**Standard template for the prospectus**

This document is Annex XIV of AMF Instruction DOC-2011-19 - Authorisation procedures, preparation of a KIID and a prospectus, and periodic reporting for French and foreign UCITS marketed in France.

A box indicating that the UCITS complies with European Directive 2009/65/EC must appear on the cover page.

**I. General characteristics**

This section describes the general characteristics of the UCITS.

1. Form of the UCITS:

2. Name:

*a)* For FCPs, the name;

*b)* For SICAVs, the name or business name, registered office and postal address, if different;

3. Legal form and Member State in which the UCITS was incorporated;

4. Date of establishment and expected duration;

5. Summary of investment management proposal:

*a)* List of compartments and different unit classes;

*b)* Investors concerned;

*c)* Minimum subscription amount for each compartment or unit class;

*d)* ISIN code;

This information shall be presented in a table to ensure that the overall investment management proposal is easily understandable.

E.g.

Compartment n° 1:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Units** | **Characteristics** | | | |
|  | **ISIN Code** | **Distribution of income** | **Currency** | **etc.** |
| A | FR ........................... | Capitalisation | EUR |  |
| B | FR ........................... | Distribution | USD |  |

Compartment n° 2:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Units** | **Characteristics** | | | |
|  | **ISIN Code** | **Distribution of income** | **Currency** | **etc.** |
| A | FR ........................... | Capitalisation | EUR |  |
| B | FR ........................... | Distribution | USD |  |

6. Where the fund rules of the FCP or the articles of incorporation of the SICAV can be obtained, if they are not attached, along with the latest annual report and periodic statement:

The latest annual documents and the breakdown of assets are sent within eight weekdays at the written request of the holder. Requests should be sent to:

Company name

Address

Telephone (optional)

*E-mail*: demande@société.fr

These documents are also available on the website www.company.fr (where applicable)

Provide the name of a contact (person/department, time, etc.) for obtaining any further explanations necessary.

In the case of a feeder UCITS, include the following information: information documents about the master UCITS ………, incorporated in ……. and authorised by ………, may be obtained from:

Company name

Address

Telephone (optional)

*E-mail*: [demande@banqueX.fr](mailto:demande@banquex.fr)

**II - Parties**

This section lists the contact information of all the parties involved in management, custody, auditing and distribution.

1. Management company.

* 1. Name or business name, legal form, registered office and postal address, if different from registered office;
  2. Names and job titles of the members of the board of directors or members of the executive board and supervisory board in the SICAV;
  3. Description of the main activities of these persons outside the company where relevant to the UCITS;

2. Depositary and custodians.

Identity of the

the UCITS depositary and description of

*a)* its tasks and potential conflicts of interest;

*b)*  *Desc*ription of any duties regarding the safeguarding assets delegated by the depositary, a list of delegated and sub-delegated functions and any conflict of interests that may arise from said delegation. Specify that these details are available on the website, give the reference and state that a paper copy is available free of charge upon request;

c) The updated information regarding a) and b) shall be communicated to investors upon request.

3*.* Prime broker.

Name or business name, legal form, registered office and postal address, if different from registered office.

State whether the prime broker is also the delegated custodian for the depositary, where applicable.

Describe the main activity.

4. Statutory auditor

Name or business name, registered office, signatory.

5. Marketing agents.

Name or business name, legal form, registered office and postal address, if different from registered office.

6. Delegated functions.

This section lists the following information for all the delegated functions, including investment, administrative and accounting functions:

*a)* Name or business name of the company;

*b)* Provisions of the contracts with the management company or the investment company that are relevant to investors, except for those relating to compensation;

*c)* A summary of the other activities of the company to which a function has been delegated;

7. Advisors.

Information about the investment advice firms or outside investment advisors, as long as the use of their services is provided for by contract directly or on behalf of the UCITS. This does not concern services provided to the management company for its overall activities that are not directly related to a UCITS or a range of UCITS.

*a)* Name or business name of the company or advisor;

*b)* Provisions of the contracts with the management company or the investment company that are relevant to investors, except for those relating to compensation;

*c)* A summary of the activities of the company or the advisor.

The advisor does not make decisions on behalf of the UCITS, such decisions are the business and responsibility of the SICAV or the management company of the FCP.

8. Transfer agent:

*a*) name of the transfer agent;

b) name(s) of the institution(s) responsible for receiving subscription and redemption orders;

9. For SICAVs:

*a)* Names and job titles of the members of the board of directors or members of the executive board and supervisory board in the SICAV;

*b)* Brief description of their main activities outside the company where relevant to the UCITS;

*c)* Capital

**III - Operating and management procedures**

This section contains all the operating and management procedures of the UCITS.

To provide a clearer picture of umbrella UCITS, the prospectus deals with the operating procedures in two separate sections: one section in I describes the arrangements that are common to all compartments and a specific section in II deals with the specific features of the compartment.

***General characteristics***

This section contains the following information:

1. Characteristics of the units or shares:

*a)* ISIN code;

If there are several unit classes or compartments, the ISIN should be indicated in II only;

*b)* Nature of the rights attaching to the class of units or shares;

*c)* Recording in a unit or shareholder register or specification of the fund administration procedures;

*d)* Voting rights:

- For SICAVs, describe the voting rights attaching to the shares;

- For FCP, statement that units do not provide voting rights, since the management company makes the decisions;

*e)* Nature of units or shares: registered / bearer;

*f)* Any d*e*cimalisation (splits).

2. Admission to trading on a regulated UCITS market of units or shares, whose management purpose is based on an index:

When, pursuant to article D. 214-22-1 II of the monetary and financial code whereby the shares or units of an undertakings for collective investment in transferable securities may be admitted to trading on a regulated market provided that these undertakings have implemented a mechanism to ensure that the rate of these units or shares does not vary significantly from their net asset value, the following operating rules, established by [Euronext Paris SA], shall apply to the quotation of the shares of the Fund: reservation thresholds are set by applying a variation percentage of [X %] on both sides of the Net Asset Value or "NAV" (see section "Net Asset Value") of the funds, published by [Euronext Paris SA] and converted to current values as a fixing estimate during the session, according to the variation of the index (X);

“Market makers” ensure that the market price of the units of the Fund do not deviate by more than [x%] either side of the indicative net asset value of the UCITS in order to comply with the reservation thresholds set by [Euronext Paris SA] (see section on the “Indicative Net Asset Value”).

3. Closing date:

Specify the date on which the accounting period ends.

4. Information about tax rules (where relevant).

Details of deductions at source (where applicable).

***Special provisions***

The special provisions describe the specific features of the investment management proposed by the UCITS or for each compartment of the UCITS:

1. ISIN code.

2. Classification (where applicable).

3. Delegation of investment management.

Provide the name of delegated manager for any compartments, where applicable.

4. Presentation of the sections.

The techniques and instruments used must be consistent with the management style proposed, the resources of the management company and its programme of activity approved by the AMF.

The generic terms used in the key investor information document (KIID), such as “swaps” or "credit derivatives", must be completed with the type of contract in question, such as: *interest rate* swap*, currency* swap*, credit default* swap *or total return* swap*.* The use of derivatives must be described in economic terms, with details of each management technique used.

Example: *exposure to index X of 100% to 130% of assets, representing leverage of 1.3*.

The specific instruments used, if they require special monitoring or involve specific risks or features (liquidity, valuation, legal form, etc.), must be mentioned in the prospectus.

For example, the following instruments are not deemed to be specific instruments:

* Conventional transferrable securities;
* Futures and options traded on a regulated market;
* Forward foreign exchange transactions;
* Simple interest rate swaps (fixed rate/variable rate – variable rate/fixed rate – variable rate/variable rate).

The following instruments are deemed to be specific instruments:

* OTC options;
* Credit derivatives;
* Swaps other than those mentioned above, equity swaps, swaps with embedded options, etc.;
* Instruments with embedded derivatives (warrants, EMTN, ...);
* Securitisation vehicles (FCT, FCC, ABS, MBS, CDO, OT ...);
* Temporary purchases and sales of securities with special features, particularly with regard to compensation;
* Instruments with uncertain liquidity or valuation (unlisted securities, controlled loans, contingent convertible bonds (“CoCos”)[[1]](#footnote-2), etc.); and any other instruments that depend on a ratio of other securities.

*5. Investment objective.* This section explains the investment objectives of the UCITS. The information in the key investor information document (KIID) may be completed with more technical discussions in the prospectus.

In the case of index-tracking funds, in accordance with Position n° 2013-06,[[2]](#footnote-3) information shall be included on the expected level of ex-post tracking error in normal market conditions.

In accordance with this position, listed UCITS indicate clearly whether they are actively managed.

*6. Benchmark.* The purpose of this section is to provide a yardstick that investors can use to compare the performance and risks incurred by the UCITS. Depending on the investment objective of the UCITS, the information disclosed to investors and the nature of the risks incurred, this benchmark may be a narrowly focused indicator or else a broad market index, an index recognised by the AMF, or an interest rate or any other relevant indicator. This section must include the name of the benchmark used and a description. The features that identify the indicator must be mentioned, along with its characteristics. To clarify whether dividends are counted in the benchmark, this section must state that *“the performance of the benchmark X [includes / does not include] dividends paid by the [equities / UCITS] that make up the benchmark”*.

The prospectus supplements the summary information provided in the key investor information documents (KIID) and mentioned above with information about the target correlation, where applicable, or any other relevant information that can be used to assess the performance of the UCITS against the chosen benchmark.

In the case of index-tracking funds, in accordance with Position n° 2013-06, a clear description is made of the indexes, including information on their underlying components. In order to avoid the need to update the document frequently, the prospectus may direct refer investors to a website where the exact compositions of the indices are published.

When this benchmark is used by the UCITS within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council, the prospectus must also indicate:

* the identity of its administrator[[3]](#footnote-4) and if the latter is included on the register of administrators and benchmarks held by ESMA;
* that additional information on the benchmark is accessible via the administrator’s website (specify the hypertext link). The asset management company must ensure that this link is still valid when carrying out updates to the UCITS prospectus.

*7. Investment strategy.* The purpose of this section is to explain how the management company will work to achieve the investment objective. Generally speaking, this section must include:

*a)* A description of the strategies used.

The prospectus provides a full description of the different strategies used to achieve the investment objective. Where applicable, it must specify:

* Any special strategies involving business or geographical sectors, or other types of sectors;
* Whether the UCITS has a strategy to build up a diversified portfolio of assets;
* Whether it has dealings in specific categories of assets;
* The management style used (e.g. relationship between the benchmark and the performance objective of the UCITS, or seeking absolute return).

For index-tracking funds, in accordance with Position n° 2013-06, information shall be included on how the index will be tracked (for example, whether it will follow a full or sample-based replication model or a synthetic replication) and the implications of the chosen method for investors in terms of their exposure to the underlying index and to counterparty risk.

A description is also included of any factors that are likely to influence the ability of index-tracking UCITS to track the performance of the indices, such as transaction costs, small illiquid components or dividend reinvestment, etc.

For index-tracking leveraged funds, in accordance with the terms of this Position, a description is given of the leverage policy, how this is achieved (whether leverage is at the level of the index of arises from the way in which the UCITS obtains exposure to the index), the cost of leverage (where relevant). A description is also provided of the repercussions of any reverse leverage (meaning short exposure).

For listed UCITS, in accordance with Position n° 2013-06, the portfolio transparency policy is clearly stated and where information on the portfolio may be obtained.

In this section, the UCITS states whether it uses the ratios set out in Article R. 214-22 of the Monetary and Financial Code.

In accordance with Position n° 2013-06, actively-managed listed UCITS must clearly state how it will meet the stated investment policy, including its intention to outperform an index, where applicable.

*b)* Description of the categories of assets and derivatives that the UCITS intends to invest in and how they contribute to achieving the investment objective.

- For assets other than imbedded derivatives, the prospectus must mention all the asset classes that will make up the assets of the UCITS. Where applicable, it must also include the following:

* The statement that the UCITS will invest primarily in assets other than equities, debt securities and money market instruments;
* Equities: the main characteristics of the planned investments (if not redundant with regard to the information described above), and in particular:
* Breakdown of issuers by geographical area and/or business sector;
* Large/medium/small capitalisations;
* Other selection criteria (specify).
* Debt securities and money market instruments: the main characteristics of the planned investments (if not redundant with regard to the information described above), and in particular:
* Breakdown between corporate and government debt;
* Planned level of credit risk;
* Legal nature of the instruments used;
* Duration;
* Other characteristics (specify).
* The holding of foreign UCITS shares or units, of FIA or of investment funds whether:
* French or foreign UCITS;
* French FIA or FIA established in other Member States of the European Union, specifying the types of FIA concerned;
* other foreign investment funds (specify).

If the UCITS buys UCITS, AIF or foreign investment funds managed by the service provider or an affiliated company, this must be stated in the UCITS prospectus, in accordance with Article 313-24 of the AMF General Regulation.

For financial indices, in accordance with Position n° 2013-06, when a UCITS intends to make use of the increased diversification limits referred to in Article 53 of the UCITS Directive, this should be disclosed clearly, together with a description of the exceptional market conditions which justify this investment.

For financial indices, in accordance with Position n° 2013-06, the rebalancing frequency and its effects on the costs within the strategy should be disclosed.

* For each of the above categories:
* The holding periods that will be applied;
* Whether there are investments in financial instruments from emerging countries (outside the OECD);
* Whether the management company applies any investment restrictions;
* Whether there are any other criteria (specify).

- For derivatives, the prospectus must state:

* The nature of the markets that the UCITS deals in:
* Regulated markets;
* Organised markets;
* OTC markets.
* The risks the managers intend to deal in:
* Equities;
* Interest rates;
* Foreign exchange;
* Credit.
* The nature of the dealing, since all transactions must be restricted to achieving the investment objective:
* Hedging;
* Exposure;
* Arbitraging;
* Other (specify).
* Nature of the instruments used:
* Futures;
* Options;
* Swaps;
* Currency futures;
* Credit derivatives;
* Other (specify).
* The derivatives trading strategy used to achieve the investment objective:
* General portfolio hedging, hedging specific risks, securities, etc.;
* Reconstitution of a synthetic exposure to assets or risks;
* Increasing market exposure and refining the maximum authorised leverage sought;
* Other (specify).

For total return swaps, the prospectus shall include a general description of the total return swaps entered into by the UCITS, the reason for their use and the type of shares that fall under said swaps. Moreover, for total return swaps or other financial derivative instruments with the same characteristics, in accordance with Position n° 2013-06, information should be presented on the underlying strategy and composition of the investment portfolio or index. Information should also be included on the counterparty(ies) of the transactions and the extent to which the counterparty assumes any discretion over the composition or management of the UCITS’ investment portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to any UNITS investment portfolio transaction. Subject to the provisions of Paragraph 31 of Position n° 2013-06, the counterparty is identified as an investment manager.

The criteria used to determine the choice of counterparty (including the legal status, country of origin and the minimum credit rating) must also be detailed.

UCITS must not use any vague language, such as “using derivatives subject to regulatory limits”, which makes it impossible to make a proper assessment of the instruments and strategies used.

- For securities with embedded derivatives (warrants, credit linked notes, EMTN, etc.), the prospectus must state:

* The risks the managers intend to deal in:
* Equities;
* Interest rates;
* Foreign exchange;
* Credit;
* Other (specify).
* The nature of the dealing, since all transactions must be restricted to achieving the investment objective:
* Hedging;
* Exposure;
* Arbitraging;
* Other (specify).
* Nature of the instruments used.
* The embedded derivatives strategy used to achieve the investment objective.

- For cash deposits, the prospectus must state the characteristics and level of use of such deposits and describe how they contribute to achieving the investment objective.

- For cash borrowing, the prospectus must contain information about the techniques and instruments or the borrowing authorisations that are likely to be used in running the UCITS.

- In accordance with Position n° 2013-06, the intention to use the techniques and instruments referred to in Article 51, Paragraph 2 of the UCITS Directive OPCVM and Article 11 of the Eligible Assets Directive should be clearly indicated. For temporary purchases and sales of securities, the prospectus must include a general description of the securities financing transactions entered into by the UCITS and the reason they were chosen. The use of such transactions must be described precisely:

* Nature of the transactions used:
* Repurchase and reverse repurchase agreements with reference to the Monetary and Financial Code;
* Securities lending and borrowing with reference to the Monetary and Financial Code;
* Other (specify).
* The nature of the dealing, since all transactions must be restricted to achieving the investment objective:
* Cash management;
* Optimising the income of the UCITS;
* Other (specify).
* The asset classes for this type of transaction;
* The planned and authorised level of use: the maximum amount of assets under management as well as the anticipated amount of assets under management for this type of transaction must be specified;
* Potential leverage;
* Compensation: statement that further information can be found in the section on charges and fees;
* Criteria used to determine the choice of counterparty (including the legal status, country of origin and the minimum credit rating).

*c)* The maximum level of use of various instruments.

*d)* The generally desired level of use of the various instruments, corresponding to the routine use planned by the manager[[4]](#footnote-5).

The information provided in the “investment strategy” section of the prospectus meets the disclosure requirement stemming from Article 313-61 of the AMF General Regulation.

This disclosure does not have any affect the other risk management methods and measures that the management company must establish (in accordance with Articles 313-53-4 to 313-53-7 of the AMF General Regulation).

Providing an updated version of the prospectus through the GECO database meets the annual filing requirement for this information set out in Article 313-61 of the AMF General Regulation.

8. Collateral.

In accordance with AMF Position n° 2013-06, investors should be informed clearly of the collateral policy of the UCITS. This should include permitted types of collateral, level of collateral required and haircut policy, along with the reinvestment policy (including the risks arising from it) in the case of cash collateral.

In compliance with AMF position 2013-06, UCITS wishing to be fully collateralised in securities issued or guaranteed by a Member State shall make a statement to that effect in their prospectus.

In addition to the acceptable collateral for these asset classes, the prospectus should provide details concerning the issuer, maturity date and the liquidity as well as the collateral diversification and asset correlation policy. The prospectus should provide information regarding the way in which the assets in securities financing transactions and total return swaps and the collateral received are held (for example, by a fund depositary). Any restriction (regulatory or voluntary) concerning the re-use of collateral should also be provided.

9. Special case of feeder UCITS.

For feeder UCITS that do not deal on forward markets, the “investment strategy” section must specify:

1. That it is a feeder UCITS of a given master UCITS and that, as such, it invests 85% or more of its assets in the units or shares of said master UCITS at all times;

2. That the objective and investment policy, along with the risk profile, of the feeder UCITS and the information about whether the feeder UCITS' performances are identical to those of the master UCITS or how and why they are different. The prospectus also contains a description of the assets other than the units or shares of the master UCITS, in which the feeder UCITS may invest up to 15% of its assets under Article L. 214-22 of the Monetary and Financial Code.

3. A brief description of the master UCITS, its organisation and its investment objective and policy, along with its risk profile and information about how to obtain the prospectus of the master UCITS;

4. A summary of the agreement between the feeder UCITS and the master UCITS or the internal rules of conduct drafted in accordance with Article L. 214-22-1 of the Monetary and Financial Code;

5. How the holders can obtain further information about the master UCITS and about the above-mentioned agreement between the feeder UCITS and the master UCITS;

6. A description of the compensation and reimbursement of costs owed by the feeder UCITS for its investment in the master UCITS units or shares, along with a description of the total fees of the feeder UCITS and the master UCITS;

7. A description of the tax consequences for the feeder UCITS of its investment in the master UCITS units or shares.

10. For feeder UCITS dealing on forward markets:

*a)* If this dealing on the forward markets does not cause a material lack of correlation between the feeder UCITS and the master UCITS, the “investment strategy" section must:

- Specify the percentage of the investment of the feeder UCITS (minimum 85%) in another UCITS (and the name of that UCITS), as well as whether it deals on derivatives markets;

- Reproduce the “objectives and investment policy" section from the key investor information document (KIID) of the master UCITS and specify the nature and the impact of the dealing in derivatives markets by the feeder UCITS;

*b)* If this dealing on derivatives markets causes a material lack of correlation between the feeder UCITS and the master UCITS, the “investment strategy" section must:

- State that the UCITS is fully invested in another UCITS and, incidentally, in cash, but that the use of derivatives markets substantially alters the exposure of the UCITS compared to a simple direct investment in that other UCITS;

- State the nature and effect of the use of derivatives markets on exposure of the feeder UCITS by describing the financial arrangement used.

To prevent risks of confusion, all the text quoted from the master UCITS prospectus must be clearly identifiable as such (different font, different colour, etc.).

11. Special case of umbrella UCITS

If plans call for compartments to subscribe units or shares in other compartments of the same umbrella UCITS, the prospectus must state that this is the case and specify the maximum percentage of assets of the compartment invested in other compartments of the same umbrella UCITS, as well as the maximum percentage of each compartment’s assets that can be held by another compartment of the same umbrella UCITS.

12. Risk profile.

The purpose of this section is to provide relevant information about the risks incurred by investors. The UCITS risk profile may not be a mere description of the instruments that the UCITS invests in.

For example:

*a)* Statement of the specific characteristics of the UCITS, particularly with respect to classifications (minimum exposure to the equities market, sensitivity, foreign exchange risk, etc.);

*b)* Possible effect of the use of derivatives on the risk profile;

*c)* Specific statement when the net asset value is likely to be highly volatile on account of the composition of the portfolio or the investment management techniques that may be used, or if a money-market UCITS is sensitive to credit risk;

*d)* The risk that the UCITS might fail to meet its performance objectives, the investors’ objectives (specifying that the latter risk depends on the composition of the investors’ portfolio);

*e)* The risk that the capital invested might not be fully returned;

*f)* The impact of inflation;

*g)* The risks arising from use of a prime broker (e.g. risk that the latter will reduce the level of financing provided, risk stemming from the re-use of securities);

*h)* Liquidity restrictions;

*i)* Risks stemming from potential changes in certain areas (tax rules, for example);

*j)* Risks stemming from the type of index-replication used for index-tracking UCITS;

*k)* Risks stemming from the index-tracking leveraged investment policy, for index-tracking leveraged UCITS, in accordance with Position n° 2013-06. A description is also made of how the performance of the UCITS may differ significantly from that expected over the medium or long term in the light of the expected level of leverage.

*l)* Risks stemming from efficient portfolio management techniques, including counterparty risk and potential conflicts of interest, and the impact they will have on performance of the UCITS, in accordance with Position n° 2013-06,

*m)* The risk of counterparty default (counterparty risk) and the effect on investor returns, where the UCITS uses total return swaps or other financial derivative instruments with the same characteristics, in accordance with Position n° 2013-06.

In addition to describing the risks linked to securities financing operations and total return swaps detailed in points l) and m), the prospectus should also detail the risks linked to managing collateral, such as operational risk, liquidity risk, custody risk, legal risk and, where applicable, the risks linked to reusing collateral.

13. Guarantees or protection

This section supplements the key investor information document (KIID) by specifying all the technical features of the guarantee or protection, such as the procedures for substituting underlying assets and the mathematical formulas.

14. Investors concerned and typical investor profile

The purpose of this section is to state which subscribers have access to the UCITS and what type of investors it is intended for.

*(details per unit class, where applicable)*

It must therefore:

*a)* State whether the UCITS is for:

- All subscribers;

- All subscribers, but more especially X (e.g. all subscribers, but more especially designed for use with unit-linked insurance policies from insurance company Z);

*b)* Describe the typical investor profile that the UCITS was designed for and the recommended holding period, where applicable.

- Where relevant, the description of the typical investor profile is supplemented by information about:

* The risk aversion or appetite of the target investors;
* The proportion of the customers’ investment portfolios or net worth that can reasonably be invested in the UCITS;
* Along with a warning about the need to diversify investments.

The recommended holding period must be consistent with the investment objectives and classes of instruments that the UCITS invests in. It must be consistent with minimal exposure to capital risk, depending on long-term market trends and not on a one-off or atypical market situation. For example, the AMF would have questions for the management company about why it has chosen a recommended holding period of less than five years for an “equities” UCITS.

15. Procedures for determining and allocating income.

*(details per unit class, where applicable).*

16. Distribution frequency

*(details per unit class, where applicable).*

17. Characteristics of the units or shares: (base currencies, fractional units, etc.).

(*details per unit class, where applicable*).

18. Subscription and redemption procedures.

(stating the address of the body designated to receive subscription and redemption requests)

This section describes the information and the table below[[5]](#footnote-6):

“*The orders are executed in accordance with the table below:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Business D-q [0 ≤ q ≤ 5]* | *Business D-p [0 ≤ p ≤ 5]* | *D: day of determining the NAV* | *Business D+y* | *Business D+s [0 ≤ s ≤ 5]* | *Business D+z [0 ≤ z ≤ 5]* |
| *Centralisation of subscription orders before [12h]* 1 | *Centralisation of redemption orders before [12h]*1 | *Execution of the order on D at the latest* | *Publication of the net asset value* | *Payment of subscriptions* | *Payment of redemptions* |

*1Unless a specific potential timeframe is agreed with your financial institution.”*

By way of exception, funds subject to Regulation (EU) 2017/1131 are exempt from presenting the above table in the prospectus.

*a)* Explanation of the procedures for switching compartments, unit or share classes, including the tax consequences;

b*)* for a UCITS, the units or shares of which are admitted to trading on a regulated market or a multilateral system of exchanged traded fund (ETF): possible indication of the rules for admission on a regulated market or a multilateral trading system in stock market or markets where the units or shares are publicly listed or traded;

*c)* Options provided to restrict or suspend subscriptions;

*d)* Describe any advance notice incentives offered for subscriptions and/or redemptions:

Example of the wording for an advance notice incentive for redemptions:

*“Redemption fees will apply as follows:*

*-* *for redemption orders with no advance notice: the UCITS will charge 2% for any redemption request made with less than 35 days’ notice;*

*-* *no charge will be made for redemptions requested 35 or more days in advance.”*

*e)* Description of any time lag between the date on which a subscription or redemption order is centralised and the date of settlement by the issuing custodian or of delivery of the units or shares in the UCITS.

Example of wording on the time lag applied for the redemption of units or shares in a UCITS where the valuation interval is monthly:

*“The lag between the date of centralisation of the subscription or redemption order and the date that the order is settled by the depositary is XX days (60 days maximum):*

*1) The net asset value is determined on the last day of each month (net asset value determination date).*

*2) The net asset value is computed and published no later than 20 days after the net asset value determination date.*

*3) The depositary pays for redeemed units or shares no later than five days after the date on which the net asset value is computed and published.*

*Redemption orders must be transmitted before noon, 35 days before the net asset value determination date. If this date is not a weekday, orders must be sent before noon on the previous weekday.*

*For example, a unit-holder wishing to redeem his or her units at the 30 April net asset value must send in a redemption order before noon on 26 March. The 30 April net asset value will be computed and published on 20 May and the depositary will pay for redemptions no later than 25 May.*

*Investors are reminded that an order from a unit-holder given on 27 March (after the centralisation deadline) will not be executed at the 30 April net asset value, but at the 30 May net asset value. In this case, the lag between giving the order and payment by the depositary would be 90 days.*

*This example does not consider additional lags that could result if the days cited are not weekdays.”*

*f*) Existence of a “gate”

The operating procedures for “gates” must be precisely described in the prospectus of the UCITS concerned. Any legal details must complete the section within the prospectus. The management company must assess the relevance of the selected gate, particularly in view of the consequences on the management of the UCITS’ liquidity arising from certain gates.

1. Description of the selected methodology (calculation method, threshold of activation of gates to be applied on centralised redemptions for all assets of the UCITS and not specifically according to the unit classes, any minimum amount necessary to trigger the application of the gate rules, calculation date, any exceptions, etc.)
2. Arrangements for notifying unitholders whose orders have not been executed and arrangements for notifying all unitholders in case of activation of the gate
3. Treatment of unexecuted orders (postponement, cancellation, options for unit-holders to oppose any postponement)
4. Example illustrating the mechanism put in place

g) for a UCITS, the management purpose of which is based on an index and the units or shares of which are admitted to trading on a regulated market:

- requirements for subscriptions and redemptions on the primary market

- admission and trading of units in the fund on the secondary market.

In accordance with position no. 2013-06, when the management purpose of the UCITS is based on an index and that the units or shares of this UCITS are admitted to trading on a regulated market, these units or shares acquired on a secondary market cannot generally be redeemed at fund level. The commercial prospectus and communications of the fund must include the following warning: "The units or shares of the listed UCITS ( "UCITS ETF") acquired on the secondary market cannot generally be sold directly to the listed UCITS. Investors must buy and sell units / shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units / shares and may receive less than the current net asset value when selling them.”

In the case where the circumstances described in paragraph 15 of position No. 2013-06 must be met, a UCITS , the management purpose of which is based on an index and of which the units or shares are admitted to trading on a regulated market must indicate in its prospectus the procedure to be followed by investors who have purchased their units/shares on the secondary market, as well as the potential associated costs.

h) for a UCITS the management purpose of which is based on an index and whose units or shares are admitted to trading on a regulated market, in accordance with the AMF position No. 2013-06 "The listed funds and other issues related to UCITS", how the net asset value is calculated, where appropriate, and the frequency of these calculations. The place where the indicative net asset value is published is also indicated, where applicable.

i) for a UCITS the management purpose of which is based on an index and whose units or shares are admitted to trading on a regulated market, precisions regarding the financial institutions "Market makers"

19. Charges and fees.

*(details per unit class, where applicable).*

The purpose of the prospectus is to provide an exhaustive description of charges, fees and compensation paid to the different parties and intermediaries, along with further information (indirect management fees, for example) providing a breakdown of the total ongoing charges given in the key investor information document (KIID), and more particularly:

Subscription and redemption fees added to the subscription price paid by the investor or subtracted from the redemption price. The fees accruing to the UCITS to cover the expenses that the UCITS incurs in

1. investing or disinvesting in the assets under management. The fees that do not accrue to the UCITS are paid to the management company, the distributor, etc.

This information must be presented in a table:

|  |  |  |
| --- | --- | --- |
| **Charges paid by the investor and deducted from subscriptions and redemptions** | **Base** | **Rate scale** |
| Subscription fee not accruing to the UCITS | Net asset value  X  Number of units/shares | A% maximum, or special procedures (range, etc. ) |
| Subscription fee accruing to the UCITS | Net asset value  X  Number of units/shares | B% or special procedures[[6]](#footnote-7) (applicable to all subscriptions) |
| Redemption fee not accruing to the UCITS | Net asset value  X  Number of units/shares | C% maximum, or special procedures (range, etc. ) |
| Redemption fee accruing to the UCITS | Net asset value  X  Number of units/shares | D% or special procedures[[7]](#footnote-8) (applicable to all redemptions) |

*b)* financial management fees.

c) external administrative charges.

d) maximum indirect charges (management fees and charges). For a UCITS investing more than 20% of net assets in French or foreign UCITS, French AIFs or AIFs established in another EU Member State, or investment funds incorporated under foreign law, disclosure of the maximum level of indirect charges and fees”.

e) movement commissions: The movement commissions scale in the prospectus must explain:

- The bases used for:

* transactions;
* securities trading;
* other transactions;

- The rates or amounts applied to these different items (in the interests of simplicity, UCITS may state a maximum rate for all instruments);

- How the costs are allocated to the different parties.

It must also include a brief description of the procedure for selecting intermediaries and any applicable comments.

If, on an exceptional basis, a sub-custodian should charge a movement fee for a specific transaction that is not provided for in the above procedures, the description of the transaction and the movement fees charged must be provided in the UCITS management report.

f) performance fee

This information must be presented in a table:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Charges invoiced to the UCITS** | **Base** | **Rates** |
| 1 | Financial management fees[[8]](#footnote-9) | Net assets | X% including tax  Maximum rate |
| 2 |
| External administrative charges [[9]](#footnote-10) | Net assets | X% including tax  Maximum rate |
| 3 | Maximum indirect charges (management fees and charges) | Net assets | X% including tax  Maximum rate |
| 4 | Movement commissions | Charged for each transaction | Rates:  H% for equities  I% for bonds  etc. |
| 5 | Performance fee | Net assets | F % of performance beyond G (TTC) |

*Only the fees mentioned below may fall outside the scope of the five types of charges listed above and must be referred to below:*

* *fees payable for managing the UCITS under Article L. 621-5-3 II 3(d) of the Monetary and Financial Code*
* *exceptional and one-off taxes, charges, contributions and government fees (linked to the UCITS)*
* *exceptional and one-off legal costs associated with debt collection (e.g., Lehman) or with proceedings to pursue a legal right (e.g. a class action)*

*The information relating to these fees is detailed ex post in the UCITS annual report.*

The prospectus for UCITS created after 8 November 2016 includes the new terminology “financial management fees” and “external administrative fees” and the new numbering for the types of charges. The prospectus for UCITS created prior to 8 November 2016 must be updated, to include the new terminology when said prospectus is next updated and by 8 November 2017 at the latest.

Optionally, the management company may also:

* combine its financial management fees and external administrative charges. In this case, the heading should be “Financial management fees and external administrative charges”;
* add a maximum total rate for charges that includes financial management fees and external administrative charges, movement commissions and indirect charges. Therefore, the management company may indicate for example that "the total of the maximum fee will be X% per year of the net asset".

Only UCITS that detail the fees in the prospectus, using the breakdown (for financial management fees and external administrative charges) in force on 8 November 2016, shall be able to inform shareholders and unitholders by any means provided for under the conditions specified under the heading “fee increase” in the table under Article 8 of AMF Instruction DOC-2011-19 (Please note that money market UCITS or short-term money markets must not present the information in this manner).

The prospectus shall, therefore, clearly indicate that the UCITS may decide not to inform its shareholders or unitholders through any particular means nor offer them the option of redeeming their shares or units without being subject to fees if external administrative charges are equal to or less than 10 basis points per calendar year. As such, shareholders or unitholders shall be sent said information by any means (including via the website of the asset management company, in the section covering the UCITS concerned). Moreover, this information should be published prior to the date on which it shall take effect.

Existing UCITS which decide to include this information in their prospectus should inform their shareholders or unitholders in advance, by means of a dedicated communication, and give them the option of redeeming their shares or units without any fees.

If the management company prefers a fixed real rate, it may display a simplified table with the single rate.

In accordance with Position n° 2013-06, mention must be made of the direct and indirect operational costs/fees arising from the efficient portfolio management techniques that may be deducted from the revenue delivered to the UCITS. These costs and fees should not include any hidden revenue. The identity of the entities to which the direct and indirect costs and fees are paid must be disclosed, indicating whether they are related parties to the UCITS management company or the depositary[[10]](#footnote-11).

If the UCITS is a feeder UCITS, the charge information (particularly the table of charges) relating to the master UCITS must be included in the prospectus of the feeder UCITS.

In the case of a UCITS the units or shares of which are admitted to trading on a regulated market or a trading multilateral system pursuant to article D. 214-22-1 of the monetary and financial code, the prospectus must indicate, if applicable, the impact of this admission on the costs/commissions of subscription/redemption to investors resorting to this method of distribution.

**IV – Marketing information**

This section must provide information about the measures taken for:

1. Distributing income;

2. Repurchasing or redeeming units;

3. Publishing information about the UCITS

4. In accordance with Article L. 533-22-1 of the Monetary and Financial Code, this section must indicate where investors can find information about the environmental social governance (ESG) criteria that the UCITS considers in its investment strategy.

Where the units are marketed in another Member State, the above information must be provided with regard to that Member State and included in the prospectus published there.

**V - Investment rules**

This section contains a description of the different regulatory ratios and specific ratios applying to the UCITS. This description may refer directly to the applicable regulations.

Special mention must be made of the waiver that allows investments in excess of the 5-10-40 ratios in guaranteed securities, indicating the Governments, local governments and international public organisations in which the UCITS intends to invest or has invested more than 35% of its assets.

**VI – Aggregate risk**

Explain the method for calculating the aggregate risk ratio (commitment method or Value at Risk method (VaR).

Special mention must be made of information about the benchmark portfolio if the relative VaR is applied.

If (absolute or relative) VAR method is applied, include the indicative leverage level of the UCITS, calculated as the sum of the nominal values of the positions on the derivatives used, along with the fact that the UCITS may reach a higher leverage level.

**VII - Asset valuation rules**

The asset valuation rules are based on valuation methods and practical procedures that are explained in the notes to the annual financial statements and in the prospectus.

1. Establishing the valuation rules is the responsibility of the Board of Directors or the Executive Board of the SICAV, or, in the case of an FCP, the management company. The prospectus explains the valuation methods for each class of financial instruments, deposits or securities and the practical procedures for valuing these assets. The valuation methods set out the general valuation principles with reference to a market trade or to specific methods set out in the UCITS chart of accounts. These principles are used to define the practical valuation procedures. “Practical procedures” shall be taken to mean, with regard to each piece of information needed to value assets (yield curve, stock exchange, etc.), the information sources needed to value assets and, where applicable, the time of day for gathering such information. These practical procedures ensure that the net asset value is calculated exactly the same way each time.

The prospectus must also provide for alternative practical procedures for use in the event that the financial data needed to make the valuation are not available, and for notification of the auditor of the UCITS if they are implemented.

For example:

*a)* In the case of equities, the valuation method calls for the latest known prices to be used when the valuation of the UCITS is made, whereas the practical procedures specify a time for each of the regulated markets used and whether opening or closing prices must be used;

*b)* In the case of negotiable debt securities, the valuation method specifies which options in the chart of accounts are to be used and the practical procedures specify the information sources and rates to be used.

The template for this paragraph of the prospectus is as follows: *“Financial instruments and securities traded on a regulated market are valued...* However, the following instruments are valued using the following specific methods:

*-* *Financial instruments that are not traded on a regulated market are valued...*

*-* *Derivatives are valued...*

*-* *Deposits are valued...*

*-* *Other instruments.*

*-* *Financial instruments where the price is not noted on the valuation day or where the price has been corrected must be valued at their likely trade price under the responsibility of the board of directors or the executive board of the SICAV or, in the case of an FCP, of the management company. These valuations and the relevant documentation shall be submitted to the auditor during audits*

*-* *Descriptions of other alternative practical procedures for valuation and cases where they are used.”*

The prospectus shall detail the collateral valuation methods and the justification thereof, as well as the decision concerning whether to use a daily mark-to-market and daily variation margins.

2. Recognition method. This section must specify the method used to recognise income from financial instruments (cum dividend, ex-dividend, inclusion of weekend interest, etc.) and transaction charges (charges included or charges excluded, per class of instrument, where applicable.

**VIII – Compensation**

The prospectus includes the requirements provided for under Article 411-113 of the AMF General Regulation.

1. The term “CoCos” (short for “contingent convertibles” or “compulsory convertibles”) is used here to refer to subordinated debt securities issued by credit institutions or insurance or reinsurance companies that are eligible in their regulatory capital and are unique in that they can be converted into shares or written down in the event of a predefined trigger occurring, as specified in the prospectus for the said debt securities. [↑](#footnote-ref-2)
2. Position n° 2013-06 – ETFs and other UCITS issues [↑](#footnote-ref-3)
3. If the administrator responsible for providing the benchmark belongs to a group, the AIF prospectus shall indicate clearly the entity, within the group, that acts as the administrator of this benchmark. [↑](#footnote-ref-4)
4. This information must also be given for total return swaps entered into by the UCITS [↑](#footnote-ref-5)
5. Where “q” is the subscription notice period, “p” is the redemption notice period, “y” the net asset value publication timeframe, “s” the order subscription timeframe, and “z” the redemption payment timeframe. [↑](#footnote-ref-6)
6. For example, adjustable entry fees accruing to the UCITS [↑](#footnote-ref-7)
7. For example, adjustable exit fees accruing to the UCITS [↑](#footnote-ref-8)
8. The financial management fees are detailed in the AMF Postiion/Recommendation DOC 2011-05 [↑](#footnote-ref-9)
9. External administrative charges are detailed in the AMF Position/Recommendation DOC 2011-05 [↑](#footnote-ref-10)
10. The amount of income generated by securities financing operations that is paid back unto the UCITS as well as the costs and fees applicable for a management company or third party (E.g. the lender) generated from said financing operations must be detailed in the prospectus. The prospectus must indicate whether these parties are linked to the management company [↑](#footnote-ref-11)