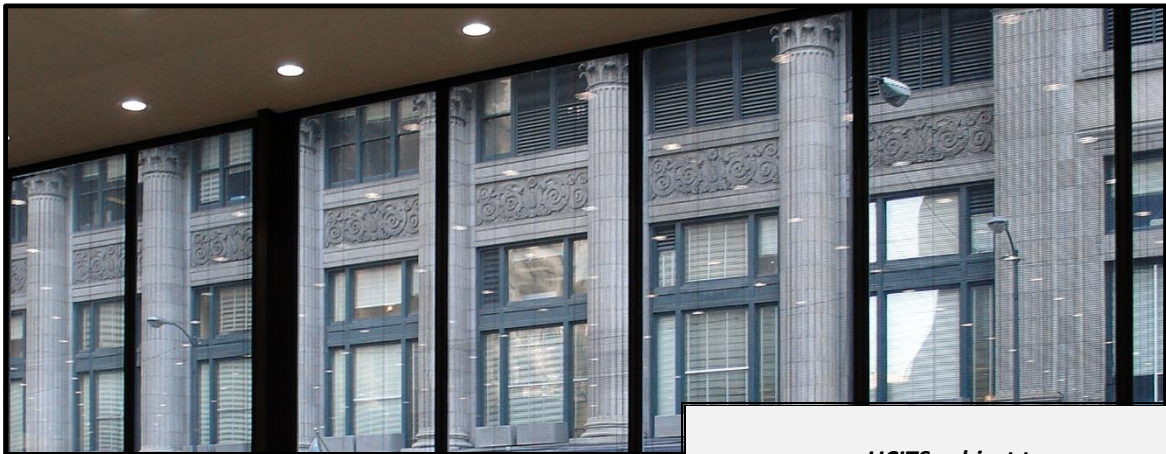


# ANAXIS INCOME ADVANTAGE

French SICAV (open-ended investment company)

## PROSPECTUS



***UCITS subject to  
European Directive 2009/65/EC***

Asset management company: Anaxis Asset Management  
Registered office: 9, rue Scribe, 75009 Paris, France  
Custodian : BNP Paribas Securities Services  
Auditors: PricewaterhouseCoopers Audit  
Approval date: 26/08/2016  
Publication date: 31/01/2017



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# PROSPECTUS

## ANAXIS INCOME ADVANTAGE

*UCITS subject to  
European Directive 2009/65/EC*

### Part A – General features

- **Name of UCITS** : Anaxis Income Advantage
- **Legal form and Member State** : SICAV (mutual fund) under French law
- **Date of incorporation and projected term:**  
30 September 2016 for a term of 99 years
- **Approval date** : 26 August 2016 by the AMF (French securities regulator)
- **Contact point to obtain the Fund Articles, the latest annual report and the latest periodic report:**  
Shareholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:  

Anaxis Asset Management  
9, rue Scribe, 75009 Paris  
Tel : 09 73 87 13 20  
info@anaxiscapital.com

Any additional information can be obtained from Anaxis Asset Management at this same address.

■ **Description of the categories of shares :**

| Share | ISIN Code    | Distribution of earnings         | Currency | Eligible subscribers | Minimum initial subscription |
|-------|--------------|----------------------------------|----------|----------------------|------------------------------|
| E1    | FR0013196169 | Accumulation                     | EUR      | All subscribers      | One share                    |
| E2    | FR0013196177 | Accumulation and/or distribution | EUR      | All subscribers      | One share                    |
| U1    | FR0013196185 | Accumulation                     | USD      | All subscribers      | One share                    |
| S1    | FR0013196193 | Accumulation                     | CHF      | All subscribers      | One share                    |
| I1    | FR0013196219 | Accumulation                     | EUR      | All subscribers      | EUR 500 000                  |
| I2    | FR0013202520 | Accumulation and/or distribution | EUR      | All subscribers      | EUR 500 000                  |
| J1    | FR0013196227 | Accumulation                     | USD      | All subscribers      | USD 500 000                  |
| K1    | FR0013196235 | Accumulation                     | CHF      | All subscribers      | SEK 500 000                  |

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

## Part B – Intermediaries

- **Portfolio management company:** Anaxis Asset Management S.A.S.  
 A portfolio management company accredited by the AMF under number GP10000030  
 9, rue Scribe, 75009 Paris, France  
  
 Chairman of the management co.: Pierre Giai-Levra (Chairman of the SICAV)  
 Member of the board of directors: Jean-Julien Goettmann
- **Depository bank and custodian :** BNP Paribas Securities Services S.C.A.  
 A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)  
  
Postal address  
 Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France  
  
Registered office  
 3, rue d'Antin, 75002 Paris, France

#### Responsibilities of the depository bank

The depository bank and custodian carries out the following duties: control of the compliance of the investment decisions made by the management company (as defined under article 22.3 of the UCITS 5 Directive), monitoring of the cash flows of the UCITS (as defined under article 22.4), custody of the assets of the UCITS (as defined under article 22.5) and, in general, any duties required of it under the laws and regulations in force.

#### Potential conflicts of interest

Potential conflicts of interest may arise as Anaxis Asset Management has a commercial relationship with BNP Paribas Services alongside its appointment as depository (BNP Paribas Securities Services, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations as this, the depository has implemented and regularly updates a conflict of interest management policy, with the aim of:

- Identifying and analysing potential conflicts of interest;
- Recording, managing and monitoring conflicts of interest. To that end, the depository relies on the permanent measures put in place in order to manage conflicts of interest, such as the distribution of tasks, the separation of hierarchical and operational lines, the monitoring of internal lists of insiders and the use of dedicated IT environments. In addition, on a case-by-case basis, the depository implements appropriate preventive measures such as the creation of ad hoc monitoring lists, the creation of new Chinese walls, or the verification that transactions are properly processed and/or that the relevant client is informed. In certain circumstances, the depository may refuse to manage activities which could lead to conflicts of interest.

#### Delegation of functions

The depository is responsible for the safekeeping of assets (as defined in article 22(5) of Directive 2009/65/EC, as amended by Directive 2014/91/EU). In order to offer services linked to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve its investment objectives, BNP Paribas Securities Services SCA has appointed sub-depositaries in countries where BNP Paribas Securities Services CA has no local presence. These entities are listed on the following website:

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

The appointment and monitoring process for sub-depositaries adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

Up-to-date information relating to the above points will be sent to investors upon request.

- **Statutory auditor** : PricewaterhouseCoopers Audit  
Represented by Mr Frédéric Sellam  
63, rue de Villiers, 92200 Neuilly-sur-Seine, France
- **Promoters** : 1. Anaxis Asset Management S.A.S.  
9, rue Scribe, 75009 Paris, France  
2. Its Swiss counterpart Anaxis S.A.  
19, rue du Mont-Blanc, 1201 Geneva, Switzerland
- **Delegate accounting manager** : BNP Paribas Securities Services S.C.A.

#### Postal address

Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

#### Registered office

3, rue d'Antin, 75002 Paris, France

The delegate accounting manager administrates the SICAV (accounting, calculating net asset values) and is responsible for middle office functions.

- **Orders centralised by** : Identity  
 Anaxis Asset Management S.A.S., 9, rue Scribe, 75009 Paris, France  
Identity of institution in charge of receiving subscription and redemption orders  
 BNP Paribas Securities Services S.C.A.,  
 A credit institution accredited by the ACPR (French prudential supervisory and resolution authority)  
Postal address  
 Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France  
Registered office  
 3, rue d'Antin, 75002 Paris, France
- **Chairman of the SICAV** : Pierre Giai-Levra (also Chairman of the management company Anaxis Asset Management S.A.S.)
- **Initial capital** : EUR 300 000

## Part C – Terms of operation and management

### 1. General features

- **Type of rights attached to shares:** Each share represents an interest in the assets and profits of the SICAV which is proportional to the fraction of the share capital represented thereby.
- **Management of liabilities** : BNP Paribas Securities Services is responsible for the management of the liabilities. The SICAV is admitted for trading on Euroclear France.
- **Voting rights** : Each share carries entitlement to one vote. Any shareholder may attend General Meetings, either in a personal capacity or by proxy, subject to a proof of identity and of share ownership, in the form and at the places indicated in the notice of meeting.
- **Form of shares** : The shares may be bearer shares, or administered registered shares, registered with the issuer or with any other financial intermediary chosen by the holder.
- **Fractions of shares** : Ten-thousandths of one share.
- **Balance sheet date** : Last trading day in December.
- **First financial year** : The balance sheet date of the first financial year is 31 December 2017.
- **Taxation** : The SICAV is not subject to corporate tax. The tax scheme applicable to the amounts distributed by the SICAV, or to the realised or unrealised gains or losses depends on each investor's individual situation and tax residence. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

**INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT**

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

## 2. Specific terms and conditions

- **ISIN codes** : E1 shares : **FR0013196169**  
 E2 shares : **FR0013196177**  
 U1 shares : **FR0013196185**  
 S1 shares : **FR0013196193**  
 I1 shares : **FR0013196219**  
 I2 shares : **FR0013202520**  
 J1 shares : **FR0013196227**  
 K1 shares : **FR0013196235**
  
- **Classification** : International bonds and other debt securities.
  
- **Investment objective** : The Fund aims to outperform 3-year-maturity German government bonds by 4%, after fees, by investing mainly in corporate bonds, in an active and discretionary manner.
  
- **Benchmark index** : Performance, upon the current year ( $t$ ), of the German government bond with the closest maturity to 31<sup>st</sup> December of  $t+2$ . For example, for 2017, the performance of the SICAV will be compared to the performance of the “Bundesobligation” with maturity at 11/10/2019 (ISIN DE0001141703). The benchmark will be therefore updated at the beginning of each calendar year. The performances of this benchmark will be capitalized and calculated with gross dividends reinvested.
  
- **Investment strategy**
  - a. **Description of strategies used** : The investment objective must be achieved by building a portfolio comprised predominantly of corporate bonds and other debt instruments.

General approach

The UCITS is managed in an active and discretionary manner.

It is not a fixed maturity fund.

The investment strategy is based first and foremost on an extensive fundamental analysis of private-sector bonds and on the construction of an allocation diversified from a geographical and sectorial point of view, based on the selection of individual bonds each for their own merits.

The allocation of the portfolio may evolve according market conditions and economic and financial perspectives: rate levels, credit risk premium, probability of default, cash flows, central banks policies, economic circumstances, commodity prices, political events, etc.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook and sensitivity to economic conditions, the liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

The financial analysis studies the business model and strategy of companies in order to determine their strengths and weaknesses. The management team aims at forecasting how activity, incomes, cash flows or financial leverage will evolve, according to the competitive environment of the companies, their market growth, the quality of their products, as well as their cost structure.

The management team also assesses the composition of the balance sheet, the assets quality, the debtors' guarantees, the expected support from shareholders, the refinancing needs, the access to the capital market, etc.

Geographic criteria

The investment strategy does not favour any particular geographic area and may freely invest in developed markets (European Economic Area, Switzerland, North America, Japan, Singapore, Australia, and New-Zealand). Investments in emerging markets and other markets are limited to 49%.

| <b>Geographic exposure</b><br>(geographic region of issuers) | Minimum   | Maximum     |
|--------------------------------------------------------------|-----------|-------------|
| Developed countries                                          | <b>0%</b> | <b>100%</b> |
| Other countries (including emerging markets)                 | <b>0%</b> | <b>49%</b>  |

Sector criteria

The investment strategy seeks to avoid portfolio concentration on a specific economic sector. All economic sectors may be considered. However, the SICAV does not invest in securities issued by banks or other financial institutions that, according to us, require a different type of analysis. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

Management favours private corporate bonds. The share of high yield, speculative grade corporate bonds may reach 100% of net assets.

Nonetheless, all or part of the portfolio may be invested in investment grade corporate debt or in government bonds. The allocation will depend on the team's assessment of the relative attractiveness of the credit categories, in terms of expected real yields after inflation, the average probability of default, the expected volatility of market prices and the dynamic of the primary market (volume and characteristics of new issues) together with the refinancing strategies of issuers.

The management team does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the shareholders' best interest

| <b>Credit risk exposure</b>                  | Minimum   | Maximum     |
|----------------------------------------------|-----------|-------------|
| High yield, speculative grade corporate debt | <b>0%</b> | <b>100%</b> |
| Investment grade corporate debt              | <b>0%</b> | <b>100%</b> |



|                                 |           |             |
|---------------------------------|-----------|-------------|
| Unrated corporate debt          | <b>0%</b> | <b>35%</b>  |
| Investment grade sovereign debt | <b>0%</b> | <b>100%</b> |
| High yield sovereign debt       | <b>0%</b> | <b>20%</b>  |

The Investment Grade category comprises securities with a minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's or an equivalent rating by another recognised rating agency, or securities deemed to be of equivalent quality in the judgement of the management company. The High Yield category comprises securities with a rating below this level. The lowest rating will be used to determine the allocation limits.

The analysis and selection of debt instruments is made independently from rating agencies.

#### Markets

The SICAV may invest on the primary and secondary markets.

#### Tactical allocation

The investment strategy uses a macroeconomic, financial and technical analysis to define the optimal positioning of the SICAV. Based on this analysis, the portfolio management team may decide to hold a portion of assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

#### Bond sensitivity

The investment team may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 7. To this end, the portfolio management team may use interest rate swaps or futures, within the limit of an overall exposure (all positions combined) of 120% of the net assets.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

| <b>Sensitivity</b> | <b>Minimum</b> | <b>Maximum</b> |
|--------------------|----------------|----------------|
| To interest rates  | <b>0</b>       | <b>7</b>       |
| To credit spreads  | <b>0</b>       | <b>7</b>       |

#### Management of foreign exchange risk

The Fund's reference currency is the euro. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the euro.

Furthermore, categories of shares issued by the SICAV and denominated in currencies (US dollar or Swiss franc) are continuously hedged in order to protect investors against exchange rate fluctuations between the euro and the share category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedges may prove partial or imperfect. A tolerance threshold of 5% of residual exposure has been defined.

| <b>Foreign exchange risk</b>                                                             | <b>Minimum</b> | <b>Maximum</b> |
|------------------------------------------------------------------------------------------|----------------|----------------|
| Securities denominated in other currencies (US dollar, Swiss franc, British pound, etc.) | <b>0%</b>      | <b>100%</b>    |
| Residual foreign exchange risk exposure after hedging                                    | <b>0%</b>      | <b>5%</b>      |

**b. Categories of assets used : 1. Debt securities and money market instruments**
Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the SICAV's assets.

The investment strategy focuses on bonds and negotiable debt securities issued by companies headquartered in developed markets (European Economic Area, Switzerland, North America, Japan, Singapore, Australia, and New-Zealand). Investments in emerging markets and other markets are limited to 49% of the SICAV's assets.

The issuers may be listed companies or companies whose shares are not listed because they are held by families, managers, holding entities or investment funds

These securities are generally denominated in euro but also in other currencies (USD, CAD, AUD, CHF, GBP, JPY, DKK, NOK, SEK or other currencies for which, according to the management company, a hedging can be implemented at reasonable price and conditions). Securities denominated in currencies other than the euro may comprise up to 100% of the UCITS' assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 5%.

Selected securities may be of any rank (e.g. secured, non-secured, mezzanine or subordinated debt) and have any credit rating. High-yield speculative securities may comprise up to 100% of the SICAV's assets. However, the SICAV does not invest in securities issued by companies in default at the time of purchase. Unrated securities may comprise up to 35% of the SICAV's assets.

The analysis and selection of debt instruments is made independently from rating agencies.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The SICAV may invest up to 100% of its assets in Investment Grade debt instruments issued or guaranteed by governments or supranational entities, regardless of rating or currency. Nonetheless, the emerging government bonds are limited to 20% of the SICAV's asset

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities having a short-term maturity;
- Negotiable debt securities having a medium-term maturity;
- Fixed-, variable- or floating-rate bonds;
- Euro medium-term notes (EMTNs), excluding structured notes and notes with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes.

**2. Convertible bonds and related securities**

The SICAV may invest up to 20% of its assets in convertible bonds (or related instruments) with a bond profile, i.e. if the conversion option is out-of-the-money, has no significant value and does not generate a convexity effect on the price of the convertible for small variations in the price of the underlying equity. This strategy can enable the SICAV to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option not priced in by the market. In such case, the portfolio management team will ensure that the SICAV's overall equity risk does not exceed 10% of net assets. The SICAV may also invest up to 20% of net assets in hybrid securities.

### 3. Equities

Equity exposure is limited to 10% of the SICAV's assets. The SICAV does not purchase stocks on the market and does not take part in IPOs. However, the SICAV may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the SICAV may directly hold equities after exercising the conversion option attached to convertible bonds or following to debt restructuring. Although such direct positions are not intended to be held over the long term, the SICAV is not required to sell them within a predefined period.

### 4. Deposits

For the purpose of managing its cash holdings, the SICAV may carry out deposits with one or more credit institutions, within the limit of 50% of its assets. Nonetheless, it may not carry out deposits of more than 20% of its assets within the same institution.

### 5. Derivatives

The SICAV may invest in the regulated, organised or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's bond sensitivity (upward or downward) within a range of 0 to 7. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The SICAV's overall exposure, including derivatives, is limited to 120% of net assets.

#### Clarifications on derivatives

- a. Type of markets in which the SICAV may invest: regulated, organised, OTC.
- b. Risks to which the portfolio management team plans to expose the SICAV: interest rate and foreign exchange.
- c. Types of transactions, all of which are limited to the achievement of the investment objective: hedging and exposure.
- d. Types of instruments used: futures, swaps, and forward foreign exchange contracts.
- e. Strategy for using derivatives to achieve the investment objective:
  - hedging of foreign exchange risk,
  - variable hedging of interest rate risk according to investment committee forecasts,
  - increasing exposure to interest rate risk, according to investment committee forecasts, within the limit of overall interest rate risk exposure of 120% of net assets.

### 6. Securities with embedded derivatives

The SICAV may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 20% of its assets.

Furthermore, the corporate bonds in which the SICAV predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

**7. OPCVM**

The SICAV may invest up to 10% of its assets in other UCITS with a money market or bond strategy. These UCITS may be managed by Anaxis Asset Management or any other related entity.

**8. Cash loans**

The SICAV does not borrow cash. Nevertheless, it may have a temporary debit balance, within the limit of 10%, due to transactions related to the SICAV's payment flows: investments, divestments and liabilities transactions.

**9. Securities lending and borrowing**

None.

■ **Contracts constituting financial guarantees:**

None.

■ **Risk profile**

: Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.

a. **Main risks**

: Capital Risk. The SICAV does not offer any guarantee or protection. There is a risk that subscribers will not recover all of their initially invested capital.

Credit risk. This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the SICAV's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk. In particular, the SICAV normally invests in speculative category bonds. These bonds can represent up to 100% of the SICAV's asset. The investment objective assumes a default rate of 1%. If the default rate is higher, the investment objective may not be reached.

Interest rate risk. When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the SICAV's NAV. The portfolio's sensitivity may vary within a range of 0 to 7.

Risk linked to derivatives. The use of derivatives may increase interest rate risk beyond that associated with the bonds and other debt securities held, but without exceeding the 0-7 range indicated above.

Risk linked to discretionary portfolio management. As the SICAV is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the SICAV may underperform its investment objective and the investment choices made may lead to a decrease in the SICAV's NAV.

Risk linked to emerging countries. The SICAV may invest in emerging markets. Investors should be aware of the higher volatility associated with emerging market issues compared to developed market issues. This volatility may arise from the instability of political and economic factors in these markets. It may be enhanced by factors linked to legal, market liquidity, settlement, delivery and foreign exchange problems. The risk of price fluctuation or suspended redemptions is thus higher compared to products in more developed markets. Some emerging markets are sensitive to commodity prices or inflation rates. Others are highly exposed to the economic conditions prevailing in other countries.

Risk associated with holding convertible bonds. Up to 20% of the SICAV's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the SICAV's NAV.

Counterparty risk. This risk arises from the use of financial contracts negotiated over the counter with market counterparties. These transactions expose the SICAV to the risk of default by one or more counterparties and may lead to a decrease in the SICAV's NAV.

**b. Ancillary risks**

: Foreign exchange risk. Up to 100% of the SICAV's assets may be invested in securities denominated in currencies other than the SICAV's reference currency (the euro). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 5% (all currencies combined). In addition, the SICAV offers share categories denominated in currencies other than the euro (Swiss franc and US dollar). For these share categories, foreign exchange risk against the euro is also kept below 5% via an appropriate hedge. However, shareholders should note that the SICAV may be exposed to residual foreign exchange risk, arising either from an imperfect hedge of the securities portfolio or specific to non-euro-denominated share categories. This risk, limited to 5% of net assets, may lead to a decrease in NAV

Equity risk. Up to 10% of the SICAV's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds. The SICAV's NAV will decrease if this market declines.

Risk linked to investments in UCITS. Shareholders should note that there are liquidity risks and risks of capital losses associated with potential investments of up to 10% of the SICAV's assets in UCITS. These risks may lead to a decrease in the SICAV's NAV.

Inflation risk. The SICAV may be exposed to inflation risk, i.e. a widespread increase in prices.

Liquidity risk. Under very difficult market conditions, the SICAV may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the SICAV's Articles of Incorporation and in the investors' best interest, suspend redemptions or extend the settlement period.

■ **Guarantee or protection** : None.

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

E1, E2, U1, S1, I1, I2, J1 and K1 shares are available to all subscribers.

Eligible subscribers include in particular those seeking to invest in the corporate bond market with the aim of outperforming by 4% (after fees) the yield offered by German government bonds with a 3-year maturity.

The recommended investment period is 3 years.

The amount that is reasonable to invest in this SICAV depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this SICAV.

■ **Conditions for determining and distributing income:**

Net income for the financial year is determined in accordance with regulatory provisions and with the UCITS accounting principles.

Net income is distributed between the shares categories in proportion to their share of total net assets. However, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant share categories.

Amounts available for distribution are determined by:

1. The net income plus retained earnings, and plus or minus the balance of the income accrual.
2. The realised gain for the financial year, less costs, plus gains of the same nature for the previous financial years that have not been distributed or capitalised, plus or less the balance of adjustments of gain/loss.

For E1, U1, S1, I1, J1 and K1 shares, gains are capitalised.

For E2 and I2 shares, income actually distributed is determined each year by the portfolio management company.

- **Frequency of distribution** : Annual for E2 and I2 shares.

- **Share features** :

| Share | ISIN code    | Distribution of earnings         | Currency | Frequency | Initial share value | Minimum initial subscription | Fractional shares            |
|-------|--------------|----------------------------------|----------|-----------|---------------------|------------------------------|------------------------------|
| E1    | FR0013196169 | Accumulation                     | EUR      | Daily     | EUR 100             | One share                    | Ten-thousandths of one share |
| E2    | FR0013196177 | Accumulation and/or distribution | EUR      | Daily     | EUR 100             | One share                    | Ten-thousandths of one share |
| U1    | FR0013196185 | Accumulation                     | USD      | Daily     | USD 100             | One share                    | Ten-thousandths of one share |
| S1    | FR0013196193 | Accumulation                     | CHF      | Daily     | CHF 100             | One share                    | Ten-thousandths of one share |
| I1    | FR0013196219 | Accumulation                     | EUR      | Daily     | EUR 100             | EUR 500 000                  | Ten-thousandths of one share |
| I2    | FR0013202520 | Accumulation and/or distribution | EUR      | Daily     | EUR 100             | EUR 500 000                  | Ten-thousandths of one share |
| J1    | FR0013196227 | Accumulation                     | USD      | Daily     | USD 100             | USD 500 000                  | Ten-thousandths of one share |
| K1    | FR0013196235 | Accumulation                     | CHF      | Daily     | CHF 100             | CHF 500 000                  | Ten-thousandths of one share |

The management company, employees of the management company and the employees of companies affiliated to the management company are exempted from the minimum initial subscription.

■ **Terms of subscription and redemption:**

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services  
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Orders form

Subscription orders are accepted in quantity or amount.  
Redemption orders are only accepted in quantity (number of shares).

Fractions of shares

Ten-thousandths of one share.

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

Conditions for switching from one share category to another, round trip

For subscriptions carried out by shareholders having submitted a redemption request recorded at the NAV on the same day and involving the same number of shares (in another share category or in the same share category as the subscription), no entry or redemption fees will be charged provided that the minimum amounts per transaction are observed.

Switching from one share category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same share category.

Date and frequency of NAV calculation

Daily. NAVs are calculated every working day (according to the official Euronext NV calendar).

Place and conditions of publication or transmission of NAVs

The NAVs of the SICAV's different share categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at [www.anaxiscapital.com](http://www.anaxiscapital.com).

### 3. Charges

■ **Fees and commissions** : Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

**Fees charged to investors upon subscription and redemption**

|                                        | Base                   | Rate       |
|----------------------------------------|------------------------|------------|
| Subscription fee not paid to the SICAV | NAV x number of shares | 2% maximum |
| Subscription fee paid to the SICAV     | NAV x number of shares | None       |
| Redemption fee not paid to the SICAV   | NAV x number of shares | 1% maximum |
| Redemption fee paid to the SICAV       | NAV x number of shares | None       |

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the SICAV, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

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

- Incentive fees. Incentive fees are awarded to the portfolio management company when the SICAV exceeds its targets. They are charged to the SICAV;
- Account activity fees charged to the SICAV;
- A share of the income earned from securities lending and borrowing transactions.

| <b>Fees charges to the SICAV</b>                   | <b>Base</b>                 | <b>Rate</b>                                                                                                |
|----------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------|
| Portfolio management fees                          | Net assets                  | E1, E2, U1 and S1 shares: 1.25% incl. tax (maximum)<br>I1, I2, J1 and K1 shares: 0.75% incl. tax (maximum) |
| External management fees                           | Net assets                  | 0.10% incl. tax (maximum), with any surplus covered by the portfolio management company                    |
| Account activity fee (fully paid to the custodian) | Charged on each transaction | Scale:<br>- Transactions: max. €60 incl. tax<br>- Securities transactions: none                            |
| Incentive fee                                      | Net assets                  | 15% incl. tax of the annualised net performance beyond the benchmark index performance + 4.0%.             |

The SICAV does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

Clarifications on incentive fees

With each NAV calculation, the SICAV's excess return is defined as the positive difference between the SICAV's net assets, before factoring in any provision for incentive fees and after factoring in fixed management fees, and the net assets



of a notional fund with an annualised net performance of the performance of the benchmark index + 4% and recording the same subscriptions and redemptions as the SICAV. With each NAV calculation, a provision in the amount of 15% (with tax) of the excess return or, where applicable, a provision reversal if the SICAV underperforms, is recognised.

In the event of redemptions, the share of the incentive fee associated with the redeemed shares is permanently paid to the SICAV. Aside from these cases, the annual period taken into consideration when calculating incentive fees is the financial year. The initial fees are calculated over a period ranging from the SICAV's inception date to 31 December 2017

Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

## Part D – Sales information

- **Distribution or earnings** : BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.
- **Subscription and redemption orders:**  
Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the following day's NAV, i.e. at an unknown price.
- **Information documents** : Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.
- **ESG criteria** : The investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the fund's annual report and online at [www.anaxis-am.fr](http://www.anaxis-am.fr).
- **Remuneration policy** : The remuneration policy of Anaxis Asset Management aims at (i) promoting a sound and efficient management of risks, and (ii) avoiding the emergence of conflicts of interest. This policy applies to all employees. It is reassessed annually. Up-to-date details of the remuneration policy, including methods for calculating fixed and variable compensations, are available on the company's website at [www.anaxis-am.fr](http://www.anaxis-am.fr). A paper or electronic copy of the remuneration policy will be made available free of charge upon request.
- **Additional information** : Any additional information can be obtained from:  
Anaxis Asset Management  
9, rue Scribe, 75009 Paris, France  
Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46.

## Part E – Investment rules

The Fund is subject to investment rules applicable to UCITS subject to European Directive 2009/65/EC. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the SICAV from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the SICAV may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (*Caisse d'amortissement de la dette sociale*).

## Part F – Overall risk

The method used to calculate the overall risk (including exposure via forward financial instruments) is the commitment calculation method.

## Part G – Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

### 1. Asset valuation rules

The SICAV complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid-price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

## 2. Accounting recognition

The SICAV has opted for the EUR as its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

Interest accrued on the weekend is recognised on the basis of the previous NAV.