



Mandarine Opportunités

Prospectus

French UCITS covered by Directive 2014/91/EU - UCITS V

February 2017

I. MAIN FEATURES

I.1. NAME

Mandarine Opportunités (the "Fund")

I.2. LEGAL FORM AND MEMBER STATE IN WHICH THE UCITS WAS ESTABLISHED

Fonds Commun de Placement (mutual fund) under French law.

I.3. CREATION DATE AND INTENDED DURATION

The Fund was created on 26 September 2008 for a period of 99 years.

I.4. OVERVIEW OF THE MANAGEMENT OFFER

	R units	F Units	I units	M units
ISIN code	FR0010657122	FR0013140084	FR0010659797	FR0010659805
Distribution of income	Capitalisation			
Denomination currency	EUR			
Target subscribers	All subscribers	All investors	Mainly institutions and equivalent	Institutions and employees
Minimum initial subscription	EUR 50	EUR 50	EUR 500.000 (1)	EUR 40,000,000 (1)
Minimum subsequent subscription	Ten thousandth of a unit			
Initial net asset value	EUR 500	EUR 500	EUR 5,000	EUR 50,000
Decimalisation	Yes, ten thousandths			

(1) Except the Management Company, which may only subscribe to one unit.

I.5. INDICATION OF THE PLACE WHERE THE LATEST ANNUAL REPORT AND THE LATEST INTERIM REPORT ARE AVAILABLE

The Fund's full prospectus, the annual and interim reports and the list of assets are sent out, within eight working days, free of charge upon written request to:

MANDARINE GESTION - 40, Avenue George V - 75008 Paris

e-mail: serviceclient@mandarine-gestion.com

The Fund's full prospectus and the latest annual and interim reports are available from www.mandarine-gestion.com.

Dissemination of the portfolios.

The Management Company may be required to transmit all or part of the information concerning the composition of the portfolio of the UCITS to enable some of its investors, in particular institutional investors, to comply with their obligations derived from Directive 2009/138/EC ("Solvency II") with respect to transparency (SCR – Solvency Capital Requirement). The Management Company will ensure that each investor who is a recipient of this information has established procedures for managing sensitive information prior to the transmission of the composition of the portfolio so that such information be used only for calculating prudential requirements. These procedures must also prevent market timing and late trading practices.

II. PARTICIPANTS

II.1. MANAGEMENT COMPANY

MANDARINE GESTION

Société Anonyme - 40, Avenue George V - 75008 PARIS

Portfolio management company approved by the Autorité des marchés financiers (Financial Markets Authority) on 28 February 2008 under GP No. 0800 0008.

II.2. DEPOSITARY AND CUSTODIAN

BNP PARIBAS SECURITIES SERVICES

Public limited company registered with the Registre du Commerce et des Sociétés (Companies Register) of Paris under number 552 108 011.

Registered office: 3, Rue d'Antin - 75002 PARIS

Postal address: 9, Rue du Débarcadère, 93761 PANTIN CEDEX

BNP PARIBAS SECURITIES SERVICES, a partnership limited by shares (*société en commandite par actions*), registered in the Trade and Companies Register under number 552 108 011, is an establishment approved by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and subject to the supervision of the Financial Markets Authority, whose registered office is at 3, rue d'Antin, 75002 Paris.

As part of the Fund's liabilities management, the subscription, redemption and issuer account holding centralisation functions are carried out by the Depositary in connection with Euroclear France, through which the units are registered.

Description of the responsibilities of the Depositary and potential conflicts of interest

Directive 2009/65/EC, as amended by Directive 2014/91/EU, referred to as "UCITS 5", specifies the responsibilities of UCITS depositaries. It entered into force on 18 March 2016.

The Depositary has three types of responsibilities: monitoring the compliance of the decisions of the Management Company (as defined in Article 22.3 of the Directive), monitoring of cash flows of the UCITS (as defined in Article 22.4), and custody of the UCITS' assets (as defined in Article 22.5). All of these responsibilities are set out in a written contract between the Management Company, MANDARINE GESTION, and the Depositary, BNP PARIBAS SECURITIES SERVICES.

The primary objective of the Depositary is to protect the interests of the unitholders/investors in the UCITS, which always prevail over commercial interests.

Potential conflicts of interest may be identified, in particular if the Management Company also maintains commercial relations with BNP Paribas Securities Services SCA in parallel to its appointment as Depositary (which may be the case if BNP Paribas Securities Services calculates, by delegation of the Management Company, the NAV of the UCITS for which BNP Paribas Securities Services is the Depositary, or when a group relationship exists between the Management Company and the Depositary).

To manage these situations, the Depositary has implemented and maintains a management policy for conflicts of interest with the objective of:

- identifying and analysing situations involving potential conflicts of interest
- recording, managing and monitoring situations involving potential conflicts of interest:
 - o based on permanent measures in place to manage conflicts of interest, such as segregation of duties, separation of hierarchical and functional lines, monitoring of internal insider lists, and dedicated IT environments;
 - o by implementing on a case-by-case basis:
 - ✓ preventive and appropriate measures such as the creation of ad hoc watchlists, new Chinese walls, or verifying that transactions are properly processed and/or informing affected customers
 - ✓ or by refusing to manage activities that may give rise to conflicts of interest.

Description of any custodial functions delegated by the Depositary, list of delegates and sub-delegates and identifying conflicts of interest likely to arise from such delegation

The UCITS Depositary, BNP Paribas Securities Services SCA, is responsible for the custody of the assets (as defined in Article 22.5 of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to provide services related to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas Securities Services SCA has appointed sub-custodians in countries where BNP Paribas Securities SCA services would have no local presence. These entities are listed on the following website:

<http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

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The process of appointment and supervision of the sub-custodians is carried out in accordance with the highest quality standards, including the management of potential conflicts of interest that may arise in connection with these appointments.

Up-to-date information on the above-mentioned points will be sent to the investor upon request.

Establishment in charge of holding the issue account: BNP Paribas Securities Services.

II.3. STATUTORY AUDITOR

DELOITTE & ASSOCIÉS
Represented by Olivier Galienne
185 C, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

II.4. MARKETER

MANDARINE GESTION
40, Avenue George V - 75008 PARIS

The Fund is registered with Euroclear France and its units may be subscribed or redeemed through financial intermediaries who are not known to the Management Company.

II.5. CENTRALISING AGENT

- Centralising agent for subscription and redemption orders:

BNP PARIBAS SECURITIES SERVICES
Public limited company registered with the Registre du Commerce et des Sociétés (Companies Register) of Paris under number 552 108 011.
Registered office: 3, Rue d'Antin - 75002 PARIS
Postal address: 9, Rue du Débarcadère, 93761 PANTIN CEDEX

II.6. APPOINTED REPRESENTATIVES

- Administrative management and accounting:

BNP PARIBAS SECURITIES SERVICES

The delegation agreement covers the accounting management, including accounting updates, the net asset value calculation, the preparation and presentation of the file required for the audit carried out by the statutory auditor, and the keeping of accounting records.

III. OPERATING AND MANAGEMENT PROCEDURES

III.1. MAIN FEATURES

III.1.1. Features of the units or shares

- ISIN codes:
 - R Units: FR0010657122
 - I Units: FR0010659797
 - M Units: FR0010659805
 - F Units: FR0013140084
- Rights attached to the unit category: each unitholder has a right of co-ownership of the Fund assets in proportion to the number of units held.
- Entry in a register or specification of the methods for managing liabilities: liabilities are managed by BNP PARIBAS SECURITIES SERVICES.
- The Fund is registered with Euroclear France.
- Voting: no voting rights are attached to units as the decisions are made by the Management Company. However, information on changes in the operation of the Fund is provided to the unitholders either personally, through the press or by any other means in accordance with the regulations.
- Form of units: all units are in bearer form.
- Decimalisation of the units: YES NO
Number of decimal places: tenths hundredths thousandths ten thousandths

III.1.2. Closing date

Last trading day of December.

III.1.3. Information on the tax system

The Fund itself is not subject to taxation. However, unit-holders may incur taxation on any revenue distributed by the Fund, where paid, or when selling the securities themselves.

The tax system applicable to the amounts distributed by the Fund or any latent or actual appreciation or depreciation of the Fund depends on the tax provisions applicable to the particular situation of investors, in their tax domicile. Thus, certain revenue distributed in France by the Fund to non-residents is liable to tax withholding at source in this State.

NB: depending on your tax system, any capital gains and income associated with holding units in the Fund could be subject to taxation. We recommend that you consult your tax adviser for information on this matter.

Eligible for PEA (Equity Savings Plan) DSK contract Madelin law PERP (Retirement Savings Plan)

III.2. SPECIAL PROVISIONS

III.2.1. ISIN codes

- R Units: FR0010657122
- I Units: FR0010659797
- M Units: FR0010659805
- F Units: FR0013140084

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III.2.2. AMF classification: "Actions françaises" (French equities)

At least 60% of the Fund is continuously exposed to the French equity market.

UCITS of UCITS or AIF: less than 10% of the net assets.

III.2.3. Management objective

The objective of the Fund is to achieve a performance which essentially tracks the French equities markets, with the more specific objective of achieving a performance exceeding that of the CAC All Tradable NR index for the duration of the recommended placement.

III.2.4. Benchmark indicator

The performance is compared to the trends in the CAC All Tradable NR index, which is the global benchmark for the French market. The benchmark index is denominated in euros.

Codes: ISIN: FR QS0011131883 Reuters: CACTN; Bloomberg: SBF250NT;

The performance of the CAC All Tradable NR index includes dividends from shares that make up the index.

The Fund therefore does not aim to reproduce the performance of the index or its sector allocation in any form whatsoever. It makes investments based on criteria that may lead to significant deviations from the behaviour of this index and its composition. Investments in companies are made according to weightings that are not based on the relative weighting of each company in the index.

III.2.5. Investment strategy

III.2.5.1. Strategy used

The Fund's investment strategy is to be dynamically exposed, mainly to the French equities markets.

The investment strategy consists of applying active management on the basis of an essentially bottom up approach, with the addition of top down adjustments through the discretionary selection of companies with above-average earnings outlooks, owing either to steady growth, restructuring or a business turnaround.

The bottom up approach consists of studying the fundamentals of the company. Therefore, the securities selection process will be implemented by analysing:

- the competitive positioning and competitive advantages of the company (positioning of the company in its sector, quality of the management teams and expertise of employees);
- the quality of the financial structure (study of traditional financial analysis ratios, dividend capacity, growth prospects, etc.);
- future prospects (organic growth, possibility of restructuring, potential for external growth, likely developments in ownership, etc.).

This analysis will allow the Fund Manager to adapt the portfolio to changes in the French equity markets.

Top down analyses will supplement active stock picking to allow for adjustments. To this end, the Fund Manager will conduct an overall review of the benchmark market in order to benefit from sector-related and/or geographical opportunities by analysing:

- the general economic conditions, both nationally and internationally (changes in interest and/or commodity rates, etc.);
- a particular sector (concentration, new entrants, trend studies, buying behaviour, etc.);
- a company in the sector (positioning of the company in its sector, quality of the management teams and expertise of employees, etc.).

Based on these analyses, the fund manager may need to diversify into other asset classes (described below) if he anticipates that the main performance driving force (stock markets) will not allow him to achieve its investment objective. He could decide to invest in the bond markets (directly or via UCITS or AIF up to a limit of 10% of the assets) or other markets through UCITS or AIF.

This type of management is discretionary and based on conviction, allowing a high degree of autonomy in the choice of investments.

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III.2.5.2. The categories of assets and financial contracts in which the Fund intends to invest

III.2.5.2.1. Assets (excluding integrated derivatives)

The Fund's portfolio consists of the following categories of assets and financial instruments:

– Equities

At least 60% of the Fund's assets are exposed to the French equities markets. The Fund may also invest in other international markets, mainly members of the OECD or non-OECD emerging European markets. The overall equity exposure will be between 60% and 120% of the Fund's net assets. Due to its eligibility for the PEA tax system, the Fund invests at least 75% of its net assets in PEA-eligible securities.

Opportunistic investments will be made at the discretion of the Fund Manager, without any geographical, sector or market capitalisation constraints. Only the potential for appreciation will determine the selection and weighting of securities in the portfolio.

Besides the shares that constitute at least 75% of the Fund's assets, the following assets are likely to be included in the portfolio, up to a maximum of 25%:

– Debt securities and money market instruments

As part of the cash management of the Fund, the Fund Manager may use bonds, convertible bonds, debt securities, deposits and money market instruments.

The distribution of private/public debt is not determined in advance, as it will be based on the market opportunities. Similarly, the Fund Manager will determine the duration and the sensitivity of bonds held in the portfolio based on the management objectives and market opportunities. The debt securities used, where rated, must have a Standard & Poor's rating of investment grade, or an equivalent rating from another rating agency at the time of investment, or their creditworthiness as estimated by the management company must correspond to this level.

– UCITS, AIF, investment funds and trackers or Exchange Traded Funds (ETF)

In order to manage cash or access markets or specific management styles (sector-based or geographical etc.), the Fund may invest up to 10% of its net assets in UCITS or AIF. The Fund may invest in UCITS or AIF managed by Mandarine Gestion.

Investments will be made within the regulatory limits in:

- French or foreign UCITS (UCITS);
- alternative investment funds (AIF).

The Fund may invest in trackers, listed index-linked vehicles and exchange traded funds on an ad-hoc basis.

III.2.5.2.2. Derivative instruments

The Fund may invest in financial futures (traded on regulated and organised markets, in France and abroad and/or OTC) within the limits laid down by the regulations.

In this context, the Fund Manager may take positions to offset fluctuations in the market: Fund transactions may therefore consist of:

- either hedging the portfolio "shares", while respecting the permanent exposure constraint of at least 60% on the French equities market;
- or exposing the portfolio to industrial sectors, shares, currencies or market indices through the use of instruments such as futures or options contracts.

To a lesser extent, transactions may be entered into on the OTC markets as part of treasury management or currency transactions.

The Fund may use up to a limit of 100% of the net assets on derivative instruments. The use of derivatives will account for a total exposure of 120% of the assets to the equity market.

III.2.5.2.3. Embedded derivatives (warrants, credit linked notes, EMTNs, subscription warrants, etc.)

Nature of instruments used: Essentially, warrants, subscription warrants, and any type of bonds to which a conversion or subscription right is attached. In particular, the Fund may invest in securities with exposure to shares (convertible bonds, exchangeable bonds or equity notes).

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Strategy for using embedded derivatives to achieve the management objective: Transactions involving embedded derivatives are of the same nature as those for derivative instruments. The use of embedded derivatives is subject to their potential benefits in terms of cost/efficiency or liquidity. The Fund may use up to a limit of 100% of the net assets on embedded derivatives.

III.2.5.2.4. Deposits

The Fund may make deposits with a maximum term of 12 months with one or more credit institutions. The aim of these deposits is to contribute to the cash holdings. Deposits denominated in euros or other currencies which adhere to the four conditions of the Monetary and Financial Code can account for up to 100% of assets.

III.2.5.2.5. Cash loans

In the course of normal business, the Fund may occasionally find itself in debt and may make use of cash loans in this case, up to a limit of 10% of its assets.

III.2.5.2.6. Temporary purchases and sales of securities

Not applicable.

III.2.5.3. Risk profile

Your money will primarily be invested in financial instruments selected by the Management Company. These instruments will be exposed to market trends and risks. The list of risk factors set out below is not exhaustive.

The Fund is a UCITS classified as "Actions françaises (French Shares)". Therefore, the investor is primarily exposed to the following risks:

Risk of capital loss:

Investors are advised that the Fund's performance may not be consistent with its objectives and that their capital may not be returned in full. The Fund does not benefit from any guarantee or protection of the capital invested.

Equity market risk:

The Fund is more than 60% exposed to one or more equity markets that could experience substantial fluctuations. The equity risk involved corresponds to downturns in the equity markets. The Fund is exposed to equities, which means the net asset value may drop significantly. If the equity markets fall, the value of the portfolio may decline.

Risks linked to investments in small and mid-cap securities:

Given its management orientation, the Fund may be exposed to small and mid-cap securities, which may carry liquidity risk owing to their specific characteristics. Due to the restricted nature of the market, the performance of such securities is more pronounced and may rise or fall sharply. This may result in an increase in the volatility of the net asset value. Investments in small-cap companies will remain incidental and will represent only a minor portion of investments.

Interest rate risk:

Given its management orientation, the Fund may be exposed to interest rate risk. Interest rate risk is represented by fluctuations in the yield curve. The interest rate markets move in the opposite direction of interest rates. This risk arises from the fact that, in general, the price of debt securities and bonds falls when interest rates rise.

Credit risk:

Credit risk is the risk that the issuer cannot meet its commitments. Credit risk is limited to debt securities and money market instruments, which may not exceed 25% of net assets. Investors are reminded that this risk may result in a decrease in the Fund's net asset value.

Risks associated with discretionary management:

The discretionary management style applied to the Fund is based on stock picking and on anticipating different markets. There is a risk that the Fund may not be invested in the best-performing securities at all times.

As a result, the Fund's performance may be lower than the investment objective. Furthermore, the net asset value of the Fund may decline. Performance largely depends on the Fund Manager's ability to anticipate market movements.

To a lesser extent, they are also exposed to the following risks:

Emerging markets risk:

The market practices and monitoring measures in the emerging markets may deviate from the standards prevailing on the large international markets: information on certain securities may be incomplete and liquidity may be lower. The performance of these securities may therefore be volatile. If the securities of the emerging markets fall, the net asset value of the Fund may fall.

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Counterparty risk:

The Fund is exposed to the counterparty risk that results from the use of financial futures. Contracts for these financial instruments may be entered into with one or more credit institutions that are not in a position to honour their commitments under these instruments. Investors are reminded that this risk may result in a decrease in the Fund's net asset value.

Foreign exchange risk:

This is the risk that fluctuations in foreign currencies could affect the value of securities held in the portfolio. The Fund may hold, either directly or via UCITS or AIF, securities denominated in a currency other than the Fund's designated currency. Therefore, fluctuations in exchange rates could result in a lower net asset value. The foreign exchange risk may be hedged through derivatives.

III.2.5.4. Target investors and typical investor profile

- I and M units: institutional and corporate clients.
- R and F units: all investors.

The Fund is open to any investor seeking a dynamic return who agrees to be exposed to significant equity risk. The appropriate amount to be invested in the Fund depends on each investor's personal situation. To determine this, investors must take into account their personal assets, their current and future needs, their investment horizon, and also their willingness to take risks or opt instead for a more cautious investment. Investors are also strongly advised to diversify their investments in order to avoid exclusive exposure to the risks of this Fund.

Recommended investment period: over 5 years

Special warning "U.S. Person" U.S. SEC Regulation S (Part 230 – 17 CFR 2330.903):

The Fund units have not been registered under the U.S. Securities Act of 1933. Consequently, they may not be offered or sold, directly or indirectly, on behalf of or for the benefit of a "U.S. person" as defined by the U.S. "Regulation S".

Furthermore, the units of this Fund also cannot be offered or sold, directly or indirectly, to "U.S. persons" and/or to any entities held by one or more "U.S. persons" as defined by the U.S. "Foreign Account Tax Compliance Act (FATCA)".

III.2.5.5. Methods of determining and allocating income

Capitalisation.
Accounting based on the coupons received method.

III.2.5.6. Characteristics of the units or shares (currency denomination, division, etc.)

	R units	I units	F Units	M units
ISIN code	FR0010657122	FR0010659797	FR0013140084	FR0010659805
Distribution of income	Capitalisation			
Denomination currency	EUR			
Target subscribers	All subscribers	Mainly institutions and equivalent	All investors	Institutions and employees
Minimum initial subscription	EUR 50	EUR 500.000 (1)	EUR 50	EUR 40,000,000 (1)
Minimum subsequent subscription	Ten thousandth of a unit			
Initial net asset value	EUR 500	EUR 5,000	EUR 500	EUR 50,000
Decimalisation	Yes, ten thousandths			

(1) Except the Management Company, which may only subscribe to one unit.

III.2.5.7. Subscription and redemption methods

Subscription and redemption requests are processed on every valuation day until 12.00 noon Paris time (*cut-off time*) via the centralising agent and are executed on the basis of the next net asset value, i.e. at an unknown price. Payments relating thereto are made on the second trading day following the net asset value date.

It is possible to invest in whole and/or fractions of units; redemptions are only made in quantities of units (ten thousandths).

Centralising agent: designated for processing subscriptions and redemptions:

BNP PARIBAS SECURITIES SERVICES
Registered office: 3, Rue d'Antin, 75002 PARIS.
Postal address: 5, Rue du Débarcadère, 93731 PANTIN Cedex.

Date and frequency of the net asset value calculation: daily. The net asset value is calculated on every trading day of the French financial markets (Euronext Paris S.A. official calendar).

The net asset value of the Fund is available on request from:

- MANDARINE GESTION, 40, Avenue George V, 75008 Paris;
- or the following e-mail address: serviceclient@mandarine-gestion.com.

The net asset value is also available on the website: www.mandarine-gestion.com.

Investors wishing to purchase Units and holders wishing to redeem Units are invited to contact their account holding institution regarding the cut-off time for processing their investment or redemption request. The latter may be before the centralisation cut-off time mentioned above.

Subscription and redemption transactions resulting from a request transmitted after the time specified in the Prospectus (*late trading*) are prohibited.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, both the redemption by the Fund of its units and the issue of new units may be suspended temporarily by the management company if required due to exceptional circumstances and if this is in the interests of the unitholders.

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III.2.5.8. Fees and commissions

The subscription and redemption fees are added to the subscription price paid by the investor or are deducted from the redemption price. The fees paid to the Fund are used to offset the costs incurred by the Fund for investing or divesting assets. The fees not paid to it are paid to the Management Company or marketers.

Fees charged to the investor levied on subscriptions and redemptions	Base	Rate/scale I & R units	Rate/scale M units	Rate/scale F units
Maximum subscription fee not paid to the Fund	Net asset value X Number of units	2 % Maximum		4% Maximum
Subscription fee paid to the Fund		None		
Redemption fee not paid to the Fund		None	2% Maximum	None
Redemption fee paid to the Fund		None		

Operating and management fees

These fees cover all costs charged directly to the Fund, apart from transaction fees.

Transaction fees include intermediation fees (brokerage, stock market taxes, etc.) and any turnover fees (see table below "fees charged to the Fund").

In addition to operating and management fees, there may also be:

- outperformance fees. These are paid to the Management Company when the fund exceeds its objectives. They are therefore charged to the Fund.
- turnover fees charged to the Fund.

Fees charged to the Fund		Base	Rate/Scale I Units	Rate/Scale R Units	Rate/Scale F units	Rate/Scale M units
1	Maximum financial management fees	Net assets	0.90% including all taxes	2.20 % including all taxes	1.10 % including all taxes	0.60 % including all taxes
	Maximum administrative fees external to the management company					
2	Maximum indirect fees (management and other fees)	Net assets	- (*)			
3	Maximum turnover fees paid to the Management Company	Transaction amount	0 to 0.15% including all taxes on the gross amount of the trade			
	Maximum turnover fees paid to the Depositary/Custodian (2)	Fixed fee per transaction	€0 to €115 including all taxes			
4	Outperformance fee (1)	Net assets	15% of any performance beyond the CAC All Tradable NR			

(*) UCITS of UCITS or AIF less than 10%

(1) The outperformance fee is variable. The period for calculating the outperformance fee is the financial year of the Fund. For each calculation of the net asset value, the Fund's outperformance is defined as the positive difference between the Fund's net assets before taking into account any provisions for outperformance fees, and the net assets of a notional UCITS generating the benchmark performance and recording the same subscription and redemption pattern as the actual Fund.

For each calculation of the net asset value, the outperformance fee, set at 15% including all taxes of any performance beyond the CAC All Tradable NR index - reinvested dividends (ISIN code: QS0011131883), is subject to a provision or reversal of a provision limited to the existing allocation. Such a provision can only be implemented if, after taking into account any provisions for outperformance fees, the net asset value is higher than the net asset value at the beginning of the financial year. In the case of buy backs, the share of the outperformance fee corresponding to the redeemed units is set by the management company. With the exception of redemptions, the outperformance fee is set by the Management Company at the closing date of each calculation period. Investors may obtain a description of the method used for calculating the outperformance fee from the Management Company.

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(2) In exercising its duties, the Depositary acting in its capacity as custodian of the Fund uses a fixed or flat fee per transaction depending on the nature of the securities, markets and financial instruments traded. Any additional charges paid to an intermediary are passed on completely to the Fund and are recognised as turnover fees in addition to the fees charged by the Depositary and the Custodian.

The operating and management fees are charged directly to the Fund's profit and loss account when calculating each net asset value.

The fees shown below are not part of the groups of fees referred to above:

- contributions due for the management of the Fund pursuant to d) of point 3 of II of Article L. 621-5-3 of the Monetary and Financial Code;
- exceptional non-recurring taxes, duties, fees and government duties (relating to the Fund);
- exceptional non-recurring costs for the recovery of debts (e.g. *Lehman, Aberdeen duty etc.*) or for a procedure to enforce a right (such as a *class action lawsuit*).

In addition to *ex post* information, these fees are described in the Fund's annual report.

Practices relating to the selection of entitles which provide services to assist with investment decisions: Mandarine Gestion has selected a method to choose intermediaries which provide services to assist with investment decisions based on several criteria: Independent research must provide value added to the manager's investment decisions, must consist of original ideas based on tried-and-tested assumptions and must have the necessary intellectual rigour to arrive at significant and coherent conclusions.

Practice regarding fees in kind/soft commission: No intermediary or counterparty charges fees in kind/soft commission to the Fund Management Company.

Methods for calculating and distributing payments on temporary purchases and sales of securities: Not applicable.

Short description of the procedure for choosing intermediaries:

Mandarine Gestion employs a multi-criteria approach to select intermediaries that guarantees the best execution of stock market orders. The criteria are both quantitative and qualitative and depend on the markets in which the intermediaries provide services, both in terms of geographical area and instruments.

The analysis criteria mainly covers the availability and pro-activity of the partners, as well as timeliness, processing and execution quality and brokerage costs.

IV. COMMERCIAL INFORMATION

Subscriptions and redemptions of Fund units can be addressed to the centralising agent:

BNP PARIBAS SECURITIES SERVICES

Registered office: 3, Rue d'Antin, 75002 Paris.

Postal address: 5, Rue du Débarcadère, 93731 Pantin Cedex.

Investments and buy backs are processed at 12 p.m., Paris time (*cut-off time*).

Unitholders are informed of changes affecting the Fund in the manner defined by the Financial Markets Authority: specific information or any other means (financial advice, interim documents etc.).

The full Prospectus of the Fund, the net asset value, the latest annual and interim reports, the report on the policy regarding the Management Company's voting rights, and the report on the conditions for exercising those voting rights are available free of charge within one week, upon written request of the investor, from:

- MANDARINE GESTION, 40, Avenue George V, 75008 Paris;
- or the following e-mail address: serviceclient@mandarine-gestion.com.

Information on the inclusion of ESG criteria in the investment strategy and the Fund's annual report are available on the management company's website: www.mandarine-gestion.com.

V. INVESTMENT RULES

The Fund is subject to all investment rules and regulatory ratios applicable to UCITS investing less than 10% of their assets in units or shares of French and European UCITS/AIF. The main financial instruments and management

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techniques used by the Fund are listed in the special provisions of the Prospectus. The Fund complies with the investment rules of European Directive 2009/65/EC as amended.

VI. GLOBAL RISK

The global risk is determined using the commitment approach, see: *CESR Guidelines (CESR/10-673)*.

VII. RULES FOR ASSET ACCOUNTING AND VALUATION

The asset valuation rules are based, in part, on the valuation methods used, and also on the practices specified in the notes of the financial statements and in the Prospectus. The Fund Management Company is responsible for establishing the valuation rules. The net asset value is calculated for each trading day in Paris and is dated the same day.

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VII.1. ASSET VALUATION RULES

The Fund has complied with the accounting rules set down by the Accounting Regulatory Committee in regulation No 2003-02 of 2 October 2003 on the UCITS accounting plan, as amended by Regulation No 2004-09 of 23 November 2004 and No. 2005-07 of 3 November 2005.

The accounts relating to the securities portfolio are kept on an historical cost basis: incomings (purchases or investments) and outgoing (sales or buy backs) are accounted on the basis of the purchase price, excluding any fees. Any outgoing generate a capital gain or a capital loss on the sale or buy back and also possibly a buy back premium.

Accrued coupons on negotiable debt securities are calculated on the net asset value date.

The Fund values its portfolio securities at their current value, based on the market value or lack of market and financial methods. The difference between the entry value and the current value generates a capital gain or capital loss which is recorded under "portfolio valuation difference".

Description of the methods used for valuing balance sheet items:

- **Transferable securities**
Stocks, bonds and similar securities are valued based on the closing price or, failing that, on the basis of the last known prices, converted into the accounting currency according to the exchange rate in Paris on the valuation date.
- **UCITS/AIF units or shares**
Target UCITS/AIF units or shares are valued at the last known net asset value on the actual date of calculation of the Fund's net asset value. Monthly valuation of the net asset value of target UCITS/AIF will be based on the last known net asset value (official or estimated) published on the actual date of calculation of the Fund's net asset value.
- **Negotiable debt securities (NDS)**
 - NDS with a residual maturity of more than three months are valued at the market rates identified by fund managers at the time of publication of the interbank market rates by the EBF (*European Banking Federation*). The rate used in the absence of significant transactions is the Euribor for securities of less than one year, and the BTAN rate (published by the Primary Dealers (SVT) selected by the French Treasury) for securities over one year, plus (where applicable), a representative margin of the intrinsic characteristics of the issuer.
 - Any NDS with a maturity at issue or purchase (or residual maturity) of less than three months are valued using a linear method to maturity at the issue or purchase rate or the last rate used for valuation at market rates.

Notwithstanding the above rules, any securities for which the price quoted does not reflect their probable trading value (insignificant volumes of transactions, etc.) can be valued by the management company, based on information provided by the market.

In the case of transferable securities for which the price has not been determined on the valuation day, the Management Company corrects their valuation based on any likely event-driven fluctuations.

- **Deposits**
Deposits are valued at their book value.
- **Foreign currency**
Currencies are valued at the rates published by the ECB at 3.00 p.m. (Paris time) on the net asset value date.

Description of off-balance sheet commitments:

- **Transactions on regulated markets**
 - **Futures:** these transactions are valued according to the markets on the basis of the settlement price. The commitment is calculated as follows: price of futures contract x nominal value of contract x quantities.
 - **Options:** these transactions are valued according to the markets on the basis of the first price or the settlement price. The commitment is equal to the conversion of the option into the underlying equivalent. It is calculated as follows: delta x quantity x amount or nominal value of the contract x underlying price.

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- **OTC market transactions**
 - **Interest rate transactions** are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
 - **Exchange rate transactions:** Transactions with a residual maturity of more than three months are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and by applying an actuarial method.
 - **Backed or non-backed transactions:**
 - Fixed rate/Variable rate: nominal value of the contract
 - Variable rate/Fixed rate: nominal value of the contract
 - Transactions with a residual maturity below or equal to 3 months are valued on a linear basis.
 - In the case of an exchange rate transaction valued at market price with a maximum residual maturity below or equal to 3 months, the last rate used shall be frozen until the final repayment date, except in the case of special sensitivity requiring valuation at market prices (see previous paragraph).

The commitment is calculated as follows:

 - Backed transactions: nominal value of the contract
 - Non-backed transactions: nominal value of the contract- **Other transactions on OTC markets**
 - Interest rate, currency or credit transactions are valued at market prices based on feeds sourced from a financial information vendor (Bloomberg, Reuters, etc.) and, if necessary, by applying an actuarial method.
 - The commitment is shown as follows: nominal value of the contract.

Securities not traded on a regulated market

Securities that are not traded on a regulated market are valued by the Management Company at their probable trading value.

VII.2. ACCOUNTING METHOD

- **Description of the accounting method for income on fixed income securities:**
Accrued coupons method.
- **Description of the method for calculating fixed management fees:**
Management fees are charged directly to the Fund's profit and loss account when calculating each net asset value.
- **Allocation of income for the units:**
In accordance with the provisions set out in the full Prospectus approved by the Financial Markets Authority, no distribution is made in the case of a capitalisation fund.

VIII. REMUNERATION

The Management Company's remunerations policy complies with the provisions of European Directive 2014/91/EU ("UCITS V Directive") and the related Articles of the AMF General Regulation applicable to UCITS.

The remunerations policy gives preference to a sound and efficient style of risk management and does not encourage risk-taking which would be incompatible with the risk profiles of the UCITS which it manages. The Management Company has implemented suitable measures to prevent any conflicts of interest.

The remunerations policy applies to all employees of the Management Company who are considered to have a material impact on the risk profile of the UCITS and who are identified each year as such using a process combining General Management and the risk and compliance teams.

The employees of the Management Company identified this in way receive remuneration which consists of a balance between a fixed component and a variable component, which is examined each year based on individual and collective performance. The principles of the remunerations policy are reviewed on a regular basis and adjusted in line with regulatory developments. The remunerations policy is approved by the directors of the Management Company.

A detailed description of the Management Company's remuneration policy is available on the company's website: www.mandarine-gestion.com. A written copy of the policy is available free of charge on request from the Management Company.

IX. REGULATIONS

CLAUSE I - ASSETS AND UNITS

ARTICLE 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of Fund assets (or, where applicable, of sub-fund assets). Each unitholder has a right of co-ownership to Fund assets in proportion to the number of units held.

The term of the Fund is 99 years beginning 26/09/2008, except in the event of early dissolution or extension provided for in these Regulations.

Categories of units: The features of the different unit categories and their access conditions are specified in the Fund's Prospectus.

The different categories of units may:

- benefit from different income distribution methods (distribution or capitalisation);
- be denominated in different currencies;
- have different management fees;
- have different subscription and redemption fees;
- have a different nominal value;
- be systematically hedged against risk, in part or in full, as defined in the Prospectus. This hedging is achieved by means of financial instruments minimising the impact of hedging transactions on other categories of units of the UCITS;
- be confined to one or more marketing channels.

The Board of Directors of the Management Company may decide to split the units into tenths, hundredths, thousandths or ten thousandths, known as fractional units.

The provisions of the Regulations governing the issue and redemption of units shall also apply to fractional units, the value of which is always proportional to that of the unit they represent. Unless otherwise stipulated, all other provisions of these Regulations relating to units shall also apply to fractional units, without it being necessary to state this explicitly. Finally, the Board of Directors of the Management Company may, at its sole discretion, split the units by creating new units that are allocated to unitholders in exchange for old units.

ARTICLE 2 – MINIMUM ASSETS

Units may not be redeemed if the assets of the Fund (or the sub-fund) fall below 300,000 euros. If the assets remain below this amount for a period of thirty days, the Management Company shall take the necessary steps to liquidate the UCITS in question, or to carry out one of the operations mentioned in Article 411-16 of the AMF General Regulation (transfer of the UCITS).

ARTICLE 3 – ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time at the request of the unitholders, based on their net asset value plus any subscription fees, where applicable.

Redemptions and subscriptions are carried out according to the terms and conditions set out in the Prospectus.

Units of the Fund may be admitted for listing in accordance with the regulations in force.

Investments must be fully paid up on the date on which the net asset value is calculated. They may be paid for in cash and/or transferable securities. The Management Company shall be entitled to reject securities offered to it, and shall therefore have a period of seven days from the date of receipt of the securities to announce its decision. If the securities are accepted, they are valued in accordance with the rules set out in Article 4 and the subscription is carried out on the basis of the net asset value immediately following acceptance of the securities in question. All redemptions are made exclusively in cash, except where the Fund is liquidated and where unitholders have expressed their consent to reimbursement in the form of securities. They are paid by the Depositary within a maximum period of five days from the valuation of the unit.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the Fund, this period may be extended up to a maximum of 30 days.

Except in the case of inheritance or inter vivos distribution, the transfer of units from one unitholder to another or to a

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third party is treated as a redemption followed by a subscription. In the case of a third party, the amount of the transfer must, if necessary, be made up by the beneficiary to the minimum subscription specified in the prospectus.

Pursuant to Article L. 214-8-7 of the Monetary and Financial Code, both the redemption by the Fund of its units and the issue of new units may be suspended temporarily by the Management Company if required by exceptional circumstances and if this is in the interests of the unitholders.

When the Fund's net assets (or, where applicable, those of a sub-fund) is less than the amount fixed by the regulations, no units may be redeemed (on the relevant sub-fund, if applicable). Minimum subscription conditions may be set out in the Prospectus.

The Management Company of the Fund may restrict or prevent (i) the ownership of units by any investor, physical or legal person who is forbidden from owning units in accordance with the Prospectus, in the section "subscribers concerned" (hereinafter "Ineligible Person") and/or (ii) the recording in the register of the Fund's unitholders or in the transfer agent's register (the "Registers") of any intermediary who does not belong to one of the following categories ("Ineligible Intermediary"): active Non-Financial Foreign Entities (active NFFEs), U.S. Persons who are not determined U.S. Persons and financial institutions who are not non-participating financial institutions*, and passive Non-Financial Foreign Entities* (passive NFFEs).

The terms followed by an asterisk * are defined by the Agreement between the government of the French Republic and the government of the United States of America to improve international tax compliance and to implement FATCA (the Foreign Account Tax Compliance Act), signed on 14 November 2013. The text of this Agreement is available (in French), at the date of writing these Regulations, at the following link: http://www.economie.gouv.fr/files/usa_accord_fatca_14nov13.pdf

To this end, the Management Company can:

- (i) refuse to issue any unit once it appears that such an issuance would or could have resulted in the units being held by an Ineligible Person or that an Ineligible Intermediary be recorded in the Registers;
- (ii) at any time request that an intermediary whose name appears in the Registers of unitholders provide them with all information, accompanied by a sworn statement, that it considers necessary in order to determine if the beneficial owner of the units in question is an Ineligible Person or not;
- (iii) when it appears to them that beneficial owner of the units is an Ineligible Person or an Ineligible Intermediary is recorded in the Registers of Fund unitholders, proceed with the compulsory redemption of all units held by the Ineligible Person or all units held through the Ineligible Intermediary, after a period of 10 business days. The compulsory redemption will occur at the last known asset value, plus, if necessary, the applicable fees, duties and commissions, which will remain at the expense of the unitholders concerned by the redemption.

ARTICLE 4 – CALCULATION OF THE NET ASSET VALUE

The net asset value of the units is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind may only consist of securities, stocks or contracts in which UCITS are authorised to invest; such contributions shall be valued pursuant to the valuation rules used to calculate the net asset value.

CLAUSE II - FUND OPERATION

ARTICLE 5 - THE MANAGEMENT COMPANY

The Fund is managed by the Management Company in accordance with the strategy defined for the Fund.

The Management Company shall act in all circumstances on behalf of the unitholders and can only exercise the voting rights attached to the securities in the Fund.

ARTICLE 5A - OPERATING RULES

The instruments and deposits in which the UCITS may invest and the investment rules are specified in the Prospectus.

ARTICLE 6 – THE DEPOSITARY

The Depositary shall undertake the tasks entrusted to it by the laws and regulations in force and those that were contractually assigned to it. In the event of any dispute with the Management Company, it shall inform the Financial Markets Authority.

ARTICLE 7 – THE STATUTORY AUDITOR

A statutory auditor is appointed for a period of six years, following approval by the Financial Markets Authority, the Board of Directors or the Executive Board of the Management Company.

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The statutory auditor shall carry out the due diligence and audits required by law and in particular shall certify, whenever necessary, that the accounts and accounting information contained in the management report are true and fair and comply with legal requirements.

The statutory auditor's term of office may be renewed.

He shall bring any irregularities and inaccuracies he finds in the course of his duties to the attention of the Financial Markets Authority and to the Fund's Management Company.

The valuations of the assets and the calculation of the exchange parities in conversion, merger or demerger transactions shall be supervised by the statutory auditor.

He shall evaluate any contribution in kind and shall draw up a report on its valuation and remuneration.

He shall certify the accuracy of the composition of the assets and other elements prior to publication.

The auditor's fees are determined by mutual agreement between the auditor and the Board of Directors or the Executive Board of the Management Company on the basis of a work schedule specifying the duties considered necessary.

In the event of liquidation, he shall value the total assets and draw up a report on the conditions of this liquidation.

He shall certify the situations on the basis of which interim distributions are made.

His fees shall be covered by the management fees.

ARTICLE 8 – FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the Management Company shall draw up summary documents and a report on the management of the fund (and, where applicable, on each sub-fund) for the past financial year.

The Management Company shall draw up the inventory of assets of the UCI at least twice a year and under the supervision of the Depositary. All the above documents shall be inspected by the auditor.

The Management Company shall make these documents available to the unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled: these documents are either sent by post at the express request of the unitholders, or made available at the Management Company.

CLAUSE III - INCOME ALLOCATION PROCEDURES

ARTICLE 9 - PROCEDURES FOR ALLOCATING INCOME AND AMOUNTS AVAILABLE FOR DISTRIBUTION

Net income for the financial year is equal to the total interest payments, arrears, dividends, bonuses and lots, fees and all earnings from securities held in the fund (and/or each sub-fund) portfolio, plus earnings from sums held as liquid assets, minus management fees and borrowing costs.

Distributable income is equal to net income for the financial year plus the amount carried forward, plus or minus the balance of prepayments and accrued income for the financial year ended.

The Management Company decides on the allocation of income. It may opt for capitalisation and/or distribution.

For each category of unit, if any, the Fund may opt for one of the following formulas:

For all units:

- full capitalisation: the amounts available for distribution are fully capitalised, except those subject to mandatory distribution by law;
- full distribution: the amounts are fully distributed, rounded to the nearest number; possibility of making interim distributions;
- for funds that wish to retain the freedom to capitalise and/or to distribute, the Management Company decides on the allocation of income each year. It provides for the possibility of making interim distributions.

The Management Company may decide, during the financial year, to make one or more interim distributions within the limit of the net revenues accounted at the date of the decision.

CLAUSE IV - MERGERS - DEMERGERS - DISSOLUTION - LIQUIDATION

ARTICLE 10 - MERGERS - DEMERGERS

The Management Company may transfer all or part of the assets held in the Fund to another UCITS which it manages, or it may split the Fund into two or more other mutual funds which it will manage.

Unitholders must be given one months' notice before any such merger or demerger takes place. A new statement will then be issued showing the number of units held by each unitholder.

ARTICLE 11 - DISSOLUTION - EXTENSION

If the Fund's assets (or, where applicable, those of a sub-fund) remain below the amount laid down above in Article 2 for thirty days, the Management Company shall advise the Financial Markets Authority and dissolve the fund (or, where applicable, the sub-fund).

The Management Company may dissolve the fund (or, where applicable, the sub-fund) early. It shall inform the unitholders of its decision, and applications for subscriptions or redemptions will not be accepted after this date.

The Management Company shall also dissolve the fund (or, where applicable, the sub-fund) in the event of a redemption application for all of the units, or where the depositary is relieved of its responsibilities and no other depositary has been appointed, or on expiry of the term of the fund, if not extended.

The Management Company shall inform the Financial Markets Authority by post of the date and of the procedure adopted for the dissolution. Subsequently, the Management Company shall send the auditor's report to the Financial Markets Authority.

The Management Company may decide to extend a fund in agreement with the Depositary. Its decision must be made at least three months prior to expiry of the Fund's term, and must be notified to the unitholders and the Financial Markets Authority.

ARTICLE 12 – LIQUIDATION

In the event of dissolution, the Management Company or Depositary shall act as liquidator, failing which a liquidator shall be appointed by the court at the request of any interested party. To this end, they are vested with the most extensive powers for liquidating assets, paying creditors and distributing the available balance to unitholders in cash or securities.

The statutory auditor and the Depositary shall continue to perform their duties until the liquidation operations have been completed.

CLAUSE V - DISPUTES

ARTICLE 13 - JURISDICTION - CHOICE OF DOMICILE

Any disputes concerning the fund that may arise during the operation thereof, or upon its liquidation, whether between unitholders or between unitholders and the Management Company or depositary, shall be subject to the jurisdiction of the competent courts.