periodic payments indexed to a reference money market rate.
  - o Types of assets subject to such contracts:  
Negotiable debt securities (NDS)  
Bonds
  - o Strategy and composition of the underlying index or portfolio:  
The TRS used by the FCP are standardized contracts on bond indices aimed at hedging or exposing the portfolio to the bond market or (in the case of an arbitrage strategy) conducting arbitrage transactions to exploit market discrepancies.

- o These aim to hedge or expose the portfolio to the bond market or, in the case of arbitrage strategies, to exploit market discrepancies. These TRS contracts are executed without the counterparty having any discretionary decision-making power over the composition or management of the FCP's portfolio or the TRS' underlying assets. Counterparty approval is not required for any transactions related to the FCP portfolio.
- o Criteria for selecting TRS counterparties:  
Contracts will be concluded with credit institutions with a minimum "Investment Grade" rating (or deemed equivalent by the management company) based in an OECD member country.
- o Usage:  
Maximum usage: 30%  
Expected usage: 10% maximum
- Counterparty selection criteria  
OTC counterparties (derivative instruments and efficient portfolio management techniques) are selected through a specific internal procedure. The main selection criteria include financial strength, expertise in the relevant operations, general contractual clauses and specific clauses on counterparty risk mitigation techniques.

#### Deposits:

Deposits with a credit institution based in an EU Member State or an EEA State, with a maturity of less than 12 months, will be used to remunerate cash holdings up to a maximum of 20% of net assets.

#### Cash borrowing:

In exceptional and temporary circumstances involving significant redemptions, the manager may borrow cash up to a limit of 10% of net assets.

#### Temporary acquisitions and sales of securities:

- Nature of transactions:
  - o Repurchase agreements and reverse repurchase agreements as defined by the Monetary and Financial Code.
  - o Securities lending as defined by the Monetary and Financial Code.
- Purpose of transactions:  
These transactions will primarily aim to allow:
  - o Manage cash.
  - o Optimise the UCITS' revenue.
  - o Potentially contribute to the UCITS' leverage effect.
 These transactions must be limited to achieving the UCITS' management objective.
- Types of assets subject to such transactions:
  - o Negotiable debt securities (NDS)
  - o Bonds
  - o Equities.
- Planned and permitted levels of use:
  - o Repurchase and reverse repurchase agreements:  
Maximum usage: 100% of net assets.  
Expected usage: Approximately 10% of net assets.
  - o Securities lending:  
Maximum usage: 100% of net assets.  
Expected usage: Approximately 10% of net assets.

Additional information is provided in the fees and commissions section regarding the conditions for remunerating temporary purchases and sales of securities.

#### **Information on the use of temporary purchases and sales of securities**

The use of temporary purchases or sales of securities will always aim to achieve the UCITS' management objective.

Regarding temporary purchases of securities (reverse repurchase agreements), these transactions aim to invest the UCITS' cash holdings at the best rates while taking securities as collateral.

Regarding temporary disposal of securities operations (repurchase agreements (1) and securities lending (2)), these operations aim either (1) to obtain liquidity at the best costs by providing securities as collateral or (2) to enhance the UCITS' return through remuneration from securities lending.

Regarding securities lending operations (2) without financial collateral and in compliance with the counterparty ratio of 10%. These operations will result in remuneration fully allocated to the UCITS and will mainly involve debt securities eligible for refinancing operations by the ECB, for which the securities lending market is almost non-existent. Furthermore, these operations will involve maturities of a maximum of three months with a recall option by the UCITS at any time.

The UCITS, using derivatives and securities embedding derivatives and potentially resorting to cash borrowing and temporary acquisition and disposal of securities operations, will have a total portfolio exposure not exceeding 200% of its net assets.

#### **Information relating to financial collateral for the UCITS**

As part of temporary acquisition and disposal of securities operations and over-the-counter derivatives transactions, the UCITS may receive collateral in the form of securities or cash collateral.

Cash collateral received is reinvested in accordance with applicable rules.

All such assets must be issued by high-quality, liquid, low-volatility, and diversified issuers that are not part of the counterparty's entity or group.

Haircuts applied to received collateral take into account credit quality, price volatility, and the results of stress testing conducted in line with regulatory requirements.

The level of financial collateral and the haircut policy are determined in accordance with current regulations.

#### **Risk profile:**

##### Capital loss risk:

There is a risk that the capital invested may not be fully returned, as the UCITS does not include any capital guarantee.

##### Interest rate risk:

Unit holders are exposed to interest rate risk. Interest rate risk arises from potential increases in bond market interest rates, which cause bond prices to fall and, consequently, reduce the UCITS' net asset value.

##### Credit risk:

In the event of an unforeseen default or deterioration in the credit quality of issuers (e.g., a downgrade by credit rating agencies), the value of the bonds in the portfolio will decrease, leading to a drop in the fund's net asset value.

Since the UCITS may invest in high-yield, speculative securities with low ratings, the risk of a decline in the UCITS' net asset value may be higher. Investing in such speculative securities may also increase the fund's overall exposure to credit risk.

Credit risk also exists in the context of temporary purchases and sales of securities if both the counterparty defaults and the issuer of the received collateral securities also defaults.

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

This UCITS should be considered partially speculative and is particularly suited to investors aware of the risks associated with investing in low-rated or unrated securities. The use of high-yield securities may result in a greater risk of a decline in the UCITS' net asset value.

##### Specific risks associated with convertible bonds:

Due to the hybrid nature of convertible bonds, the portfolio is exposed to interest rate risk, credit risk, equity risk, volatility risk and currency risk.

The value of convertible bonds depends on several factors, including interest rate levels, credit spreads, the performance of underlying equity prices and changes in the price of the embedded derivative. These factors may lead to a decline in the UCITS' net asset value.

##### Risks related to commitment in derivative financial instruments:

The use of derivatives may increase (via greater exposure) or decrease (via reduced exposure) the fund's volatility. In the event of unfavourable market movements, the net asset value may decline.

##### Risks associated with investments in "Additional tier 1" bonds or "contingent convertible bonds" (Coco bonds):

- **Trigger level risk:**  
A Coco bond is a hybrid bond whose conversion trigger depends on the solvency ratio of its issuer. The conversion trigger is the event that determines the conversion of the bond into ordinary shares. The lower the solvency ratio, the higher the probability of conversion, all else being equal. In addition to the risk of default on senior or subordinated debts, the resolution authority may impose a percentage loss that primarily impacts shareholders, followed by Coco bond holders, even if the conversion threshold based on the solvency ratio has not yet been reached.
- **Call extension risk:**  
Some Coco bonds are considered perpetual debt instruments. The initially proposed maturity date may be extended. Thus, Coco bond investors may face the risk of recovering their capital at a date later than initially expected.
- **Coupon cancellation risk:**  
Coco bonds provide entitlement to a coupon payment at a determined frequency. The issuer of certain types of Coco bonds may cancel coupon payments. Non-payment of a coupon is final and may occur at the issuer's discretion or due to regulatory constraints limiting coupon payments based on capital levels. Suspension of coupon payments may even occur when the bank continues to pay dividends to its shareholders and variable compensation to its employees. The amount of interest associated with Coco bonds is therefore variable. The risk concerns both the frequency and amount of remuneration for this type of bond.
- **Capital structure inversion risk:**  
Contrary to the conventional capital hierarchy, Coco bond investors may, in certain circumstances, incur capital losses before shareholders. This is particularly the case when the conversion trigger is high.
- **Yield/valuation risk:**  
The often-attractive yield of Coco bonds may be considered a complexity premium. Investors must account for the underlying risks of Coco bonds.
- **Potential risk (unknown risk):**  
Coco bonds are recent instruments whose behaviour under stress conditions is unknown.
- **Risk linked to perpetual coupon bonds**  
The use of perpetual coupon bonds exposes the fund to the following risks:
  - o **Coupon cancellation risk:** Coupon payments on these instruments are entirely discretionary and can be cancelled by the issuer at any time, for any reason, and without time constraints.
  - o **Capital structure risk:** Unlike the traditional capital hierarchy, investors in these instruments may incur capital losses. Specifically, subordinated creditors are repaid after senior creditors but before shareholders
  - o **Extension call:** These instruments are issued as perpetual instruments, callable at predetermined levels.The occurrence of any of these risks could lead to a decline in the UCITS' net asset value.

#### Counterparty risk:

Counterparty risk exists and is linked to entering into over-the-counter financial derivative contracts and temporary purchases and sales of securities. It measures the risk faced by an entity in relation to its obligations to the counterparty with which the contract was concluded. This refers to the risk of a counterparty defaulting, leading to a failure to make payments. In accordance with regulations, this risk cannot exceed 10% of net assets per counterparty.

#### Liquidity risk:

Liquidity risk may arise from difficulty finding market counterparties or reasonable prices under certain exceptional market conditions. In the event of market collapse or closure, force majeure could justify liquidity restrictions.

In the case of default by a counterparty in a securities financing transaction, this risk applies to financial collateral through the disposal of the received securities.

#### Risks associated with securities financing transactions and collateral management:

The use of temporary purchases and sales of securities may increase or decrease the UCITS' net asset value.

Risks associated with these operations and collateral management include credit risk, counterparty risk and liquidity risk as defined above.

Operational or legal risks are minimal due to an appropriate operational process, the safekeeping of received collateral by the UCITS' depository, and the framing of such operations within master agreements signed with each counterparty.

Furthermore, the risk of collateral reuse is minimal, as only cash collateral is reinvested, and this is in accordance with UCITS regulations.

#### Portfolio sector concentration risk:

This risk is linked to the concentration of investments in financial instruments sensitive to the financial sector. Such concentration may lead to a decline in the UCITS' net asset value and result in capital loss for the investor.

#### Discretionary management risk:

The discretionary management style relies on anticipating the performance of various markets (equities, bonds). There is a risk that the UCITS may not always be invested in the most profitable markets.

#### Equity market risk:

The UCITS may be invested in preferred shares ("preferred shares"). These preferred shares do not carry an option for conversion into ordinary shares. Banks have created these preferred shares so that regulators accept them as equity capital, similar to ordinary shares. The UCITS holder is a shareholder, not a creditor. However, the value of a preferred share is not tied to the valuation of the ordinary share. The shareholder of a preferred share does not participate in shareholder meetings. Additionally, these preferred shares have bond-like characteristics (fixed coupon but subordinated under certain conditions, nominal value, credit rating, duration and redemption at par). In the event of the bank's insolvency, preferred shares contribute to covering liabilities but rank equivalently to classic subordinated bonds.

The Management Company concludes that these preferred shares inherently carry low equity risk. Equity sensitivity becomes non-zero only when the risk of insolvency increases.

#### Currency risk:

The UCITS may be exposed to issuers whose securities are denominated in currencies other than the UCITS' reference currency (the euro).

Currency risk remains incidental (limited to 10% of net assets), as the manager uses derivative financial instruments to hedge this risk.

For the JC CHFH unit denominated in CHF and the JC USDH unit denominated in USD:

- These units are denominated in a currency other than the euro, so currency risk arising from fluctuations of the euro relative to the valuation currency is minimal due to systematic hedging. This hedging may cause performance discrepancies between units denominated in different currencies. JC CHFH and JC USDH units will always be hedged against currency risk.

All units share the same investment portfolio, but JC CHFH and JC USDH units include a hedge against currency risk between their valuation currency and the euro.

#### Sustainability risks:

Sustainability risk, introduced by EU Regulation 2019/2088 (SFDR), is defined as any environmental, social or governance event or situation that, if it occurs, could have a significant negative impact, real or potential, on the value of an investment. The policy for managing sustainability risk is outlined in the ESG Methodology available on the Management Company's website ([www.groupama-am.com/fr/finance-durable](http://www.groupama-am.com/fr/finance-durable))

#### **Liquidity risk management policy**

Liquidity risk management of the UCI is conducted through an analysis and monitoring system using internal tools and methodologies established at Groupama Asset Management.

This system is structured around two main axes:

- monitoring the liquidity profile of the portfolio, based on an assessment of the liquidity of assets in the light of current market conditions,
- monitoring the fund's ability to cope with significant redemption scenarios in current or deteriorating market conditions.

#### **Guarantee or protection**

N/A

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

GA unit:	Reserved for Groupama Assurances Mutuelles companies, subsidiaries and regional funds.
IC unit:	Reserved for institutional investors for whom Groupama and its external distributors are marketers.
ID unit:	Reserved for institutional investors for whom Groupama and its external distributors are marketers.
JC unit:	Reserved for institutional investors for whom Axiom Alternative Investments is a marketer
JD unit:	Open to all subscribers
JC CHFH unit:	Open to all subscribers, particularly those for whom Axiom Alternative Investments is a marketer.
JC USDH unit:	Reserved for institutional investors for whom Axiom Alternative Investments is a marketer
LC unit:	Reserved for subscribers for whom Axiom Alternative Investments is a marketer
NC unit:	Open to all subscribers
OAD unit:	Reserved for UCIs and mandates managed by Groupama Asset Management or its subsidiaries and belonging to the Oxygène range, as well as for UCIs or mandates managed by Axiom Alternative Investments
OSD unit:	Reserved for UCIs and mandates managed by Groupama Asset Management or its subsidiaries and belonging to the Opale range, as well as for UCIs or mandates managed by Axiom Alternative Investments
PC unit:	Reserved for institutional investors
RC unit:	Reserved for investors subscribing via distributors or intermediaries associated with Groupama Asset Management, providing advisory services under MiFID II regulations, discretionary portfolio management, and being exclusively remunerated by their clients.

The FCP GROUPAMA EURO FINANCIAL DEBT is intended for investors seeking exposure to the financial sector through the international bond market, investing in Tier 1 or Tier 2 securities disqualified from banks' or insurers' regulatory capital, and capable of bearing the associated risks.

The minimum recommended investment period in the UCITS is more than 4 years.

The amount it is reasonable to invest in the UCITS depends on the investor's personal situation. To determine this, the investor should consider their personal wealth, financial projects, and their willingness to take risks or, conversely, their preference for a conservative investment approach. It is also strongly recommended that the subscriber sufficiently diversifies their investments to avoid exposing them solely to the risks associated with this UCITS.

#### Procedures for determining and allocating distributable sums

GA unit:	Accumulation and/or distribution. Option to pay interim dividends. Possibility of full or partial carry-forward.
IC unit:	Accumulation
ID unit:	Distribution. Option to pay interim dividends. Possibility of full or partial carry-forward.
JC unit:	Accumulation
JD unit:	Distribution. Option to pay interim dividends. Possibility of full or partial carry-forward.
JC CHFH unit:	Accumulation
JC USDH unit:	Accumulation
LC unit:	Accumulation
NC unit:	Accumulation
OAD unit:	Distribution. Option to pay interim dividends. Possibility of full or partial carry-forward.
OSD unit:	Distribution. Option to pay interim dividends. Possibility of full or partial carry-forward.
PC unit:	Accumulation
RC unit:	Accumulation

#### Characteristics of units

	Original net asset value	Base currency	Fractioning:
GA unit:	EUR 1,000	EUR	1,000th of a unit
IC unit:	EUR 1,000	EUR	1,000th of a unit
ID unit:	EUR 1,000	EUR	1,000th of a unit
JC unit:	EUR 1,000	EUR	1,000th of a unit
JC CHFH unit:	CHF 1,000	CHF	1,000th of a unit
JC USDH unit:	USD 1,000	USD	1,000th of a unit
JD unit:	EUR 1,000	EUR	1,000th of a unit
LC unit:	EUR 1,000	EUR	1,000th of a unit
NC unit:	EUR 1,000	EUR	1,000th of a unit
OAD unit:	EUR 1,000	EUR	1,000th of a unit
OSD unit:	EUR 1,000	EUR	1,000th of a unit

PC unit	EUR 1,000	EUR	1,000th of a unit
RC unit	EUR 1,000	EUR	1,000th of a unit

### Subscription and redemption procedures

	Minimum initial subscription amount:	Subscriptions:	Redemptions*
GA unit:	€300,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
IC unit:	€100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
ID unit	€100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
JC unit	€100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
JD unit	€100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
JC CHFH unit	CHF 100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
JC USDH unit	\$100,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
LC unit	One unit	In amounts or thousandths of a unit	In amounts or thousandths of a unit
NC unit:	One unit	In amounts or thousandths of a unit	In amounts or thousandths of a unit
OAD unit	One unit	In amounts or thousandths of a unit	In amounts or thousandths of a unit
OSD unit	One unit	In amounts or thousandths of a unit	In amounts or thousandths of a unit
PC unit	€10,000,000	In amounts or thousandths of a unit	In amounts or thousandths of a unit
RC unit	One unit	In amounts or thousandths of a unit	In amounts or thousandths of a unit

\*Total redemption of units will only be possible in quantity and not in amount.

Orders are executed according to the following schedule:

D	D	D: day on which the NAV is drawn up	D+1 business day	D+2 business days	D+2 business days
Centralisation of subscription orders before 11 a.m. (2)	Centralisation of redemption orders before 11 a.m. (2).	Execution of the order no later than D	Publication of the net asset value	Subscription rules	Redemption rules

(2) Except for any specific delays agreed upon with your financial institution.

Subscription and redemption requests are centralised by CACEIS Bank and received every business day until 11:00 a.m.:

- At CACEIS Bank, on behalf of the clients for whom it holds custody accounts, for units to be registered or recorded in bearer or administered registered form.
- and at Groupama Asset Management for units to be registered or recorded in pure registered form.

Orders are processed at an unknown net asset value with settlement at D+2 Euronext Paris.

Investors should be aware that orders transmitted to distributors other than the above-mentioned institutions must consider the fact that the centralisation deadline applies to said distributors with respect to CACEIS Bank. Consequently, these marketers may apply their own cut-off time, earlier than that mentioned above, in order to take account of their deadline for transmitting orders to CACEIS BANK.

The UCITS is valued on each trading day, except on French legal public holidays. The reference calendar is that of the Paris stock exchange.

The NAV is disclosed on the website [www.groupama-am.com](http://www.groupama-am.com) or at Groupama Asset Management's offices.

#### Redemption cap mechanism (gates):

Groupama Asset Management may implement the "gates" system, which allows redemption requests from UCITS unit holders to be spread over several net asset values if they exceed a certain level, determined objectively.

- Description of the method used:  
Investors in the UCITS are reminded that the trigger threshold for gates corresponds to the ratio between:
  - o the difference recorded, on the same centralisation date, between the number of units of the UCITS for which repurchase is requested or the total amount of such repurchases, and the number of units of the UCITS for which subscription is requested or the total amount of such subscriptions; and
  - o the net assets or the total number of units of the UCITS.

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

The threshold above which gates will be triggered is justified by the frequency with which the net asset value of the UCITS is calculated, its management style and the liquidity of the assets it holds. This is set at 5% of the UCITS' net assets and applies to centralised repurchases of all the UCITS' assets. If the UCITS has several unit classes, repurchases are taken into account for all unit classes of the UCITS.

When redemption requests exceed the triggering threshold of the gates, Groupama Asset Management may decide to honour repurchase requests in excess of the ceiling, and thus execute all or part of any orders that may be blocked.

The maximum duration of gates is 20 net asset values over 3 months.

- Procedures for informing unit holders:  
In the event of activation of the gates mechanism, all the UCITS unit holders will be informed by any means. UCITS unit holders whose orders have not been executed will be specifically informed as soon as possible.
- Handling of unexecuted orders:  
Repurchase orders will be executed in the same proportions for UCITS' unit holders who have requested repurchase since the last centralisation date. Unexecuted orders will automatically be carried forward to the next net asset value and will not take precedence over new repurchase orders placed for

execution on the next net asset value. In any event, unexecuted repurchase orders that are automatically deferred may not be revoked by the UCITS' unit holders.

- Example illustrating the system partially put in place:  
For example, if total repurchase requests for the UCITS' units are 10% while the trigger threshold is set at 5% of the net assets, Groupama Asset Management may decide to honour repurchase requests up to 7.5% of the net assets (and therefore execute 75% of repurchase requests instead of 50% if it applied the 5% cap strictly).

#### Swing pricing mechanism:

Groupama Asset Management has chosen to implement a swing pricing mechanism.

Swing pricing is a mechanism to reduce the portfolio redevelopment costs related to subscriptions or redemptions for holders, by allocating all or part of these costs to incoming and/or outgoing holders. Its use does not exempt the Management Company from its obligations regarding best execution, liquidity management, asset eligibility and UCI valuation. Apart from minor administrative costs potentially incurred by the mechanism's implementation, the use of swing pricing does not generate additional costs for the UCI. This mechanism only redistributes costs differently among holders.

The swing pricing method adjusts the NAV of each unit category of the compartment using a swing factor. The swing factor estimates the discrepancies between supply and demand for assets in which the UCI invests and may also account for transaction costs, taxes, and related expenses incurred by the UCI when buying and/or selling underlying assets. The trigger threshold and the swing amplitude of the net asset value for each unit class of the UCI are specific to the UCI and are reviewed quarterly by a "Swing Price" committee. This committee has the power to modify the parameters of the swing pricing mechanism at any time, particularly in the event of a crisis on the financial markets.

The Management Company determines whether to adopt partial swing pricing or full swing pricing. In partial swing pricing, the NAV for each unit category of the UCI will be adjusted upwards or downwards when net subscriptions or redemptions exceed a certain threshold set by the Management Company for each UCI (the "swing threshold"). In full swing pricing, no swing threshold will be applied. The swing factor will have the following effects on subscriptions and redemptions:

1. When, on a given Valuation Day, a UCI is in a situation of net subscriptions (i.e. in value terms, subscriptions exceed redemptions) (above the swing threshold, where applicable), the net asset value of each class of units of the UCI will be revised upwards using the swing factor; and
2. When, on a given Valuation Day, a UCI is in a situation of net redemptions (i.e. in value terms, redemptions exceed subscriptions) (above the swing threshold, where applicable), the net asset value of each class of units of the UCI will be revised downwards using the swing factor.

When the swing pricing method is applied, the volatility of the net asset value of each unit class may not reflect the true performance of the portfolio (and may therefore deviate from the UCI's performance indicator).

#### **Fees and commissions**

By way of remuneration, the Management Company may pay a proportion of the UCI's management fees to intermediaries such as investment firms, insurance companies, management companies, marketing intermediaries, distributors or distribution platforms with whom an agreement has been signed to distribute or place the UCI's units or make contact with other investors. This remuneration is variable and depends on the business relationship in place with the intermediary. This remuneration may be flat-rate or calculated on the basis of the net assets subscribed as a result of the intermediary's action. Each intermediary will provide the customer with all relevant information on costs, fees and remuneration, in accordance with the regulations applicable to the intermediary.

- 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 UCITS are used to offset the costs incurred by the UCITS in investing or disinvesting the assets entrusted to it. Unpaid fees revert to the management company, promoter, etc.

Category of units	Basis	Subscription fee not paid to the UCITS	Subscription fee paid to the UCITS	Redemption fee not paid to the UCITS	Redemption fee paid to the UCITS
GA unit:	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
IC unit:	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
ID unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
JC unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
JC CHFH unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
JC USDH unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
JD unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
LC unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
NC unit:	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
OAD unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
OSD unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
PC unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None
RC unit	Net asset value x Number of units or shares	Maximum rate: 5%	None	None	None

- Operating and management costs:

These fees include all fees charged directly to the UCITS, except for transaction expenses. Transaction costs include intermediary fees (e.g. brokerage fees, order reception and transmission, stock market taxes, etc.) and any transaction fee, as appropriate, which may be charged by the depositary.

The following operating and management fees may also be charged:

o outperformance fees. These remunerate the Management Company if the UCITS exceeds its targets. They are therefore charged to the UCITS;

For more information on the ongoing charges charged to the UCITS, refer to the “Fees” section of the Key Information Document (KID).

GA unit:

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.6% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

IC unit:

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.85% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

ID unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.9% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

JC unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.85% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

JC CHFH unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.85% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

JC USDH unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.85% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

JD unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.85% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

LC unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 1.35% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

NC unit:

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 1.35% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

OAD unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.1% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

OSD unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.1% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	None

PC unit

<b>Fees charged to the UCITS</b>	<b>Basis</b>	<b>Rate scale</b>
Financial management fees	Net assets	Maximum rate: 0.55% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

RC unit

Fees charged to the UCITS	Basis	Rate scale
Financial management fees	Net assets	Maximum rate: 0.9% incl. VAT
Operating costs and other services (fund registration and listing fees, depositary fees, auditing, taxation, costs related to compliance with regulatory obligations and regulatory reporting, operational costs, etc.)	Net assets	Rate: 0.12% incl. VAT
Maximum indirect costs (commissions and management fees)	Net assets	Immaterial
Transaction fee received by the depositary CACEIS Bank	Deduction from each transaction	Securities: None Foreign exchange transaction: €10 incl. VAT OTC product: from €10 to €150* inclusive of all taxes depending on complexity
Performance fee	Net assets	10% of the outperformance relative to the benchmark, i.e. the composite index 40% ICE BofA Contingent Capital (hedged in Euro) + 60% ICE BofA Euro Financial

Operating costs and other services: in the case of a flat-rate fee, the actual operating costs and other services could be higher than the maximum permitted flat rate, in which case the management company will cover the excess.

Indirect costs: indicated if the percentage of UCIs held in the portfolio exceeds 20%, otherwise insignificant.

Any exceptional legal costs relating to recovery of the UCITS's receivables may be added to the fees shown above.

The portfolio management strategy may benefit from external research services paid for by the UCITS.

The contribution to the AMF will also be paid by the UCITS.

The income from temporary purchases and sales of securities accrues to the UCITS. The fees, costs and expenses for these transactions are invoiced by the custodian and paid by the UCITS.

#### Principles applicable to outperformance fees:

- General principles:

The performance fee is provisioned on each net asset value calculation date and charged upon calculation of the final NAV (net asset value) for each financial year.

The calculation method used is the "daily variation" method, which aims to adjust the balance of a provision account at each net asset value (NAV) based on the performance of the UCITS relative to its benchmark indicator, since the previous NAV.

A benchmark asset is determined at each valuation of the UCITS. It represents the net assets of the UCITS, adjusted for subscription/redemption amounts and valued based on the performance of the benchmark indicator since the last valuation.

Where the UCITS's valued assets, net of any fees, have outperformed the benchmark asset since the most recent NAV, an amount representing this difference, to which the outperformance percentage stated in the fees table is applied, will be added to the balance provisioned for outperformance fees. On the contrary, where the benchmark asset outperforms the sub-fund's assets between two NAV calculation dates, a write-back will be made in the percentage difference. The total provisioned balance cannot be negative, so write-backs are capped at the total value of existing provisions. Nevertheless, a theoretical negative balance will be noted so that future variable fees will only be provisioned once the underperformance recorded has been completely offset.

For redemptions, the portion of the provision for variable management fees corresponding to the number of units redeemed accrues in full to the Management Company.

In the event that no performance fee has been provisioned by the end of a reference period due to an underperformance vis-à-vis the benchmark index, the reference period will be extended to the following financial year with provision amounts calculated in the same way. Performance fees for the new accounting period can only be provisioned once past underperformance has been entirely offset.

After five years without any performance fees being collected (overall underperformance over five years), the calculation mechanism no longer considers underperformance from more than five years ago, as illustrated in the second table below.

Unless indicated otherwise, the calculation of performance fees solely depends on the UCITS' relative positive performance against the benchmark; therefore, a fee may be charged even if the absolute performance is negative.

By way of derogation, certain units are subject to a positivity constraint; in such a case, performance fees are only charged if the UCITS' performance is positive. In particular, this means that no performance fee may be charged if the unit underperforms over the reference period.

- Illustration 1: General operation

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Performance of the Fund's units</b>	10%	5%	-7%	6%	3%
<b>Benchmark performance</b>	5%	4%	-3%	4%	0%
<b>Over/underperformance</b>	5%	1%	-4%	2%	3%
<b>Cumulative fund performance over the observation period</b>	10%	5%	-7%	-1%	2%
<b>Cumulative benchmark performance over the observation period</b>	5%	4%	-3%	1%	1%
<b>Cumulative over/underperformance over the observation period</b>	5%	1%	-4%	-2%	1%
<b>Fee charged?</b>	Yes	Yes	No, because the UCITS underperformed the benchmark	No, because the UCITS underperformed over the entire current observation period, which began in Year 3	Yes
<b>Start of a new observation period?</b>	Yes, a new observation period begins in Year 2.	Yes, a new observation period begins in Year 3.	No, the observation period is extended to cover Years 3 and 4.	No, the observation period is extended to cover Years 3, 4 and 5	Yes, a new observation period begins in Year 6.

- Illustration 2: Treatment of uncompensated performance beyond five years:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Performance of the Fund's units</b>	0%	5%	3%	6%	1%	5%
<b>Benchmark performance</b>	10%	2%	6%	0%	1%	1%
<b>A: Over/underperformance for the current year.</b>	-10%	3%	-3%	6%	0%	4%
<b>B1: Carry forward of uncompensated underperformance from Year 1</b>	N/A	-10%	-7%	-7%	-1%	Out of scope
<b>B2: Carry forward of uncompensated underperformance from Year 2</b>	N/A	N/A	0%	0%	0%	0%
<b>B3: Carry forward of uncompensated underperformance from Year 3</b>	N/A	N/A	N/A	-3%	-3%	-3%
<b>B4: Carry forward of uncompensated underperformance from Year 4</b>	N/A	N/A	N/A	N/A	0%	0%
<b>B5: Carry forward of uncompensated underperformance from Year 5</b>	N/A	N/A	N/A	N/A	N/A	0%
<b>Over/underperformance for the observation period</b>	-10% (A)	-7% (A + B1)	-10% (A + B1 + B2)	-4% (A + B1 + B2 + B3)	-4% (A + B1 + B2 + B3 + B4)	1% (A + B2 + B3 + B4 + B5)
<b>Fee charged?</b>	No	No	No	No	No	Yes

Details of the method for calculating variable management fees are available from Groupama Asset Management.

- Description of the procedure for selecting intermediaries:

Managers have a list of authorised brokers. A semi-annual "broker committee" reviews the feedback provided by managers and all stakeholders in the value chain (analysts, middle office, etc.) and may propose the justified inclusion of new intermediaries or the exclusion of certain ones.

Each member notes one or more of the following criteria according to their area of expertise:

- o Quality of order execution prices,
- o Liquidity offered,
- o Sustainability of the intermediary,
- o Quality of analysis.

- Tax system:

Notice: Depending on your tax regime, any capital gains and income from holding units in the UCITS may be subject to tax.

We recommend that you contact your local council for further information.

Switching from one unit category to another is treated as a sale that may be subject to capital gains tax.

## 4. Business information

All information regarding the UCITS can be obtained directly by contacting:

Groupama Asset Management  
25, rue de la Ville l'Évêque - 75008 Paris - France  
The website: <http://www.groupama-am.com>.

Subscription and redemption requests are centralised at CACEIS Bank:

CACEIS Bank  
89-91 rue Gabriel Péri - 92120 Montrouge – France

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

Additional information on how ESG criteria are taken into account by the Management Company is available in the annual report of the UCITS and on the website of Groupama Asset Management ([www.groupama-am.com](http://www.groupama-am.com)).

Information on the exercise of voting rights:

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

## 5. Investment rules

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

## 6. Overall risk:

The global risk of this UCITS is determined using the commitment calculation method.

## 7. Rules for asset valuation and accounting:

### 7.1 Valuation methods

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

Securities traded in the Eurozone:

Last quoted price on the valuation day.

For fixed income products, the Management Company reserves the right to use contributed prices when they better reflect market value. Securities denominated in foreign currencies are converted into euro equivalents at the exchange rate prevailing in Paris on the valuation date.

Securities that did not have a price recorded on the valuation day are valued at the last officially published price. Securities with adjusted prices are valued at their probable trading value under the responsibility of the UCI manager or the management company.

#### **UCI securities and shares**

Units or shares in UCIs are valued at the last known net asset value.

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

Negotiable debt securities are valued as follows:

BTAN and BTF securities are valued based on the daily prices published by the Banque de France.

Other negotiable debt securities (short- and medium-term notes, corporate bonds, specialised financial institution bonds) are valued:

- Based on market transaction prices;
- In the absence of significant market prices, by applying an actuarial method, with the reference rate increased by a margin reflecting the issuer's intrinsic characteristics. In the event of a significant change in the issuer's situation, this margin may be adjusted during the holding period of the security.

#### **Over-the-counter transactions**

Transactions concluded on an over-the-counter market, authorised by the regulations applicable to UCIs, are valued at their market value.

#### **Futures and options**

Futures contracts on derivative markets are valued at the daily clearing price. Options on derivative markets are valued at the day's closing price.

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

- Temporary acquisitions of securities  
Securities received under repurchase agreements or securities borrowed are recorded in the long portfolio under "Receivables on securities received under repurchase agreements or securities borrowed" for the amount stipulated in the contract plus interest receivable.
- Temporary sales of securities  
Securities sold under repurchase agreements or loaned securities are recorded in the long portfolio and valued at their current value. Liabilities arising from securities sold under repurchase agreements and loaned securities are recorded in the short portfolio at the contract value plus accrued interest. At the end, the interest received or paid is recorded as income from receivables.

- Financial collateral and margin calls  
The financial collateral received is marked-to-market.  
Daily variation margins are calculated as the difference between the mark-to-market valuation of collateral pledged and the mark-to-market valuation of collateralised instruments.

**Off-balance sheet commitment valuation methods:**

For futures contracts: nominal x quantity x settlement price x (currency). For option contracts: in equivalent underlying.

For swaps

Interest rate swaps, whether backed or unbacked:

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

Commitment = nominal + market value (when the UCITS has adopted the synthetic valuation method).

7.2 Method used for recognising income from fixed-income securities.

Accrued coupon method.

7.3 Expense accounting method

Transactions are recorded excluding expenses.

## 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).

\*\*\*\*\*