RIVAGE EQUITY OPTIMIZED STRATEGY (REOS)

UCITS governed by European Directive 2014/91/EU

1. GENERAL CHARACTERISTICS

- **Form of fund:** UCITS
- **Name:** RIVAGE EQUITY OPTIMIZED STRATEGY (REOS)
- **Legal Form:** French mutual fund (*Fonds Commun de Placement* – hereinafter the "Fund")
- **Inception date, approval date and projected lifetime:** The Fund was created on 6 February 2017 and approved on January 20th, 2017 for a term of 99 years

- **Investment overview:**

Characteristics of the units:

Unit	ISIN code	Allocation of distributable amounts[1]	Base currency	Target investors (market of listing)	Minimum initial subscription	Minimum subsequent subscription
FC	FR0013230570	Accumulation	Euro	All investors, institutional ones in particular	10 000 000 € or 10 000 units	None
FD	FR0013230588	Distribution capped at 3.5%	Euro	All investors, institutional ones in particular	10 000 000 € or 10 000 units	None
IC	FR0013237724	Accumulation	Euro	All investors, institutional ones in particular	2 000 000 € or 2 000 units	None
ID	FR0013230596	Distribution capped at 3.5%	Euro	All investors, institutional ones in particular	2 000 000 € or 2 000 units	None
HC	FR0013250644	Accumulation	Euro	All investors	100 000 € or 1 000 units	None
RC	FR0013230604	Accumulation	Euro	All investors	1 000 € or 1 unit	None
RD	FR0013237732	Distribution capped at 3.5%	Euro	All investors	1 000 € or 1 unit	None

[1] Allocation of net income and allocation of net realised capital gains: see the paragraph “Procedures for determining and allocating distributable income”

The Management Company is exempt from the minimum initial subscription.

Address from which the latest annual and interim reports are available	The latest annual reports as well as asset composition will be sent to unitholders within eight business days upon written request to: Rivage Investment 5 rue Drouot 75009 Paris, France Telephone: +33 (0)1 70 91 25 90 Email: info@rivageinvestment.com Further details can be obtained from the Management Company at the above address. The AMF website www.amf-france.org contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

2. Directory

Management Company	• Company name: Rivage Investment SAS • Registered office: 5 rue Drouot - 75009 Paris, France • Status: Portfolio Management Company (*Société de Gestion de Portefeuille*) • Supervisory Authority: French Financial Markets Authority (*Autorité des Marchés Financiers - AMF*) • Authorisation date: 11 October 2010 under number GP-10000042 Hereinafter the "**Management Company**" or "**Rivage Investment**"
Depositary and Custodian	• BNP Paribas Securities Services SCA, registered with the French Trade and Companies Register under number 552 108 011, a BNP PARIBAS SA Group subsidiary located at: 3 Rue d'Antin, 75002 Paris, France Postal address: Les Grands Moulins de Pantin, 9 rue du Débarcadère 93500 Pantin, France • Status: Credit institution authorised by the French Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*) and subject to supervision by the French Financial Markets Authority (*Autorité des Marchés Financiers - AMF*) Hereinafter referred to as the **"Depositary"**

	The Depositary is independent from the Management Company. The functions of depositary cover the tasks, as defined by the applicable Regulations, of providing custody of the Fund's assets, ensuring that the Management Company has made decisions properly and monitoring the Fund's cash flows. Delegated depositaries: The description of delegated safekeeping functions, the list of the Depositary's delegates and sub-delegates and the information on conflicts of interest that may arise from these delegations are available on the depositary's website: http://securities.bnpparibas.com Updated information is available to investors on request.
Centralisation of subscription and redemption orders	• **Depositary** by delegation of the Management Company
Registrar	• **Depositary** together with Euroclear France, on which the Fund's units are admitted for trading.
Statutory auditor	• **Mazars**, represented by Mr. Gilles Dunand-Roux 61, 60 rue Henri Regnault 92400 Courbevoie, France
Promoters	• **Rivage Investment** (Management Company) *The list of promoters is not exhaustive, especially as the Fund is admitted for trading on Euroclear. Some promoters may not therefore be mandated by or known to the Management Company.*
Accounting agent	• **BNP Paribas Securities Services SCA** 3 Rue d'Antin, 75002 Paris Postal address: Les Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France *The accounting agent provides the following services: accounting, calculation of Net Asset Value, preparation of interim documents and annual reports*

3. OPERATING AND MANAGEMENT PROCEDURES

➢ General characteristics

Characteristics of the units:

- **Nature of rights attached to each unit class:** each unitholder has a co-ownership right to the Fund's assets that is proportional to the number of units held.
- **Entry on a register or liabilities management procedure:** as part of the Fund's liabilities management, the depository carries out centralisation of subscription and redemption orders and unit issuer account keeping together with Euroclear France, where the Fund is listed.
  Registration on the liabilities manager's register for units held in administered registered form.
- **Voting rights:** as this is a mutual fund (FCP), no voting rights are attached to the units, and decisions are made by the Management Company in the unitholders' interests. However, unitholders are notified of changes to the Fund's operating procedures either individually, through the press, or by any other means authorised by the regulations in force.
- **Form of the units:** registered or bearer
- **Possible fractions of units:** units are fractioned in ten thousandths of a unit. Subscriptions are accepted with no minimum amount other than the minimum subscriptions expressed as an amount or a number of units, as applicable. Redemptions are effected in an amount or a number of units expressed in ten thousandths of a unit.
- **Financial year-end:** last net asset value in December each year.
- **End of the first accounting year:** last net asset value in December 2017.
- **Taxation:** Investors are reminded that the information that follows only constitutes a general overview of the tax regime applicable to investments in a French mutual fund (FCP) according to current French legislation. Holders of the Fund's units are generally advised to consult their tax adviser or their usual client manager in order to ascertain the tax rules that apply to their specific situation. They may be charged for this advice by their adviser; in no event shall the Fund or the Management Company be liable for this cost.
  The Fund is eligible for French personal equity savings plans (PEA).
  - <u>For the Fund</u>: the co-ownership structure of the Fund automatically places it outside the scope of corporation tax. Based on the principle of transparency, the tax authorities consider the unitholder to be the direct holder of a share of the assets held in the Fund. The law also exempts capital gains arising from sales of securities made in the course of managing the Fund, provided that no individual owns more than 10% of its units, either directly or indirectly (Article 150-A, III-2 of the French general tax code). Abroad (in the investment countries of the Fund), gains realised on the sale of foreign transferable securities and foreign income received by the Fund in connection with its investment activities may in some cases be taxable (generally in the form of a withholding tax). Foreign taxes may, in a few limited cases, be reduced or waived if any applicable tax treaties have been agreed.

- For the Fund's unitholders: in theory only capital gains on transferable securities of the unitholder’s country of residence will be taxable, depending on the rules that apply to the unitholder’s status (individual, legal entity liable for corporation tax, etc.). In the event of a distribution, unitholders will be taxed depending on the type of securities held in the portfolio. The rules that apply to unitholders who are French residents are set forth in the French general tax code (*Code général des impôts*).
  For unitholders residing outside France: subject to the application of tax treaties, the amounts distributed by the Fund may, where appropriate, be subject to a levy or a withholding tax in France. In addition, capital gains realised on redemptions or sales of the Fund's units are generally exempt from tax. Unitholders resident outside France will be subject to the provisions of the tax legislation in force in their countries of residence.
- Information relating to "FATCA": The Fund is registered with the US tax authorities as a "declaring financial institution". Accordingly, the Fund is required to disclose to the French tax authorities information about certain holdings or amounts paid to certain US taxpayers or non-US financial institutions, considered to be non-participants in FATCA, which will be the object of an automatic exchange of information between the French and US tax authorities. Investors will be required to certify their FATCA status with their financial intermediary or the Management Company, as appropriate. The extent of the obligations relating to FATCA may vary, depending on the jurisdiction of the account custodian.

- **Description of the responsibilities of the Depositary and potential conflicts of interest**: the Depositary exercises responsibilities in three areas: ensuring that the Management Company has made decisions properly (as defined in Article 22.3 of the UCITS 5 Directive), monitoring the flow of the Fund’s cash (as defined in Article 22.4) and providing custody of the Fund’s assets (as defined in Article 22.5).

➢ Special provisions

- **ISIN code:** **FC unit: FR0013230570**
  FD unit: FR0013230588
  IC unit: FR0013237724
  ID unit: FR0013230596
  HC unit : FR0013250644
  RC unit: FR0013230604
  RD unit: FR0013237732

- **Capital guarantee:** The capital invested is not guaranteed. There is a risk of capital loss.
- **Fund of funds:** Less than 10% of the net assets.

- **Investment objective:** The Fund seeks long-term capital appreciation over the recommended investment period of 5 years, through exposure to the shares of Eurozone countries and Denmark.
- **Benchmark:**
  If they wish, investors can use the MSCI EMU index (with net dividends reinvested) expressed in euro as a purely informative benchmark, (Bloomberg ticker: MSDEEMUN Index). This index is administered by MSCI Limited and available on the website www.msci.com – on which you can have access to more information on the reference index. MSCI Limited is registered on ESMA's[1] list of administrators of reference indexes.
  The MSCI EMU index is an equities index that tracks large-cap and mid-cap companies in 10 "developed" European countries. With more than 200 constituent members, the index covers approximately 85% of the free-float adjusted market capitalisation in Europe's developed markets.
  The strategy followed is extremely flexible: the level of exposure to the equity markets and allocation to countries or sectors is largely independent of and different from the weightings used in the MSCI EMU index (with net dividends reinvested). As the Fund is not managed as an index-tracking fund, the index is referred to solely for retrospective comparison and the Fund's performance may vary from this index both to the upside and to the downside.
- **Investment strategy:**

1. <u>Strategy used</u>

The strategy aims to benefit in the medium term from the intrinsic performance of European equities. European equities include the shares of companies located in the Eurozone or Denmark, whose main share trading market is a European stock exchange (regulated market that operates regularly). The strategy seeks to protect performance in a bear market and to boost it if the market is stable, using financial contracts (derivatives). Protecting performance in a bear market is measured in particular by the "Maximum Drawdown" indicator, which is the maximum loss suffered by the Fund. The aim of the asset management implemented by the Fund manager is to achieve a Maximum Drawdown lower than that of the benchmark. To achieve the investment objectives and observe the Maximum Drawdown limit, the scope of equity exposure is flexible and can range from -10% to +110% of net assets.

Implementation of the strategy is discretionary, in particular as regards the choice of stocks and markets to which the Fund is exposed (strategic portfolio) as well as the magnitude of the exposure and protection strategies (tactical portfolio), while remaining within the equity risk exposure limits of between -10% and +110%.

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[1] European Securities and Markets Authority

There is a risk that the Management Company may not select the best performing markets, sectors and levels of exposure or that exposure to the equity market fails to fully capture an upward trend or to protect itself from a downward trend.

More specifically, the strategic and tactical portfolios are constructed as follows.

- Strategic portfolio:

  The Fund managers pinpoint one or more equity drivers constituting the strategic portfolio. These equity drivers are essentially determined using internal quantitative filters that take into account factors such as growth, liquidity, financial results, short-term trends, implied volatility and realized volatility applied to the universe (listed shares of companies located in the countries of the Eurozone or Denmark). Allocation between sectors and geographical regions can be changed at the Fund managers' discretion at any time. This strategic portfolio is combined with a proactively managed option-based strategy (the tactical portfolio).

- Tactical portfolio:

  The protection and exposure strategy is implemented in a discretionary manner, taking into account trends and volatility in the stock markets, in particular by using equity index financial contracts (derivatives): for example, the sale or replication of short-term call options generating premiums received by the Fund, and purchases of longer-term put options reducing potential drawdowns (and the SCR for insurers subject to Delegate Regulation EU No. 2015/35). These transactions each incur a cost or gain (e.g., option premium or redemption value paid by the Fund) and impact the exposure to the equity market. The combination of unit costs and gains results in a potential overall net cost or gain for the Fund. The Management Company optimizes these transactions with the objective of achieving efficiency in terms of cost-benefit ratio.

The strategy thus aims to reduce the portfolio's overall risk, as rated by the Maximum Drawdown indicator (and the SCR for insurers), compared to the individual risks of the shares in the strategic portfolio and compared to that of the benchmark index.

The manager does not cover foreign exchange systematically for shares issued in a currency other than the euro (Danish krone), however he may do so if market circumstances dictate.

The Fund does not impose constraints in terms of market capitalisation.

For companies (insurers) subject to Delegate Regulation EU No 2015/35 dated January 17, 2015 (the "Regulations"), it is specified that:

- The strategy implemented on a permanent basis in the Tactical Portfolio also aims to reduce the Solvency Capital Requirement for the Fund (hereinafter "SCR Equity Type 1") relative to its benchmark; It will be resized so that it is equal to 20% on the last working day of each month.
- Equity Type 1 SCR is defined in Article 169, Paragraph 1 b) of the Regulation making reference to Article 172 of the Regulation. The tactical portfolio's derivatives are considered to

be risk-mitigation techniques meeting the conditions of Articles 209, Paragraph 2 and 210 of the Regulation.

To achieve this objective, the strategy is constructed using options with a maturity of between 252 working days and 504 working days; its implementations may, however, include options with a maturity of less than 1 year or more than 2 years. Risk reduction instruments with a maturity of less than one year will be taken into account in accordance with Article 209 (2) of the Regulation when the strategy is rescaled monthly.

2. Principal categories of assets used

At least 75% of the Fund's assets are invested in securities eligible for the French Equity Savings Plan (PEA).

Equities

The Fund may be fully invested in, and/or up to 110% exposed to shares of the countries of the Eurozone or Denmark.

The Fund can invest in so-called small and mid-caps, within the limit of 10% of its assets.

Bonds and other debt securities, money market instruments

The Fund may invest in and/or expose up to 100% of the net assets to the following securities:

- Sovereign bonds and debt securities issued by European countries, CADES and supranational organisations
- Covered bonds issued by entities based in the same countries

The Management Company performs in-house credit analysis when selecting securities for acquisition and on existing securities, as well as on Funds exposed to interest rates and to credit. It does not rely exclusively on the ratings provided by rating agencies to assess the credit quality of these assets, to make its purchasing decisions or if these securities are downgraded.

The Fund may invest up to 100% of its assets in money market instruments such as short and medium term negotiable debt securities.

Units or shares of UCITS or investment funds

To achieve its investment objective, the Fund may hold up to 10% of its assets in units or shares of the following UCI or investment funds:

- French or foreign UCITS
- French or foreign AIF or investment funds that meet the criteria set by the French monetary and financial code (*Code monétaire et financier*)

These UCI and investment funds may invest up to 10% of their assets in UCI or investment funds. They may be managed by the Management Company or by an affiliated company. These UCI have a risk profile that is compatible with that of the Fund.

Derivatives

The use of conditional and firm financial contracts is an integral part of the investment process due to the advantages they offer in terms of liquidity and/or their cost effectiveness.

Types of market:

- ☑ regulated
- ☑ organised
- ☑ over-the-counter including total return swap (TRS)

Risks that the fund manager seeks to mitigate:

- ☑ equity risk
- ☑ interest rate risk
- ☑ foreign exchange risk
- ☐ credit risk
- ☑ other risks (variance)

Types of transaction and strategy for use, all transactions to be used solely in achieving the investment objective:

- ☑ hedging: equity, interest rate and currency risks
- ☑ exposure: equity and interest rate risks
- ☑ arbitraging: equity and interest rate risks
- ☑ other: replicating synthetic exposure to baskets of equities or indices, variance, volatility

Types of instruments used:

- ☑ futures: on equity/stock market indices and interest rates
- ☑ options: on equity/stock market indices, currencies and interest rates
- ☑ swaps: on equities (TRS), indices, interest rates and variance swaps
- ☑ currency forwards
- ☐ credit derivatives
- ☐ other

Total Return Swaps (TRS)

TRS essentially expose the Fund to equities, and also manage the asset effectively (cost-effectiveness better than direct equity ownership).

Proportion of use of TRS:

- Maximum proportion of assets under management that may be subject to such transactions or contracts: 100%.
- Expected proportion of assets under management that will be subject to such transactions or contracts: 30 to 50% on average.

Deposits

To manage its cash, the Fund may place cash on deposit with one or more credit institutions, up to a limit of 100% of its assets.

Cash borrowings

In the normal course of operations, the Fund may occasionally become overdrawn and need to borrow cash temporarily, up to a limit of 10% of its assets.

Securities with embedded derivatives

Risks that the manager seeks to mitigate:

- ☑ equity risk
- ☑ interest rate risk
- ☐ foreign exchange risk
- ☐ credit risk
- ☐ other risks

Types of transactions and strategy for using derivatives, all transactions to be used solely in achieving the investment objective:

- ☐ hedging: equity and interest rate risks
- ☑ exposure: equity and interest rate risks
- ☐ arbitraging: equity and interest rate risks
- ☐ other: replication of synthetic exposure to baskets of equities or indices

Types of instruments used:

- ☑ EMTN, TNMT
- ☑ Share purchase options
- ☐ Convertible bonds

Temporary purchases and sales of securities

None

- **The Fund's financial guarantees (including TRS guarantees):**

  - Types of financial guarantees authorised and issuers: cash, high-quality government bonds (rated at least A+), with the criterion of liquidity being essential
  - Maturities: unlimited
  - Diversification and correlation: no minimum diversification or maximum correlation with the asset
  - Level of financial guarantees required: no threshold, different Minimum Transfer Amounts (MTA) may apply, depending on the counterparties, daily margin calls above MTA.
  - Mark-to-market valuation
  - Haircut (discounting) policy: Assets and Percentage of valuation for collateral
    - Cash: 100%
    - Government Bonds: discount adjusted on the basis of country (rating), currency and maturity.
  - Policy on reinvesting financial guarantees in cash (securities pledged as collateral are not sold, reinvested, or pledged as collateral): financial guarantees received in cash may be:
    - placed on deposit
    - invested in high-quality government bonds
    - used for reverse repurchase transactions
    - invested in short-term money market funds

- **Risk profile**

Your money will be invested mainly in securities and financial contracts selected by the Management Company. These instruments will be subject to market trends and fluctuations.

The main risks are:

1. Risk of capital loss

The Fund provides no performance or capital guarantee and may therefore present a risk of capital loss. As a result, investors may not get back all the capital initially invested.

2. Discretionary risk

The Fund's performance depends on the ability of the Management Company to expose the Fund to the best performing equities markets during a bull market and to reduce the risk in a bear market. The process for allocating the Fund's assets may include statistical analysis of past performance of asset classes. There is a risk that this analysis is not efficient.
There is a risk that the Management Company may not select the best performing markets, sectors and levels of exposure or that exposure to the equity market fails to fully capture an upward trend or to protect itself from a downward trend.

3. Equity risk

Fluctuations in the equity markets may lead to substantial variations in the net assets, which may have a negative impact on changes in the Fund’s net asset value. As the Fund is exposed to the equity market and that exposure may vary between -10% and 110% (potential gearing), the Fund's net asset value may fall significantly.

4. Risk linked to the use of financial contracts (derivatives)

This is the risk that losses related to the use of derivatives are magnified. The use of these instruments may lead to a decline in the net asset value that is more significant than that of the underlying instruments.

The other risks include:

5. Foreign exchange risk

The Fund may be exposed to foreign exchange risk due to its exposure to European equities outside the Eurozone. The Fund may in particular be exposed, among others, to the Danish krone (DKK). If the euro strengthens against the other European currencies to which the Fund is exposed, the Fund's net asset value may fall.

6. Interest rate risk

This is the risk of a fall in the value of fixed income instruments resulting from interest rate changes.
It is measured in terms of sensitivity. When interest rates rise, the net asset value may fall.

7. Credit risk

This is the risk of a downgrading of the credit rating of an issuer or the risk of its default. It is associated with exposure to debt securities. The actual or perceived solvency of the issuers of the securities to which the Fund is thus exposed may deteriorate, resulting in a fall in the value of the securities that they issued and therefore the net asset value.

8. Counterparty risk

Counterparty risk results from all the OTC financial contracts entered into with a single counterparty, such as derivatives contracts entered into over the counter (including TRS). The Fund may not however expose more than 10% of its net assets to a counterparty with the status of credit institution whose headquarters are based in the OECD and which has own funds of at least EUR 3.8 million.
Counterparty risk measures the risk of loss in the event of a counterparty being unable to fulfil its contractual obligations before the transaction has been settled definitively in the form of a financial payment. In this case, the Fund's net asset value could fall.

9. Liquidity risk of underlying assets

Low liquidity in a market makes it sensitive to significant purchase/sale transaction volumes. This increases the volatility of the Fund whose assets are traded or listed on this market, and may impact the valuation of these assets and, where applicable, the prices at which the Fund may be obliged to liquidate its holdings. Lack of liquidity is particularly associated with small and mid-cap stocks (limited to 10% of the net assets). In such cases the Fund's net asset value may therefore fall sharply.

10. Risk linked to changes in taxation

Any change to the tax laws of any country in which the Fund is domiciled, authorised for marketing or listed may affect the tax regime of investors. In this case, the Fund's Management Company shall not accept any liability vis-à-vis the investors in connection with payments to be made to any competent tax authority.
Any change to the tax laws applicable to the Fund's underlying investments may affect the tax regime of the Fund. Consequently, should the tax regime actually applied to the Fund differ from the expected tax regime, the Fund's net asset value may be affected.

11. Regulatory risk

In the event of an operational failure at the Management Company or one of its representatives, investors may suffer delays in the processing of unit subscriptions, conversions and redemptions, or other disruptions.

12. Risk linked to the Equity Type 1 SCR objective of the Fund

The manager’s objective to achieve a monthly Equity Type 1 SCR equal to 20%, based on the conditions stated in this prospectus, is not guaranteed. SCR may vary significantly during the month.

13. Risk incurred from the reuse of the Fund’s financial guarantees

The value of assets in which the financial guarantees granted to the Fund are reinvested may either rise or fall and have a negative impact on the Fund’s net asset value.

- **Guarantee or protection: None**

- **Target subscribers and typical investor profile: All investors**

The Fund is intended for clients wishing to benefit from the positive or negative performance of European equities of developed countries.
The amount that is reasonable to invest in this Fund depends on the personal situation of the investor. To determine this amount, investors should consider their wealth, their personal assets, their current financial needs and the recommended investment period as well as their willingness to accept risks or preference for a cautious investment.
Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risks of this Fund.
The Management Company shall report monthly on the portfolio's breakdown to the Fund's institutional investors supervised by the ACPR in France (or the equivalent foreign authority) for the calculation of SCR on written request to:

Rivage Investment
5 rue Drouot
75009 Paris, France
Telephone: +33 (0)1 70 91 25 90
Email: info@rivageinvestment.com

- **The recommended minimum investment horizon is five years.**

- **Procedures for determining and allocating distributable income:**

Distributable income	**C units: Accumulation**	**D units: Distribution or Capitalisation, to be decided by the Management Company**
Allocation of net income (coupons are recognised on a cash basis)	Accumulation	Allocation of no more than 3.5% of net income per share of the financial year's latest net asset value
Allocation of net realised capital gains or losses	Accumulation	If the net asset value per share is greater than, or equal to, 3.5% of the financial year's latest net asset value: accumulation If the net asset value per share is lower than 3.5% of the financial year's latest net asset value: distribution until all distributable sums reach 3.5% of the financial year's latest net asset value

- **Units characteristics:**
    - All unit classes are subdivided into ten thousandths of a unit
    - Base currency: euro
    - Original NAV:
        - FC and FD units: 1 000 €
        - IC units: 1 053.94 €
        - ID units: 1 051.56 €
        - HC units: 114.92 €
        - RC units: 1 134.74 €
        - RD units: 1 134.73 €

- **Terms and conditions of subscriptions and redemptions:**

Subscription and redemption requests are centralised by BNP PARIBAS SECURITIES SERVICES, whose address is:

BNP PARIBAS SECURITIES SERVICES
Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin, France

The orders are executed as laid-out in the table below:

D before 2pm	D: Day of establishment of the NAV	Usually business D+1 Maximum business D+2	Business D+2
Centralisation before 2pm of subscription and redemption orders[1]	Execution of the order at the latest within D	Publication of the NAV	Subscriptions and redemptions settlement

[1]Unless an eventual specific delay agreed upon with your financial institution

Subscription and redemption orders are accepted by the depositary until 2pm each day (provided that this day is a net asset value calculation day) and are executed based on the next net asset value (i.e. at an unknown price). Subscription and redemption orders for the Fund's units are not centralised on public holidays.
Business days are non public holiday days. Public holiday days are closing days according to Eurex Exchange calendar.
If the business day on day D is a public holiday in France (as specified in article L3133-1 of the labor code (*Code du travail*)), the calculation and publication of the net asset value will be done on the next business day (D+2).

Unitholders are reminded that orders sent to promoters other than the aforementioned institutions must allow for the fact that the cut-off time for centralisation of orders applies to said promoter vis-à-vis the depositary.

Consequently, each promoter may apply its own cut-off time, which may be earlier than the cut-off time mentioned above, to take into account the time required to forward the orders to the depositary.

- **Date and frequency of establishment and calculation of net asset value:** daily

The net asset value is calculated and published on the business day following the net asset value determination date, provided that this date is not a public holiday. In other words, it is not a public holiday if the Eurex Exchange is open.

- **Place and methods of publication or advertising of the net asset value:**

The Fund's net asset value is available on request from the Management Company and the promoter.

- **Charges and fees:**

Subscription and redemption fees:

These fees increase the subscription price paid by the investor or lower the redemption price. Fees paid to the Fund are used to offset the costs incurred by the Fund in investing or divesting investors' monies. The remaining fees are paid to the Fund manager, the promoter, etc.

Fees paid by the investor at the time of subscription or redemption	**Basis**	**Rate structure, all taxes included***
		All units
Subscription fee not payable to the Fund	Net asset value x number of units	None
Subscription fee payable to the Fund	Net asset value x number of units	None
Redemption fee not payable to the Fund	Net asset value x number of units	None
Redemption fee payable to the Fund	Net asset value x number of units	None

* Based on current VAT rate of 20%

Financial management fees, administration fees external to the Management Company, trading fees, performance fees:

For more details about the charges actually invoiced to the Fund, please see the Key Investor Information Document.

	Charges invoiced to the Fund	Basis	Rate structure, all taxes included*			
			FC and FD units	IC and ID units	HC unit	RC and RD units
1	**Financial management fees**	Net assets	0.65%	0.90%	1.50%	2.00%
2	**Administration fees external to the Management Company**	Net assets	0.05%	0.05%	0.05%	0.05%
3	**Maximum indirect fees (fees and management costs)**	Fund not affected by this heading (investments in UCITS and AIFs are less than 10% of net assets)				
4	**Trading fees**	Payable on each transaction	€ 360 maximum (Depositary: 100%, except for over-the-counter financial contracts: Depositary 50% and Management Company 50%)			
5	**Performance fees**	None				

* Based on current VAT rate of 20%

The following fees may be added to the fees charged to the Fund and shown above:

- AMF contributions, due for the management of the Fund under Section II, Paragraph 3 (d) of Article L. 621-5-3 of the French monetary and financial code (*Code monétaire et financier*);
- Exceptional and non-recurring taxes, levies and governmental fees in connection with the Fund;
- Exceptional and non-recurring costs related to the recovery of Fund receivables or the procedures for exercising a right.

- **Total return swaps:**

The Fund retains all the remuneration generated by these transactions.

- **Brief description of the intermediary selection procedure:**

Counterparties are selected by the Management Company under its best-selection policy (available on the Rivage Investment website) and in the interests of the unitholders, including for TRS. There is no pre-defined limitation on legal form, country of origin or minimum credit rating.
For further information, please refer to the Fund's annual report.

4. MARKETING INFORMATION

This prospectus must be provided to subscribers before subscription.

Diffusion of information regarding the Fund, and contact point where additional explanations can ben obtained if necessary:

RIVAGE INVESTMENT
5 rue Drouot
75009 Paris, France
Tel.: +33 (0)1 70 91 25 90

The Fund's net asset value and annual reports are available on request from the Management Company, on the website http://www.rivageinvestment.com and on the AMF website www.amf-france.org. The voting rights policy and report on voting rights are also available at the Management Company and on the website http://www.rivageinvestment.com.

The distribution of this prospectus and the offer or purchasing of units in the Fund may be restricted for certain individuals or in certain countries pursuant to the national regulations applicable to these individuals or countries. It is therefore the responsibility of each investor to ensure that they are authorised to subscribe or invest in this Fund. Accordingly, the information contained in this prospectus may not under any circumstances be regarded as an offer or solicitation to buy or sell units of said Fund in countries where such an offer or solicitation would be illegal.

The Fund's units shall not be registered under the 1933 US Securities Act, as amended, and may not be offered, sold, transferred, transmitted or attributed in the United States of America or to any US person (hereinafter "US Person"), as defined by US "Regulation S" under the Act of 1933 on transferable securities. The Fund's units will not be offered to US Persons. Outside the United States of America they will be offered only to persons who are not US nationals ("non-US Persons").

- **Information on ESG (Environmental, Social and Governance) factors :**

The Management Company does not use ESG information as a key criterion in its investment strategy. Information concerning criteria relating to environmental, social and governance (ESG) objectives is available on the Management Company's website, and in the annual reports.

5. INVESTMENT RULES

The Fund applies the investment rules set forth in Directive 2009/65/EC, as amended by Directive 2014/91/EU whose regulatory ratios are defined in Book II, Section 1, Chapter IV, Title 1 of the French Monetary and Financial Code (*Code Monétaire et Financier*) which can be consulted on the www.legifrance.gouv.fr website.

The Fund can use the derogation allowing investment over the 5-10-40 ratios and up to 35% of its assets in state, public local authorities and international organizations of public character securities that are marked as *investment grade*.
Changes to the French Monetary and Financial Code will be taken into account by the Management Company in its management of the Fund as soon as they are implemented.

6. GLOBAL RISK

- **Global risk calculation method:** absolute VaR method. The Management Company limits the Fund's VaR, such that it cannot exceed 20% of the Fund's net assets.

- The indicative leverage should not exceed 200% of the Fund's assets. However, depending on the circumstances, the Fund may achieve a higher leverage.

7. ASSET VALUATION AND ACCOUNTING RULES

Assets are valued at the reference market price in accordance with the terms and conditions laid down by the Management Company.

7.1 Asset valuation and accounting rules

The net asset value per unit is calculated in accordance with the following valuation rules:

Financial securities traded on a regulated French or foreign market:
Financial securities traded on a regulated French or foreign market are valued at their market price at closing prices on the valuation day.
Financial securities whose prices have not been recorded on the valuation day are valued at the last officially published price or at their probable market value, under the Management Company's responsibility. These valuations are given to the Statutory Auditor at the time of its audit, together with supporting documentation.
Prices expressed in a foreign currency are converted into euro at the exchange rates ruling at market's close on the valuation day.

Details relating to bonds and EMTN:
Fixed rate bonds and index-linked EMTN: these are valued every day according to the characteristic interest rate differential of the issuer in comparison to a swap curve.
To value the bond or the fixed-rate leg of a swap, a payment schedule indicating the various interest flows is drawn up, taking into account the characteristics of the swap/bond. The flows thus calculated are then discounted using the zero-coupon yield curve, adjusted by the credit spread for the bond.

For the variable leg, a schedule is also drawn up taking into account the specific agreements for the leg. Cash flow is calculated from yield curves. The flows are discounted using the zero-coupon yield curve.
Bonds and EMTN hedged for interest risk by a matched swap: the bond and the matched interest rate swap are valued using the same methods and the same yield curve.
Variable or revisable rate bonds and EMTN: valued according to the coupon price. If only the margin of the security is available, the price of the coupon net of accrued interest is calculated using the Bloomberg method.

<u>Short-term negotiable debt securities:</u>
Negotiable debt securities with maturities of less than three months:
Negotiable debt securities with a residual maturity of less than three months at issuance, on the date of acquisition, or whose residual maturity becomes less than 3 months on the day the net asset value is calculated, are assessed using the simplified method (interest is calculated on a straight line basis). In the event of a credit incident affecting the issuer, the simplified method is abandoned in favour of a valuation at the market price, using the method applied for short-term negotiable debt securities with maturities of more than three months.
In the specific case of a short-term negotiable debt security indexed to a variable reference (mainly the Eonia), an entry in the Fund's accounting will record the impact of the market's movement, calculated on the basis of the spread in the issuer's market, i.e., the difference representing the intrinsic characteristics of the issuer.
Negotiable debt securities with maturities of more than three months:
These are valued at their probable market value using an actuarial method. The rate used is that applied to issuances of equivalent securities, where applicable adjusted by a differential representing the issuer's specific characteristics (the spread in the issuer's market).

The market rates used are: for the euro (EUR): the official Euribor rates for short-term negotiable debt securities, otherwise the BTAN interest rate.
For other currencies, the main official rates in the countries concerned are used.
The discount rate is a linearly interpolated rate between the closest two dates available covering the maturity of the security.

<u>Fund units or shares</u>:
Units or shares of investment funds are valued at the last known net asset value.

<u>Forward contracts</u>:
Forwards or options are valued at the settlement price (or latest price) on the valuation day.
Contracts are recorded according to their market value determined according to the above principles for off-balance sheet liabilities and in the risk exposure tables.
Options are expressed in terms of their underlying security for off-balance sheet liabilities and in the risk exposure tables.

Off-balance sheet commitments are calculated on the basis of the nominal amount, their price in the portfolio and, where applicable, the exchange rate.

Commitments in respect of swap contracts are valued at their market value.

Forward exchange contracts are valued using the exchange rates of the relevant currencies on the valuation day, allowing for amortisation of contango/backwardation.

Complex securities and synthetic securities :

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their probable market prices. These valuations are given to the Statutory Auditor at the time of its audit, together with supporting documentation.

These asset valuation methods are described in detail in the notes to the annual financial statements.

Securities not traded on a regulated market are valued at their probable market value, under the responsibility of the Management Company. These valuations are given to the Statutory Auditor at the time of its audit, together with supporting documentation.

7.2 Accounting rules

The Fund complies with the accounting rules laid down by the regulations in force, and with the chart of accounts for UCITS in particular.

The accounting currency is the euro.

Income is recorded on an accrued coupon basis.

Trading charges are recorded in the Fund's specific accounts and are not added to the cost price of the transferable securities (excluding charges).

The Weighted Average Cost Price is used as the method for liquidating securities. For financial contracts, the FIFO (First In, First Out) method is used.

Income is comprised of:

- income from transferable securities,
- dividends and interest income banked at the foreign currency exchange rate for foreign securities,
- gains on foreign currency cash holdings, proceeds from securities lending transactions, from repurchase and reverse repurchase agreements and other investments,
- swap income.

The following are deducted from income:

- management charges,

- financial costs and expenses arising out of securities lending and borrowing and other investments.

8. REMUNERATION

The Management Company's staff remuneration is fixed by Rivage Investment's executive management.

Conflict of interest procedures have been implemented in order to prevent and manage them in the exclusive interest of the unit holders. A Remuneration Comity exists, presided over by a person external to the management company.

The remuneration policy is available upon request for unit holders at the management company, and a sum-up is available on the management company's website: www.rivageinvestment.com, including:

- A description of the remuneration and advantages calculation process, the identity of people responsible for the attribution of remunerations and advantages
- The Remuneration Comity's composition

RIVAGE EQUITY OPTIMIZED STRATEGY (REOS)

FUND RULES

SECTION I

ASSETS AND UNITS

Article 1 – Co-ownership Units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the Fund's (or, where applicable, the sub-fund's) assets. Each unitholder has a co-ownership right in the assets of the Fund proportional to the number of units they hold.

The term of the Fund is 99 years starting from its inception date, except in the event of early dissolution or extension as set forth in the Fund rules.

Unit categories:
The characteristics of the various classes of units and their eligibility requirements are described in the prospectus.

The different unit classes may:
- Apply different dividend policies (distribution and/or accumulation);
- Be denominated in different currencies;
- Be charged different management charges;
- Be charged different subscription and redemption fees;
- Have a different nominal value;
- Be automatically hedged against currency risk, in part or in full, as defined in the full prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the Fund's other unit classes;
- Be reserved for one or several distribution networks.

Possibility of merging or splitting units:
If so decided by the Management Company, the units may be sub-divided into ten thousandths, referred to as fractions of units.
The provisions of the Fund rules governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided for, all other provisions of the Fund rules relating to units shall apply to fractions of units without any need to make a specific provision to that end.
Lastly, the Management Company may decide, at its own discretion, to split the units by issuing new units, which will be allocated to unitholders in exchange for their existing units.

Article 2 – Minimum assets

Units may not be redeemed if the Fund's assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to merge or liquidate the Fund.

Article 3 – Issue and redemption of units

Units may be issued at any time at the request of unit holders on the basis of their net asset value, increased, if applicable, by subscription fees.

Subscriptions and redemptions are carried out in accordance with the terms and conditions set forth in the prospectus.

The Fund units may be admitted to trading, in accordance with the regulations in force.

Subscriptions must be fully paid up on the day on which the net asset value is calculated. Subscriptions may be made in cash and/or by a contribution in kind in the form of transferable securities. The Management Company is entitled to refuse any securities offered and, to that end, must announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind are valued according to the rules laid down in article 4 and the subscription is based on the first net asset value following acceptance of the relevant securities.

The fund can cease to issue units in application of subsection 3 of article L214-8-7 of the Monetary and Financial Code (*Code monétaire et financier*), in a provisional or definitive manner, partially or totally, in objective situations leading to the closing of subscriptions such as maximal amount of units issued, a maximal value reached or the expiration of a defined subscription period. The triggering of this tool will be the object of an information by any means of the existing unit holders relating to its activation, as well as the threshold and the objective situation leading to the partial or total closing decision. In the event of a partial closing, this information by any means will explicitly specify the terms and conditions under which existing unit holders can continue to subscribe during this partial closing. The unit holders are also informed by any means of the management company’s decision either to put an end to the definitive or provisional closing of subscriptions (on falling below the trigger threshold), or not to put an end to it (in case of a threshold change or change in the objective situation leading to the triggering of this tool). A change in the invoked objective situation or of the tool’s triggering threshold must always be done in the unit holders’ interest. The information by any means specifies the exact reasons of those modifications.

Redemptions shall be made exclusively in cash, except in the event of the liquidation of the Fund where unitholders have agreed to be reimbursed in securities. Redemptions are settled by the depositary within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended by a maximum of 30 days.
With the exception of a succession or an *inter vivos* gift, the sale or transfer of units between unitholders or unitholders and third parties is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to reach at least the minimum subscription amount stipulated by the prospectus.

Pursuant to Article L. 214-8-7 of the Financial and Monetary Code, in exceptional circumstances the Management Company may instruct the Fund temporarily to suspend unit redemptions or new unit issues, provided such suspension protects unit holders' interests.

If the net assets of the Fund (or, where applicable, a sub-fund) are less than the amount set by the applicable regulations, no unit redemptions may take place (from the relevant sub-fund, if applicable).

Possibility of minimum subscription conditions according to the conditions set forth in the prospectus.

In application of the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, the Fund may stop issuing units in objective situations leading to the closure of subscriptions, such as a maximum number of units or shares issued, a maximum amount of assets reached or the expiry of a fixed subscription period. These objective situations are described in the Fund's prospectus.

Article 4 – Calculation of Net Asset Value

The net asset value of the units is calculated in accordance with the valuation rules specified in the prospectus.

SECTION II

FUND OPERATION

Article 5 - Management Company

The Fund is managed by the Management Company in accordance with the Fund's investment objectives.
The Management Company shall act in the sole interests of the unitholders in all circumstances and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.
Article 5a – Operating rules

The instruments and deposits eligible to form part of the Fund's assets as well as the investment rules are described in the prospectus.

Article 6 – Depositary

The depositary carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those to which it has contractually agreed with the Management Company. It must in particular ensure that the Management Company has made decisions properly. Where necessary it must take any protective measures that it deems necessary. The depositary shall inform the AMF in the event of a dispute with the Management Company.

Article 7 – Statutory auditor

A statutory auditor is appointed for six financial years, subject to the AMF's approval, by the Management Company's governance body.
It shall certify that the accounts are accurate and truthful.
It may be reappointed.

The statutory auditor is obliged to notify the AMF promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the undertaking for collective investment in transferable securities which is liable to:
1° Constitute a breach of legal or regulatory provisions applicable to this entity and likely to have a material impact on the financial situation, results or net assets;
2° Harm the conditions under which it operates or its status as a going concern;
3° Lead to the statement of reservations or refusal to certify the accounts.
Assets will be valued and exchange ratios will be determined for the purpose of any conversion, merger or split under the statutory auditor's supervision.
It shall appraise any in-kind contribution under its responsibility.
The statutory auditor shall assess the accuracy of the composition of the assets and other information before any publication.
The statutory auditor's fees are determined by mutual agreement between the auditor and the Board of Directors or the Management Board of the Management Company on the basis of an agenda indicating all the duties deemed necessary.
It shall certify statements used as the basis for paying interim dividends.
The statutory auditor's fees are included in the external administration fees.

Article 8 – Financial statements and management report

At the end of each financial year, the Management Company prepares the financial statements and a report on the management of the Fund (or, if applicable, each sub-fund) during the last financial year.

The Management Company shall prepare an inventory of the assets of the Fund at least twice yearly and under the supervision of the depositary.

The Management Company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the level of income due to them: these documents shall be sent by post if expressly requested by the unitholders, or made available to them at the offices of the Management Company.

SECTION III

PROCEDURES FOR DISTRIBUABLE SUMS

Article 9 – Procedures for allocating distributable sums

The net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and awards, and directors' attendance fees as well as all income generated by the securities held in the portfolio of the fund (and/or each sub-fund), plus income generated by temporary cash holdings, less management charges and borrowing costs.

The distributable sums are equal to:

1. The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.
2. realised capital gains, net of charges, less any realised capital losses, net of charges, recognised during the financial year, plus net capital gains of the same kind recognised during previous financial years and not yet accumulated, plus or minus the balance of the capital gains equalisation account.

The sums mentioned in points 1 and 2 above may be distributed in full or in part, and independently of each other.

The specific conditions for calculating the distributable amounts are described in the prospectus.

SECTION IV

MERGER – SPLIT – DISSOLUTION – LIQUIDATION

Article 10 – Merger – Split

The Management Company may either merge all or part of the assets of the Fund with another fund that it manages, or split the Fund into two or more mutual funds.
Such mergers or splits may only be carried out after unitholders have been notified thereof. Following any merger or demerger, new certificates shall be issued, specifying the number of units held by each unit holder.

Article 11 – Dissolution – Extension

If the assets of the Fund (or the sub-fund, if applicable) remain below the amount set in Article 2 above for 30 days, the Management Company shall inform the AMF and dissolve the Fund (or the sub-fund, if applicable), except in the event of a merger with another mutual fund.

The Management Company may dissolve the Fund (or sub-fund) early; it shall inform unitholders of its decision and from this date subscription and redemption orders shall no longer be accepted.

The Management Company shall also dissolve the Fund (or sub-fund) if a request is made for the redemption of all the units, if the depositary's appointment is terminated and no other depositary has been appointed, or upon expiry of the Fund's term, unless such term is extended.

The Management Company shall inform the AMF by post of the dissolution date and procedure chosen. It shall then send the AMF the statutory auditor's report.

The Management Company may decide to extend the Fund, subject to the agreement of the depositary. Its decision must be taken at least three months prior to the expiry of the Fund's term and the unitholders and the AMF must be notified accordingly.

Article 12 – Liquidation

In the event of dissolution, the Management Company or depositary shall assume the duties of liquidator; failing this, the liquidator shall be appointed by the court at the request of any interested person. For this purpose, they shall be vested with the broadest powers to sell the Fund's assets, settle any liabilities and distribute the balance to the unitholders, in cash or in securities.
The statutory auditor and the depositary shall continue to perform their duties until the end of the liquidation proceedings.

SECTION V

DISPUTES

Article 13 – Jurisdiction - Address for service

Any disputes relating to the Fund that may arise during the term of the Fund or during its liquidation, either among the unitholders or between the unitholders and the Management Company or the depositary, shall be submitted to the courts having jurisdiction.