

*This document provides you with key investor information for this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.
Only French version has legal validity – In case of dispute, only the French version shall prevail between the parties.*

EXANE MERCURY FUND – CLASS A (CODE ISIN: LU0705307832)
A sub-fund of the Exane Funds 1 Luxembourg SICAV
The fund is managed by Exane Asset Management

OBJECTIVE AND INVESTMENT POLICY

Investment objective: Exane Mercury Fund (hereinafter "Mercury") seeks to deliver an absolute and regular return de-correlated from the financial markets by means of dynamic "long/short equity" investment management.

Investment strategy: Mercury is managed on a discretionary basis, depending on the Investment Manager's expectations. The investment strategy consists in simultaneously managing a portfolio of long positions on companies considered to be undervalued, and a portfolio of short positions on companies considered to be overvalued. These transactions constitute an arbitrage technique that reduces Mercury's exposure to market risk or to a specific sectoral risk. The risk generated by one or more exposures to a downturn in share prices should not be viewed in isolation but should be considered in the context of the overall portfolio and similar securities held by the Sub-fund in long positions. The risk associated with a sale of securities in this context is thus not absolute, but should always be considered as a relative risk.

Investment universe: In regional terms, the investment universe is international. In sectoral terms, the majority of positions are concentrated in chemicals in the broadest sense of the term: commodity chemicals, specialty chemicals, diversified chemicals, agri-chemicals and industrial gases; healthcare sector in its broadest sense: pharmaceuticals, biotechnology, medical technology, medical diagnostics, hospital and care centre management and other medical services; renewable energies.

Minimum recommended investment term: Mercury may be unsuitable for investors wishing to withdraw their investment within two years.

Mercury is an accumulation fund.

Potential leverage: The Investment Manager may use financial contracts to gain synthetic exposure to a company or market. The potential leverage resulting from these financial contracts is limited to 100% of the assets.

Net exposure of the portfolio: The portfolio's net exposure to equity market risk (long positions less short positions) is between -10% and 25%. This limited exposure to equity market risk aims in particular to maintain both low performance volatility and low correlation with equity indices.

Option of redeeming shares subscribed: investors may request the redemption of their shares before 4pm on each Paris stock market trading day.

RISK AND RETURN PROFILE



The synthetic indicator rates Mercury on a scale of 1 to 7, but the risk category with which Mercury is associated is not guaranteed and may change over time. The synthetic indicator of Mercury's risks was produced using an estimate of the volatility of its future performance.

Mercury has been placed in this category because of its diversified exposure to equity risk.

The lowest risk category does not mean "risk free".

Mercury does not provide any guarantee of capital invested. Investors may not get back all the money they have invested.

Risks to which the Fund is exposed that have not been adequately taken into account by the indicator and could result in a fall in the net asset value:

Counterparty risk: Mercury may incur losses through its commitments vis-à-vis a counterparty in connection with its swaps, CFDs, forward contracts, and borrowing and lending of securities in the event of the counterparty's default or its inability to fulfil its contractual obligations.

Credit risk: Mercury is invested in debt securities issued by first-rate issuers that may nevertheless find themselves in the position of being no longer able to fulfil their commitments.

Please see the Fund's prospectus for further information about risks.

CHARGES FOR CLASS A

The charges and fees payable are used to cover the Fund's operating expenses, including the cost of marketing and distributing the shares. These charges limit the potential growth of the investments.

One-off charges taken before or after you invest	
Entry charges	Max 5%
Exit charges	None
The percentage indicated above is the maximum that can be taken from your capital before it is invested.	
Charges taken by the Fund over one year	
Ongoing charges	1.57 % TTC
Charges taken by the Fund under specific conditions	
Performance fee	Maximum 20%, including all taxes, of performance exceeding the capitalised Eonia+1% of annual performance with application of a High Water Mark mechanism Amount of performance fee invoiced for the last financial year: 0.67 %

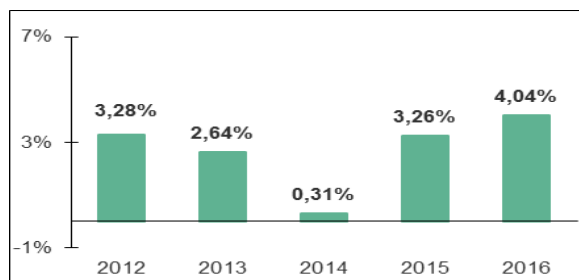
Class A EUR is intended for Institutional Investors.

The entry and exit charges indicated above are always maximum figures. In some cases investors will pay less than these amounts. Investors can obtain a statement of the actual amounts of entry and exit charges from their financial advisors.

Please see section IX of the prospectus and Section 12 of the supplement relating to Mercury for further information about charges and fees and the High Water Mark mechanism applicable to the performance fees.

Ongoing charges do not include performance fees and transaction charges. The rate of the ongoing charges is based on the ongoing charges invoiced for the financial year ended December 2016 and may vary from one year to the next.

PAST PERFORMANCES FOR CLASS A



Past performance is not a reliable guide to future performance. Performance may vary over time.

The Mercury A Share was launched on 30 December 2011. Charges and fees are included in the performance figures given. The performance shown is calculated in EUR

PRATICAL INFORMATIONS

Class	ISIN Code	Target subscriber profile	Currency	Minimum initial investment	Minimum subsequent investment	Appropriation of income
A	LU0705307832	Institutional Investors	Euro	EUR 125,000	None	Accumulation
B	LU0705308210	All investors.	Euro	1 Share	None	Accumulation

The SICAV's prospectus, annual and half-year reports, and any practical information such as the latest net asset values for each Class, are available from the SICAV's registered office, and on the investment manager's website at the following address : <http://www.exane-am.com/en/funds/mercury>

Custodian and Administrative Agent
BNP Paribas Securities Services
60, avenue J.F. Kennedy
L-1855 Luxembourg

The details of the up-to-date remuneration policy of the Management Company are available on:

<https://www.exane-am.com/sites/default/files/eamdocs/EAM-PR.pdf>

a paper copy is available free of charge upon request to the registered office of the Management Company.

Unless the SICAV's documents of incorporation provide otherwise, investors' and creditors' rights in relation to a sub-fund are limited to the assets of this sub-fund as the assets and liabilities of each sub-fund are kept separate.

Investors are advised that the tax legislation in Mercury's country of origin may affect their personal tax position.

Exane Funds 1 will only accept liability for statements made in this document that are misleading or inaccurate, or are inconsistent with the corresponding parts of the Mercury prospectus.

Mercury may issue other types of shares. Investors can find more information on these shares in Mercury's full prospectus or on the Investment Manager's website at the address indicated above.

Shareholders may ask to convert all or some of the shares they hold in a Class of a given sub-fund into shares of another Class of the same sub-fund or another sub-fund, provided that the currency of the shares of the other Class is the same. For further details, shareholders should refer to Section VI 4 of the Prospectus.

Mercury has been approved in Luxembourg and authorised for marketing by Luxembourg's financial sector regulator, the Commission de Surveillance du Secteur Financier. The Investment Manager, Exane Asset Management, has been approved in France and is regulated by France's financial markets authority, the Autorité des Marchés Financiers, under no. GP01015.

No class of shares may be offered or sold to "US person" as defined by Regulation S of the US securities Act of 1933 who are unauthorised persons within the meaning of Article 11 of the Company's Articles of Incorporation.

The key information for investors provided in this document was correct and up to date as of 2017/07/28.