

# Anaxis Bond Opportunity US 2017

French FCP (mutual fund)

Approval date: 23 November 2012

Publication date: 8 February 2016

*UCITS subject to  
European Directive 2009/65/EC*

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## Section I: Prospectus

***UCITS subject to  
European Directive 2009/65/EC***

### Part A - General features

- **Name of UCITS:** Anaxis Bond Opportunity US 2017
- **Legal form and Member State:** FCP (mutual fund) under French law
- **Date of incorporation and projected term:** 7 December 2012 for a term of 99 years
- **Approval date:** 23 November 2012 by the AMF (French securities regulator)

Units	ISIN code	Distribution of earnings	Currency	Eligible subscribers	Minimum initial subscription
E1	FR0011347178	Capitalisation	EUR	All subscribers	One unit
F1	FR0011360098	Capitalisation	SEK	All subscribers	One unit
U1	FR0011347194	Capitalisation	USD	All subscribers	One unit
S1	FR0011347186	Capitalisation	CHF	All subscribers	One unit
I	FR0011347202	Capitalisation	EUR	All subscribers	EUR 1,000,000
J	FR0011347210	Capitalisation	USD	All subscribers	USD 1,000,000

The management company is exempted from minimum initial subscription for Units I and J.

- **Contact point to obtain the Fund Rules, the latest annual report and the latest periodic report:**

Unitholders can obtain the latest annual and periodic reports within 8 business days of submitting a written request to:

Anaxis Asset Management  
9, rue Scribe, 75009 Paris, France  
Tel: +33 (0)9 73 87 13 20  
info@anaxiscapital.com

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

## Part B - Intermediaries

- **Portfolio management company:** Anaxis Asset Management S.A.S.,  
a portfolio management company accredited by the AMF under number GP10000030,  
9, rue Scribe, 75009 Paris, France
  
- **Depository bank and custodian:** BNP Paribas Securities Services S.C.A.,  
a credit institution accredited by the ACPR (French prudential supervisory and resolution authority)  
  
Postal address  
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France  
  
Registered office:  
3, rue d'Antin, 75002 Paris, France  
  
The depository bank and custodian carries out the following duties: administration of securities accounts, processing of settlement/delivery transaction flows, asset custody, management of corporate actions and, in general, any duties required of it under the laws and regulations in force."
  
- **Statutory Auditor:** PwC Sellam,  
represented by Frédéric Sellam,  
63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
  
- **Promoters:**
  1. Anaxis Asset Management S.A.S.  
9, rue Scribe, 75009 Paris, France
  2. its Swiss counterpart, Anaxis S.A.
  
- **Delegate accounting manager:** BNP Paribas Fund Services S.A.S.  
  
Postal address  
Petit Moulin de Pantin, 9, rue du Débarcadère, 93500 Pantin, France  
  
Registered office:  
3, rue d'Antin, 75002 Paris, France  
  
The delegate accounting manager administrates the fund (accounting, calculating net asset values) and is responsible for middle office functions.
  
- **Orders centralised by:** Identity  
Anaxis Asset Management S.A.S.  
9, rue Scribe, 75009 Paris, France  
  
Identity of institution in charge of receiving subscription and redemption orders  
BNP Paribas Securities Services S.C.A.,  
a credit institution accredited by the ACPR (French prudential supervisory and resolution authority)  
  
Postal address  
Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France  
  
Registered office:  
3, rue d'Antin, 75002 Paris, France

## Part C - Terms of operation and management

### 1. General features

- **Type of rights attached to units:** Each unitholder enjoys co-ownership of the Fund's assets in proportion to the number of units held.
- **Management of liabilities:** All units are bearer units. No register is maintained. BNP Paribas Securities Services is responsible for the administration of the issuer's account. The Fund is admitted for trading on Euroclear France.
- **Voting rights:** As the Fund is a co-ownership of marketable securities, there are no voting rights attached to the units. Decisions are taken by the portfolio management company. However, notification of any amendments to the operation of the Fund is given to the unitholders either individually, via the press, or by any other method that complies with AMF Instruction No. 2011-19 of 21 December 2011.
- **Form of units:** All units are bearer units.
- **Fractions of units:** Ten-thousandths of one unit.
- **Balance sheet date:** Last trading day in December.
- **First financial year:** The balance sheet date of the first financial year is 31 December 2013.
- **Taxation:** As mutual funds are without legal personality, they are not subject to corporate tax. Unitholders are taxed as if they were direct owners of a share of the assets, according to the tax scheme applicable to them. Any capital gains and earnings generated from ownership of Fund units may be subject to tax. The applicable tax scheme depends on each investor's individual situation and tax residence, as well as the Fund's investment jurisdiction. Investors are advised to contact their usual advisor to learn about the conditions applicable to their personal situation.

#### INFORMATION ON THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), which took effect on 1 July 2014, where the UCITS invests directly or indirectly in US assets, the income generated from these investments may be subject to a 30% withholding tax. In order to avoid payment of the 30% withholding tax, France and the US entered into an intergovernmental agreement under which foreign financial institutions undertake to establish a procedure for identifying direct or indirect investors that are US persons and to transmit certain information on these investors to the French tax authority, which in turn provides this information to the US Internal Revenue Service. As a foreign financial institution, the UCITS undertakes to comply with FATCA and to take any measures subject to the above-mentioned intergovernmental agreement.

### 2. Specific terms and conditions

- **ISIN codes:**

E1 units:	<b>FR0011347178</b>
F1 units:	<b>FR0011360098</b>
U1 units:	<b>FR0011347194</b>
S1 units:	<b>FR0011347186</b>
I units:	<b>FR0011347202</b>
J units:	<b>FR0011347210</b>

- **Classification:** International bonds and other debt securities.
- **Investment objective:** The Fund aims to outperform, net of fees as at 31 December 2017, the US T-Note with a maturity of 31 December 2017 offering a coupon of 2.75%, calculated using the reinvested coupon method. As at 23 November 2012, the US T-Note offered an actuarial yield of 0.713%.
- **Benchmark index:** The Fund does not seek to replicate or outperform a representative market index. However, its performance may be compared over the recommended investment period to that of the US T-Note with a maturity of 31/12/2017, nominal yield 2.75%, ISIN code US912828PN44.
- **Investment strategy**
  - a. **Description of strategies used:**

The target must be achieved through active and discretionary portfolio management, predominantly using bonds issued by public- or private-sector issuers and other US fixed-income instruments.

Investment strategy in reference to the 31 December 2017 maturity

The Fund is managed according to a maturity set at 31 December 2017. The aim of the investment strategy is to build a portfolio with the best possible balance between the return achieved, the risk of potential default and the probability of a capital loss due to market fluctuations over the recommended investment period. The composition of the portfolio will therefore be adapted over time according to the residual investment period.

The portfolio's sensitivity is expected to decrease over the years. However, some of the securities held may have a maturity date falling after 31 December 2017. Furthermore, a high level of bond investment may be maintained until the liquidation of the portfolio. This liquidation will take place a few weeks prior to maturity, at a rate to be determined according to market conditions at the time.

By 31/12/2017 at the latest, the Fund will be managed on the money market in reference to the average money market rate. The Fund may, after obtaining approval from the AMF (French securities regulator) and notifying the unitholders, opt to wind up, implement a new investment strategy or merge with another UCITS.

General approach

The investment strategy is based first and foremost on an extensive fundamental analysis of US public- and private-sector bonds and on the construction of a robust and diversified allocation based on the selection of individual bonds each for their own merits. The Fund is actively managed but does not seek to capture short-term market trends.

Financial analysis

The investment strategy assesses the issuer's financial solidity, development outlook, sensitivity to economic conditions, liquidity of available issues and their legal characteristics. This analysis aims to identify the most attractive securities. It includes a comparative approach between similar securities in terms of issuer, sector, maturity, subordination rank, etc.

Geographic and sector criteria

The investment strategy favours issuers headquartered in the United States or that generate a large percentage of their revenue in the United States.

Geographic exposure (geographic region of issuers)	Minimum	Maximum
United States	65%	100%
European Economic Area and Switzerland	0%	35%
Other countries	0%	10%

The investment strategy seeks to maintain solid sector diversification. All economic sectors may be considered. However, the Fund does not invest in securities issued by banks or other financial institutions. It should be noted that this exclusion does not apply to financial holding companies and financing structures sometimes used by industrial or service groups.

Rating criteria

The portfolio management team aims to establish reasonable exposure to credit risk. It does not invest in companies already or soon to be in default. However, it is not obligated to sell a security issued by a defaulting company after it is included in the portfolio, should it consider that this would not be in the unitholders' best interest. The analysis and selection of debt instruments is made independently from rating agencies.

Markets

The Fund may invest on the primary and secondary markets.

Tactical allocation and bond sensitivity

The investment strategy also uses a macroeconomic, financial and technical analysis to define the optimal positioning of the Fund. Based on this analysis, the portfolio management team may decide to hold a portion of the Fund's assets in money market products, short-term government debt instruments or government bonds. It may vary the asset allocation by rating or sector.

It may also change the portfolio's sensitivity to general interest rate trends within a range of 0 to 5. To this end, the portfolio management team may use interest rate swaps or futures, within the limit of an overall exposure (all positions combined) of 120% of the Fund's assets.

The credit spread sensitivity range is identical to the range indicated for sensitivity to interest rates.

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

Management of foreign exchange risk

The Fund's reference currency is the USD. Foreign exchange risk generated by any investments in foreign currencies is generally hedged in favour of the USD.

Furthermore, unit categories denominated in currencies such as the EUR, SEK or CHF are continuously hedged against foreign exchange risk in order to protect investors against exchange rate fluctuations between the USD and the unit category's currency of denomination.

Foreign exchange risk is hedged via forward forex transactions or OTC derivatives. Such hedged may prove partial or imperfect. A tolerance threshold of 5% residual exposure has been defined for each of the two sources of foreign exchange risk indicated above; as a result the overall foreign exchange risk incurred by a given unit category is limited to 10%.

Foreign exchange risk	Minimum	Maximum
USD-denominated securities	50%	100%
Securities denominated in other currencies (EUR, CHF, GBP, etc.)	0%	50%
Residual foreign exchange risk exposure after hedging	0%	10%

**b. Categories of assets used:**
**1. Debt securities and money market instruments**
Corporate bonds and negotiable debt securities

This category may comprise up to 100% of the Fund's assets.

The investment strategy focuses on bonds and negotiable debt securities issued by US companies and companies generating a significant percentage of their revenue in the United States. These issuers may or may not be listed.

The securities are generally denominated in USD. They may also be denominated in other currencies (e.g. EUR, CHF, GBP). Securities denominated in currencies other than the USD may comprise up to 50% of the Fund's assets. However, foreign exchange risk is hedged under the best possible conditions and is kept below 10%.

Selected securities may be of any rank (e.g. secured debt, mezzanine, subordinated debt) and have any credit rating. They may also be unrated by a recognised rating agency. High-yield securities and unrated securities may comprise up to 100% of the Fund's assets. However, the Fund does not invest in securities issued by companies in default at the time of purchase.

The analysis and selection of debt instruments is made independently from rating agencies.

These securities may take any form: bonds and other fixed- or variable-rate securities; securities containing legal and financial clauses, such as the possibility for the issuer to recall its debt under conditions set forth at issuance, coupon enhancement clauses, coupon indexing clauses, etc.

Government bonds and similar securities

The Fund may also invest up to 100% of its assets in debt instruments issued by the US federal government.

Clarifications on the legal nature of fixed-income instruments

- Negotiable debt securities of any kind;
- Fixed-, variable- or floating-rate bonds;
- Negotiable medium-term notes (BMTNs);
- Euro medium-term notes (EMTNs), excluding structured EMTNs and EMTNs with embedded forward financial instruments;
- Convertible bonds;
- Inflation-indexed bonds;
- Treasury notes;
- Commercial papers;
- Certificates of deposit.

**2. Convertible bonds and related securities**

The Fund may invest up to 10% of its assets in convertible bonds (or related instruments) with a bond profile, i.e. if the conversion option is largely out-of-the-money, has no significant value and does not generate a convexity effect on the price of the convertible for small variations in the price of the underlying equity. This strategy can enable the Fund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option not priced in by the market. In such case, the portfolio management team will ensure that the Fund's overall equity risk does not exceed 10% of net assets. The Fund may also invest up to 10% of net assets in hybrid securities.

**3. Equities**

Equity exposure is limited to 10% of the Fund's assets. The Fund does not purchase stocks on the market and does not take part in IPOs. However, the Fund may be exposed to this asset category due to the sensitivity of convertible bonds held to the price of underlying equities. Furthermore, the Fund may directly hold equities after exercising the conversion option attached to

convertible bonds. Although such direct positions are not intended to be held over the long term, the Fund is not required to sell them within a predefined period.

#### 4. Deposits

For the purpose of managing its cash holdings, the Fund may carry out deposits with one or more credit institutions, within the limit of 100% of its assets.

#### 5. Derivatives

The Fund may invest in the regulated, organised or OTC futures markets for the purpose of carrying out forex hedging transactions or adjusting the portfolio's bond sensitivity (upward or downward) within a range of 0 to 5. Instruments used may include, in particular, futures, forward foreign exchange contracts and simple interest rate swaps. The Fund's overall exposure, including derivatives, is limited to 120% of net assets.

##### Clarifications on derivatives

Type of markets in which the Fund may invest:

- regulated,
- organised,
- OTC.

Risks to which the portfolio management team plans to expose the Fund:

- interest rate,
- foreign exchange.

Types of transactions, all of which are limited to the achievement of the investment objective:

- hedging,
- exposure.

Types of instruments used:

- futures,
- swaps,
- forward foreign exchange contracts.

Strategy for using derivatives to achieve the investment objective:

- hedging of foreign exchange risk,
- variable hedging of interest rate risk according to Bond Committee forecasts,
- increasing exposure to interest rate risk, according to Bond Committee forecasts, within the limit of overall interest rate risk exposure of 120% of net assets.

#### 6. Securities with embedded derivatives

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

Furthermore, the corporate bonds in which the Fund predominantly invests often contain clauses offering the issuer the possibility of redeeming its bonds early, or requiring it to offer early redemption to bondholders, particularly after the expiry of a certain period, subsequent to certain events or if certain accounting or financial indicators are exceeded. The conditions for exercising these options may vary, and may or may not offer compensation to bondholders.

#### 7. UCITS

The Fund may invest up to 10% of its assets in other French or foreign UCITS with a money market or bond strategy. These UCITS may be managed by the portfolio management company or by an affiliated company.

**8. Cash loans**

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

**9. Securities lending and borrowing**

None.

- **Contracts constituting financial guarantees:**

None.

- **Risk profile:**

**Your money will be predominantly invested in financial instruments selected by the portfolio management company. These instruments will be subject to market trends and developments.**

**a. Main risks:**

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

Credit risk: This is the potential risk that the issuer's rating will be downgraded, which may lead to a decrease in the price of the security and thus the Fund's net asset value (NAV). Furthermore, subscribers should note that investments in low-rated or unrated securities generate higher credit risk.

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

Risk linked to derivatives: The use of derivatives may increase interest rate risk beyond that associated with the bonds and other debt securities held, but without exceeding the 0-5 range indicated above.

Risk linked to discretionary portfolio management: As the Fund is managed on a discretionary basis, there is a risk that the portfolio management team will not select the top-performing securities. Consequently, the Fund may underperform its investment objective and the investment choices made may lead to a decrease in the Fund's NAV.

**b. Ancillary risks:**

Foreign exchange risk: Up to 50% of the Fund's assets may be invested in securities denominated in currencies other than the Fund's reference currency (the US dollar). The foreign exchange risk associated with these investments will be hedged with the aim of keeping this exposure under 5% (all currencies combined). In addition, the Fund offers unit categories denominated in currencies other than the US dollar (EUR, SEK and CHF). For these unit categories, foreign exchange risk against the USD is also kept below 5% via an appropriate hedge. However, unitholders should note that the Fund may be exposed to residual foreign exchange risk, arising either from an imperfect hedge set up by the securities portfolio or specific to non-dollar-denominated unit categories. This risk may lead to a decrease in the Fund's NAV.

Risk associated with holding convertible bonds: Up to 10% of the Fund's net assets may be exposed to the convertible bond market. The value of convertible bonds depends on several factors such as interest rate levels, changes in prices of underlying securities and changes in prices of embedded derivatives. These various factors can lead to a decrease in the Fund's NAV.

Equity risk: Up to 10% of the Fund's net assets may be exposed to the equity market. This limit is defined as the sum of direct and indirect exposures via convertible bonds or undertakings for collective investment. The Fund's NAV will decrease if this market declines.

Risk linked to investments in foreign UCITS and investment funds: Unitholders should note the liquidity risk and the risk of losses associated with potential investments in foreign UCITS and investment funds that do not offer the same degree of security, liquidity or transparency as French UCITS or do not comply with the European Directive. These risks may lead to a decrease in the Fund's NAV.

Risk linked to investments in emerging markets: The NAV may experience larger fluctuations due to potential investments, within the limit of 10%, in securities listed in emerging markets. Such markets may have wider price variations. The conditions of their operations and supervision may differ from the standards in place in large international securities exchanges.

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

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

Liquidity risk: Under very difficult market conditions, the Fund may, due to an exceptionally high volume of redemption requests or due to other exceptional circumstances, be unable to honour redemption requests according to the conditions indicated below. In such case, the portfolio management company may, in accordance with the Fund Rules and in the investors' best interest, suspend redemptions or extend the settlement period.

- **Guarantee or protection:** None.
  
- **Eligible subscribers and typical investor profile:** E1, F1, U1, S1, I and J units are available to all subscribers.  
  
Eligible subscribers include in particular those seeking to invest in the government and corporate bond market with the aim of outperforming the yield offered by US government bonds over the recommended investment period.  
  
The recommended investment period runs until 31 December 2017.  
  
The amount that is reasonable to invest in this Fund depends on each investor's personal situation. To determine their personal situation, investors should consider their personal assets, regulations, current needs over the recommended investment period, as well as their risk appetite or risk aversion. Investors are strongly advised to sufficiently diversify their investments so as to avoid exposing them exclusively to the risks incurred by this Fund.
  
- **Conditions for determining and distributing income:** Net income for the financial year is determined in accordance with regulatory provisions and with the Fund's accounting principles.  
  
Net income is distributed between the unit categories in proportion to their share of total net assets; however, an adjustment is made in order to assign foreign exchange hedging transactions exclusively to the relevant unit categories.  
  
Amounts available for distribution are equal to net income for the financial year plus retained earnings, and plus or minus the balance of the income accrual account related to the financial year ended.  
  
For E1, F1, U1, S1, I and J units, gains are capitalised.
  
- **Frequency of distribution:** None. The Fund does not offer a distribution unit.

■ **Unit features:**

Units	ISIN code	Distribution of earnings	Currency	Frequency	Initial unit value	Minimum initial subscription	Fractional units
E1	FR0011347178	Capitalisation	EUR	Daily	EUR 100	One unit	Ten-thousandths of one unit
F1	FR0011360098	Capitalisation	SEK	Daily	SEK 100	One unit	Ten-thousandths of one unit
U1	FR0011347194	Capitalisation	USD	Daily	USD 100	One unit	Ten-thousandths of one unit
S1	FR0011347186	Capitalisation	CHF	Daily	CHF 100	One unit	Ten-thousandths of one unit
I	FR0011347202	Capitalisation	EUR	Daily	EUR 100	EUR 1,000,000	Ten-thousandths of one unit
J	FR0011347210	Capitalisation	USD	Daily	USD 100	USD 1,000,000	Ten-thousandths of one unit

The management company is exempted from minimum initial subscription for Units I and J.

■ **Terms of subscription and redemption:**

Central processing of orders

Subscription and redemption orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Institution in charge of receiving orders

BNP Paribas Securities Services, Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France

Fractions of units

Ten-thousandths of one unit

Terms of settlement-delivery

Subscriptions and redemptions are settled on value date D+3 working days, with D being the applicable NAV date.

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

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

Switching from one unit category to another is considered from a tax standpoint to be a redemption followed by a new subscription. The same is true for a round trip within the same unit category.

Date and frequency of NAV calculation

Daily NAVs are calculated every day, with the exception of legal holidays in France and days on which the markets are closed (according to the official NYSE Euronext calendar for Paris and New York).

Place and conditions of publication or transmission of NAVs

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

**■ Fees and commissions:**
Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by investors and decrease the redemption price. Fees paid to the Fund are used to offset the Fund's expenses in investing or divesting the assets under management. Fees not paid to the Fund go to the portfolio management company, the promoter, etc.

Fees charged to investors upon subscriptions and redemptions	Base	Rate
Subscription fee not paid to the Fund	NAV x number of units	2% maximum
Subscription fee paid to the Fund	NAV x number of units	None
Redemption fee not paid to the Fund	NAV x number of units	0.8% maximum
Redemption fee paid to the Fund	NAV x number of units	0.2%

Operating and management fees

Operating and management fees cover all expenses invoiced directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the account activity fee, where applicable, that may be charged by the custodian and the portfolio management company.

The following may be charged in addition to operating and management fees:

- Incentive fees. Incentive fees are awarded to the portfolio management company when the Fund exceeds its targets. They are charged to the Fund;
- Account activity fees charged to the Fund;
- A share of the income earned from securities lending and borrowing transactions.

Fees charged to the Fund	Base	Rate
Management fees	Net assets	E1, F1, U1 and S1 units: 1.35% incl. tax (maximum) I and J units: 0.85% incl. tax (maximum)
Maximum indirect fees (management fees and commissions)	Net assets	The fund does not invest more than 10% in other UCITS
Depository bank, custodian, statutory auditor, administrative and accounting representative, centralising agent fees	Net assets	0.10% incl. tax (maximum), with any surplus covered by the portfolio management company
Account activity fee (fully paid to the custodian)	Charged on each transaction	Scale: - Transactions: max. €60 incl. tax - Securities transactions: none
Incentive fee	Net assets	None

The Fund does not pay incentive fees.

The Fund does not carry out securities lending or borrowing transactions, nor any equivalent or similar transactions under foreign law.

#### Intermediary selection procedure

The team chooses intermediaries from a mandatory list of intermediaries approved by the portfolio management company in line with its internal procedures. This list is established on the basis of objective criteria, including in particular quality of service provided and pricing conditions.

## Part D - Sales information

BNP Paribas Securities Services is responsible for the annual distribution of earnings, where applicable. Payment of amounts available for distribution will be made within a maximum period of five months following the end of the financial year.

Subscription orders are received and centrally processed by 12.00 p.m. by BNP Paribas Securities Services and are executed on the basis of the next day's NAV, i.e. at an unknown price.

Unitholders can obtain the latest annual and periodic reports within one week of submitting a written request to: Anaxis Asset Management; 9, rue Scribe, 75009 Paris, France; Tel: +33 (0)9 73 87 13 20; Fax: +33 (0)1 42 65 80 46

The Fund's investment strategy does not include social, environmental or governance (ESG) criteria. Information on this subject is provided in the Fund's annual report and online at [www.anaxiscapital.com](http://www.anaxiscapital.com).

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

## Part E - Investment rules

The Fund is subject to investment rules applicable to coordinated UCITS. These investment rules are referred to in the French Monetary and Financial Code. Amendments to the French Monetary and Financial Code will be applied in accordance with applicable laws and regulations.

Subscribers should note that Point IV of Article R.214-21 of the French Monetary and Financial Code exempts the Fund from the 5%-10%-40% rule referred to in Points I and II of Article R.214-21 of the same Code. In particular, the Fund may invest up to 35% of its assets in securities issued by a given entity if said securities are issued or guaranteed by an OECD Member State, by a local authority of an EU Member State or of a State party to the European Economic Area agreement, or by an international public agency to which one or more EU member states or States party to the European Economic Area agreement belong, or if the securities are issued by CADES (Caisse d'amortissement de la dette sociale).

## Part F - Overall risk

The method used to calculate the overall risk ratio (exposure via forward financial instruments) is the commitment calculation method.

## Part G - Asset valuation rules

The annual financial statements are presented in the format provided for by CRC (French Accounting Regulation Committee) Regulation No. 2003-02 of 2 October 2003 on the accounting principles applicable to UCITS, amended by CRC Regulation No. 2005-07 of 3 November 2005 ratified by the Ministerial Decree of 26 December 2005.

## 1. Asset valuation rules

The Fund complies with the accounting rules set forth by the regulations in force, including in particular the accounting principles applicable to UCITS. The portfolio's value is determined on each NAV calculation date and on the balance sheet date, in accordance with the rules given below. The terms of application are explained in the notes to the annual financial statements. The valuation is based on closing prices.

Transferable securities traded on a regulated market are valued at the closing price on the reference market. Where there is a bid-ask price range, particularly in the case of corporate bonds comprising a significant portion of the Fund's allocation, the price used will be the average of these two prices (valuation at the mid price).

Negotiable debt securities and similar securities that are not subject to significant transactions are valued according to an actuarial method using the interest rate of equivalent or similar securities and adjusted, where applicable, for a gap representative of the features of the security being valued.

However, in the absence of specific sensitivity, negotiable debt securities with a residual lifespan of less than three months are valued using the straight line method: the premium/discount is amortised over the remaining number of days to maturity. If they are acquired less than three months prior to maturity, the interest and premium/discount are calculated using the straight line method.

UCITS and other investment funds are valued either at the last known NAV or at the last known quoted price on the valuation date.

For deposits and borrowings, the amount of the commitment earns interest in accordance with the contractual terms and conditions.

Forward financial instruments traded on a regulated market are valued on the basis of settlement prices on the valuation date for futures and on the basis of closing prices on the valuation date for options.

Forward financial instruments traded over the counter are marked to market according to the conditions set forth by the portfolio management company and presented in the notes to the annual financial statements.

Financial instruments whose prices are not observed on the valuation date or whose prices have been corrected are valued at their probable trading value under the responsibility of the portfolio management company. These valuations and their justification are transmitted to the statutory auditor when it conducts its controls.

## 2. Accounting recognition

The Fund has opted for the US dollar its accounting currency.

Transaction fees are recognised excluding expenses.

Fixed income is recognised using the redeemed coupon method.

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

## Section II: Fund Rules

### ANAXIS BOND OPPORTUNITY US 2017

#### SECTION 1 – ASSETS AND UNITS

##### Article 1 - Co-ownership units

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

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

##### **Unit categories**

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

The different unit categories may:

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

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

The Fund may combine or divide units.

##### **Fractional units**

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

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

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

##### Article 2 - Minimum amount of assets

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

##### Article 3 - Issuance and redemption of units

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

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

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

Subscriptions must be fully paid-up on the NAV calculation date. They may be settled in cash and/or financial instruments. The portfolio management company reserves the right to reject any proposed securities and, to this end, has a period of

seven days from their date of deposit to render its decision. If approved, the contributed securities are valued according to the rules established in Article 4 and the subscription is carried out on the basis of the first NAV following the approval of the securities in question.

Units are redeemed exclusively in cash, except if the Fund is liquidated and where the unitholders have agreed to have their units redeemed in securities. They are settled by the issuer account administrator within a maximum of five days following the valuation of the unit.

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

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

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

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

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

## Article 4 - Calculation of net asset value

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

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

## SECTION 2 – FUND OPERATION

### Article 5a - Portfolio management company

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

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

### Article 5b - Rules of operation

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

### Article 6 - Custodian

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

### Article 7 - Statutory auditor

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

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

Its term may be renewed.

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

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

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

It assesses any contribution in kind under its responsibility.

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

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

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

Its fees are included in management fees.

## Article 8 - Financial statements and management report

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

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

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

## SECTION 3 – CONDITIONS FOR THE ALLOCATION OF AMOUNTS AVAILABLE FOR DISTRIBUTION

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

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

Amounts available for distribution by a Fund are comprised of:

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

The amounts mentioned in 1) and 2) above may be distributed in part or in whole, independently of one another. Payment of amounts available for distribution are made within a maximum period of five months following the end of the financial year.

The portfolio management company decides on the distribution of earnings.

## SECTION 4 – MERGERS - SPIN-OFFS - WINDING-UP - LIQUIDATION

### Article 10 - Mergers - Spin-offs

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

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

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

## Article 11 - Winding-up - Extension

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

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

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

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

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

## Article 12 - Liquidation

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

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

## SECTION 5 – DISPUTES

### Article 13 - Jurisdiction - Election of domicile

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