

RIVOLI FUND MANAGEMENT



RIVOLI INTERNATIONAL FUND V9



INSTITUTIONAL AND PRIVATE PLACEMENT MEMORANDUM

REGISTERED WITH THE AUTORITE DES MARCHES FINANCIERS (AMF)

UPDATED December 31st, 2016

THIS DOCUMENT IS STRICTLY PRIVATE AND CONFIDENTIAL. IT MUST NOT BE CIRCULATED TO THE PUBLIC

WARNING

THIS FUND MUST BE CONSIDERED AS A SPECULATIVE FUND AND IS ONLY SUITABLE FOR INVESTORS WHO ARE AWARE OF THE RISK OF POSSIBLY SIGNIFICANT LOSSES. SUCH LOSSES MAY AMOUNT TO THE FULL AMOUNT OF THE INVESTMENT MADE.

HOWEVER, UNLIKE A DIRECT INVESTMENT IN A FUTURES MARKET, INVESTOR LIABILITY OVER A SPECIALISED PROFESSIONAL FUND UNIT IS LIMITED TO ITS REDEMPTION VALUE.

IN ACCORDANCE WITH CURRENT REGULATIONS, THIS FUND IS DEDICATED TO PROFESSIONAL INVESTORS.

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RIVOLI INTERNATIONAL FUND V9

RIVOLI INTERNATIONAL FUND V9 is an Investment Fund whose objective is to operate on all French and international futures markets, in accordance with French law relating to FPSs, with the AMF's approval.

Its objective is to offer investors better performances than those of other investment vehicles proposed in traditional collective investment schemes.

This collective investment product is addressed to private investors wishing to make their portfolio more dynamic, as well as to companies and institutional investors in the context of a dynamic diversification of their financial investments.

The managers of this fund are experienced market operators who have gained several years of experience in major international investment banks. They are familiar with dynamic trading methods, and have developed high-level decision-making and risk management tools.

These tools, using sophisticated mathematical and statistical techniques make it possible to best take advantage of arbitrage and trading opportunities which may appear on the financial markets.

Furthermore, the legal framework of FPSs enables **RIVOLI INTERNATIONAL FUND V9** to take advantage of both rises and falls in the market and therefore to provide diversification in contrast to traditional investment products.

RIVOLI INTERNATIONAL FUND V9 is designed to operate on all world commodity futures markets, whether they are stock, bond, commodity or money markets, with a view to spreading risks.

The fact nonetheless remains that the risks inherent in investing in these kinds of products are great and, therefore, investors should read this prospectus carefully. In case of doubt as to the suitability of this investment, they should seek the advice of their stock brokers, bankers, legal advisers, accountants or other financial advisers.

TECHNICAL SUMMARY

Legal form of the OPCVM: FPS (“SPECIALISED PROFESSIONAL FUND”)

Management firm: RIVOLI FUND MANAGEMENT
Société anonyme simplifiée (Limited company)
Head office address : 82 avenue Marceau, 75 008 Paris, France
Asset management company registered with the AMF (29/10/1998) with the following registration number : n° GP 98 047).

ISIN code: FR0010101030 (EUR share class)
FR0012420164 (USD share class)

Custodian: CACEIS BANK
Bank registered with the CECEI (1 april 2005) as a bank and financial services provider
Head office address : 1-3 place Valhubert, 75 013 Paris
Postal address : 1-3 place Valhubert, 75206 Paris Cedex 13

Valuing Agent: CACEIS Fund Administration

Statutory auditors: PWC
2 rue Vantimesnil CS 60003, 92 532 Levallois-Perret
Signatory : Patrick SELLAM

Marketing agent : RIVOLI FUND MANAGEMENT SAS

Administrator:

CACEIS FASTNET
1 place Valhubert, 75 013 PARIS

Registrar:
CACEIS Bank
Bank registered with the CECEI (1 april 2005) as a bank and financial services provider
Head office address : 1-3 place Valhubert, 75 013 Paris
Postal address : 1-3 place Valhubert, 75206 Paris Cedex 13

Agent in charge of receiving the subscription/redemption requests:

- Subscription/redemption through Euroclear France :
CACEIS Bank
Bank registered with the CECEI (1 april 2005) as a bank and financial services provider
Head office address : 1-3 place Valhubert, 75 013 Paris
Postal address : 1-3 place Valhubert, 75206 Paris Cedex 13
- Subscription/redemption through Clearstream / Euroclear Banque :
RIVOLI FUND MANAGEMENT SAS
82 avenue Marceau, 75008 PARIS
Tel : (33) 1.56.88.24.57 / Fax : (33) 1.56.88.24.41

Management objective: Very short-term optimisation of the fund's performance

Recommended minimum duration

of investment: from 1 to 3 years

Subscribers involved: Professional investors

Allotment of results: Revenue fully capitalised each year

Financial year closing date: 31 December

Original net asset value:	EUR share class : EUR 100 USD share class : USD 237.80
Type of Units:	Decimalised
Minimum amount of the first subscription:	EURO 100 000
Net asset value:	daily (each day when the Paris Stock Exchange is open for business except on French public holidays).
Subscription and redemption:	Subscription and redemption requests are centralised each day until 12.00 p.m. and are executed on the basis of that day's net asset value, published on the following business day.

Agent in charge of receiving thefor subscription/redemption requests:

- Subscription/redemption through Euroclear France :
CACEIS Bank
Bank registered with the CECEI (1 april 2005) as a bank and financial services provider
Head office address : 1-3 place Valhubert, 75 013 Paris
Postal address : 1-3 place Valhubert, 75206 Paris Cedex 13
- Subscription/redemption through Clearstream / Euroclear Banque :
RIVOLI FUND MANAGEMENT SAS
82 avenue Marceau,75008 PARIS
Tel : (33) 1.56.88.24.57 / Fax : (33) 1.56.88.24.41

Subscription commission:	5% maximum
Redemption commission:	5% maximum
Management fees:	2% maximum
Variable management fees:	20% of the results made by the fund on the futures markets and options markets calculated and deducted semi-annually. These variable management fees will be provisioned daily and will give rise to reversal of provisions in the event of negative performance. The fund processes a High Water Mark mechanism.
Denomination of the accounting currency:	EURO

The fund authorises itself to invest in Rivoli Fund Management funds. No subscription / redemption costs will be deducted.

SPECIALISED PROFESSIONAL FUNDS (FPS)

OBJECTIVES OF A FPS

The objective of a FPS is to provide a dynamic management tool designed to offer an optimal long term capital appreciation through use of the domestic and international futures markets.

A FPS should not be considered as a purely speculative product, but as an investment chosen carefully to strategically diversify a portfolio.

Given the low correlation that has been observed between the performance of portfolios invested on the futures markets and that of traditional bond portfolios, the relationship between the risk and profitability of a traditional portfolio is considerably improved by using the futures markets as a diversifying element.

To incorporate an adequate proportion of FPS into a portfolio made up of stocks and/or bonds can allow a reduction in the portfolio's overall risk while improving its prospective yield.

ADVANTAGES OF A FPS

Collective investment schemes enable a combination of return, liquidity and risk diversification on volatile markets while reducing the risks relating to the knowledge of market and player specificities. Additionally, it is a means to optimise legal, tax, and administrative aspects.

MECHANICS OF FUTURES AND OPTIONS MARKETS

GENERAL PRINCIPLES

The essence of an organised futures market is to provide economic agents with a means of protecting themselves by anticipating unfavourable price fluctuations of overly-volatile underlying assets.

While it is a dynamic risk management tool, the futures market is also an investment and speculation tool.

Numerous and complementary economic interests make it possible to render risks transfer commonplace and to determine a fair price through the free and anonymous play of supply and demand.

FUTURES MARKETS

A futures contract is a commitment to deliver or accept delivery of merchandise (government bonds, corn, oil, etc.) with standardised characteristics, at a price resulting from supply and demand on an open market.

While the positions are almost all closed prior to maturity, the futures market and the stock market remain permanently connected.

It is the role of the arbitrageur who, together with the speculator and the hedger, contributes to determining the future price.

The futures markets are organised so as to ensure, by instituting a specific clearing house, the daily clearing of all buy and sell positions remaining open following the trading session. Credit or debit margins are calculated, received or paid, depending on the official closing price. If the initial margin paid prior to any transaction is used, the client is obliged to pay the shortfall into its account with its broker prior to the opening of the next session or its positions will be closed and netted off.

The initial margin will be a percentage of the nominal value of the contract depending on the daily fluctuation limits authorised by the listing authorities, and depending on the type of operations. Thus, if this results in a strong leverage effect likely to attract speculation, a rigorous daily clearing discipline also exists, which is a safety factor inextricably linked to the guarantee of transaction execution granted by the market clearing house, which is systematically placed between buyers and sellers.

These markets are especially liquid. They are subject to the strict supervision of the local regulators, which guarantees due execution of transactions by the various participants. However, the high volatility and the specificities of such markets mean that they remain instruments which are difficult for non-specialist market players to use.

The gains or losses made (before expenses) on the futures markets consists of the difference between the price at which the contract was initiated (at purchase or at sale) and that at which the contract is unwound (sale or purchase).

OPTIONS MARKETS

On most futures markets, operators trade **OPTIONS**. An option gives the buyer the right, but not the obligation, to buy (**CALL**) or sell (**PUT**) the underlying asset (a futures contract for example) at a certain price, called the exercise price, for a certain time if the option is an "American" option or on a future date if it is a "European" option.

The purchaser, in consideration for the right conferred by the option, immediately pays the seller a premium which is a function of the price of the underlying asset and its anticipated volatility, the exercise price of the option, the life span of the option and the interest rate level.

The risk of the option buyer is limited to loss of the premium which it pays at purchase of the option. However, the anticipated gain is proportional to the variation in the price of the underlying asset.

The option seller assumes unlimited risk. However, its profit is limited to the premium received.

Given the risks it incurs, the option seller may be subject to daily margin calls for very high amounts with regard to the premium initially received (principle of the leverage effect).

MECHANICS OF THE FPS **"RIVOLI INTERNATIONAL FUND"**

FUND MANAGEMENT

The managers are experienced market operators who have gained several years' experience with major international investment banks. They are familiar with dynamic trading methods adapted to highly volatile markets. Their know-how enables them to rapidly identify arbitrage and position-taking opportunities on all the world futures markets.

Relying on the most recent financial information and information technologies, interventions on the financial markets use sophisticated statistical and mathematical analysis techniques, arbitrage models and trend-tracking systems.

In order to optimise the Fund's yield/risk ratio, investments will be significantly diversified, both in terms of asset class (stocks, bonds, commodities and money markets) and trading strategies.

For these purposes, several markets may be used simultaneously. In addition, the trading strategies implemented may range from very short term strategies to very long term strategies depending on market opportunities.

THE VARIOUS PARTS OF THE FPS

The assets of the FPS are divided into two portfolios:

- the base portfolio,
- the futures trading portfolio.

Base portfolio

This portfolio is a securities portfolio enabling the Fund to be at all times invested in liquid assets for more than 40% of its assets.

This portfolio is invested in risk free liquid assets. Swap contracts may be entered into.

Trading portfolio

The initial amount of the trading portfolio is the part that has been invested in deposit or in margin calls in order to make the investments in futures markets possible.

The trading portfolio breaks down into two parts:

One part is invested in deposits and margin calls to constitute the speculative part of the portfolio.

The other part is invested into cash or similarly liquid assets to serve as an additional shock absorber.

This portfolio constitutes a percentage of the total assets of the Fund which may vary from 5% to 45% depending on financial market evolutions and investment opportunities, bearing in mind that the average objective should be around 30%.

This percentage of the assets constitutes the real risk for the Fund. The higher this percentage is, the more speculative the fund and the more significant the risk.

The "Leverage Effect" aspect is difficult to determine in the case of a FPS since the markets on which the Fund operates each have their own leverage effect.

Due to this, the best risk indicator is the percentage of the total assets allocated to the trading portfolio.

RISK MANAGEMENT

Liquidity ratio

The FPS must invest at least 40% of its assets into cash or similarly liquid assets. Such liquid assets may be negotiable debt instruments, Treasury bonds and less than one-year government bonds, as well as shares or units in Collective Investment Schemes holding mainly such assets.

Such liquid assets will not be used in the form of guarantee deposits with clearing houses.

Specific prudential rules

Please refer to the "R.I.F. MANAGEMENT" chapter.

OPERATIONAL ORGANISATION

The managers follow real time market movements to act or to close positions taken in accordance with selected strategies.

The orders are transferred to brokers; all telephone conversations are recorded.

The orders and bills are recorded on a note book and then entered into position-tracking softwares.

The processing of securities transactions is carried out by the back-office of the custodian according to the directives recommended by the AMF to this effect.

The custodian also proceeds with the daily calculation of the net asset value of the fund and with supervising the regulatory ratios and specific rules associated with the Fund's management.

MANAGEMENT OF **RIVOLI INTERNATIONAL FUND**

DATABASES

The mathematical study of futures markets requires the use of reliable and exhaustive databases.

For this purpose, we have full databases on all the markets which we plan to use, since their creation.

These databases, duly verified and supervised and subject to very special attention, are the main working tools for our operations. They are updated daily using the primary sources available on the market and tested in order to guarantee their high quality.

TREND-TRACKING METHODS

These methods make it possible to detect and take advantage of trends which appear on the markets by using filtering techniques enabling us to best distinguish between a true trend and false signals with no real significance.

In this context we use a range of analysis tools enabling us to determine very short as well as longer trends, in the interests of risk diversification.

In the interests of diversifying and optimising the risk/return ratio, RIVOLI INTERNATIONAL FUND V9 will continually operate on numerous markets with low correlations, or even opposing correlations, between them:

- short-term interest rate market,
- long-term interest rate market,
- stock market,
- commodities market,
- currency market.

MARKET FORCE INDICATORS

In conjunction with trend-tracking tools, we use indicators enabling us to determine the strength and significance of movement observed on the markets.

These indicators enable us to measure the configuration of a market, to anticipate its future short-term trend, or on the contrary, a trend reversal. They also enable us, where a market shows no major opportunities to avoid markets intervening in it.

VOLATILITY ANALYSIS

The techniques which we use entail prioritising the analysis of market volatility. Developed in the context of trend confirmation, they enable us to filter position-taking signals on all the markets we use.

These models are in addition to all those referred to above and enable increasing diversification and reliability.

SIMULATION TOOLS

We have developed computerised tools using the latest technology available, making it possible to simulate all the statistics based on past performance used and to measure their profitability, risk and regularity.

These simulations are carried out in the most realistic possible manner, in particular taking into account the various expenses and slippage which would be noted in a real execution.

Using these simulations enables us to statistically and realistically estimate the expected performance of the fund, but above all the risk of underperformance.

RISK MANAGEMENT

In the context of the fund's Front-Office management, we developed a computer programme making it possible to manage all positions in real time, both in terms of results and in terms of following models used on the markets.

This Front-Office programme feeds in real time a Middle-Office programme which manages the entire Fund's Valuation. The statements generated in this respect make a comparison possible with the Back-Office of the custodian in order to guarantee and verify the accuracy and due execution of the transactions and valuation of RIVOLI INTERNATIONAL FUND. These dual controls make it possible to detect very quickly any position and valuation gap, and to take the measures necessary in order to resolve anomalies which may arise immediately.

MARKET RISK CONTROL

In the interest of diversification, RIVOLI INTERNATIONAL FUND V9 operates on a number of markets with several strategies per market.

Stop levels are defined for each of these strategies. They vary depending on their investment objectives, making it possible to close a position taken through a strategy on a market in the event of its unfavourable development.

These stop levels vary depending on the kind of strategy implemented and depending on the characteristics specific to each market (volatility, liquidity).

All of these data are automatically taken into account in the Front-Office trading information systems, which enables the managers to follow in real time the Fund's market risk.

RISK OF UNFAVOURABLE DEVELOPMENT IN THE NET ASSET VALUE

As RIVOLI INTERNATIONAL FUND V9 is a FPS investing a minimum of 40% of the assets into cash or similarly liquid assets, a sudden drop in its net asset value is limited.

The fact nonetheless remains that RIVOLI INTERNATIONAL FUND V9 is a speculative fund and significant fluctuation may occur in the course of one day.

Investors are therefore reminded of the special nature of their investment prior to any subscription.

TAXATION

INDIVIDUALS TAX RESIDENT IN FRANCE

Individuals making profits through an FPS are taxed, at sale or redemption of units in the Fund, on the basis of the conditions applicable to profits made on futures markets, taking the status of the operator into account.

OCCASIONAL OPERATOR

Profits are subject to capital gains tax on transferable securities as from the first Euro, and also to other related withholdings.

Losses may be offset against gains of the same nature made over the course of the five following years.

USUAL OPERATOR

Gains are taxed as non commercial income at the rate applicable for personal income tax.

Losses may be offset against gains of the same nature made over the course of the five following years.

PROFESSIONAL OPERATOR

The gains made may be taxed as an option, as income tax in the industrial and commercial profits category.

Losses may be offset against total revenue in accordance with the general law.

INDIVIDUALS TAX RESIDENT OUTSIDE FRANCE

Exempt from taxation on capital gains made on the sale of units in the Fund.

CORPORATE ENTITIES

Corporate entities are taxed on the basis of Corporation Tax depending on the capital gains or losses made at the end of the financial year by reference to the last known net asset value.

INFORMATION TO SUBSCRIBERS

Periodic information documents (annual or periodic reports) will identify the transactions completed, elaborating on:

the financial results of these transactions,

the exposures, related to the assets of the CIS at the end of the period,

developments in the use of financial instruments (strategies, impact on the results and portfolio exposure).

In the annual report, under the accounting information certified by the statutory auditor, the accounting principles and practices applied to financial instruments will be mentioned.

All of these documents are available to subscribers upon simple request to the custodian or the asset management firm.

Disclaimer for U.S. Persons :

The Units have not been, and will not be, registered under the U.S. Securities Act of 1933 or qualified under any applicable U.S. state statutes, and the Units may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as defined in Regulation S in the U.S. Securities Act of 1933), except pursuant to registration or an applicable exemption.

The Fund is not, and will not be, registered under the 1940 Act, and investors will not be entitled to the benefit of registration under the 1940 Act. Any resales or transfers of the Units in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. The Company, however, reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Any resales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the CEO of the management company of the fund. Applicants for Units will be required to certify in writing that they are not U.S. Persons.

The CEO of the management company of the fund have the power to impose restrictions on (i) the unitholdings by (and consequently to redeem Units held by), or (ii) the transfer of Units to, any U.S. Person. Such power covers any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the CEO of the management company of the FCP to be relevant) which, in the opinion of the CEO of the management company of the Fund, might result in the Fund suffering any disadvantage which the Fund might not otherwise have incurred or suffered.

The Units have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

Unitsholders are required to notify the Fund immediately in the event that they become U.S. Persons. Unitholders who become U.S. Persons will be required to dispose of their Units at any time to non-U.S. Persons. The Fund reserves the right to repurchase any Units which are or become owned, directly or indirectly, by a U.S. Person or if the holding of the Units by any person is unlawful or detrimental to the interests of the Fund.

Definitions :

US Person:

Precluded Persons are U.S. Persons as defined in U.S. SEC Regulation S (Part 230 - 17 CFR 230.902). Such definition is available at <http://www.sec.gov/about/laws/secrulesregs.htm> (current as of Sept 29th 2016). An unofficial translation in French of this definition is available on our website www.rivolifinance.com.

"Beneficial ownership":

"Beneficial Ownership" generally means having a direct or indirect financial or economic interest in a security, including an interest through members of the household. You should consult the complete legal definition in Rule 16a-1(a)(2) under the U.S. Securities Exchange Act of 1934 (Part 240 - 17 CFR 240.16a-1) at: <http://www.sec.gov/about/laws/secrulesregs.htm> (current as of Sept 29th 2016).

FUND'S REGULATIONS **RIVOLI INTERNATIONAL FUND**

TITLE 1 - ASSETS AND UNITS

Article 1 - Co-ownership units

The co-owners' rights are expressed in units, each unit corresponding to the same fraction of the Fund's assets. Each unitholder has a co-ownership right over the Fund's assets proportional to the number of units held.

The duration of the Fund is 99 years beginning on 10 April 2008, except in the event of early dissolution or of extension provided for in these regulations.

The characteristics of the different categories of unit and their conditions of access are stated in the Fund's simplified prospectus and detailed memorandum.

The different categories of unit may:

- benefit from different systems in terms of distributable amounts (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different par value.

Aggregation or division of units

Units may be divided upon decision of the management company's Executive Committee into tenths, hundredths, thousandths or ten-thousandths, referred to as fractions of units. The rules providing for the issue and the redemption of the units shall apply to fractions of units whose value will always be proportional to the value of the unit they represent. All other rules relating to the units shall apply to fractions of the units without any necessity to specify this, except when it shall be otherwise provided for.

The management company's Executive Committee may proceed at its own discretion with a division of the units by creating new units that will be allocated to unitholders in exchange for the old units.

Article 2 - Minimum amount of assets

The units may not be redeemed if the Fund's assets amount to less than €300,000. In this case, unless the assets increase above this amount during this time, the management company will take the necessary measures to carry out the merger or dissolution of the Fund within a period of thirty days.

Article 3 - Issue and redemption of units

The units shall be issued at any time at the request of the unitholders on the basis of their net asset value plus subscription fees, if applicable. However, F units shall only be issued during a defined three-month period. This subscription period starts on the date of the first net asset value and ends three months later. If the net asset value is not available on that day the subscription period will be extended until the next net asset value date. At the end of this period F units will no longer be issued.

Redemptions and subscriptions shall be carried out under the conditions and in accordance with the terms defined in the simplified prospectus and the detailed memorandum.

The Fund's units may be quoted on the stock market in accordance with the rules and regulations in force.

Subscriptions must be fully paid up on the date of calculation of the net asset value. They will be made in cash.

Redemptions are only made in cash, except in the event of a winding up of the Fund when unitholders have agreed to be repaid in shares. They will be paid by the custodian within five days maximum after the date of valuation of the unit.

However, if, in exceptional circumstances, where redemption requires the prior disposal of assets of the Fund, this period may be extended up to a maximum of 30 days.

Except in the event of succession or *inter vivos* distribution, the assignment or the transfer of the units between unitholders or from a unitholder to a third party, is similar to a redemption followed by a subscription; in the case of a third party, the amount of the assignment or the transfer must, if applicable, be completed by the beneficiary to reach at least the minimum subscription amount required by the rules of the Fund.

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

If the Fund's net assets fall below the amount set in the regulations, no redemptions may be undertaken.

The minimum subscription is one unit, as stated in the simplified prospectus and detailed memorandum.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial code, the Fund may cease to issue units under objective situations resulting in the closure of subscriptions due, for example, to a maximum number of units or shares having been issued, a maximum amount of assets being obtained or the expiry of a given subscription period. These objective situations are defined in the Fund's detailed memorandum.

Disclaimer for U.S. Persons:

The CEO of the management company of the Fund may restrict or prevent the ownership of Units of the Fund by any person, firm or corporate body who is precluded from holding Units of the FCP (a "Precluded Person"). Precluded Persons are U.S. Persons as defined in U.S. SEC Regulation S (Part 230 - 17 CFR 230.902) and detailed in the Prospectus.

For such purpose, the CEO of the management company of the Fund may:

- (i) decline to issue any Unit where it appears to it that such registration would or might result in such Unit being directly or beneficially owned by a Precluded Person;
- (ii) any time require any person whose name is entered in the Register of Unitholders to furnish it with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such unitholder's Units rests in a Precluded Person; and
- (iii) where it appears that any person, who is a Precluded Person, either alone or in conjunction with any other person is a beneficial or registered owner of Units, compulsorily redeem from any such unitolder all Units held by such unitholder after a delay of 10 days. The compulsory redemption will be made at the latest available NAV taking into account any relevant fees or commissions applicable to the Precluded Person after a delay of 10 days during which the unitholder may present its observations to the relevant competent body.

Article 4 - Calculation of the net asset value

The calculation of the net asset value per unit is carried out according to the valuation rules specified in the detailed memorandum in the full prospectus.

TITLE 2 - MECHANICS OF THE FUND

Article 5 - The management company

The management of the Fund is carried out by a management company in accordance with the Fund's guidelines.

In all circumstances the management company acts on behalf of the unitholders and can exercise alone the voting rights attached to the securities held by the Fund.

Article 5a - Operating rules

The instruments and deposits eligible to comprise the Fund's assets and the investment rules are described in the detailed memorandum in the full prospectus.

Article 6 - The custodian

The custodian is responsible for custody of the assets held by the Fund, performs the orders of the management company concerning the purchase and sale of securities, as well as its orders relating to the exercise of the subscription and allocation rights attached to the securities held by the Fund. It is responsible for all cashing and payments.

The custodian must ensure the legality of the decisions of the management company. It must, if necessary, take any protective measures it deems appropriate. In the event of a dispute with the management company, it shall inform the *Autorité des Marchés Financiers*.

Article 7 - The statutory auditor

A statutory auditor is appointed by the Board of Directors or Executive Committee of the management company upon the approval of the *Autorité des Marchés Financiers*.

It carries out due diligence and checks required by the law and certifies whenever necessary the integrity and consistency of the accounts and the accounting entries contained in the management report.

The statutory auditor may be reappointed.

It shall inform the *Autorité des Marchés Financiers* and the Fund's management company of any irregularities or inaccuracies it has found during its audit.

Assets are valued, and exchange rates are determined in relation to conversion, merger or spin-off transactions under the supervision of the statutory auditor.

It assesses any contribution in kind and prepares a report relating to its valuation and remuneration under its responsibility.

The statutory auditor certifies the accuracy of the statement of assets and other items prior to publication.

The fees of the statutory auditor are determined by mutual agreement between the auditor and the Board of Directors or Executive Committee of the management company, on the basis of a work schedule setting out the checks that are considered necessary.

In the case of liquidation, the statutory auditor values the assets and prepares a report on the liquidation terms and conditions.

It certifies the situations that are used as a basis for distributing interim dividends.

The statutory auditor's fees are included in the management fees.

Article 8 - The accounts and the management report

Upon closure of each financial year, the management company draws up the summary documents and a report on the management of the Fund during the past financial year.

The inventory is certified by the custodian and all the documents above are audited by the auditor.

The management company makes these documents available to the unitholders within four months after the closure of the financial year and informs them of the amount of income to which they will be entitled. These documents are either sent by post at the express request of the unitholders or made available to them by the management company.

TITLE 3 - ALLOCATION OF THE RESULTS

Article 9

The net result for a financial year is equal to the amount of interest, back payments, dividends, premiums and attendance fees as well as all revenue relating to the securities making up the portfolio of the Fund increased by the revenue of the sums momentarily available and decreased by the management costs and the borrowing expenses.

Distributable amounts shall consist of :

- The net income of the financial year increased by any amounts carried forward and then increased or decreased by the balance of the equalisation account for distributable amounts relating to the financial year just closed.
- The realized gains, net of fees, lowered with realized capital losses, net of fees, recorded during the year, plus the net capital gains of the same nature recorded in prior years that were not distributed nor capitalised, increased or lowered with the balance of the gains regularization balance.

The amounts mentioned above may be distributed, in whole or in part, independently from each other.

The management company decides on the allocation of the results.

The Fund has opted for the following full capitalisation formula: distributable amounts the sums available are fully capitalised every year, except for the monies that must be allocated under law.

Further details on the methods of allocation of income and distribution are likely to be mentioned in the prospectus.

TITLE 4 - MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

Article 10 - Merger - Demerger

The management company may either merge, in full or in part, the assets included in the Fund with another fund also managed by itself or split the Fund in two or into several other mutual Funds, which it will manage.

Such merging or demerging operations may only be carried out one month after the unitholders have been notified of the same. They will give rise to the issuing of a new certificate specifying the number of units held by each unitholder.

Article 11 - Dissolution - Extension

If the Fund's assets remain less than the amount fixed in Article 2 above for thirty days, the management company will inform the *Autorité des Marchés Financiers* and will proceed with the dissolution of the Fund, except in the event of a merger with another mutual fund.

The management company will inform the unitholders of its decision to dissolve the Fund and requests for subscription or redemption will no longer be accepted from that date.

The management company will also proceed with the dissolution of the Fund in the event of a request for total redemption of the units, or in the event the custodian ceases its functions, if no other custodian has been appointed, or at the expiry of the life of the Fund, if it has not been extended.

The management company will inform the *Autorité des Marchés Financiers* by post of the date and the dissolution procedure decided upon. It will then send the auditor's report to the *Autorité des Marchés Financiers*.

The life of the Fund may be extended by decision of the management company in agreement with the custodian. Such extension must be decided at least three months before the Fund expires and notified to the unitholders and the *Autorité des Marchés Financiers*.

Article 12 - Liquidation

In the event of dissolution of the Fund, the management company, or the custodian with its agreement, will be acting as a liquidator ; failing this, the liquidator is appointed by the court at the request of any interested person. For this purpose, they have the broadest powers to dispose of the assets, pay any potential creditors and divide the available balance among the unitholders in cash or in securities.

The auditor and the custodian will continue to exercise their functions until the end of the liquidation.

TITLE 5 - DISPUTES

Article 13- Jurisdiction - Election of domicile

All Fund-related disputes that may arise during the life of the Fund, or during the liquidation of the Fund, either among the unitholders, or between the unitholders and the management company or the custodian, shall be submitted to the courts with jurisdiction.