



# EM Bond Opp. 2028

## Prospectus and Rules

Legal entity identifier:	969500SDLDMCEQFDB010
Address:	9, rue Scribe, 75009 Paris, France
Custodian:	BNP Paribas SA
Auditor:	PwC Audit
Approval date:	18/02/2020
Publication date:	13/05/2024
Effective date:	16/04/2026

# CONTENT

## PROSPECTUS

- A. General features
- B. Intermediaries
- C. Terms of operation and management
- D. Sales information
- E. Investment rules
- F. Overall risk
- G. Asset valuation rules
- H. Remuneration

## FUND RULES

INFORMATION FOR INVESTORS IN GERMANY

IIINFORMATION FOR INVESTORS IN SPAIN

## Part A

UCITS subject to  
European Directive  
2009/65/EC

## General features

1. Name of UCITS

EM BOND OPP. 2028

2. Legal form and Member State

FCP (mutual fund) under French law

3. Date of incorporation and projected term

06/07/2015 for a term of 99 years

4. Approval date

18/02/2020 by the AMF (French securities regulator)

5. Documents

Contact point to obtain the Fund Rules, the latest annual report and the latest periodic report: Unitholders 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, France

+33 (0)9 73 87 13 20 info@anaxis-am.com

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

## DESCRIPTION OF THE DIFFERENT CATEGORIES OF UNITS

Units	ISIN code	Distribution of earnings:		Currency	Eligible subscribers	Minimum subscription	initial
		1. net income: capitalisation and/or distribution;	2. Net realised capital gains: capitalisation				
E1	FR0012767010	Capitalisation		Euro	All subscribers	One unit with an initial value of € 100	
E2	FR0012767036	Capitalisation distribution	and/or	Euro	All subscribers	One unit with an initial value of € 100	
U1	FR0012767044	Capitalisation		US Dollar	All subscribers	One unit with an initial value of \$ 100	
U2	FR0012767051	Capitalisation distribution	and/or	US Dollar	All subscribers	One unit with an initial value of \$ 100	
S1	FR0012767069	Capitalisation		Swiss Franc	All subscribers	One unit with an initial value of Fr. 100	
I1	FR0012767077	Capitalisation		Euro	All subscribers	€ 500 000	
I2	FR0012767085	Capitalisation distribution	and/or	Euro	All subscribers	€ 500 000	
J1	FR0012767093	Capitalisation		US Dollar	All subscribers	\$ 500 000	
J2	FR0012767101	Capitalisation distribution	and/or	US Dollar	All subscribers	\$ 500 000	
K1	FR0012767119	Capitalisation		Swiss Franc	All subscribers	Fr. 500 000	

## Part B Intermediaries

### 6. 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

### 7. Depositary bank and custodian

#### **BNP PARIBAS S.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**

16 boulevard des Italiens, 75009 Paris, France

#### **Responsibilities of the depositary bank**

The depositary 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 SA alongside its appointment as depositary (BNP Paribas SA, by delegation from the management company, calculates the net asset value of the UCITS). In order to manage such situations, the depositary bank 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 depositary 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 depositary 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 SA has appointed sub-depositaries in countries where BNP Paribas SA has 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>

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.

#### 8. Statutory auditor

**PWC AUDIT**, represented by Mr. Frédéric SELLAM  
63, rue de Villiers, 92200 Neuilly-sur-Seine, France

#### 9. Promoters

**ANAXIS ASSET MANAGEMENT S.A.S.**

9, rue Scribe, 75009 Paris, France

**ANAXIS S.A.** (its sister company under Swiss law)

19, rue du Mont-Blanc, 1201 Genève, Switzerland

#### 10. Delegate accounting manager

**BNP PARIBAS S.A.**

**Postal address**

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

**Registered office**

16 boulevard des Italiens, 75009 Paris, France

**Delegation of functions**

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

## 11. Centralisation of orders

### **Entity in charge of the centralisation of orders**

**ANAXIS ASSET MANAGEMENT S.A.S.**

9, rue Scribe, 75009 Paris, France

### **Identity of the institution in charge of receiving subscription and redemption orders, by delegation**

**BNP PARIBAS S.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**

16 boulevard des Italiens, 75009 Paris, France

## Part C

# Terms of operation and management

## General features

### **Type of rights attached to units**

Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

### **Management of liabilities**

All units are bearer units. No register is maintained. BNP Paribas SA is responsible for the administration of the issuer's account. The Fund is admitted for trading on Euroclear France.

### **Voting rights**

As the Fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the Fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.

### **Form of units**

All units are bearer units.

### **Fractions of units**

Ten-thousandths of one unit.

### **Balance sheet date**

Last trading day in December.

### **First financial year**

The balance sheet date of the first financial year was 31 December 2016.

### **Taxation**

As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of Fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the Fund's investment jurisdiction. 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.

## Specific terms

<b>Units</b>	<b>ISIN code</b>
E1	FR0012767010
E2	FR0012767036
U1	FR0012767044
U2	FR0012767051
S1	FR0012767069
I1	FR0012767077
I2	FR0012767085
J1	FR0012767093
J2	FR0012767101
K1	FR0012767119

## 12. Investment objective

### **Financial objective**

The objective of the UCITS is to achieve, at maturity of 31<sup>st</sup> December 2028, an annualised performance of:

- 3% for E1, E2 and S1 units
- 3,5% for I1, I2 and K1 units
- 5,5% for U1, and U2 units
- 6% for J1 and J2 units

The investment objective defined for each category of units takes into account current expenses, the estimated default risk and the cost of currency hedging. It is based on market assumptions made by the management company. It is not a promise of return and does not include all events of default.

### **Sustainable investment objective**

The investment objective is conditional upon investment in companies which stand out for their active approach to sustainable development and their commitment to putting in place policies that are compatible with the issues at stake in climate-related and environmental regulation. The investment management activity aims to contribute significantly to the efforts required to achieve the long-term global warming objectives of the Paris Agreement. The aim is to limit the increase in the global average temperature at the end of the century to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

In practical terms, Anaxis Asset Management wishes to reduce the overall carbon intensity of the investments under management by 7.5% per year on average until 2030, to set itself on a trajectory from the outset to achieve carbon neutrality in 2050. The reference level is that measured at the end of 2018 in the management of emerging bonds held by Anaxis Asset Management. This extra-financial objective complies with the provisions of Article 9 of the SFDR.

The emissions considered are those falling within scopes 1 and 2. These emissions are direct emissions from owned or controlled sources (scope 1) or emissions relating to the consumption of energy (electricity, steam, heat, and cooling) needed to make the products or provide the services offered (scope 2). Due to a lack of sufficient representative data, indirect emissions (scope 3) generated by the production of goods and raw materials acquired (upstream) or by clients using the products (downstream) are not considered at this stage.

## 13. Benchmark index

The Fund does not seek to replicate or outperform a representative index of the private bond market. Indeed, it implements an investment approach which does not correspond any index. In particular:

- The fund is managed according to a fixed maturity,

- For a given credit quality, the fund favours issuers offering a good visibility, according to our analysis,
- As a consequence, the fund often has higher allocations to certain sectors considered to be less cyclical.

In terms of greenhouse gas emissions, the fund does not use a benchmark representing its overall investment universe because this universe is extremely large and, at this stage, the required data are not published by companies in sufficient quantity.

The efforts made to achieve the sustainable investment objective relate to the climate policies of the selected issuers. In this process, the management team applies appropriate criteria, such as the existence of objectives, policies, investment plans, reliable publications, and tangible results.

## Investment strategy

### 14. DESCRIPTION OF STRATEGIES USED

The investment objective must be achieved by active, discretionary management using mainly corporate bonds domiciled in emerging countries.

#### **Management in reference to the 31 December 2028 maturity**

The Fund is managed according to a maturity set at 31 December 2028. The aim of the investment strategy is to build a portfolio with the best possible balance between the return achieved, the risk of potential default and the probability of a capital loss due to market fluctuations over the recommended investment period. The composition of the portfolio will therefore be adapted over time according to the residual investment period.

The portfolio's sensitivity is expected to decrease over the years. However, some of the securities held may have a maturity date falling after 31 December 2028. Furthermore, a high level of bond investment may be maintained until the liquidation of the portfolio. This liquidation will take place a few weeks prior to maturity, at a rate to be determined according to market conditions at the time.

By 31 December 2028 at the latest, the Fund will be managed on the money market in reference to the average money market rate. After notifying the unitholders the Fund may then opt to wind up, implement a new investment strategy or merge with another UCITS.

#### **General approach**

The investment strategy is based first and foremost on an extensive fundamental analysis of emerging markets private-sector bonds including consideration of ESG criteria. The investment strategy aims to build a

robust and diversified allocation based on the selection of individual bonds each for their own merits. The Fund is actively managed but does not seek to capture short-term market trends.

## Sustainable investment strategy

Financial analysis is supplemented by an extra-financial analysis combining the following six components.

1. Exclusions. Anaxis Asset Management excludes companies operating in the fossil fuels or nuclear energy sectors, as well as the weapons, tobacco and GMO sectors. Furthermore, we exclude companies with significant activities in the field of plastic packaging or pesticides due to their adverse impact on the sustainability objectives of the European Union. The major areas of concern are pollution as well as damage to ecosystems, to biodiversity and to aquatic and marine resources.
2. Environment. Anaxis Asset Management assesses bond issuers on the basis of their environmental policies and their commitment to the transition to greenhouse gas neutrality. Companies are rated and assigned scores. The criteria applied are all the more stringent the more likely a company's activity is to affect the environment or the climate, as is the case in the fields of transport or cement production. The approach followed favours the selection of companies using the best efforts in their field.
3. Aquatic environments. In addition to its commitment to climate action, the management company applies an environmental policy aiming at protecting aquatic environments and water resources. This topic relates also to food security, public health and biodiversity preservation (without covering all their aspects). Aquatic environments are especially fragile and poorly protected by national policies. Accordingly, Anaxis Asset Management identifies economic activities that are likely to have a strong impact on aquatic environments, fisheries resources, the quantity and quality of available water reserves, access to drinking water or other water-related issues. Investments in companies operating in these sensitive fields are subject to specific rating criteria on a best-efforts basis.
4. Social responsibility. Anaxis Asset Management ensures that the companies selected comply with ethical standards of human rights and social responsibility. The principles of the UN Global Compact act as a guide for this analysis. The approach is to exclude companies which engage in practices deemed to be unacceptable.
5. Governance. Governance is part of the risk analysis performed by the management team. To this end, the analyst relies on a table of factors enabling him/her to identify the major risks associated with the issuer and to assess their severity. Since the fund focuses on bond markets, the governance factors used take the creditor's perspective. The approach taken here prioritises the best practices in each sector (so-called "best-in-class approach").

6. Controversies. Anaxis Asset Management monitors the controversies affecting the issuers in the fund's portfolio. The management company makes use of published reports and information gathered from numerous sources. Public inquiries, legal actions and serious events are impartially analysed by the ethics committee of the management company. Controversies are assessed according to their severity, their impact, their frequency, and the response given by the relevant company. If a company is excluded from the fund's portfolio due to controversy, the exclusion is set for a defined period.

#### **Examples of criteria**

Non-exhaustive examples of criteria are given below.

Environmental criteria: greenhouse gas intensity (measured in tonnes of emissions, in CO<sub>2</sub> equivalent as a proportion of a company's revenues), the commitment to a credible emissions reduction policy compatible with the objectives of the Paris Agreement. In some cases, the analysis may also assess the intensity by reference to a physical unit, depending on the sector involved; e.g., kilometres travelled or tonne of cement produced.

Water-related criteria: water consumption, discharge of untreated wastewater.

Social criteria: a company's links with authoritarian regimes, or compliance with the UN Global Compact in terms of human rights, workers' rights or fight against corruption.

Governance criteria: financial transparency, independence of company officers and directors, legitimacy of intragroup relationships, existence of financial leverage objectives, no initiatives detrimental to creditors.

#### **Adverse impacts on sustainability objectives**

Assessment of the fund's impact is based on available data, while focussing specifically on environment and then applying a method of analysis intended to ensure that the investments selected do not significantly prejudice the environmental objectives. Regarding social and governance factors, the scores applied in selecting securities will eventually enable the management company to assign an overall score to the portfolio and to monitor change in portfolio quality.

#### **Comprehensiveness and selectivity**

The extra-financial analysis implemented by the management company encompasses most of the assets of the fund; i.e., over 90% of the portfolio value. The various steps described above enable the fund to exclude at least one issuer in five.

Given the very broad spectrum of diversification available to the fund, both in terms of issuer classes and geographical areas, there is an extremely large number of bonds (that is, thousands) that are potentially eligible. In order to evaluate the selectivity of the sustainable investment process, particular attention is given to high-yield bonds denominated in US dollars and issued by companies located in emerging markets. The spectrum of relevant credit ratings ranges from CCC- to BB+, or

equivalent, according to Standard & Poor's ratings scale. Although the fund may invest outside these asset classes, the management company favours the selection of securities of this type and expects them to predominate the asset allocation under normal circumstances. Therefore, the selectivity analysis of the segment described above can be considered sufficiently representative of the sustainability strategy implemented by the management company.

Some sovereign bonds are eligible, but they are selected for investment in exceptional cases only, for the purpose of risk reduction when the management company considers that circumstances so require. The investment management activity favours the selection of corporate bonds, so that a lack of information on the national climate impact does not raise any practical difficulty.

In the event that an issuer no longer meets the sustainability criteria set by the management company, the securities position held in this issuer should be sold within 4 months, in the best interests of the unitholders.

#### **Impact of sustainability risks**

The management company considers that sustainability risks may affect the performance of the fund by reducing the credit quality of some issuers or by diminishing available sources of financing. Sustainability risks arise chiefly from climatic events (risks called "physical risks") and from the necessity for these companies to swiftly adapt to changes (risks called "transition risks"). Social aspects (human rights, discrimination, labour relations, accident prevention, etc.) or governance deficiencies may also result in sustainability risks. That is why the management company has incorporated in its investment selection process the sustainability factors which it believes to be the most significant.

#### **Methodological limitations of the sustainability approach**

- The analysis is based primarily upon information supplied by the companies. Figures are not always audited. Methodologies and scopes selected for use can vary, making comparisons and aggregations questionable.
- In some cases, it is necessary to use assumptions or estimates; for instance, when data on greenhouse gas emissions are not available or as yet incomplete.
- Too few data are available to date to assess indirect greenhouse gas emissions; for instance, those relating to the use of products or services provided by companies (scope 3).
- Some assessment criteria are based upon forecasts, commitments or strategies published by companies. Achievements can turn out to be very different.
- Some criteria are based upon procedures or internal policies published by companies. It is possible that these procedures and policies are only applied partially or not at all.
- Some information may not be recent enough to reflect the current situation of a company; for instance, when this information stems from

an annual report or when material changes have occurred within this company.

- An analysis, even a thorough one, may not be able to anticipate a controversy or a future event that might have a material adverse impact.

#### **Alignment with the European Taxonomy**

As most companies have not started publishing data in terms of alignment with the taxonomy, we are unable to provide a percentage of alignment of investments with the taxonomy.

#### **Clarifications on the sector exclusion policy**

Nature of ESG criteria. The objective of our sector exclusion policy is to exclude from the portfolios' investment universe certain issuers whose business is not compatible with our goal of preserving the natural environment and improving public health.

Scope of exclusion. Our policy aims to have a significant impact on financial flows. Our policy targets businesses associated with fossil fuels, nuclear power, polluting products, weapons, tobacco and GMOs. The Anaxis exclusion list is represented below.

- Fossil fuels: exploration, extraction, production and refining of coal, oil, natural gas and other fossil fuels; fossil fuel-based electricity production; associated activities (equipment, transport, distribution, storage, etc.); new projects in coal or in unconventional sectors (shale gas, oil sand, hydraulic fracturing, drilling in the Arctic or deep-water drilling).
- Nuclear: uranium mines, enrichment of fissile material and nuclear energy production.
- Polluting industries: production of fertilisers, weed killers, insecticides, fungicides and production of plastic packaging.
- Weapons: production of weapons, munitions and military equipment, manufacturing of planes, ships, tanks and military vehicles; activities associated with the design, trade or use of this equipment; law enforcement services or military surveillance by private companies, manufacturing of hunting weapons and any kind of personal weapons.
- Others: tobacco, production of GMOs for non-therapeutic use and other various exclusions of items contributing to global warming or health-damaging, as stated in our exclusion policy.

Exclusion thresholds. A company is excluded from the fund's portfolio if the turnover generated in non-compliant sectors exceeds a predefined threshold. This threshold is 5% for fossil energy, nuclear and tobacco. It is 10% for weapons and 20% for the other excluded activities. However, the management company has no tolerance for companies developing new projects in coal or in unconventional fossil energy. Our sector

exclusion policy covers companies involved in broader industries closely linked to the excluded sectors pursuant to criteria described in detail in our exclusion policy, available online or upon request.

Controversial weapons. With regard to controversial weapons, our sector exclusion policy is not based on any thresholds or level of activity. The exclusion policy is applied even if the controversial activity is marginal within the companies in question.

**Geographic criteria**

<b>Geographic exposure (geographic region of issuers)</b>	<b>Minimum</b>	<b>Maximum</b>
Emerging countries	40 %	100 %
Other countries (developed markets)	0 %	60 %

The investment strategy favours issuers headquartered in an emerging country or that generates an important part of their revenues in emerging countries. More particularly, the investment strategy focuses on area such as Latin America, Africa, Middle East, Asia, Central and Eastern Europe.

The fund’s exposure to emerging markets varies between 40% and 100% of the net assets. The remaining part of the assets may be invested in bonds which issuers are located in developed markets, in order to adjust the fund’s exposure to risks inherent to emerging countries. Shall be regarded as developed markets: North America, Western Europe, Japan, Australia, and New Zealand.

**Sector criteria**

When investing in corporate bonds, management takes care to avoid concentrating the portfolio on a particular economic sector. All economic sectors may be considered.

**Rating criteria**

<b>Credit risk exposure</b>	<b>Minimum</b>	<b>Maximum</b>
Corporate debt – Investment Grade	0 %	100 %
Corporate debt – Non-Investment Grade	0 %	100 %
Unrated private debt	0 %	25 %
Sovereign debt – Investment Grade	0 %	50 %
Sovereign debt – Non-Investment Grade	0 %	50 %

The portfolio management team uses mainly, but not exclusively, high-yield and high credit risk securities. It does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a company defaulting after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest.

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 of a similar quality as estimated by the management company. The “non-investment grade” category comprises securities with a rating below this level.

**Markets**

The Fund may invest on the primary and secondary markets.

**Tactical allocation**

The investment strategy also uses a macroeconomic, financial and technical analysis to define the optimal positioning of the Fund. Based on this analysis, the portfolio management team may decide to hold a portion of the Fund's 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**

Sensitivity	Minimum	Maximum
To interest rates	0	5
To credit spreads	0	5

The investment strategy may change the portfolio's sensitivity to general interest rate trends within a range of 0 to 5. To this end, the portfolio management team may use interest rate swaps or futures for hedging purposes. The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

**Management of foreign exchange risk**

Foreign exchange risk	Minimum	Maximum
US Dollar-denominated securities	40 %	100 %
Securities denominated in developed markets currencies (including US dollar)	90 %	100 %
Securities denominated in other currencies	0 %	10 %
Residual foreign exchange risk exposure after hedging	0 %	5 %

The Fund's reference currency is the US dollar. Foreign exchange risk generated by investments in other foreign currencies may be hedged in favour of the US dollar, but an exposure to foreign exchange risk is permitted up to 5%.

Furthermore, unit categories denominated in euro or Swiss franc are continuously hedged against foreign exchange risk in order to protect investors against exchange rate fluctuations between the Fund's reference currency (US dollar) and the unit category's currency of denomination. The forex risk specific to unit classes denominated in euro or Swiss franc is kept below 5% via an appropriate hedge.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives.

## CATEGORIES OF ASSETS USED

### 15. Debt securities and money market instruments

#### **Government bonds and similar securities**

This category may comprise up to 100% of the Fund's assets. The investment strategy focuses on bonds and negotiable debt securities issued by companies established in emerging markets or companies generating at least a third of their revenue in emerging countries. These issuers may or may not be listed.

These securities are generally denominated in US dollar, in euro, but also in other currencies that can be hedged against foreign exchange risk under conditions regarded as acceptable by the managing company. Forex positions not subject to hedging may also comprise up to 5% of assets. After hedging, foreign exchange risk is kept below 5%.

Selected securities may be of any rank (e.g. secured debt, mezzanine, subordinated debt) and have any credit rating. High-yield securities may comprise up to 100% of the Fund's assets. However, the Fund does not invest in securities issued by companies in default at the time of purchase. Unrated securities may comprise up to 25% of the Fund'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 Fund may also invest up to 50% of its assets in debt instruments issued by governments without any grade restriction.

#### **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.

## 16. Convertible bonds and related securities

The Fund may invest up to 10% of its assets in convertible bonds (or related instruments). This strategy can enable the Fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option on the underlying stock. In such case, the portfolio management team will ensure that the Fund's overall equity risk does not exceed 10% of net assets.

## 17. Equities

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

## 18. Deposits

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

## 19. Derivatives

The Fund may invest in the regulated, organised or OTC markets for the purpose of carrying out forex or bond hedging transactions. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The fund will not use total return swaps.

### **Clarifications on derivatives**

- a. Type of markets in which the Fund may invest:
  1. Regulated,
  2. Organised,
  3. OTC.
- b. Risks to which the portfolio management team plans to expose the Fund:
  1. Interest rates,
  2. Foreign exchange.
- c. Types of transactions, all of which are limited to the achievement of the investment objective:
  1. Hedging.

- d. Types of instruments used:
  - 1. Futures,
  - 2. Swaps,
  - 3. Forward foreign exchange contracts.
- e. Strategy for using derivatives to achieve the investment objective:
  - 1. Hedging of foreign exchange risk;
  - 2. Variable hedging of interest rate risk according to management committee forecasts.

## 20. Securities with embedded derivatives

The Fund may invest in this asset category insofar as it is authorised to hold convertible bonds within the limit of 10% of its assets.

Furthermore, the corporate bonds in which the Fund 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.

## 21. UCITS

The Fund may invest up to 10% of its assets in other French or foreign UCITS. These UCITS may be managed by Anaxis Asset Management or by a tied entity.

## 22. Cash loans

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

## 23. Securities lending and borrowing

None.

## 24. Contracts constituting financial guarantees

In the context of transactions on OTC derivative instruments, the fund is required to receive or grant financial assets as collateral. The financial guarantees received are intended to reduce the fund's exposure to the risk of default of a counterparty. They are only received in cash. The management company does not accept guarantees in the form of financial securities.

Any financial guarantee or collateral received complies with the following regulatory requirements: they can be placed in deposits with eligible

entities or invested in high quality government bonds (provided that such transactions are with credit institutions subject to prudential supervision and the fund can withdraw at any time the total amount of cash taking into account accrued interest) or short-term money market funds.

Financial guarantees will not be reused.

## 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.**

### **Capital risk**

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

### **Risk linked to discretionary portfolio management**

As the Fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the best-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's net asset value (NAV).

### **Risk linked to investments in emerging countries**

The UCITS invests in emerging markets. Investors should be aware of the higher volatility associated with emerging market securities compared to developed market securities. 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 enjoy relatively prosperous economies, but which are sensitive to global commodity prices or inflation rates. Others are highly exposed to the economic conditions prevailing in other countries. Even though the utmost care is taken to control and manage these risks, unitholders are nevertheless subject to the risks associated with these markets.

### **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 Fund's NAV. Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

### **Risk associated with investments in speculative high-yield securities**

This is the credit risk that applies to so-called "speculative" securities, which have a higher probability of default than securities in the "Investment Grade" category. In return, they offer higher yields but, in

the event of a rating downgrade, may significantly reduce the NAV of the Fund. Non-rated issuers, which will be selected, will fall into this category and may present equivalent or higher risks due to their unrated nature. The increased risk of default by these issuers may lead to a fall in the NAV.

**Interest rate risk**

When interest rates rise, bond prices fall. These fluctuations can lead to a decrease in the Fund's NAV. The portfolio's sensitivity may vary within a range of 0 to 5.

**Risk linked to derivatives**

he use of derivatives may lead to specific losses, for example as a result of unfavourable hedging in certain market conditions. These losses may lead to a fall in NAV.

**Counterparty risk**

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

**Foreign exchange risk**

Up to 60% of the Fund's assets may be invested in securities denominated in currencies other than the US dollar. 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 Fund offers unit categories denominated in currencies other than the US dollar (Euro and Swiss franc). For these unit categories, foreign exchange risk against the US dollar is kept below 5% via an appropriate hedge. However, unitholders should note that the Fund may be exposed to residual foreign exchange risk, arising either from an imperfect hedge of the securities portfolio or specific to non-US dollar-denominated unit categories. This risk may lead to a decrease in NAV

**Equity risk**

Up to 10% of the Fund'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 or undertakings for collective investment. The Fund's NAV will decrease if this market declines.

**Risk associated with holding convertible bonds**

Up to 10% of the Fund'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 Fund's NAV.

**Sustainability risk**

A sustainability risk is defined as an environmental, social or governance event or situation that, if it occurs, could have a negative impact on the value of the investment, for example because of any of the following: (1) lower revenues, (2) higher costs, (3) physical damage or depreciation in asset value, (4) higher cost of capital, (5) fines or convictions, (6) image

damage. Some risks, particularly those associated with global warming, are likely to increase over time.

**Risk linked to investments in UCITS**

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

**Inflation risk**

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

**Liquidity risk**

Under very difficult market conditions, the Fund 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 Fund Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

25. Guarantee or protection

None.

26. Eligible subscribers and typical investor profile

E1, E2, U1, U2, S1, I1, I2, J1, J2 and K1 units are available to all subscribers.

The recommended investment period runs until 31 December 2028.

The amount that is reasonable to invest in this Fund 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 Fund.

27. Conditions for determining and distributing income

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

Net income is distributed between the unit 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 unit categories.

Amounts available for distribution are comprised of:

1. net income plus retained earnings, and plus or minus the balance of the income accrual;

2. realised gain for the financial year, less realised losses, 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 units, gains are capitalised.

For E2, I2, U2 and J2 units, income actually distributed is determined each year by the portfolio management company.

## 28. Frequency of distribution

Annual for units providing for income distribution.

## Unit features

Units	ISIN code	Distribution of earnings:		Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
		1. Net income: Capitalisation and/or distribution	2. Net realised capital gains: Capitalisation					
E1	FR0012767010	Capitalisation	Capitalisation	Euro	Daily	€ 100	One unit	Ten-thousandths of one unit
E2	FR0012767036	Capitalisation and/or distribution	Capitalisation	Euro	Daily	€ 100	One unit	Ten-thousandths of one unit
U1	FR0012767044	Capitalisation	Capitalisation	US Dollar	Daily	\$ 100	One unit	Ten-thousandths of one unit
U2	FR0012767051	Capitalisation and/or distribution	Capitalisation	US Dollar	Daily	\$ 100	One unit	Ten-thousandths of one unit
S1	FR0012767069	Capitalisation	Capitalisation	Swiss Franc	Daily	Fr. 100	One unit	Ten-thousandths of one unit
I1	FR0012767077	Capitalisation	Capitalisation	Euro	Daily	€ 100	€ 500 000	Ten-thousandths of one unit
I2	FR0012767085	Capitalisation and/or distribution	Capitalisation	Euro	Daily	€ 100	€ 500 000	Ten-thousandths of one unit
J1	FR0012767093	Capitalisation	Capitalisation	US Dollar	Daily	\$ 100	\$ 500 000	Ten-thousandths of one unit
J2	FR0012767101	Capitalisation and/or distribution	Capitalisation	US Dollar	Daily	\$ 100	\$ 500 000	Ten-thousandths of one unit
K1	FR0012767119	Capitalisation	Capitalisation	Swiss Franc	Daily	Fr. 100	Fr. 500 000	Ten-thousandths of one unit

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.

## 29. Terms of subscription and redemption

### **Central processing of orders**

Subscription and redemption orders are received and centralised every working day at the latest by 12 p.m. (Paris time) at BNP Paribas SA and executed on the basis of net asset value at the closing price on the day of centralisation.

In exceptional circumstances, the absence of a gate mechanism may result in the Fund being unable to meet redemption requests, thereby increasing the risk of a complete suspension of subscriptions and redemptions for this Fund.

### **Institution in charge of receiving orders**

#### **BNP PARIBAS S.A.**

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

A swing pricing mechanism has been put in place by the management company.

### **Description of the Gate mechanism:**

When exceptional market conditions so require, the Management Company may be required to implement, on a temporary basis, the 'Gates' mechanism, which allows redemption requests from UCITS holders to be spread over several net asset values when they exceed a certain level, determined objectively. The management company has established a mechanism for limiting redemptions above a threshold of 5%, corresponding to the ratio of net redemptions to subscriptions to the fund's net assets.

It should be noted that this mechanism will not be triggered systematically. If liquidity conditions allow, the Management Company may decide to honour redemptions above this threshold and thus execute, in whole or in part, orders that might otherwise be blocked. For example, if the total redemption requests for units of the UCITS on a given centralisation date are 10% and the trigger threshold is set at 5% of net assets, the UCITS may decide to honour redemption requests up to 7.5% of net assets (and therefore execute 75% of redemption requests instead of 50% if it strictly applied the 5% cap).

This temporary redemption cap mechanism would in any event be spread over a maximum of twenty (20) net asset values over a period of three (3) months.

The unexecuted portion of the order may not be cancelled under any circumstances and is automatically carried over to the next centralisation date and will not take priority over new orders.

### **Description of the method used:**

UCITS unit holders are reminded that the threshold for triggering the 'Gates' corresponds to the ratio between:

- the difference, on the same centralisation date, between the number of units of the UCITS for which redemption is requested or the total amount of such redemptions, and the number of units of the UCITS for which subscription is requested or the total amount of such subscriptions; and

- the net assets or total number of units of the UCITS.

As the UCITS has several categories of units, the threshold for triggering the procedure is the same for all categories of units of the UCITS.

The threshold above which the 'Gates' are triggered is justified in view of the frequency with which the UCITS' net asset value is calculated, its management orientation and the liquidity of the assets it holds. The latter is set at **5%** of the UCITS' net assets and applies to centralised redemptions for all of the UCITS' assets and not specifically to the UCITS' share categories.

**Procedures for informing unitholders:** If the redemption cap mechanism is activated, all Fund unitholders will be informed by any means, via the Management Company's website ([www.anaxis-am.com](http://www.anaxis-am.com)). Fund unitholders whose redemption requests have been partially or totally unexecuted will be informed separately as soon as possible. As this Fund is listed on Euroclear France (CSD), they will be informed via their TCC in the Fund register.

**Processing of unexecuted orders:** Redemption orders will be executed in the same proportions for UCITS unitholders who have requested a redemption since the last centralisation date. Unfulfilled orders will be automatically carried over to the next net asset value and will not take priority over new redemption orders placed for execution on the next net asset value. In any event, redemption orders that are not fulfilled and are automatically carried over cannot be revoked by UCITS holders. For example, if the total redemption requests for units of the UCITS on the same centralisation date are 10% and the trigger threshold is set at 5% of net assets, the UCITS may decide to honour redemption requests up to 7.5% of net assets (and therefore execute 75% of redemption requests instead of 50% if it strictly applied the 5% cap).

#### **Cases of exemption from the trigger mechanism**

##### **- Tax return**

In the case of a return on the same net asset value, i.e. a redemption request for units that is concurrent with and linked to a subscription request on the same net asset value date, with the same ISIN code, the same number of units, the same intermediary and on the same account, it will not be included in the gate calculation mechanism and will therefore be honoured as such.

##### **- Switch**

Redemption order accompanied by a subscription from the same investor for an equal amount, made on the same net asset value date and relating to different categories of fund units

#### **Order form**

Subscription orders are accepted in quantity or amount.

Redemption orders are only accepted in quantity (number of units).

#### **Fractions of units**

Ten-thousandths of one unit.

### **Terms of settlement and delivery**

Orders are executed in accordance with the table below (only working days are considered):

D	D	D Day of the calculation of the NAV	D+1	D+2	D+2
Subscription orders are received and centrally processed by 12.00 p.m.	Redemption orders are received and centrally processed by 12.00 p.m.	Execution of the order on D	Publication of the Net Asset Value	Subscription settlement and delivery	Redemption settlement and delivery

### **Conditions for switching from one unit category to another, round trip**

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

Switching from one unit 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 unit category.

### **Date and frequency of NAV calculation**

Daily. Net asset values are calculated every day, with the exception of legal holidays in France and days on which the markets are closed according to the official NYSE and Euronext calendars for Paris and New-York.

### **Place and conditions of publication or transmission of NAVs**

The net asset values of the Fund's different unit categories can be obtained from Anaxis Asset Management, 9, rue Scribe, 75009 Paris, France, and online at: [www.anaxis-am.com](http://www.anaxis-am.com).

## Charges

### 30. 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	NAV x number	2% maximum

paid to the Fund	of units	
Subscription fee paid to the Fund	NAV x number of units	None
Redemption fee not paid to the Fund	NAV x number of units	0.80% maximum
Redemption fee paid to the Fund	NAV x number of units	None for E1 units. 0.20% for E2, U1, U2, S1, I1, I2, J1, J2 and K1 units.

The subscription fee is 2% maximum. It will be used to pay for the Fund's distribution and may be paid back to third-party distributors depending on the agreements signed.

### 31. Operating and management fees

Operating and management fees cover all expenses invoiced directly to the Fund, 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:

- Performance Fees which remunerate the management company if the UCITS exceeds its objectives; where applicable, they are invoiced to the UCITS; however, this UCITS does not charge a performance fee.;
- Account activity fees charged to the Fund;
- A share of the income earned from securities lending and borrowing transactions; however, the UCITS does not carry out such transactions or similar transactions under foreign law.

	Fees charged to the Fund	Base	Rate
1	Portfolio management fees	Net assets	E1, E2, U1, U2 and S1 units: 1.25% incl. tax (maximum) I1, I2, J1, J2 and K1 units: 0.75% incl. tax (maximum)
2	Operating and other servicing fees	Net assets	0.20% incl. tax maximum
3	Maximum indirect fees (commissions management fees)	Net assets	The fund does not invest more than 10% of its assets in other UCITS
4	Account activity fee	Charged on each transaction	None
5	Performance fees	Net assets	None

### 32. Clarifications on operating and other servicing fees

“Operating and other servicing fees include fees charged for depositary services, custody of assets, centralisation of orders, transfer agency, delegation of administrative and accounting management, statutory audit, regulatory representation, regulatory registrations, etc.

If the actual costs are higher than the maximum rate, the excess will be paid by the management company. Conversely, the maximum flat rate may be levied even if the actual costs are lower.

### 33. Research

Anaxis Asset Management acquires a research service only if it is necessary to make a decision in the best interest of the fund. Before acquiring the research service, managers and/or analysts verify its relevance, justify their request, and evaluate the reasonableness of this service. The application is reviewed by the RCCI. The budget is allocated to distribute the cost of research equitably among the different funds. In general, funds with similar investment strategies share the same research services. Anaxis Asset Management collects the research fees in a "separate research account" (RPA), as available funds. Financial research is charged to the fund.

### 34. 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

### 35. Distribution of earnings

BNP Paribas SA 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.

### 36. Subscription and redemption orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas SA and are executed on the basis of net asset value at the closing price on the day of centralisation, i.e. at an unknown price.

### 37. 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  
+33 (0)9 73 87 13 20

### 38. ESG criteria

The investment strategy includes social, environmental or governance (earning) 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).

### 39. 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.

### 40. Additional information

Any additional information can be obtained from:

**ANAXIS ASSET MANAGEMENT**  
9, rue Scribe, 75009 Paris, France  
+33 (0)9 73 87 13 20

## 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 Fund 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 Fund 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 Fund complies with the accounting rules and methods prescribed by the regulations in force and has adopted the chart of accounts for UCITS.

### 41. Asset valuation rules

The Fund 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.

#### 42. Net asset value adjustment method related to swing pricing with trigger point

The Fund may experience a decrease in its net asset value ("NAV") due to subscription and redemption orders made by investors at a price that does not reflect the readjustment costs associated with the investment or disinvestment operations of the portfolio. In order to reduce the impact of this dilution and to protect the interests of existing shareholders, the Fund implements a swing trading mechanism with a trigger point.

This mechanism, which is governed by a swing pricing policy, enables investors who request the subscription or redemption of units of the fund to bear the costs of readjustment, thereby sparing the other holders. If, on a given NAV calculation day, the total number of net subscription and redemption orders from investors for all classes of units of the mutual fund exceeds a pre-established threshold, determined on the basis of objective criteria by the management company as a percentage of the net assets of the mutual fund, the NAV may be adjusted upwards or downwards to take account of the resulting readjustment costs.

The NAV of each unit class is calculated separately, but any adjustment has an identical percentage impact on all unit class NAVs of the Fund.

The cost and trigger parameters are determined by the management company. These costs are estimated by the management company on the basis of transaction costs, buy-sell ranges and any taxes applicable to the fund.

To the extent that this adjustment is linked to the net balance of subscriptions and redemptions within the Fund, it is not possible to predict exactly whether swing pricing will be applied at any given time in the future. Consequently, it is also not possible to predict exactly how often the management company will need to make such adjustments.

Investors are informed that due to the application of swing pricing, the volatility of the NAV of the Fund may not reflect solely that of the securities held in the portfolio. The swing pricing policy is available on request from the management company. The application of swing pricing is at the discretion of the management company, in compliance with this policy.

In accordance with the regulations, the parameters of this system are known only to the persons in charge of its implementation.

### 43. Accounting recognition

#### **Currency**

The Fund has opted for the US Dollar as its accounting currency.

#### **Transaction fees**

Transaction fees are recognised excluding expenses.

#### **Fixed income**

Fixed income is recognised using the redeemed coupon method.

#### **Interest**

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

## Part H

## Remuneration

The remuneration policy of the Management Company is compatible with sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, the regulations or the constitutional documents of the UCITS that the Management Company manages. The remuneration policy is consistent with the business strategy, objectives, values and interests of the Management Company and the UCITS it manages and those of the investors in these UCITS and includes measures to avoid conflicts of interest.

The Management Company's staff receives a remuneration comprising a fixed and a variable component, duly balanced, subject to annual review and based on individual or collective performance. The principles of the remuneration policy are reviewed on a regular basis and adapted to regulatory developments. Details of the remuneration policy are available on the following website: [www.anaxis-am.com](http://www.anaxis-am.com) or free of charge from the management company on request.

# FUND RULES

## EM Bond Opp. 2028 FCP

### Section 1 – Assets and units

#### Article 1 - Co-ownership units

Co-ownership rights are expressed in units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.

The term of the Fund is 99 years as from its incorporation, except in the event of early winding-up or extension, as provided for in these Fund Rules.

#### **Unit categories**

The features of the different unit categories and their terms of eligibility are set forth in the Fund Prospectus.

The different unit categories may:

- be subject to different distribution of earnings schemes (distribution or capitalisation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different nominal value;
- be systematically subject to partial or full risk hedging, as defined in the prospectus. Hedges are carried out via financial instruments aimed at minimising the impact of hedging transactions on the Fund's other unit categories;
- be reserved for one or more promotion networks.

#### **Combination or division of units**

The Fund may combine or divide units.

#### **Fractional units**

Units may be divided into ten-thousandths of one unit (referred to as fractional units) at the discretion of the portfolio management company's Management Committee.

The provisions of the Fund Rules governing the issuance and redemption of units are also applicable to fractional units, whose value will always be proportionate to the value of the unit they represent. All other provisions of the Fund Rules pertaining to units apply to fractional units without it being necessary to specify this, unless otherwise indicated.

Finally, the portfolio management company's Management Committee may, at its own discretion, divide units by creating new units that are allocated to unitholders in exchange for their old units.

## Article 2 - Minimum amount of assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; where the assets remain below EUR 300,000 for thirty days, the portfolio management company shall take the necessary steps to liquidate the Fund in question, or shall carry out one of the operations referred to in Article 411-16 of the AMF General Regulations (Fund transformation).

## Article 3 - Issuance and redemption of units

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

Redemptions and subscriptions are carried out under the terms and conditions defined in the prospectus.

Mutual fund units may be admitted for trading according to the regulations in force.

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Redemptions may be made in cash.

Redemptions may also be made in securities. If the redemption in securities corresponds to a representative proportion of the assets in the portfolio, then only the written agreement signed by the holder must be obtained by the UCITS or the management company. Where the redemption does not correspond to a representative proportion of the assets in the portfolio, all holders must signify their written agreement authorising the holder to redeem his or her units against certain specific assets, as explicitly defined in the agreement.

However, if due to exceptional circumstances the redemption calls for the prior realisation of some of the assets comprising the Fund, this period may be extended but may not exceed 30 days.

With the exception of inheritance or inter-vivos gifts, the sale or transfer of units between unitholders, or between unitholders and third parties, is deemed to be a redemption followed by a subscription; for third parties, the amount of the sale or transfer must, where applicable, be supplemented by the beneficiary to reach the amount of the minimum initial subscription required by the prospectus.

In accordance with Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the Fund, as well as the issuance of new units, may be temporarily suspended by the portfolio management company when called for by exceptional circumstances and in the unitholders' best interest.

Where the Fund's net assets fall below the amount established by the regulations, no units may be redeemed.

Minimum terms of subscription may be set in accordance with the conditions provided for in the prospectus.

The fund may cease issuing units pursuant to the third paragraph of Article L. 214-8-7 of the Monetary and Financial Code, provisionally or definitively, partially or totally, in objective situations resulting in the closure of subscriptions such as a maximum number of units issued, a maximum amount of assets attained or the expiry of a specified subscription period. The triggering of this tool will be the subject of information by any means of the existing holders concerning its activation, as well as the threshold and the objective situation that led to the decision of partial or total closure. In the case of a partial closure, this information by any means will specifically specify the terms and conditions under which existing holders may continue to subscribe for the duration of such partial closing. Unitholders are also informed by any means of the decision of the UCITS or the management company to either terminate the total or partial closing of subscriptions (when passing under the triggering threshold), or not to put an end to it (in the event of a change of threshold or a change in the objective situation leading to the implementation of this tool). A change in the objective situation invoked or the triggering point of the tool must always be made in the interests of the unitholders. Information by any means specifies the exact reasons for these changes.

The Management Company may implement a mechanism known as 'Gates' to cap redemption requests from Unitholders on several Net Asset Value Calculation Dates when they exceed a certain level, determined objectively.

#### **(i) Definition of the Cap**

As the net asset value of the FCP is calculated on a daily basis, centralised Redemption Requests **will be capped at five (5) per cent** of the FCP's Net Assets on the relevant Net Asset Value Calculation Date (the 'Cap').

The threshold above which the redemption cap will be triggered is justified in view of the frequency with which the Net Asset Value is calculated, its management approach and the liquidity of the Assets it holds.

It is determined on the basis of the last published Net Asset Value or the last estimated value calculated by the Management Company or the number of Units in circulation recorded on the date of its establishment.

#### **(ii) Calculation of the Cap**

The Cap corresponds to the ratio between:

- the difference recorded, on the same Net Asset Value Calculation Date, between the total amount of these redemptions and the total amount of subscriptions; and
- the Net Assets of the FCP.

When the FCP has several categories of Units issued, the threshold for triggering the Cap must be the same for all categories of Units. The calculation to trigger the ceiling is performed as soon as the orders have been centralised, but redemptions net of subscriptions are expressed as an amount (number of Units multiplied by the latest Net Asset Value) and

then compared to the Net Assets of the FCP at the latest Net Asset Value of the entire FCP, rather than compared to the Net Asset Value of the Share Category.

Subscription and redemption transactions for the same number of Units, based on the same Net Asset Value and for the same Holder or beneficial owner (known as round-trip transactions) are not taken into account in the above calculations.

**(iii) Triggering of the Limit**

In the event that the Limit is implemented, the following rules shall apply:

- If the centralised requests exceed the Limit, Redemption Requests shall only be accepted up to the Limit and each Holder requesting redemption shall have their request accepted *pari passu* in proportion to the number of Units they hold in the Fund;
- However, the Management Company may decide to honour Redemption Requests in excess of the Cap at its discretion, particularly if the FCP's cash position allows it to do so. In this case, each Unitholder who has requested redemption will have their request accepted, where applicable within the limit set by the Management Company, in proportion to the number of Units they hold in the FCP.

Redemption Requests that could not be accepted, in particular because they exceeded the Limit, will be carried over to the next Net Asset Value Calculation Date, and so on (it being specified that Redemption Requests carried over in this way must be executed on the basis of the Net Asset Value calculated on that redemption date). Unfulfilled redemptions will be carried forward and served on the next Net Asset Value Calculation Dates without priority, under the conditions and within the limits of AMF Instruction 2017-05.

Holders whose redemption order could not be executed in full due to the activation of the Cap may object to the deferral of the unexecuted portion, provided that they notify the Management Company by any means at least ten (10) Business Days after they have been informed of the activation of the Cap.

The duration of the period during which Redemption Requests will be capped pursuant to this Article will be determined at the discretion of the Management Company.

**(iv) Information on the implementation of the Cap**

If the Management Company decides to activate the Cap for a Net Asset Value Calculation Date, it shall immediately inform the AMF and the relevant Holders. It shall also publish a notice to this effect in the next periodic document (Annual or Semi-Annual Management Report, as applicable).

## Article 4 - Calculation of net asset value

The net asset value of units is calculated according to the valuation rules presented in the prospectus.

Contributions in kind may only consist of securities or contracts approved to comprise the Fund's assets; they are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

## Section 2 – Fund operation

### Article 5a - Portfolio management company

The Fund is managed by the portfolio management company in accordance with the strategy defined for the Fund.

The portfolio management company acts exclusively in the unitholders' interests at all times and is exclusively entitled to exercise the voting rights attached to the securities in the Fund.

### Article 5b - Rules of operation

The instruments and deposits eligible for inclusion in the Fund's assets, as well as the investment rules, are described in the prospectus.

### Article 6 - Custodian

The custodian carries out its duties in accordance with the laws and regulations in force and the duties contractually defined by the portfolio management company. It must also ensure the legitimacy of the decisions taken by the portfolio management company. Where applicable, it must take any provisional measures deemed useful. The custodian notifies the AMF of any dispute with the portfolio management company.

### Article 7 - Statutory auditor

A statutory auditor is designated for six financial years, with the approval of the AMF, by the portfolio management company's governance body.

The statutory auditor certifies the accuracy and fairness of the financial statements.

Its term may be renewed.

The statutory auditor is required to notify the AMF in a timely manner of any event or decision concerning the Fund that comes to its attention in the course of performing its duties which might:

1. constitute a breach of the legal or regulatory provisions applicable to the Fund and liable to have significant impacts on its financial situation, income or assets;
2. jeopardise the conditions or continuity of its operation;
3. lead to the formation of reservations or the refusal to certify the financial statements.

Asset valuations and the determination of exchange rates used in transformation, merger or spin-off transactions are carried out under the statutory auditor's authority.

It assesses any contribution or redemption in kind under its responsibility, except in the context of redemptions in cash for an ETF on the primary market.

It verifies the composition of the Fund's assets and other items prior to publication.

The statutory auditor's fees are agreed upon between the statutory auditor and the portfolio management company's Board of Directors or Executive Board based on an audit plan defining the due diligence reviews deemed necessary.

It attests to situations used as a basis for the distribution of interim dividends.

Its fees are included in management fees.

## Article 8 - Financial statements and management report

At the end of each financial year, the portfolio management company prepares the financial statements and a fund management report for the financial year ended.

The portfolio management company prepares the inventory of the Fund's assets at least once per half-year under the custodian's supervision.

The portfolio management company provides these documents to the unitholders within four months of the end of the financial year and notifies them of the amount of income to which they are entitled: these documents are either transmitted by post at the unitholders' express request or placed at their disposal at the offices of the portfolio management company.

## Section 3 – Conditions for the allocation of amounts available for distribution

### Article 9 - Conditions for the allocation of amounts available for distribution

Net income for the financial year is equal to the total interest payments, arrears, dividends, premiums and prizes, directors' fees and any income related to securities comprising the Fund's portfolio, plus income from temporarily available amounts and minus management fees and borrowing costs.

Amounts available for distribution by a Fund are comprised of:

1. Net income plus retaining earnings and plus or minus the balance of the income accrual account;
2. Capital gains generated, net of fees, minus capital losses generated, net of fees, during the financial year, plus similar net capital gains generated during previous financial years that were not subject to distribution or capitalisation, plus or minus the balance of the capital gains accrual account.

The amounts mentioned in 1) and 2) above may be distributed in part or in whole, independently of one another.

Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

## Section 4 – Mergers, spin-offs, winding-up, liquidation

### Article 10 - Mergers - Spin-offs

The portfolio management company may either contribute some or all of the Fund's assets to another Fund, or split the Fund into two or more other mutual funds.

Such mergers or spin-offs may only be carried out after the unitholders have been duly notified.

They give rise to the issuance of a new certificate attesting to the number of units held by each unitholder.

### Article 11 - Winding-up - Extension

If the Fund's assets remain below the amount established in Article 2 herein for thirty days, the portfolio management company notifies the AMF and proceeds to wind up the Fund, unless it is merged with another fund.

The portfolio management company may wind up the Fund early; in such case it notifies the unitholders of its decision and, as from this date, no more subscription or redemption requests are accepted.

The portfolio management company also winds up the Fund in the event all of its units are redeemed, or if the custodian resigns from its duties, where no other custodian has been designated, or upon the expiry of the Fund, unless its term is extended.

The portfolio management company notifies the AMF by post of the date and winding-up procedure selected. It then submits the statutory auditor's report to the AMF.

The term of the Fund may be extended by the portfolio management company, in agreement with the custodian. Its decision must be taken at least 3 months prior to the projected expiry of the Fund, and both the AMF and the unitholders must be duly notified.

### Article 12 - Liquidation

If the Fund is wound up, the portfolio management company assumes the role of liquidator; failing that, the liquidator is designated by the court at the request of any interested party. To this end, the liquidator is invested with the broadest powers to realise the Fund's assets, pay any creditors and divide up the available balance between the unitholders, in cash or securities.

The statutory auditor and the custodian continue to exercise their duties until the liquidation is complete.

## Section 5 – Disputes

### Article 13 - Jurisdiction - Election of domicile

Any disputes related to the Fund arising during its operation or liquidation, either between the unitholders, or between the unitholders and the portfolio management company or custodian, are subject to the jurisdiction of the competent courts.

# INFORMATION FOR INVESTORS IN GERMANY

## Authorisation for distribution

Anaxis Asset Management has indicated its intention to sell units of the Fund in Germany and is authorised for public distribution since the conclusion of the notification process.

## Paying and information agent

The information agent is ANAXIS Asset Management S.A.S., 9, rue Scribe, 75009 Paris, France.

The prospectus, the key investor information document, the fund rules, and the audited annual and unaudited semi-annual reports of the investment fund are available free of charge and on durable medium from the information agent.

Furthermore, the information on subscription and redemption prices of the investment units are available from the information agent.

## Publications

The issue and redemption prices of the investment units as well as any notices to investors are published in the Federal Republic of Germany on [www.anaxis-am.com/de/](http://www.anaxis-am.com/de/).

In the cases listed by §298 (2) of the KAGB law, the unitholders will be additionally informed by means of a durable medium in accordance with §167 of the KAGB law.

# INFORMATION FOR INVESTORS IN SPAIN

## Representative

The representative in Spain is URSUS-3 Capital, A.V. S.A, Agencia de Valores, S.A., Paseo del Club Deportivo, 1, edificio 13 planta baja local derecha 3, 28223 – Pozuelo de Alarcon, Madrid.

## Place where the relevant documents may be obtained

The relevant documents such as the prospectus, the key investor information document (KIID), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Spain.

## **Anaxis AM Paris**

9 rue Scribe

75009 Paris

France

+33 (0)9 73 87 13 20

## **Anaxis Genève**

19 rue du Mont-Blanc

1201 Genève

Switzerland

+41 (0)22 716 18 20

[info@anaxis-am.com](mailto:info@anaxis-am.com)

[www.anaxis-am.com](http://www.anaxis-am.com)

