

PROSPECTUS

UCITS in compliance with
European Directive 2009/65/CE

I. General characteristics

I-1 Structure of the UCITS

Name: HSBC CLIC EURO 85

Legal form and member state in which the UCITS has been established:

Fonds Commun de Placement (FCP), a mutual fund under French law.

Inception date and projected lifetime:

The Fund was created on 18 October 1999 for a duration of 99 years.

Summary of the offering:

Units \ Characteristics	ISIN code	Allocation of distributable sums	Currency of denomination	Eligible subscribers
Units G	FR0000438087	Accumulation	EUR	All subscribers
Units R	FR0010925081			Reserved to HSBC life insurance

Location where to request the latest annual report and latest periodic report:

The latest annual and the composition of the assets are sent within 8 working days of the investor's written request, submitted to:

HSBC Global Asset Management (France)
75419 Paris cedex 08
E-mail : hsbc.client.services-am@hsbc.fr

For any additional information, please contact your usual distribution network's clientele adviser or HSBC Global Asset Management (France) at the address indicated hereabove.

II. Actors

Management company :

HSBC Global Asset Management (France)

Registered office : Immeuble Ile de France- 4 place de la Pyramide- 92 800 Puteaux La Défense 9.

Postal address : 75419 Paris cedex 08.

HSBC Global Asset Management (France) is a portfolio management company approved by the French financial markets authority (*Autorité des marchés financiers*) on 31 July 1999 and registered under No. GP99026

Custodian and depositary:

CACEIS Bank France is a credit institution approved by the French prudential supervisory and resolution authority (*Autorité de contrôle prudentiel et de résolution*).

Registered office: 1-3 place Valhubert – 75013 Paris.

Postal address: 75206 Paris cedex 13.

Centraliser of subscription and redemption orders :

CACEIS Bank France is a credit institution approved by the French prudential supervisory and resolution authority (*Autorité de contrôle prudentiel et de résolution*).

Registered office: 1-3 place Valhubert – 75013 Paris.

Postal address: 75206 Paris cedex 13.

Auditor :

PricewaterhouseCoopers Audit – Crystal Park- 63, rue de Villiers - 92200 Neuilly sur Seine, represented by Mr. Benjamin MOISE

Marketing agents :

HSBC Global Asset Management (France) –

Registered office; Immeuble Ile de France- 4 place de la Pyramide- 92 800 Puteaux La Défense 9.

Mailing address : 75419 Paris cedex 08.

HSBC France – 103, avenue des Champs-Élysées – 75008 Paris.

The FCP may be invested in within the framework of a unit-linked life insurance contract.

The unitholder is informed that not all of the Fund's marketing agents are necessarily commissioned by the management company, and that the latter is unable to establish an exhaustive list of the fund's marketing agents, as this list is constantly changing.

Delegated functions:**Accounting:**

CACEIS FUND ADMINISTRATION

Registered office: 1-3 place Valhubert – 75013 Paris.

Postal address: 75206 Paris cedex 13.

CACEIS FUND ADMINISTRATION is a company specialized in fund accounting and is a subsidiary of the CACEIS Group.

CACEIS FUND ADMINISTRATION is, among others, in charge of the Fund valuation and production of periodic reports.

Advisers:

None

III. Fund operation and management**III-1 General characteristics:****Characteristics of the units:**

- Nature of the rights attached to the units: Each unitholder has a co-ownership right to the Fund's assets which is proportional to the number of units held.
- Registrar / Transfer agent: CACEIS Bank France, is responsible for handling the subscription and redemption in the Fund's units. It is stipulated that the administration of the units is carried out via Euroclear France.

- Voting rights: As the Fund is a co-ownership of transferable securities; no voting right is attached to the units held. Decisions relating to the Fund are made by the management company, in the interests of the unitholders.
- Form of ownership: Bearer form.
- Decimalisation of the units: Holders may subscribe in thousandths of units or in amount.

Closing date:

Last net asset value in December. The first closing has occurred the last day of net asset value calculation in December 2000.

Indications on the tax system:

The Fund's co-ownership status means that it is automatically exempt from corporate tax.

Furthermore, the law indicates that capital gains made on securities sold within the course of the Fund's management are exempt from tax, provided that no individual owns, either directly or indirectly, over 10% of the Fund's units.

The tax regime applicable in France varies depending on the unitholder's specific situation (e.g. natural persons, legal persons subject to corporate tax, companies subject to corporate tax, associations, legal partnerships,...), the unitholder's country of residence and the nature of the investment.

For indicative purposes, the French tax system for a natural person would be the following:

Residents of France:

- On sale, repurchase or redemption of units, application of the taxation on capital gains from transferable securities.

Residents outside of France :

- On sale, repurchase or redemption of units, the French tax on capital gains does not apply, in accordance with article 244 bis C of the French General Tax Code.
- Not subject to French social security payments.

The fiscal regimes described above relate to the direct holding of units.

The tax system will be different if the fund's units are held via other supports (stock savings plans, various life insurance contracts...).

The rules applicable in France are set by the French General Tax Code, and are subject to modification by lawmakers.

European directive on the taxation of savings:

The European Directive 2003/48 EC of 3 June 2003 (Savings Directive), applicable since 1 July 2005, has introduced new provisions intended to ensure the effective taxation of cross-border revenues from savings in the form of "interest payments" (according to the Directive), paid to actual beneficiaries (notably natural persons) who are physical residents of a European Union Member State, of a territory dependent on or associated with a Member State, or of a third party country that has signed a bilateral agreement that includes a reciprocity clause.

For accumulation Funds compliant with the Directive 85/611/EEC or similar (Fund having so opted), this Directive relates to the earnings or the total amount of the proceeds realised at the time of the disposal of the Fund's units in compliance with Directive 85/611/EC or similar, that are more than 25% invested in bonds and other debt instruments.

According to the geographical location of the paying agent (defined as the economic agent who pays interest or allocates the interest payment to the immediate benefit of the actual beneficiary), it either:

- reports information to the tax authorities in the unitholder's country of residence (general procedure)
- or applies an initial withholding tax of 35% since July 1st 2011 (for paying agents located in Austria, Luxembourg and in countries or territories that have signed equivalent agreements such as Switzerland or Monaco).

This Directive has no impact on unitholders whose units are held by a paying agent located in their country of residence.

The status of the HSBC CLIC EURO 85 Fund in relation to this legislation is as follows:

Minimum threshold for investments in bonds and debt securities	Below the threshold	Above the threshold	Undetermined	Fund status
25%		X		IN

The fund's status is indicated on the websites of the main financial information providers.

As a general rule, holders of the Fund's units are invited to contact their usual tax adviser or customer relationship manager in order to determine the tax rules applicable to their specific situations. The adviser may charge a fee for this service, and under no circumstances will the Fund or the management company bear this expense.

III-2 Specific characteristics

ISIN code Units G	FR0000438087
ISIN code Units R :	FR0010925081

Classification: Diversified

Guarantee: capital not guaranteed.

The Protection HSBC France offers for the Fund concerns its future net asset values. Until 30 September 2016, or the preceding valuation day if that day is not a valuation day (the "**Final Protection Issuance Date**"), at the end of each calendar quarter on the day on which the last net asset value of the quarter is calculated (day "t"), the Fund receives the guarantee that all net asset values calculated in the four quarters following "t" will be equal to or higher than 85% of the net asset value recorded on "t". These protections refer to each G or R unit respectively

Management objective:

The management objective is:

1. To provide protection of the net capital invested, as described in the paragraph "Guarantee or protection".
2. To perform a dynamic allocation between risk-bearing and risk-free assets, and thus participate in the evolution of in the Euro zone equity markets and the money market, in proportions that will vary, *inter alia*, according to market conditions, and
3. In the event of an adverse turn in the markets, to expose the portfolio more substantially to the Euro monetary rate market so that it can honour its protections.

Economics of the UCITS:

The fund is designed for investors who wish to derive benefit from exposure to equity markets in the Euro zone in variable proportions, and possibly to the Euro money market, through dynamic, daily management of the allocation between risk-bearing and risk-free assets depending on the market conditions while enjoying protection of their capital in open maturities, excluding subscription fees.

Benefits and disadvantages of the UCITS:

Benefits	Disadvantages
<p>1) Access to equity markets in the Euro zone with dynamic management of the allocation while protecting the capital in maturities.</p> <p>2) The protection may be improved over the fund's lifetime if 85% of an end-of-quarter net asset value is greater than the previously issued protections which are still active.</p> <p>3) In the event of a lasting decline in the markets, the new protections issued, up to 85% of the end-of-quarter net asset value, and valid for one year, are lower than the protections previously issued and arriving at maturity. These new, lower protections enable the manager to re-expose the fund to the shares and thus take advantage of any rebound of the same...</p>	<p>1) In the event of a major adverse turn in the markets, the exposure to Euro zone equity markets may be significantly or even totally reduced. The Fund may then behave like a monetary investment for a few months (without however exceeding one year, the lifespan of the protection) which means that no re-exposure to risk-bearing assets is possible.</p> <p>2) The protection may be decreased over the fund's lifetime if the end-of-quarter net asset values drop over four consecutive quarters.</p> <p>3) Given the aim of protecting the capital, the Fund can only partially derive benefit from market performance. Indeed, in case of an increase of the level of protection, the exposure to the risk-bearing assets may be reduced so that it can honour this new protection (which is valid immediately and for one year). A decrease of the level of exposure will reduce the share of the funds in changes in equity markets.</p>

Benchmark indicator:

No relevant benchmark indicator can be given for this Fund, as a result of its management objective and the strategy pursued. The Fund's management company will conduct dynamic management of the Fund's exposure to equity markets in the Euro zone, and reserves the right to reduce the exposure to these markets down to 0% for the purpose of managing the Fund's protection. As a result, the Fund's exposure to the equity markets may vary greatly over time, making any comparison with a benchmark totally ineffective

See graphs contained in the Key Investor Information Document which illustrate the behaviour of the FCP in various market phases.

Investment Strategy:

The management implemented in the Fund consists in seeking the maximization of the expected performance, subject to complying with the protections provided.

The risk-bearing and risk-free assets used to manage the Fund are made up in the following manner:

- Risk-bearing assets: risk-bearing assets will mainly comprise Euro zone equity index futures, or baskets of shares. Furthermore, the fund may perform OTC transactions on unconditional and conditional forward financial instruments ;
- Risk-free assets: risk-free assets will mainly comprise bonds and other debt securities denominated in Euro and having a short-term rating of at least A-1/P-1 or considered as equivalent by the Management Company, interest rate swaps or floors, and/or monetary UCITs, having a low level of risk.

The management company doesn't mechanistically or exclusively rely on credit rating agencies, for assessing the creditworthiness of assets, and favours its own analysis to estimate the quality of assets, and for the selection of assets, at the time of purchase and redemption.

In order to honour the protections, the investment strategy implemented is a portfolio insurance technique known in financial literature as 'CPPI' (for 'Constant Proportion Portfolio Insurance'). In the Fund, this technique is coupled with the asset allocation strategy implemented by the manager

This technique works in three stages:

- ✓ Initially, the manager will determine, according to the profile of the protections provided, the minimum amount he must hold today to fully ensure the “hardest” of the protections. This amount is referred to as the ‘Floor’.

The difference between this amount and the net assets of the day determines the amount the Fund can risk without jeopardising the protections (amount referred to as the ‘Cushion’).

On the basis of this amount, and on the basis of the maximum instant potential loss estimated on the various investment markets or instruments featuring in the investment sphere, the manager will decide on the maximum amount of risk-bearing assets that the Fund may hold.

- ✓ Secondly, the amount that can be dedicated to the risk-bearing assets will, depending on the manager’s forecasts, be spread partly or entirely between the various potential equity markets, according to HSBC Global Asset Management (France)’s anticipations. The valuation models used to value the various equity markets are models developed by the quantitative research team of HSBC Global Asset Management (France) for more than 10 years.

This exposure can be achieved by investing directly in stocks, by derivatives (performance swaps, futures or share options or equity indexes for exposure to Euro zone markets) or by UCITS.

The investment method chosen has an advantage in that it minimizes trading costs and offers greater liquidity (fast performance).

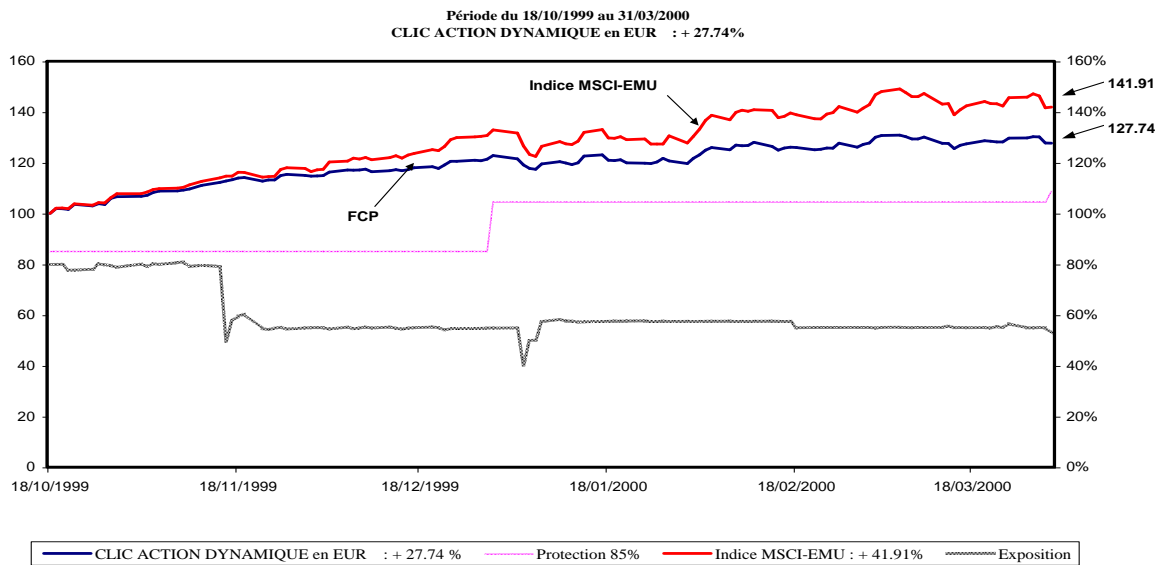
The proportion between risk-bearing and risk-free assets is then constantly re-adjusted, whenever necessary, in the event of market fluctuations. Again very schematically, the proportion of shares may be re-adjusted upwards whenever the difference between the Fund’s net asset value and the Floor increases, and be re-adjusted downwards when the difference between the net asset value and the Floor decreases.

In a highly negative scenario, that is if the net asset value were only very slightly higher than the Floor amount, the Fund would be completely ‘desensitized’ to the equity risk. The net asset value would then progress on average at a rate similar to that of a monetary investment for a few months.

Please find hereinafter, to illustrate the expected behaviour of the Fund, 3 examples corresponding to standard market configurations. These examples are provided to illustrate the management mechanism implemented in the Fund and must not be regarded as a contractual undertaking by the Management Company, or the manager, to achieve the performances shown in these examples, including in apparently identical market configurations.

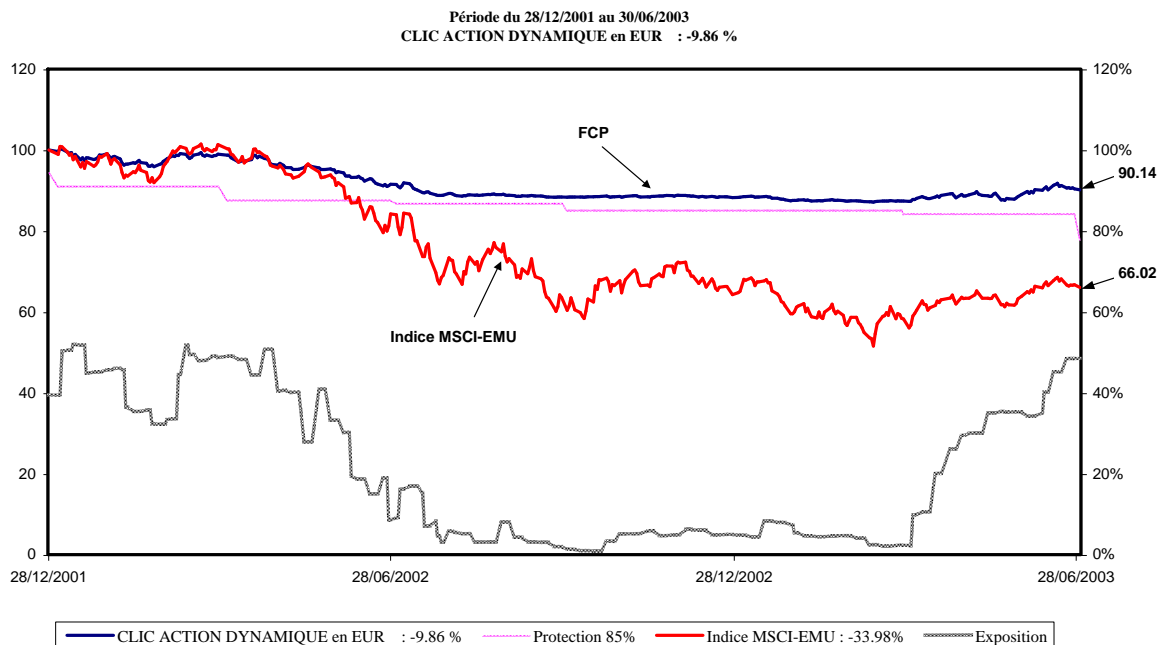
It is specified that the exposure to risk-bearing assets is represented in the three graphs below on the right-hand scale and the net asset value of the Fund as well as variations in the risk-bearing assets on the left-hand scale.

Example of variations in the net asset value of the Fund in the case of a favourable market: an equity market on the increase (historical data, index MSCI EMU).



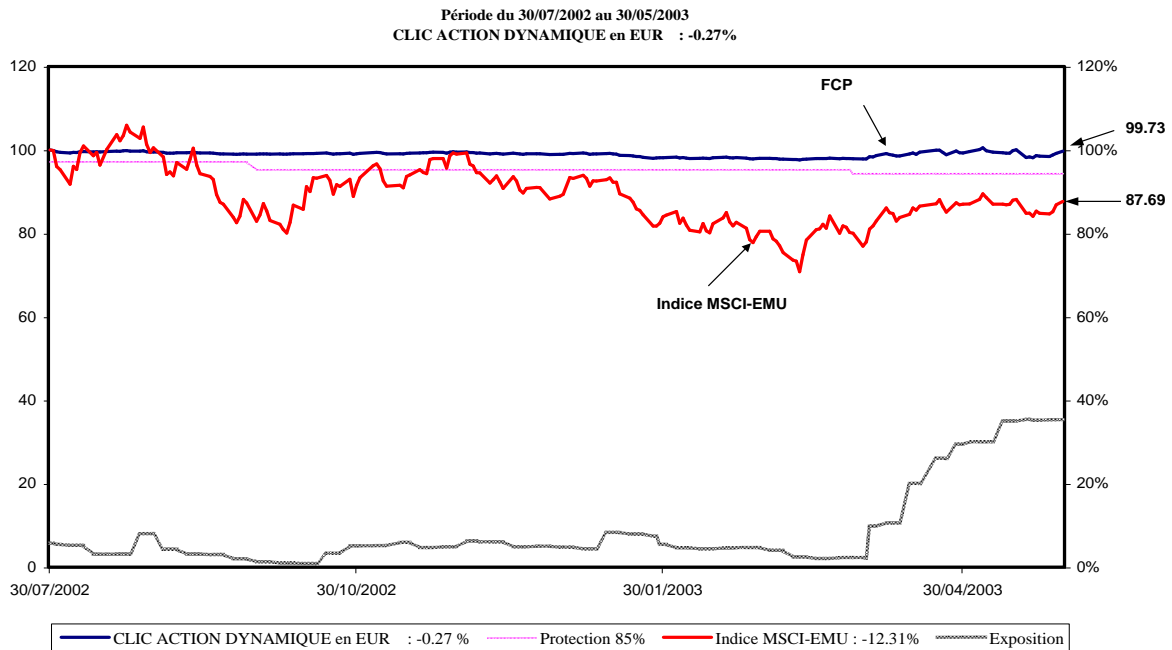
In this example, the market has risen over the period (5 and a half months) by 41.9%, i.e. 116.9% annualised. In this market configuration, the Fund increased by 27.74%, i.e. 71.9% annualised. Thus, a holder who invested 100 euros excluding subscription fees on 18 October 1999, recovered 127.74 euros on 31 March 2000.

Example of variations in the net asset value of the Fund in the case of an adverse market: a substantially declining equity market (historical data, index MSCI EMU).



In this example, the market fell over the period (18 months) by 33.98 %, i.e. -24.18% annualised. In this market configuration, the Fund decreased by 9.86%, i.e. -6.67% annualised. Thus, a holder who invested 100 euros excluding subscription fees on 28 December 2001, recovered 90.14 euros on 30 June 2003.

Example of variations in the net asset value of the Fund in the case of a stable but volatile market over the period (historical data, index MSCI EMU).



In this example, the market showed a decline over the period (10 months) of -12.31% , i.e. -14.6% annualised. In this market configuration, the Fund dropped by 0.27% , i.e. -0.32% annualised. Thus, a holder who invested 100 euros excluding subscription fees on 30 July 2002, recovered 99.73 euros on 30 May 2003.

Financial instruments in the composition of the assets:

This type of strategy is likely to be implemented with several types of different instrument, according to market opportunities. The instruments likely to be used are:

Type of instruments	Intended uses	Characteristics	Intended typical level of use	Holding range to be respected
Equities * and similar securities	For portfolio investment and exposure	French or European Union equities	0 %	0-100 %
Bonds or other debt securities; Term deposits.	Portfolio investment	Public debt or private debt with a short-term rating of A-1 / P-1, or considered as equivalent by the Management Company	90%	0-100 %
Conditional or unconditional forward instruments on international equities or equity indexes, on organised or OTC derivative markets **	For the portfolio's exposure or hedging purposes	Futures and/or options on French or European union equities or equity indexes	50-70%	0-100 %

Interest rate derivatives (swaps)	For protection management		0 %	0-100 %
Units or Shares of other UCITS	For investment (short term monetary UCITSs) or exposure (equity UCITS)	French or European UCITS, managed by the same management company as the Fund.	0%	0-10 %
Temporary disposals of securities **	optimise the overall performance of the UCITS thanks to the additional return generated by securities lending	Possible loan of portfolio shares by reference to the monetary and financial code. <i>Interest: further information is given in the section on fees and commissions</i>	0%	0- 100%

* The voting right policy of the management company is available on our internet website (www.assetmanagement.hsbc.com/fr).

**** Additional information relating to over-the-counter financial futures and temporary transfers of securities:** Eligible counterparties for these transactions are selected according to the procedure described in the paragraph: "Brief Description of the Intermediary Selection Procedure".

The financial guarantees set up within the framework of these transactions are the subject of a financial guarantee policy available on the website of the management company.

This financial guarantee policy specifies:

- The discount applicable to the financial guarantees. This discount depends on the volatility of the security which is characterised by the type of asset received, the rating, the maturity of the security, etc. This discount has the effect of demanding a financial security higher than the market value of the financial instrument.
- The assets accepted by way of guarantee which may consist of cash, government bonds, certificates of deposit and debt securities/bonds issued by private issuers.

Financial guarantees other than cash cannot be sold, reinvested or pledged.

Cash financial guarantees must be:

- deposited with a credit institution having its registered office in an OECD Member State or a Non-Member State having equivalent prudential rules,
- invested in high-quality government bonds,
- invested in reverse repurchase schemes whose counterparty is a credit institution subject to prudential supervision, and for which the UCITS can recall the cash at any time,
- invested in short-term money-market UCITS.

Risk profile:

This Fund will benefit from a protection in open maturities, so the risk taken by the investor can be regarded as relatively low.

However, the unitholders' attention is drawn to the following points:

- Outside the partial protection of the capital in open maturities, as described in the paragraph “Guarantee or Protection”, the yield of this Fund is not guaranteed and will depend on the manager’s ability to choose the most promising Euro zone equity markets and to anticipate general market trends.
- In the event of a significant decline in the markets, the exposure to Euro zone equity markets may be significantly reduced. The Fund may then behave like a monetary investment for a few months.
- The protection, provided by HSBC France, a bank rated S&P AA- as at 1st January 2005, may be ineffective in the event of default of the latter. The likelihood of a case of default of the guarantor arising can however be regarded as extremely low.
- The protections are only issued on the last end-of-quarter net asset values.
- The protection provided to the Fund, as a result of its one year maturity, does not guarantee that 85% of the invested capital net of subscription fees will be preserved over the long term. In the event of a highly adverse and on-going market trend over several years, the protection will enable at least 85% of the invested capital net of subscription fees to be preserved the first year, 72.25% (85% of 85%) the second year, 61.41% the third year and so on and so forth.
- The protection provided to the Fund does not take inflation into account, i.e. with no guarantee of purchasing power.
- Counterparty risk: The UCITS is exposed to the counterparty risk associated with over-the-counter financial futures and temporary purchases and sales of securities. It is the risk that the counterparty with whom a contract was concluded fails to keep its commitments (delivery, payment, reimbursement, etc...). In that case, the counterparty's default could lead to a decrease in the net asset value of the UCITS. This risk is lessened by the conclusion of financial guarantees between the UCITS and the counterparty as described in the Investment Strategy.
- Risk of potential conflicts of interest: The risk of conflicts of interest in connection with transactions involving financial contracts and/or temporary purchases and sales of securities can arise when the intermediary used to select a counterparty or the counterparty itself is related to the management company (or the depositary) by a direct or indirect capital link. The management of this risk is described in the "Conflicts of Interest Policy" devised by the management company and available on its website.

Guarantee or protection:

Establishment providing the protection: HSBC France.

Subject: The Protection HSBC France offers for the Fund concerns its future net asset values. Until 30 September 2016, or the preceding valuation day if that day is not a valuation day (**the Final protection issuance date**), at the end of each calendar quarter on the day on which the last net asset value of the quarter is calculated (day “t”), the Fund receives the guarantee that all net asset values calculated in the four quarters following “t” will be equal to or higher than 85% of the net asset value recorded on “t”.

These Protections apply to each unit G or R.

The Protection granted by HSBC France does not equate to protection of the capital invested in the Fund by the investor but an assurance that, during the protection period granted for the Fund, the investor can submit his shares for redemption at a level that is equal to or higher than the highest of the Protections in force. Consequently, the investor may lose capital, even after the Protection has been implemented, if the net asset value on the redemption date is lower than the net asset value on the date his shares were purchased.

The Protection granted by HSBC France will expire on 30 September 2017, or the preceding valuation day if that day is not a valuation day (**the Protection end date**); the Protection is extendible by tacit renewal for successive one-year periods, subject to the agreement of the guarantor and the Management Company. Should HSBC France or the Management company decide not to renew the Protection, shareholders will be notified one month prior to the Final protection issuance date.

Should HSBC France or the Management company decide not to renew the Protection or to modify its terms, such a change will be submitted for the approval of AMF, the French financial markets regulator. The Fund's shareholders will be informed of this decision under the conditions provided for by the applicable regulations, and the Management company hereby undertakes to change the Fund prospectus accordingly.

The Protection is granted in accordance with the legislation and regulations in force on 1 August 1999.

- If, on a given day "t" prior to the **Final protection issuance date**, HSBC France or the Management company becomes aware of a change in the above legislation or regulations leading to new obligations for the Fund, in particular a direct or indirect financial charge, tax-related or other, HSBC France reserves the right to desist from granting any further Protection, with effect from the day "t" on which the change in the legislation or regulations came to its attention (**Effective date for curtailment of issuance**). Any net asset values already covered by an applicable Protection will continue to benefit from this Protection; however, said Protection may be reduced, as applicable, by any new direct or indirect financial charges, tax-related or other, resulting from a change in the aforementioned legislation or regulations.
- If, on a given day "t" prior to the **Protection end date**, HSBC France or the Management company becomes aware of a change in the above legislation or regulations leading to new obligations for the Fund, in particular a direct or indirect financial charge, tax-related or other, any net asset values already covered by a Protection will continue to benefit from this Protection; however, said Protection may be reduced, as applicable, by any new direct or indirect financial charges, tax-related or other, resulting from a change in the aforementioned legislation or regulations.
- Moreover, if, on a given day "t" prior to the Final protection issuance date, the Management company becomes aware that at least one of the generic rates for BTF of 1- or 3-month maturity continuously quoted on Bloomberg under the codes GBTF1MO and GBTF3MO has fallen below 0.05%, HSBC France or the Management company may decide to desist from granting any further Protection, with effect from the day on which this fact came to its attention and subject to the conditions provided for under the applicable regulations (**Effective date for curtailment of issuance**). Any net asset values already covered by an applicable Protection will continue to benefit from this Protection.

In each of the three aforementioned cases, the Management company reserves the right to decide to accept no further subscriptions as from the date on which the shareholders are notified of their right to redeem their shares at no cost, and, within three months of this date, to wind down the Fund before its prescribed term.

If HSBC France or the Management company decides to issue no further Protection, the Management company will inform the Fund's shareholders of this decision in accordance with the conditions provided for by the applicable regulations, and will change the Fund prospectus accordingly.

Eligible subscribers and typical investor profile:

Units G:

All subscribers.

Units R :

Reserved to HSBC Assurances Vie, the investment Management Company and related companies.

This FCP may be used as a support for unit-linked life insurance contracts.

A typical investor is an investor who wishes to derive benefit from exposure to equity markets in the Euro zone while enjoying, in the event of an adverse turn in these markets, protection of their invested capital net of subscription fees. Please note that the protection is only valid for one year and on the last end-of-quarter net asset value preceding the subscription.

The recommended minimum investment period is minimum 4 years.

The units of the FCP may not be offered to or subscribed by Non-Eligible Persons, as defined below:

- **FATCA**

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("FATCA") impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. The Fund is a FFI and thus, subject to FATCA.

Beginning 1 July 2014, this withholding tax applies to payments to the Fund that constitute interest, dividends and other types of income from U.S. sources (such as dividends paid by a U.S. corporation) and beginning on 1 January 2017, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to U.S. source dividend or interest payments.

These FATCA withholding taxes may be imposed on payments to the Fund unless (i) the Fund becomes FATCA compliant pursuant to the provisions of FATCA and the relevant regulations, notices and announcements issued thereunder, or (ii) the Fund is subject to an appropriate Intergovernmental Agreement to improve international tax compliance and to implement FATCA ("IGA"). The Fund intends to comply with FATCA in good time to ensure that none of its income is subject to FATCA withholding.

France is in negotiations to sign an IGA with the U.S. and the Fund intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations.

In order to comply with its FATCA obligations, the Fund will be required to obtain certain information from its investors so as to ascertain their U.S. tax status. If the investor is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation, the Fund may need to report information on these investors to the appropriate tax authority, as far as legally permitted.

If an investor or an intermediary through which it holds its interest in the Fund either fails to provide the Fund, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Fund to comply with FATCA or is a NPFFI, the investor may be subject to withholding on amounts otherwise distributable to the investor, may be compelled to sell its interest in the Fund or, in certain situations, the investor's interest in the Fund may be sold involuntarily. The Fund may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Fund deems appropriate or necessary to comply with FATCA.

Other countries are in the process of adopting tax legislation concerning the reporting of information. The Fund also intends to comply with such other similar tax legislation that may apply to the Fund, although the exact parameters of such requirements are not yet fully known. As a result, the Fund may need to seek information about the tax status of investors under such other country's laws and each investor for disclosure to the relevant governmental authority.

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, investors who hold their units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

- **RESTRICTIONS ON OFFERS AND SALES TO U.S. PERSONS**

Units of the Fund may not be offered or sold to any "U.S. Person" (a "USP"). For the purposes of this restriction, the term USP shall mean the following:

1. An individual who is deemed a resident of the U.S. under any U.S. law or regulation
2. An entity:
 - i. that is a corporation, partnership, limited liability company or other business entity:
 - a. that was created or organized under U.S. federal or state law including any non-U.S. agency or branch of such entity; or
 - b. where regardless of place of formation or organization, was organized principally for passive investment (such as an investment company or fund or similar entity other than an employee benefit plan or employee pension scheme for the employees, officers, or

principals of a non-U.S. entity having its principal place of business outside the United States);

- and owned directly or indirectly by one or more USPs, with respect to which such USPs (unless defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)) directly or indirectly hold in the aggregate 10% or greater beneficial interest; or
 - where a USP is the general partner, managing member, managing director or other position with authority for directing the entity's activities; or
 - was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC; or
 - where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs; or
- c. that is any agency or branch of a non-U.S. entity located in the U.S.; or
- d. has its principal place of business in the U.S.; or
- ii. that is a trust created or organized under U.S. federal or state law or regardless of the place of creation or organization;
- a. where one or more USPs has the authority to control all substantial decisions of the trust; or
 - b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts; or
 - c. where any settlor, founder, trustee, or other person responsible for decisions related to the trust is a USP; or
- iii. that is an estate of a deceased person regardless of where the person resided while alive where an executor or administrator is a USP.

2. An employee benefit plan established and administered in accordance with the laws of the U.S.

4. A discretionary or non-discretionary investment account or similar account (other than an estate or trust) held by a non-U.S. or U.S. dealer or other fiduciary for the benefit or account of a USP (as defined above). For the purpose of this definition, the "United States" and "U.S." means the United States of America (including the States and the District of Columbia), its territories, possessions and other areas of subject to its jurisdiction."

If, subsequent to a shareholder's investment in the Fund, the shareholder becomes a USP, such shareholder (i) will be restricted from making any additional investments in the Fund and (ii) as soon as practicable have its units compulsorily redeemed by the Fund (subject to the requirements of applicable law).

The Fund may, from time to time, waive or modify the above restrictions.

• **RESTRICTIONS ON OFFERS AND SALES TO CANADIAN RESIDENTS**

The units described in this prospectus may only be distributed in Canada through HSBC Global Asset Management (Canada) Limited, and this prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy units in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a person (including an individual, corporation, trust, partnership or other entity, or other legal person) resident or otherwise located in Canada at the applicable time. For these purposes, the following persons will generally be considered to be a Canadian resident:

1. An individual, if
 - i. the individual's primary principal residence is located in Canada; or
 - ii. the individual is physically located in Canada at the time of the offer, sale or other relevant activity.
2. A corporation, if
 - i. the corporation's head office or principal office is located in Canada; or
 - ii. securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or
 - iii. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).
3. A trust, if

- i. the principal office of the trust (if any) is located in Canada; or
 - ii. the trustee (or in the case of multiple trustees, the majority of trustees) are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or
 - iii. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).
4. A partnership, if
- i. the partnership's head office or principal office (if any) is located in Canada; or
 - ii. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or
 - iii. the general partner (if any) is a Canadian Resident (as described above); or
 - iv. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

The proportion of his/her portfolio that an investor should consider investing in this Fund depends on various personal factors, such as the investor's net worth, risk aversion, investment horizon, etc.

The unit holders are therefore invited to contact their usual clientele representative or adviser if they would like an analysis of their personal situation. They may be charged for this analysis, and under no circumstances will the Fund or the management company bear this expense.

In all cases, it is highly recommended that one should sufficiently diversify one's investments to ensure that they are not exposed solely to this Fund's risks.

Methods of determination and affectation of distributable sums :

In accordance with the regulatory provisions, the net profit for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, directors' fees as well as all income relating to the units constituting the portfolio of the FCP, plus any sums temporarily available, less management fees and borrowing costs

The sums that may be distributed by an undertaking for collective investment in transferable securities consist of:

1. The net profit, plus retained earnings, plus or minus the balance of the income equalisation account; ;
2. The capital gains realised, net of costs, less any capital losses made, net of costs, recognised during the financial year, plus net capital gains of the same kind recognised in previous financial years that were not distributed or capitalised, plus or minus the balance of the capital gains equalisation account.

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

Distributable sum	G and R Units
Net profit (1)	Capitalisation
Net capital gains realised (2)	Capitalisation

The earnings are booked using the accrued interest method.

Characteristics of the units:

The Fund's units are denominated in Euros

Subscription and redemption provisions:

Subscriptions and redemptions can be made in thousandths of units or in amount.

The original net asset value of one unit G is 100 euros (655.96 French Francs).

The original net asset value of one unit R is the same as the net asset value of one unit G on the creation date of unit R.

The subscription and redemption requests are centralised each day at noon (Paris time) by CACEIS Bank France, the address of which is the following: CACEIS Bank France– 1-3 place Valhubert-75013 Paris. They are executed on the basis of the net asset value calculated using the day's closing prices.

Subscription and redemption requests arriving after 12 noon will be executed on the basis of the net asset value calculated using the first next business day's closing prices. Subscription and redemption requests arriving on a non-business day will be executed on the basis of the net asset value calculated using the first next business day's closing prices.

In charge of the centralisation of the subscription and redemptions and of the respect of the closing time:

CACEIS Bank France and HSBC France acting as account holder/custodian for its clients.

Shareholders' attention is drawn to the fact that orders issued to promoters other than those mentioned above must take into account the fact that the cut-off time for order centralisation is that between said promoters and CACEIS Bank France. Accordingly, these promoters may set their own cut-off time, which, in order to factor in the time needed to submit orders to CACEIS Bank France, will be earlier than that mentioned above.

The Fund reserves the right not to accept subscriptions if the number of units outstanding reaches 400,000.

Net asset value calculation periodicity:

Calculation is daily except for public holidays within the meaning of the French Labour Code, the 31 décembre of each year and closing or non-operating days of Euronext and/or Eurex. It is calculated using the closing prices.

Place of publication of the net asset value:

The net asset values can be obtained from the management company, at the following address: HSBC Global Asset Management (France) – 75419 Paris cedex 08.

Fees and commissions:

Subscription and redemption fees:

Subscription fees and redemption fees either increase the subscription price paid by the investor or reduce the pay-out price. The commissions paid to the UCITS serve to compensate for the fees borne by the UCITS for investing or disinvesting the entrusted assets. Any remaining commissions go to the management company, the marketer....

Units G & R

Subscription and redemption fees paid by investors	Base	Rate scale
Subscription commission not paid to the UCITS	Net Asset Value per number of units	For subscriptions presented up to 30 September 2016, 12pm (subscription period): Maximum 3%. For subscriptions presented after 30 September 2016 or if applicable, after the termination of the protection provided for in the paragraph "Guarantee or protection": None
Subscription commission paid to the UCITS	Net Asset Value per number of units	For subscriptions presented up to 30 September 2016, 12pm (subscription period): None For subscriptions presented after 30 September 2016 or if applicable, after the termination of the protection provided for in the paragraph "Guarantee or protection": 3 %
Redemption commission not paid to the UCITS	Net Asset Value per number of units	None
Redemption commission paid to the UCITS	Net Asset Value per number of units	None

Exemption cases: Simultaneous redemption / subscription operations on the basis of the subscription net asset value for a nil balance transaction volume per unit are carried out at no charge.

Operating and management fees:

These fees include all of the fees directly invoiced to the UCITS, except for transaction fees. Transaction fees include the intermediation fees (brokerage, stock market taxes, etc.) and the transfer commission, if any, which can notably be collected by the custodian and the management company.

The following can be added to the operating and management fees:

- *performance commissions. These are paid to the management company when the UCITS has exceeded its objectives. They are therefore invoiced to the UCITS;*
- *transfer commissions invoiced to the UCITS;*
- *a share of the earnings from operations involving the temporary acquisition and disposal of securities.*

	Fees charged to the UCITS	Base	Rate scale
1	Management fees (including auditor, custodian, lawyer, distribution)	Daily net assets	Units G & R : maximum 1.85% per year, tax included ¹
2	Indirect maximum management fees (commissions & fees)	Daily net assets	Not Applicable
3	Transfer commission	Collected on each transaction	Equities : maximum 0.24 % tax included Bonds: maximum 0.024% tax included Money market instruments: maximum 0.006 % tax included
4	Performance commission	Daily net assets	None

Additional information on temporary purchases and sales of securities:

The management company does not receive any remuneration within the framework of these temporary purchases and sales of securities.

The income and proceeds generated by temporary purchases and sales of securities inure completely to the benefit of the UCITS, after deduction according to the type of transaction, of certain direct and indirect operational costs (in particular, the remuneration of the lending agent).

The operational costs and expenses associated with these transactions may also be borne by the management company and not billed to the UCITS.

Brief Description of the Intermediary Selection Procedure:

The management company selects brokers or counterparties according to a procedure that conforms to the regulations applicable to it, and in particular, the provisions of article 314-69 et seq. of the General Regulation of the Autorité des Marchés Financiers ("AMF"). The management company fulfils at all times its "best execution" obligation within the framework of this selection process.

The objective selection criteria used by the management company include order execution quality, the tariffs practiced, as well as the financial standing of each broker or counterparty.

The counterparties and investment firms that will provide HSBC Global Asset Management (France) services are selected according to a precise evaluation process intended to guarantee the company a high service quality. This is a key element of the general decision-making process which integrates the impact of the

¹ As the management company has not opted for VAT, these fees are invoiced without VAT and the tax included amount is equal to the net of tax amount.

broker's quality of service on all our departments: Management, Financial and Credit Analysis, Trading and Middle Office

An entity related to the HSBC Group or to the depositary of the UCITS may be chosen as a counterparty

The "Best Execution and Intermediary Selection Policy" is detailed on the website of the management company.

IV. Commercial information

The FCP may be used within the framework of unit-linked life insurance contracts. In that case, the account keeper chosen by the insurance company will be responsible for providing the holder with information.

All information regarding the Fund can be obtained by directly contacting the management company: HSBC Global Asset Management (France), 75419 Paris cedex 08 or the marketer

All subscription and redemption requests relative to the Fund are centralised by CACEIS Bank France-1-3 place Valhubert-75013 Paris-France.

Information on social and environmental criteria and on governance quality in the investment policy of this UCITS is available on the HSBC website at the following address: (www.assetmanagement.hsbc.com/fr) as well as in its annual report.

V. Investment rules

The legal investment rules which apply are those that govern UCITS authorised in accordance with Directive 2009/65/CE, as well as those which apply to its AMF classification.

VI Global Risk

The method used to calculate the global risk is the commitment method.

VII. Asset value and recognition rules

Financial instruments and securities traded on a regulated market are valued each market day, on the basis of the cash closing price. Off-board securities are assessed on the basis of the price used in the market on the assessment day.

However, the following instruments are assessed according to the specific methods indicated below:

- Financial instruments for which the price has not been determined on the valuation day or for which the price has been corrected are valued at their probable negotiation value, under the management company's responsibility. These valuations and their justification are provided to the auditor at the time of the latter's verifications.
- Securities that are not traded on a regulated market are valued at their probable negotiation value, under the management company's responsibility.
- In case of trades on futures markets, the positions will be revalued on the basis of the making-up prices. For off-balance sheet operations traded over-the-counter, the management company will value the positions according to the market conditions that would allow their settlement.
- Negotiable debt instruments, securities or contracts that are not traded on organised markets that operate on a regular basis and open to the public, are valued by the Fund at the time of the calculation of each net asset value, and primarily according to the following rules :
 - Treasury bonds are valued on the basis of the rates published by the Banque de France,

- Other negotiable debt instruments (deposit certificates, commercial papers, bonds from financial companies, bonds from specialised financial institutions) are assessed:
 - at the market price, for those traded in significant volumes ;
 - for those not traded in significant volumes, by application of a benchmark rate that is corrected, if relevant, by a margin representing the issuer's intrinsic characteristics, with the exception of variable or revisable rate negotiable debt instruments that have no particular sensitivity to the market;
 - However, negotiable debt instruments having a residual life span less than or equal to 3 months and that do not have particular sensitivity to the market can be assessed using the linear method. The application provisions for these rules are set by the management company.
- Securities that are the subject of temporary disposal or acquisition contracts are valued in compliance with the applicable regulations, with the application provisions being determined by the management company.
- The units or shares of UCITS will be assessed at the last known net asset value.
- The interest is recognised using the accrued interest method.

An appendix to the Fund's annual financial statements will contain information about the terms of application of the rules defined above.

Alternative provisions in case of exceptional circumstances

As the net asset value calculation has been entrusted to a service provider that is independent of the management company, any possible failure of the information systems used by the management company will have no consequence on the fund's ability to have its net asset value determined and published.

In case of failure of the service provider's systems, the service provider's backup plan will be implemented in order to ensure the continuity of the net asset value's calculation. As a last resort, the management company has the means and systems required to temporarily make up for the service provider's failure and to establish, under its responsibility, the Fund's net asset value.

However, the Fund's redemption of its units, just like the issuing of new shares, can be temporarily suspended by the management company pursuant to article L. 214-8-7 of the Monetary and Financial Code, if required by exceptional circumstances and if necessary in the interests of the unitholders.

The exceptional circumstances are notably defined as any period during which:

- a) Trading on one of the markets in which a significant proportion of the Fund's investments are generally traded is suspended, or one of the means that is traditionally used by the Management company or its agents to value investments or to determine the Fund's net asset value is temporarily unavailable, or
- b) For another reason, the valuation of the financial instruments held by the Fund cannot, according to the Management company, be established reasonably, quickly and equitably, or
- c) Exceptional circumstances are such that, according to the Management company, it is not reasonably possible to realise all or part of the Fund's assets, or to be active in the Fund's investment markets, or it is not possible to do so without seriously damaging the interests of the bearers of the Fund's units, notably in case of force majeure which would temporarily deprive the Management company of its management systems, or
- d) The operations for the transfer of funds rendered necessary for the realisation or payment of the Fund's assets or for the execution of subscriptions or redemptions of the Fund's units are deferred or cannot, according to the Management company, be carried out quickly using normal exchange rates.

If trading is suspended for any reason, except when notification is provided by the relevant market authorities, unitholders will be notified by an announcement in the press as soon as possible. The information will first be provided to the Financial Markets Authority.

Recognition method

The earnings from financial instruments are recognised using the accrued interest method. The transaction fees are recognised in an account that is separate from the one for the cost price of the assets (known as 'cost-excluded' method)

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| <ul style="list-style-type: none">• <i>UCITS approved by the COB on :</i>• <i>UCITS created on :</i>• <i>Document updated on :</i> | <p><i>September 24th 1999</i></p> <p><i>October 18th 1999</i></p> <p><i>September, 30th 2015</i></p> |
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MANAGEMENT REGULATIONS

SECTION 1 - ASSETS AND UNITS

Article 1 - Joint-ownership of units

The rights of the co-owners are expressed in units, with each unit corresponding to an equal fraction of the Fund's assets. Each unitholder has a joint-ownership right to the Fund's assets in proportion with the number of units held.

The Fund's duration is for 99 years as of its creation date, except in the cases of early dissolution or extension as indicated in the present regulations.

It is possible to group or split the units of the Fund.

The characteristics of the different categories of unit and their conditions of access are stated in the Fund's prospectus.

The different categories of unit may:

- 1/ benefit from different rules in terms of the allocation of income (distribution or capitalisation)
- 2/ be denominated in different currencies
- 3/ incur different management fees
- 4/ incur different subscription and redemption fees
- 5/ have a different par value
- 6/ Be systematically hedged, totally or partly, as defined in the prospectus, by using securities that reduce to the minimum the impact of this hedge on other share classes
- 7/ Be dedicated to one or more sales network

Units may be divided upon decision of the Board of the Management company into thousandths, referred to as "fractional" units.

The provisions of the regulations governing the issue and redemption of units are applicable to the unit fractions, the value of which will always be proportional with that of the share that they represent. All other provisions of the regulations relative to the units apply to the unit fractions without the need to stipulate this, unless indicated otherwise

The management company can carry out a division of the units by the creation of new units that are allocated to the bearers in exchange for the old units.

Article 2 - Minimum amount of the assets

No redemption of the units will be possible if the Fund's assets fall below 300,000 euros (three hundred thousand euros) if the asset's value remains below this amount for 30 days, the management company takes the necessary measures in order to liquidate the UCITS concerned or carries out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of UCITS).

Article 3 - Issue and redemption of units

The units are issued at any time at the request of the holders on the basis of their net asset value plus, where appropriate, the subscription commissions.

Units shall be redeemed and subscribed according to the terms and conditions defined in the complete prospectus. The mutual fund's units can be the subject of a listing in keeping with the applicable regulations.

Subscriptions must be entirely paid up on the net asset value calculation date. They can be paid up in cash and/or by contribution of financial instruments. The management company reserves the right to refuse the proposed securities and, to this end, it has an interval of 7 days as of their deposit in which to indicate its decision. If accepted, the contributed securities are valued according to the rules stipulated in Article 4 and the subscription is carried out on the basis of the first net asset value after acceptance of the securities in question.

Redemptions are carried out only in cash, except in case of liquidation of the Fund, in which case the unit bearers have given their agreement to be reimbursed in securities. They are paid by the account keeper within a maximum of five days of the day of the unit's valuation.

However, if, in the event of exceptional circumstances, the repayment would require the prior sale of the assets comprising the Fund, this interval could be extended, but shall not exceed 30 days.

Pursuant to Article L214-8-7 of the French Monetary and Financial Code (Code monétaire et financier), the Management company may temporarily suspend the redemption of its units by the Fund or the issue of new units, when exceptional circumstances so require and when this is in the best interests of the unitholders.

Except in case of succession or inter-vivos estate distribution, the disposal or transfer of units between unitholders, or from unitholders to a third party, is equivalent to a redemption followed by a subscription; if this involves a third party, the disposal or transfer amount must, if relevant, be completed by the beneficiary in order to attain at least that of the minimum subscription required by the complete prospectus.

In the event the net assets of the Fund fall below the minimum legal threshold, no redemption will be carried out.

The Fund reserves the right not to accept subscriptions if the number of units outstanding reaches 400,000 or in the event of termination of the protection between the date of notification and the date of termination.

The board of directors of the management company may restrict or prevent any person or entity who is prohibited from holding units of the FCP (hereinafter a "Non-Eligible Person"), as defined in the section "Eligible subscribers and typical investor profile" of the prospectus, from holding units of the FCP.

To that end, the board of directors of the management company may:

- (i) refuse to issue units should it appear that such an issue would or could cause the aforementioned units to be directly or indirectly held to the benefit of a Non-Eligible Person;
- (ii) At any time require a person or entity whose name appears on the register of unitholders to provide it with any information accompanied by a declaration on honour that it may deem necessary for the purposes of determining whether or not the beneficial owner of the units in question is a Non-Eligible Person;
- (iii) In case of failure to provide the information required pursuant to paragraph (ii) above, or in case a unitholder appears to be a Non-Eligible Person, communicate the information concerning such investor to the relevant fiscal authorities of such countries with which France has signed an information exchange agreement and;
- (iv) If it appears that a person or entity is (i) a Non-Eligible Person and (ii) alone or jointly, the beneficial owner of the units, carry out a compulsory redemption of all the units held by such a holder.

The compulsory redemption is carried out by the account keeper of the Non-Eligible Person, on the basis of the net asset value according to the formal decision of the management company, decreased if necessary by the costs, duties and commissions applicable, for which the Non-Eligible Person remains liable.

The formal decision of the management company will be preceded by a time of discussion which will be adapted to the case in point but may not be less than 10 days, during which the beneficial owner of the units will be able to present his observations to the competent organ of the management company.

Article 4 - Calculation of the net asset value

The net asset value of the units is calculated in accordance with the assessment rules set out in the detailed memorandum of the complete prospectus.

SECTION II

OPERATION OF THE FUND

Article 5 - The management company

The Fund falls in the category of “diversified UCITs” in the AMF classification. It benefits from protection provided by HSBC France.

In all circumstances, the management company acts in the sole interests of the unitholders and alone exercises the voting rights attached to the securities included in the Fund.

Article 5bis - Operating rules

The eligible instruments and deposits held as assets by the UCITS and the investment rules are described in the prospectus

Article 6 - The custodian

The depositary ensures the missions incumbent on it pursuant to the laws and regulations in force as well as those missions contractually entrusted to it by the management company. It must, in particular, ensure that the decisions of the portfolio management company are proper. It must take all precautionary measures which it deems necessary

In the event of a dispute with the Investment Manager, it shall inform the French Financial Markets Authority (*Autorité des Marchés Financiers, AMF*).

Article 7 - The auditor

An auditor is designated for six fiscal years, with the agreement of the Financial Markets Authority, by the management company's board of directors.

He certifies the truthfulness and accuracy of the accounts

The auditor can be reappointed.

The Auditor must promptly inform *Autorité des Marchés Financiers* of any fact or decision concerning the UCITS of which it obtained knowledge in the course of its duties, likely:

1. to constitute an infringement of the legislative or regulatory provisions applicable to this organisation and likely to have significant effects on its financial situation, profits or assets
2. to jeopardise the conditions or continuity of its operation
3. to lead to the expression of reservations or a refusal to certify the accounts

The valuations of the assets and the determination of exchange parities during transformation, merger or demerger operations are carried out with the auditor's verification.

He evaluates all contributions in kind subject to its responsibility

He verifies the composition of assets and other elements before publication.

The auditor's fees are set by common agreement between the latter and the management company's board of directors, on the basis of the estimated auditing work required.

He certifies the financial statements serving as the basis for the distribution of interim dividends.

His fees are included in the management fees.

Article 8 - Financial statement and management report

At the closing of each fiscal year, the management company prepares financial statements and a report on the Fund's management during the past financial year.

The management company prepares the inventory of the assets of the UCITS on a semi-annual basis at least, subject to the control of the depositary

The management company makes these documents available to the unit bearers within four months of the closing of the fiscal year and informs them of the amount of earnings to which they are entitled: these documents are either sent by mail if expressly requested by the unitholders, or made available to them in the premises of the management company or the custodian.

SECTION III

INCOME ALLOCATION OF EARNINGS PROVISIONS

Article 9 – Terms for the allocation distributable sums

The net earnings for the fiscal year are equal to the amount of interest, arrearages, dividends, premiums and lottery bonds, director emoluments and all other income relating to the securities comprising the fund's portfolio plus the product of sums momentarily available and less management fees and the cost of borrowings.

The sums that may be distributed by an undertaking for collective investment in transferable securities consist of:

- (1) The net profit, plus retained earnings, plus or minus the balance of the income equalisation account;
- (2) The capital gains realised, net of costs, less any capital losses made, net of costs, recognised during the financial year, plus net capital gains of the same kind recognised in previous financial years that were not distributed or capitalised, plus or minus the balance of the capital gains equalisation account.

The sums mentioned in 1) and 2) may be distributed, in whole or in part, independently of each other.

The conditions governing the allocation of sums available for distribution are specified in the prospectus

SECTION IV

MERGER - DEMERGER - DISSOLUTION – LIQUIDATION

Article 10 - Merger – Demerger

The management company can either contribute, in a whole or in part, assets included in the Fund to another UCITS that it manages, or divide the Fund into two or more other funds for which it will provide management.

These merger or demerger operations can only be carried out after the bearers have been notified of them. They can result in the delivery of a new certificate of the number of units held by each unitholder.

Article 11 - Dissolution – Extension

If, for 30 days, the Fund's assets remain below the amount stipulated in article 2 above, the management company would inform the Financial Markets Authority of this and, in the absence of a merger with another mutual fund, carry out the Fund's dissolution.

However, in the event of termination of the protection, the Management company may proceed with the early dissolution of the Fund.

The management company can carry out the Fund's dissolution in case of a redemption request for all of the units, termination of the custodian's functions, when no other custodian has been designated, or upon the expiry of the Fund's duration, if it has not been extended. It may also dissolve the Fund in the event that the first hypothesis of Article II of the guarantee contract should arise.

The management company informs the Financial Markets Authority by mail of the chosen dissolution date and procedure. It then provides the Financial Markets Authority with the auditor's report.

The Fund's extension can be decided by the management company, in agreement with the custodian and the promoters. Its decision must be taken at least 3 months before the Fund's maturity and declared to the unitholders and to the Financial Markets Authority.

Article 12 – Liquidation

In the event of the Fund's dissolution, the Management company or the Custodian, with its agreement shall assume the role of liquidator; otherwise the liquidator will be appointed by the court at the request of any interested party. For this purpose, they shall be granted the broadest powers to sell the assets, pay off creditors, if any, and divide the available balance among the unitholders in the form of cash or securities. The Auditor and the Custodian shall continue to perform their duties until the end of the closing transactions.

SECTION V

CONTESTATION

Article 13 - Jurisdiction – Addresses for service

Any dispute relating to the Fund that might arise during the lifetime of the Fund or on its liquidation, either between unit bearers, or between unit bearers and the management company or the custodian, is subject to the jurisdiction of the competent courts.

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