

## II. General Characteristics

### 1/ STRUCTURE OF THE UCITS

#### Name:

OFI RS EURO EQUITY SMART DELTA CONVEX (the "Fund" or the "Feeder Fund")

#### Legal structure and Member State in which the UCITS was constituted:

Mutual fund under French law

#### Feeder

OFI RS EURO EQUITY SMART DELTA CONVEX is the Feeder Fund for the fund OFI RS EURO EQUITY SMART BETA, the "Master" or "Master Fund".

The Master for I and R units in OFI RS EURO EQUITY SMART DELTA CONVEX are XL units in OFI RS EURO EQUITY SMART BETA.

#### Date of creation and envisaged duration:

The Fund was created on 16 January 2007 for a term of 99 years.

#### Summary of management offer:

Characteristics				
ISIN code	Allocation of income	Currency	Subscribers concerned	Minimum amount of initial subscriptions
<b>R units:</b> FR0010411868	Capitalisation	EUR	All subscribers	Nil
<b>I units:</b> FR0011525658	Capitalisation	EUR	All subscribers and more specifically intended for Institutional Investors	€250,000

#### The latest annual report and the latest periodic statement are available from:

The latest annual and periodic documents are sent free of charge within one week, on a written request from the unit-holder to:

OFI ASSET MANAGEMENT  
22 rue Vernier – 75017 PARIS  
[contact@ofi-am.fr](mailto:contact@ofi-am.fr)

These documents are also available at [www.ofi-am.fr](http://www.ofi-am.fr).

Further explanations are available, at any time, from the Sales Department of OFI Asset Management (Tel.: +33 (0) 1 40 68 17 17) or on request, by writing to the following e-mail address: [contact@ofi-am.fr](mailto:contact@ofi-am.fr)

The documents relating to the Master Fund OFI RS EURO EQUITY SMART BETA, governed by French law, accredited by the French Financial Markets Authority, are available from the Management Company on written request sent to the following address:

OFI ASSET MANAGEMENT  
22 rue Vernier – 75017 PARIS  
[contact@ofi-am.fr](mailto:contact@ofi-am.fr)

These documents are also available at [www.ofi-am.fr](http://www.ofi-am.fr).

### **III. Interested parties**

Further explanations are available, at any time, from the Sales Department of OFI Asset Management (Tel.: +33 (0) 1 40 68 17 17) or on request, by writing to the following e-mail address: [contact@ofi-am.fr](mailto:contact@ofi-am.fr)

#### **Management company:**

##### **OFI ASSET MANAGEMENT**

Limited Liability Company with a Board of Directors and a Supervisory Board  
22 rue Vernier – 75017 Paris

Portfolio management company registered by the Commission des Opérations de Bourse on 15 July 1992 under no. GP 92-12

#### **Depositary and custodian:**

##### **SOCIETE GENERALE**

Credit establishment created on 8 May 1864 by a decree of authorisation signed by Napoleon III  
29, boulevard Haussmann - 75009 Paris.

Postal address of Depositary: 75886 Paris Cedex 18 (France)

##### **Identity of the Depositary of the UCITS**

The Depositary of the Fund, SOCIETE GENERALE S.A., acting through its Securities Services Department (the "Depositary"). Société Générale, with its registered office at 29, boulevard Haussmann, Paris (75009), registered with the Companies Register for Paris under number 552 120 222, is an establishment authorised by the Autorité de Contrôle Prudentiel et de Résolution (APCR) and subject to the supervision of the Autorité des Marchés Financiers (AMF).

##### **Description of Depositary's responsibilities and potential conflicts of interest**

The Depositary has three types of responsibilities, respectively, supervision of the regularity of the management company's decisions, monitoring the cash movements of the Fund and safekeeping of the assets of the Fund.

The primary objective of the Depositary is to protect the interest of the unit-holders/investors of the Fund.

Potential conflicts of interest may be identified, in particular in the case where the Management Company also has commercial relations with Société Générale, alongside its appointment as Depositary (which may be the case when Société Générale calculates, by delegation of the Management Company, the net asset value and UCITS of which Société Générale is the Depositary or when there is a group connection between the Management Company and the Depositary).

To manage these situations, the Depositary has introduced and updated a procedure for managing conflicts of interest, aiming at:

- Identification and analysis of situations of potential conflicts of interest
- Recording, management and monitoring of situations of conflicts of interest by:
  - (i) relying on the permanent measures in place in order to manage conflicts of interest, such as segregation of tasks, separation of hierarchical and functional lines, monitoring lists of insider dealing, dedicated IT environments;
  - (ii) Implementing, on a case-by-case basis:
    - (a) preventive and appropriate measures such as the creation of an ad hoc monitoring list, new Chinese walls or by verifying that transactions are processed appropriately and/or with provision of information to the customers concerned
    - (b) or by refusing to manage activities which may give rise to conflicts of interest

**Description of any safe-keeping duties delegated by the Depositary, list of delegates and sub-delegates and identification of conflicts of interest likely to result from such delegation**

The Depositary is responsible for the safe-keeping of the assets (as defined in Article 22.5 of Directive 2009/65/EC amended by Directive 2014/91/EU). In order to offer the services associated with the safe-keeping of assets in a large number of countries and to allow the UCITS to achieve their investment objectives, the Depositary has appointed sub-depositaries in countries where the Depositary does not have a direct local presence. These entities are listed on the website:

[http://www.securitiesservices.societegenerale.com/uploads/tx\\_bisgnews/Global\\_list\\_of\\_sub\\_custodians\\_for\\_SGSS\\_2016\\_05.pdf](http://www.securitiesservices.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf)

In accordance with Article 22a (2) of the UCITS V Directive, the process for appointment and supervision of sub-depositaries follows the highest quality standards, including management of potential conflicts of interest which might arise on the occasion of these appointments. The Depositary has drawn up an effective policy for the identification, prevention and management of conflicts of interest in accordance with national and international regulations as well as international standards.

Delegation of the Depositary's safe-keeping functions may result in conflicts of interest. These have been identified and are controlled. The policy implemented by the Depositary consists of a mechanism which makes it possible to prevent the occurrence of any conflict of interest situation and exercise its activities in such a way that guarantees that the Depositary is always acting in the best interests of the UCITS. Prevention measures consist in particular, of ensuring the confidentiality of the information exchanged, physically separating the main activities which may enter into conflicts of interest, identifying and classifying remuneration and monetary and non-monetary benefits and setting in place mechanisms and policies regarding gifts and events.

Up-to-date information relating to the above points will be sent to the investor on request.

**Statutory Auditor:****CABINET PRICEWATERHOUSECOOPERS AUDIT**

2 Rue Vatimesnil

CS60003

92532 LEVALLOIS PERRET CEDEX

Represented by Mr Frédéric Sellam

**Marketer:****OFI ASSET MANAGEMENT**

Limited Liability Company with a Board of Directors and a Supervisory Board

22 rue Vernier – 75017 Paris

Since the Fund is admitted for trading on Euroclear France, its units may be subscribed or redeemed with financial brokers who are not known to the management company.

**Delegates:****Accounts manager:****SOCIETE GENERALE**

29, boulevard Haussmann - 75009 Paris.

In particular, the accounts management delegation agreement entrusts SOCIETE GENERALE with updating of the accounts, calculation of the net asset value, preparation and presentation of the documents necessary for the Auditors' audit and conservation of accounts documents.

**Centralising function by delegation by the Management Company:****SOCIETE GENERALE**

Credit establishment created on 8 May 1864 by a decree of authorisation signed by Napoleon III - 29, boulevard Haussmann, 75009 Paris

Postal address of function of centralisation of subscription/redemption orders and keeping of registers:

32, rue du Champ-de-tir — 44000 Nantes (France) ;

As part of the management of the liabilities of the Fund, the centralisation of subscription and redemption orders, as well as the keeping of the unit issuer account, are performed by the Depositary (by delegation of the Management Company).

## IV. Operating and management procedure

### 1/ GENERAL CHARACTERISTICS

- Nature of the right attached to the unit category:

Every unit-holder has a right of joint ownership on the assets of the Fund proportional to the number of units owned.

- Arrangements for holding liabilities:

Registration in the custodian's register for units registered as administered. The Fund is admitted for trading on Euroclear France.

- Voting right:

No voting right is attached to the units, decisions being made by the Management Company.

However, information about changes to operation of the Fund is given to unit-holders, either individually or via the press, or by any other means in accordance with instruction 2011-19 of 21 December 2011.

- Structure of units:

Registered / bearer

- Fractional R and I units:

☒ YES ☐ NO

☐ tenths ☐ hundredths ☐ thousandths ☒ ten thousandths

### Closing date:

Last trading day worked in Paris and Frankfurt (EUREX) in December.

### Information about tax arrangements:

The Fund as such is not liable to taxation. However, unit-holders may bear taxation on account of the income distributed by the Fund, where applicable, or when they sell its shares.

The tax arrangements applicable to the sums distributed by the Fund, or to the deferred capital gains or losses or those realised by the Fund, depend on the tax provisions applicable to the investor's specific situation, their residence for tax purposes and/or the jurisdiction of investment of the Fund. Thus, certain income distributed in France by the Fund to non-residents may be liable, in that State, to withholding tax.

**Warning:** depending on your tax arrangements, potential capital gains and income associated with holding units in the Fund may be liable to taxation. We recommend that you ask your usual tax adviser for information about this.

## **The American tax law, the Foreign Account Tax Compliance Act ("FATCA")**

The objective of the American law, the FATCA, signed into law on 18 March 2010, is to reinforce the prevention of tax evasion by introducing an annual declaration to the American tax administration (the IRS, Internal Revenue Service) for accounts held outside the US by American taxpayers.

Sections 1471 to 1474 of the Internal Revenue Code ("FATCA") impose withholding tax of 30% on certain payments on a foreign financial institution (FFI) if the said FFI fails to comply with the FATCA. The Fund is an FFI and is therefore governed by the FATCA act.

These FATCA withholding taxes may be levied on those payments made in favour of the Fund, except if the Fund complies with the FATCA act under the provisions of said act, and with the corresponding legislation and regulations, or if the Fund is governed by an Intergovernmental Agreement (IA) so as to improve application of international tax provisions and implementation of the FATCA act.

France thus signed an Intergovernmental Agreement (IA) on 14 November 2013; the Fund may take all measures necessary to monitor compliance, according to the terms of the IA and local implementing regulations.

In order to fulfil its obligations associated with the FATCA act, the Fund must obtain certain information from its investors, so as to establish their US tax status. If the investor is a designated US person, a non-American entity owned by an American entity, a Non-Participating Foreign Financial Institution (NPFFI), or on failure to furnish the required documents, the Fund may have to report information about the investor in question to the competent tax administration, provided this is permitted by law.

All OFI Group partners will also have to communicate their status and identification number (GIIN: Global Intermediary Identification Number) and immediately notify all changes relating to these data.

Investors are invited to consult their own tax advisers regarding the requirements of the FATCA concerning their personal situation. In particular, investors holding units through intermediaries must ensure compliance by the said intermediaries with the FATCA so as not to be subjected to any withholding tax on the returns from their investments.

## 2/ SPECIFIC PROVISIONS

### Characteristics of units:

**ISIN code R Units:** FR0010411868

**ISIN code I Units:** FR0011525658

**Classification of the Master Fund OFI RS EURO EQUITY SMART BETA:** Shares of Eurozone Countries

### Fund of funds:

Yes ☒ No ☐

### Management objective:

**Management objective of the Master Fund:** the objective of the Master Fund OFI RS EURO EQUITY SMART BETA is to achieve a performance above that of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach.

**Management objective of the Feeder Fund:** the objective of the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX is to achieve a performance above that of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach and by acting using a structural approach over equity risk hedging strategies.

Due to its own fees and its own equity risk hedging strategy, the performance of the Fund will differ from that of the Master Fund OFI RS EURO EQUITY SMART BETA.

### Benchmark:

The benchmark indicator of the Fund is identical to that of the Master Fund OFI RS EURO EQUITY SMART BETA, i.e.:

*The investor may compare the Fund's performances with those of the calculated EURO STOXX Reinvested Net Dividends index (SXXT Ticker).*

*The EURO STOXX index is the subgroup made up of the most liquid names in the STOXX Europe 600 index. The index has a variable number of components (around 300) and represents large, medium-sized and small capitalisations in eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.*

*It is calculated daily. (For more information about this index: [www.stoxx.com](http://www.stoxx.com)).*

*However, the Fund's objective is not to reproduce, in one way or another, the performance of this index. It makes investments based on criteria which can result in significant discrepancies in relation to the behaviour of the index.*

## Investment strategy of the Feeder Fund

The management strategy of the Feeder UCITS OFI RS EURO EQUITY SMART DELTA CONVEX differs from that of its Master UCITS OFI RS EURO EQUITY SMART BETA:

OFI RS EURO EQUITY SMART DELTA CONVEX is the Feeder Fund for XL units in the Master Fund OFI RS EURO EQUITY SMART BETA.

For all Fund units, investment will be made for a minimum of 85% of the net assets of the Fund in the XL units of the Master Fund (whose management strategy is detailed above). The rest of the assets (15% of the net assets of the Fund) can only be made up of cash holdings and financial contracts concluded for net hedging transactions so that its net equity exposure remains between **30% and 100%**. The range of equity exposure of the Master Fund OFI RS EURO EQUITY SMART BETA lies between **90% and 100%** of the net assets.

The Fund will be structurally invested in a partial equity risk hedging strategy through one or more Total Return SWAPs (TRS).

Each TRS which forms part of this hedging strategy will systematically replicate the performance of a basket of put options. At the time of their acquisition, the TRS will have a maturity greater than or equal to 1 year.

The basket of put options is built up and develops based on systematic and quantitative criteria: each basket of put options on a given day is made up of 2 times 250 put options (each of them having, per pair, a different maturity: 2 x 1 one day maturity options, 2 x 1 two day maturity options, etc., 2 x 1 one year maturity options (250 days). Each 2 x 1 day options achieve maturity and are systematically replaced by 2 x 1 one year options, each of which will have a different exercise price.

These two exercise prices, given as a percentage of the closing rate of the underlying (for example 90% and 100%), are determined in advance at the time of acquisition of a TRS, and will be identical each individual day in value (and not in %). Depending on the development of the underlying, they will differ each day.

The underlying for each option is the EuroStoxx 50 and has been chosen in order to lower the base risk while ensuring significant correlation with the benchmark indicator for the Master Fund, the EURO STOXX Reinvested Net Dividends.

On a discretionary basis, the management strategy may involve the sale and/or purchase of call options and/or futures options on EuroStoxx 50 in order to generate additional revenue while maintaining an overall hedging strategy. In addition to instruments such as Futures and Options on equities and equity indexes and other types of equity medium, Swaps and Forwards on equities and equity indexes, Swaps on equity derivatives and other types of equity media may also be used, although not systematically.

More specifically for I units, for investors subject to the Solvency II Directive, this hedging strategy also has the aim of mitigating risk within the meaning of Directive 2009/138/EC of 25 November 2009 (known as Solvency II), thereby reducing the Solvency Capital Requirement (SCR) level.

## Investment strategy of the Master Fund

### ➤ Strategies used by the Master Fund:

*The Fund investment universe is defined by all of the components of the EURO STOXX index. Based on dynamic allocation, the manager invests in the securities that make up the index for its universe without seeking to apply the same weighting to each security in its index, however. The Fund will mainly invest (90% of its net assets) in the eurozone.*

*The eligible investment universe is defined using a 'best in class' approach, by selecting 2/3 of the best SRI Scores in each sector within the investment universe for the Fund (Eurostoxx Index).*

*The investment process applies both financial and non-financial criteria in order to favour a "Socially Responsible Investment" (SRI) selection of companies in the portfolio.*

*1/ Based on their investment universe, every three months or when required, depending on market conditions, the manager makes a sector allocation based on the volatility of each composite sector and their joint correlations, in order to offset their contributions to the overall risk (financial criterion).*

*2/ The manager applies an SRI filter to the components in each sector so as to keep only 2/3 of the companies with the best SRI scores for their sector, as established by the SRI team for the OFI group (non-financial criterion)*

*3/ Finally, each security is allocated sector by sector on a discretionary basis. However, this is constrained by the initial sector allocation (financial criterion).*

*The SRI research team carries out a detailed analysis of the environmental and social issues specific to each sector of activity, and of governance issues.*



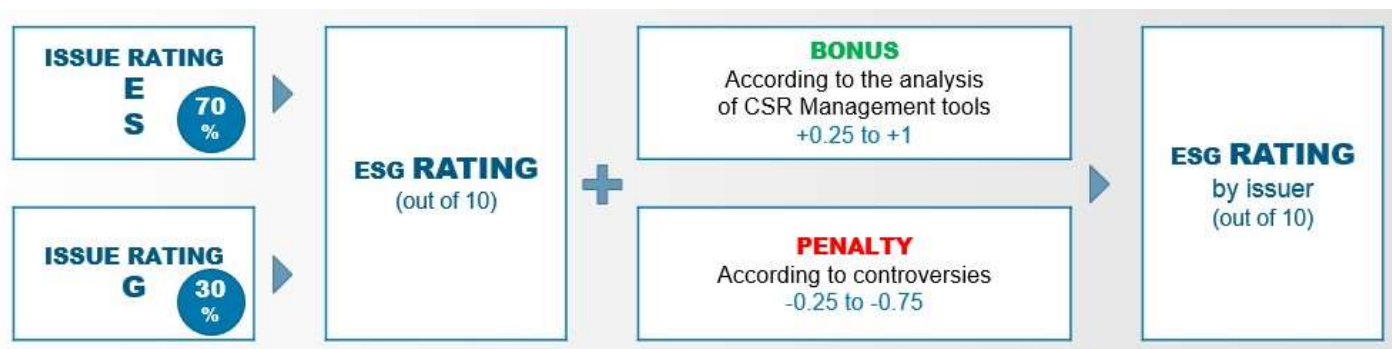
This study is carried out taking into account Environmental, Social and Governance elements, namely:

- the Environmental dimension: direct or indirect impact of the issuer's activity on the environment: climate change, natural resources, project financing, toxic waste, green products
- the Social dimension: direct or indirect impact of the issuer's activity on stakeholders: employees, customers, suppliers and civil society, by reference to universal values (notably: human rights, international work standards, environmental impact, prevention of corruption, etc.)
- the Governance dimension: processes as a whole, regulations, laws and institutions influencing the way the company is directed, administered and controlled.

Depending on the management company's analysis, the Environmental, Social and Governance issues (ESG) constitute areas of risk which may have significant financial impacts on the issuers and therefore on their sustainability. Furthermore, issuers who include sustainable development issues in their growth strategy create opportunities which contribute to their economic development. To this end, the ESG analysis complements and enriches the traditional financial analysis.

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. Based on the sector-based reference for key issues, an ESG Score is calculated per issuer, which includes, first, the key issue scores (with a weighting of 70% for Environmental and Social issues and 30% for Governance), any penalties associated with controversies not yet integrated in the scores for key issues and any bonuses associated with analysis of the key issues.

This ESG score is calculated out of 10.



Companies' ESG scores are used to establish an SRI score corresponding to the ranking of the issuer's ESG score compared to other actors in its ICB super-sector (level 2). The SRI score is established on a scale of 0 to 5, 5 corresponding to the best ESG score in the sector.

For OFI RS EURO EQUITY SMART BETA, the eligible investment universe is defined using a selection of 2/3 of the best SRI Scores in each sector within the investment universe for the Fund (Eurostoxx Index).

#### Qualification of the investment universe

Using a 'best in class' approach, the eligible investment universe is defined by selecting 2/3 of the best SRI Scores in each sector within the investment universe for the Fund (Eurostoxx Index).

For information, within each sector, companies are ranked according to their SRI Score.

Each SRI category covers 20% of companies in the ICB2 sector, and these categories run as follows:

- Under supervision: companies lagging behind in consideration of ESG issues
- Uncertain: companies whose ESG issues are poorly managed
- Followers: companies whose ESG issues are averagely managed
- Involved: companies active in consideration of ESG issues
- Leaders: companies most advanced in the consideration of ESG issues

Summary: ICB classification is an international sector-based classification facilitating a comparison of companies based on four levels of classification. ICB classification divides firms into 10 industries (ICB1), then within these industries there are 19 super-sectors (ICB2), 41 sectors (ICB3) and 114 sub-sectors (ICB4). Each security is classified exclusively within one of these 114 sub-sectors, depending its main source of income.



The mutual fund adheres to the AFG Eurosif Transparency Code for SRI funds open to the public, available at [www.ofi-am.fr](http://www.ofi-am.fr). This Code describes in detail the non-financial analysis method, along with the SRI selection process applied.

➤ Assets (excluding integrated derivatives):

- Shares:

The Fund will constantly be exposed to at least 90% of its net assets in equity markets in the eurozone.

The Fund will be invested in equities, with no sectoral distribution constraints.

Owing to its eligibility for the SSP taxation system and its classification as "Eurozone Country Equities", it is invested at least up to 75% of its assets in shares of companies whose registered office is located in a Member State of the European Union or in another State within the European Economic Area which has signed a tax convention with France which includes an administrative assistance clause aimed at combating fraud and tax evasion, and which are subject to corporate taxation or equivalent in their country of origin".

- Debt securities and money market instruments:

To achieve the management objective, or in the context of cash management for the Fund, the manager may use bonds, debt securities and money market instruments within the limit of 10% of its net assets.

- UCI equities or units:

The Fund may invest up to a maximum of 10% of its net assets:

- in units and/or equities of UCITS governed by French or foreign law (in accordance with Directive 2009/65/EC) which themselves invest up to a maximum of 10% of their assets in units or equities of other UCITS, AIFs or investment funds;
- in units or equities of UCIs and investment funds other than those stated above and which meet the conditions set out in 1) to 4) of article R. 214-13 of the Monetary and Financial Code.

The Fund reserves the possibility of investing in UCIs promoted or managed by companies in the OFI group.

- Other eligible assets:

The Fund may hold up to 10% of the net assets in an accumulation of money market instruments, debt securities or capital securities not traded on a regulated market complying with Article R. 214-12 of the Monetary and Financial Code.

➤ Derivative instruments of the Master Fund:

**Strategies on financial contracts.**

The Fund can operate on fixed-term or conditional financial instruments traded on regulated and organised markets (French, foreign and/or over-the-counter).

In this context, the manager may take positions with a view to hedging the portfolio against or exposing the portfolio, on a discretionary basis, to equity risks by using instruments such as Futures and Options on equities and equity indexes, Swaps and Forwards on equities and equity indexes.

Total exposure of the portfolio is not intended to be above 100%.

Share derivatives:

For exposure to and as a hedge against the general share market risk, the Fund may use futures contracts listed on the main international indexes for equities, individual equities or any other type of equity type medium. The Fund may manage this exposure through options on these indexes or futures.

**Commitment of the Fund on financial contracts**

The method for calculation of the global risk is the commitment method.

### **Counterparties to transactions on financial contracts traded over-the-counter**

*The manager may process over-the-counter transactions with the following counterparties: Morgan Stanley, Société Générale, BNP and UBS.*

*In addition, the management company maintains relations with the following counterparties with whom the manager may have to deal: HSBC, Bank of America Merrill Lynch, Barclays, Crédit Suisse, Goldman Sachs, JPMorgan, Nomura, Banque Fédérative du Crédit Mutuel, CIC, Natixis, ABN AMRO, BBVA, Banco Santander, Dresdner Bank, Deutsche Bank, CACIB and RBC.*

*The Fund Management Company selects its counterparties for their expertise in each category of derivatives and each type of underlying asset, for their jurisdiction of incorporation and for the Management Company's assessment of their default risk.*

*None of these counterparties has discretionary decision-making power on the composition or management of the Fund portfolio or on the underlying assets of the financial contracts acquired by the Fund, or has to give its approval for any transaction relating to the portfolio.*

*By means of the transactions realised with these counterparties, the Fund bears the risk of their defaulting (insolvency, bankruptcy, etc.). In such a situation, the net asset value of the Fund may fall (see definition of this risk in the "Risk profile" section below).*

### **Financial guarantees**

*In line with the Management Company's internal policy and with the aim of limiting the risks, it has put in place financial guarantee contracts, commonly known as "collateral agreements", with its counterparties.*

*The financial guarantees authorised by these agreements are sums of money in euros or in currencies and, for some of them, transferable securities.*

*If the Management Company does not receive guaranteed financial securities, it has neither a policy for discount of securities received, nor a way to evaluate the guarantees in the security.*

*In the case of receipt of the financial guarantee in cash, this may be:*

- *Invested in Short-Term Monetary Mutual Funds (UCI), or*
- *not invested and placed in a cash account held by the Fund Depositary*

*The management of financial guarantees may carry operational, regulatory and safekeeping risks. The risks associated with reinvestments of assets received depend on the type of assets or the type of transactions and may consist of liquidity risks or counterparty risks.*

*The management company possesses the human and technical means necessary to manage these risks.*

*The financial guarantees received from the counterparties are not subject to restrictions with regard to their reuse.*

*The Fund does not place any restrictions on its counterparties with regard to reuse of the financial guarantees supplied by the Fund.*

### **Safe-keeping**

*The derivative instruments and the guarantees received are kept by the Fund depositary.*

### **Remuneration**

*The Fund is a direct counterparty to transactions on derivative instruments and receives all revenue generated by these transactions. Neither the management company nor any third party receives any remuneration in respect of transactions on derivative instruments.*

## **➤ Derivative instruments of the Feeder Fund:**

### **Strategies on financial contracts**

The Fund can operate on fixed-term or conditional financial instruments traded on regulated and organised markets (French, foreign and/or over-the-counter).

In this context, the manager may take positions with a view to hedging the portfolio against or exposing the portfolio, on a discretionary basis, to equity risks by using instruments such as Futures and Options on equities and equity indexes, Swaps and Forwards on equities and equity indexes.

The use of financial futures instruments is not intended to lead to net exposure of the Fund greater than 100% of the net assets.

The UCI may use financial futures instruments where this respects its global limit calculated using the probabilistic method (see "Global Risk").

#### Equity derivatives:

For exposure to and as a hedge against the general share market risk, the Fund may use futures contracts listed on the main international indexes for equities, individual equities or any other type of equity type medium. The Fund may manage this exposure through options on these indexes or futures.

With regard to the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX, the Fund invests up to a minimum of 85% of its net assets in its Master Fund, but it may act directly on firm or conditional financial futures instruments, traded on regulated and organised markets, French or foreign, and/or OTC.

Positions are systematically taken with a view to hedging the portfolio against exposure to the "equity" risk of its Master Fund through the use of a Total Return Swap. In addition to instruments such as Futures and Options on equities and equity indexes and other types of equity medium, Swaps and Forwards on equities and equity indexes, Swaps on equity derivatives and other types of equity media may also be used, although not systematically. The use of these instruments, sitting on a single underlying, may only result in the net hedging of the Fund against equity risk. The equity exposure of the Master Fund OFI RS EURO EQUITY SMART BETA lies between **90%** and **100%** of the net assets, while the equity exposure of the Feeder OFI RS EURO EQUITY SMART DELTA CONVEX is between **30%** and **100%**.

#### **Commitment of the Fund on financial contracts**

The method chosen to calculate the global risk ratio of the Fund differs from that of the Master Fund. The commitment of the Fund is calculated according to the probabilistic method with an absolute VaR at a horizon of one week with a probability of 95% (see Point VI Global Risk in this prospectus).

The maximum leverage of the Fund, given for information only, calculated as the sum of the nominal values of the positions on financial futures instruments used, is **100%**. However, the fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

#### **Counterparties to transactions on financial contracts traded over-the-counter**

The manager may process over-the-counter transactions with the following counterparties: Morgan Stanley, Société Générale, BNP and UBS. In addition, the management company maintains relations with the following counterparties with whom the manager may have to deal: HSBC, Bank of America Merrill Lynch, Barclays, Crédit Suisse, Goldman Sachs, JPMorgan, Nomura, Banque Fédérative du Crédit Mutuel, CIC, Natixis, ABN AMRO, BBVA, Banco Santander, Dresdner Bank, Deutsche Bank, CACIB and RBC.

The Fund Management Company selects its counterparties for their expertise in each category of derivatives and each type of underlying asset, for their jurisdiction of incorporation and for the Management Company's assessment of their default risk.

None of these counterparties has discretionary decision-making power on the composition or management of the Fund portfolio or on the underlying assets of the financial contracts acquired by the Fund, or has to give its approval for any transaction relating to the portfolio.

By means of the transactions realised with these counterparties, the Fund bears the risk of their defaulting (insolvency, bankruptcy, etc.). In such a situation, the net asset value of the Fund may fall (see definition of this risk in the "Risk profile" section below).

#### **Financial guarantees**

In line with the Management Company's internal policy and with the aim of limiting the risks, it has put in place financial guarantee contracts, commonly known as "collateral agreements", with its counterparties.

The financial guarantees authorised by these agreements are sums of money in euros or in currencies and, for some of them, transferable securities.

If the Management Company does not receive guaranteed financial securities, it has neither a policy for discount of securities received, nor a way to evaluate the guarantees in the security.

In the case of receipt of the financial guarantee in cash, this may be:

- Invested in Short-Term Monetary Mutual Funds (UCI), or
- not invested and placed in a cash account held by the Fund Depositary

The management of financial guarantees may carry operational, regulatory and safekeeping risks. The risks associated with reinvestments of assets received depend on the type of assets or the type of transactions and may consist of liquidity risks or counterparty risks.

The management company possesses the human and technical means necessary to manage these risks.

The financial guarantees received from the counterparties are not subject to restrictions with regard to their reuse.

The Fund does not place any restrictions on its counterparties with regard to reuse of the financial guarantees supplied by the Fund.

**Safe-keeping**

The derivative instruments and the guarantees received are kept by the Fund depositary.

**Remuneration**

The Fund is a direct counterparty to transactions on derivative instruments and receives all revenue generated by these transactions. Neither the management company nor any third party receives any remuneration in respect of transactions on derivative instruments.

**The following information is applicable to both the Master and Feeder Funds.**

➤ Securities with embedded derivatives: (within a limit of 20% of the net assets)

*Nature of instruments used*

*Essentially, Warrants, Subscription Warrants and any type of bond medium to which a right of conversion or subscription are attached.*

*The strategy of use of embedded derivatives in order to achieve the management objective:*

*Interventions on securities with embedded derivatives shall be of the same nature as those realised on derivative instruments. Recourse to securities with embedded derivatives is subordinate on their potential advantage in terms of costs/efficiency or liquidity.*

➤ Deposits: (within a limit of 10% of the net assets)

*The mutual fund may make deposits of a maximum term of 12 months, with one or more credit establishments. The aim of these deposits is to contribute to the remuneration of the cash position.*

➤ Cash borrowing:

*In the context of normal operation, the mutual fund may occasionally find itself in a debtor position and have recourse, in this case, to cash borrowing, within the limit of 10% of its net assets.*

➤ Acquisition transactions and temporary purchase and sale of securities:

*The Fund is not designed to carry out acquisitions transactions or temporary purchase or sale of securities.*

## Risk profile:

The risk profile of the Fund differs from that of the Master Fund OFI RS EURO EQUITY SMART BETA as set out below, owing to its own hedging strategy.

### Risk profile of the Master Fund:

*Your money will be invested in financial instruments selected by the management company. These instruments will experience market developments and fluctuations.*

*The Fund is classified as "Shares of eurozone countries". The investor is therefore mainly exposed to the risks below, this list not being exhaustive.*

#### Capital loss risk:

*Investors are advised that the performance of the UCITS might not conform to their objectives and that their capital might not be returned in full, the Fund not benefiting from any guarantee or protection of capital invested.*

#### Equity risk:

*The Fund is invested in or exposed to one or more equity markets which may experience strong fluctuations, and to small and medium capitalisations which, taking account of their specific characteristics, may present a liquidity risk. The attention of investors is drawn to the fact that fluctuations in the price of the portfolio assets and/or the market risk will result in a significant reduction in the net asset value of the Fund.*

#### Interest rate risk:

*Because of its composition, the Fund may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and fixed-rate bonds falls when rates rise. The net asset value will fall if interest rates rise.*

*Model risk: the management process for the Fund is based in part on the use of two proprietary models. One of these is used to determine the risk level of an asset compared to other assets in the portfolio, while the other is a non-financial scoring model (including some ESG criteria). There is a risk that these models are not efficient. The performance of the Fund may therefore be below the management objective.*

*Counterparty risk: This is risk linked to the Fund using futures contracts traded OTC. These transactions made with one or more eligible counterparties could potentially expose the Fund to the risk of one of these counterparties defaulting, which could lead to a payment default.*

As the Feeder Fund may take positions, using up to 15% of its net assets, with a view to hedging its portfolio against its Master Fund's exposure to equity risk, it can be potentially exposed to the risk of its counterparties defaulting.

Counterparty risk of the Feeder Fund: This is risk linked to the Fund using futures contracts traded OTC. These transactions made with one or more eligible counterparties could potentially expose the Fund to the risk of one of these counterparties defaulting, which could lead to a payment default.

**Subscribers concerned and standard investor profile:**

R unit: All subscribers

I units: All subscribers with a minimum initial subscription amount of EUR 250,000 with the exception of the following persons who may only subscribe to one unit:

- The Management Company of the Fund or of an entity belonging to the same group,
- The Depositary or an entity belonging to the same group,
- The promoter of the Fund or an entity belonging to the same group.

The Fund is the Feeder Fund for XL units of the Master Fund OFI RS EURO EQUITY SMART BETA

The amount which it is reasonable to invest in the Fund depends on the personal situation of the investor. To determine this, the investor must take into account their assets/personal wealth, their current requirements and the recommended minimum investment term but also their wish to take risks or, on the contrary, to favour prudent investment. They are also strongly recommended to sufficiently diversify their investments, so as not to expose them exclusively to the risks of this Fund.

Recommended term of investment: 5 Years

## Procedure for determination and allocation of income:

Capitalisation Entry into the accounts according to the cashed interest method.

Entry into the accounts according to the cashed coupon method.

The sums distributable by an UCITS are made up of:

- 1 The net result plus the carry forward, plus or minus the balance of the income adjustment account;
- 2 The capital gains made, net of costs, minus capital losses made, net of costs, established during the financial year, plus net capital gains of the same nature established during previous financial years not having formed the subject of distribution or capitalisation, and minus or plus the balance of the capital gains adjustment account.

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

The management company decides on the allocation of results.

Distributable sums are paid out within a maximum of five months following the end of the financial year.

The Fund has opted for the following formula

### Distributable amounts relating to the net result:

- ☒ pure capitalisation: the distributable sums relating to the net result are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;
- ☐ pure distribution: the distributable sums relating to the net result are distributed in full, rounded to the nearest whole number. The management company may decide on the payment of exceptional part payments.
- ☐ the management company decides, each year, on allocation of the net result. The management company may decide on the payment of exceptional part payments.

### Distributable sums relating to capital gains made:

- ☐ pure capitalisation: distributable sums relating to capital gains made are capitalised in full;
- ☐ pure distribution: the distributable sums relating to capital gains made are distributed in full, rounded to the nearest whole number. The management company may decide on the payment of exceptional part payments.
- ☒ the management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

## Characteristics of units:

Characteristics				
ISIN code	Allocation of income	Currency	Subscribers concerned	Minimum subscription amount
<b>R units:</b> FR0010411868	Capitalisation	EUR	All subscribers	Nil
<b>I units:</b> FR0011525658	Capitalisation	EUR	All subscribers and more specifically intended for Institutional Investors	€250,000



### Subscription and redemption procedure:

Subscription and redemption requests are centralised every valuation day up to 10am with the Depositary and are matched based on the next net asset value, at an unknown rate.

The corresponding payments are made on the second non-holiday trading day following the Net Asset Value date applied.

Subscriptions are made as an amount and/or as a quantity of units (ten thousandth), except for the initial minimum subscription of I units, which is given as an amount (minimum 250,000 euros). Redemptions are carried out only in quantity of units (ten thousandths).

The original net asset value of R units is: EUR 1,000

The original net asset value of I units is: EUR 50,000

Body designated for centralising subscriptions and redemptions:

SOCIETE GENERALE

32, rue du Champ-de-tir, 44000 Nantes (France).

Date and frequency of calculation of the net asset value: Daily.

The net asset value is calculated every non-holiday trading day worked in Paris and Frankfurt, and is dated that same day.

However, on the final day of the year, if the Paris and Frankfurt stock exchange is closed, a net asset value will be calculated based on the latest known prices. However, this will not be used for Subscriptions/Redemptions.

The net asset value of the fund is available on simple request from:

OFI ASSET MANAGEMENT

22 rue Vernier – 75017 PARIS

At the following e-mail address: [contact@ofi-am.fr](mailto:contact@ofi-am.fr)

Investors intending to subscribe to units and unit-holders wishing to proceed with redemption of units are invited to make inquiries with the company holding their account regarding the deadline for consideration of their subscription or redemption request, this deadline possibly being prior to the centralisation time mentioned above.

## Fees and expenses:

### ➤ Subscription and redemption fees:

Subscription and redemption fees are added to the subscription price paid by the investor, or deducted from the redemption price. Commission retained by the Fund serves to offset the costs borne by the Fund to invest or divest the assets entrusted. Commission not retained is paid to the management company or to the marketers.

<b>Fees payable by the investor, collected at the time of subscriptions and redemptions.</b>	<b>Base</b>	<b>Rate / scale</b>
Subscription fee not retained by the Fund	Net asset value X number of units	Nil
Subscription fee retained by the Fund	Net asset value X number of units	<b>0.125%</b>
Redemption fee not retained by the Fund	Net asset value X number of units	Nil
Redemption fee retained by the Fund	Net asset value X number of units	<b>0.125%</b>

### **Exemptions**

The Management Company may decide to not deduct all or part of the subscription or redemption fee.

### **Summary of the subscription fees for XL units of the Master Fund OFI RS EURO EQUITY SMART BETA**

<b>Fees payable by the investor, collected at the time of subscriptions and redemptions.</b>	<b>Base</b>	<b>Rate / scale 1 units</b>
<i>Subscription fee not retained by the Master Fund</i>	<i>Net asset value X number of units</i>	<i>Nil</i>
<i>Subscription fee retained by the Master Fund</i>	<i>Net asset value X number of units</i>	<i>Nil</i>
<i>Redemption fee not retained by the Master Fund</i>	<i>Net asset value X number of units</i>	<i>1% maximum (*)</i>
<i>Redemption fee retained by the Master Fund</i>	<i>Net asset value X number of units</i>	<i>Nil</i>

(\*) The investment of the Fund in the Master Fund is exempt from any subscription or redemption fees.

➤ Management fees:

Fees cover all costs invoiced directly to the Fund, with the exception of transactions costs.

For more detail about the fees actually charged to the Fund, please refer to the Key Investor Information Document.

	Costs charged to the Fund	Base	Rate/scale R Unit	Rate/scale I Unit
1	Management company's internal and external management fees (auditor, depositary, distribution, lawyers, etc.)	Net assets	R unit: 1.40% incl. tax	I unit: 0.65 % incl. tax
2	Maximum indirect costs	Net assets	Units indirectly bear the Master costs listed in the following table	Units indirectly bear the Master costs listed in the following table
3	Maximum turnover fee per transaction (1)  Service provider collecting turnover fee: <b>100% depositary/custodian</b>	Fixed fee per transaction  <b>UCI</b>  <b>"Ordinary" OTC products</b> <b>"Complex" OTC products</b>  <b>Compensated derivatives</b>	EUR 0 to 80 excl. tax  EUR 0 to 50 excl. tax EUR 0 to 150 excl. tax  EUR 0 to 450 excl. tax	EUR 0 to 80 excl. tax  EUR 0 to 50 excl. tax EUR 0 to 150 excl. tax  EUR 0 to 450 excl. tax
4	Outperformance fee	Net assets	N/A	N/A

Operating and management fees are directly charged to the profit and loss account of the fund on calculation of each net asset value.

1) For completion of its mission, the depositary, acting in its capacity as custodian of the Fund, implements fixed or flat-rate rates per transaction depending on the nature of the securities, markets and financial instruments traded.

Any additional invoicing paid to an intermediary is passed on in full to the Fund and is posted as transaction costs in addition to commission collected by the depositary.

The fees shown above are based on a VAT rate in force.

Exceptional legal costs associated with potential recovery of debts are not included in the blocks of fees mentioned above.

**Furthermore, as a Feeder Fund, the Fund indirectly bears the following costs, billed to XL units of the Master Fund OFI RS EURO EQUITY SMART BETA:**

	<b>Fees charged to the UCITS</b>	<b>Base</b>	<b>Rate/scale XL units</b>
1	Management company's internal and external management fees (auditor, depositary, distribution, lawyers, etc.)	Net assets	0.35% incl. tax
2	Maximum turnover fee per transaction (1)  Service provider collecting turnover fee: <b>100% depositary/custodian</b>	Fixed fee per transaction  <b>Transferable securities and monetary products</b> Eurozone and Mature Countries Emerging Countries  <b>UCI</b>  <b>"Ordinary" OTC products</b> <b>"Complex" OTC products</b>  <b>Compensated derivatives</b>	EUR 0 to 120 excl. tax EUR 0 to 200 excl. tax  EUR 0 to 120 excl. tax  EUR 0 to 50 excl. tax EUR 0 to 150 excl. tax  EUR 0 to 450 excl. tax
3	Outperformance fee	-	20% incl. tax above the Euro Stoxx Reinvested Net Dividends index

Operating and management fees are directly charged to the profit and loss account of the fund on calculation of each net asset value.

\* Turnover fees are collected in full by the Depositary and reimbursed, in full or in part, to the Custodian and/or the Management Company.

(1) For completion of its mission, the depositary, acting in its capacity as custodian of the UCITS, implements fixed or flat-rate rates per transaction depending on the nature of the securities, markets and financial instruments traded.

Any additional invoicing paid to an intermediary is passed on in full to the UCITS and is posted as transaction costs in addition to commission collected by the depositary.

Operating and management fees are directly charged to the profit and loss account of the Fund on calculation of each net asset value.

The fees shown above are based on a VAT rate in force.

Exceptional legal costs associated with potential recovery of debts are not included in the blocks of fees mentioned above.

Therefore for R units of the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX, the maximum amount of the direct and indirect management fees will be:

Direct management fee:	Maximum 1.40% incl. tax
Indirect management fee:	Maximum 0.35 % incl. tax
<b>Total management fees:</b>	<b>Maximum 1.75% incl. tax</b>

Therefore for I units of the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX, the maximum amount of the direct and indirect management fees will be:

Direct management fee:	Maximum 0.65% incl. tax
Indirect management fee:	Maximum 0.35 % incl. tax
<b>Total management fees:</b>	<b>Maximum 1.00% incl. tax</b>

➤ Outperformance fee of the Master Fund

*Variable fees correspond to an outperformance fee. The period of calculation of outperformance fee runs between 1 August and 31 July each year. Each time the net asset value is established, the outperformance of the UCITS is defined as the positive difference between the net assets of the UCITS before consideration of any provision for outperformance fee, and the net assets of a notional UCITS achieving a performance corresponding to that of the Fund's benchmark (calculated on the basis of reinvested dividends) and registering the same pattern of subscriptions and redemptions as the actual UCITS.*

*Each time the net asset value is established, the outperformance fee, then defined equal to 20% (including tax) of the performance above the Euro Stoxx Reinvested Net Dividends index, forms the subject of a provision, or a provision reversal limited to the existing allocation. Such a provision can only be posted on the condition that the net asset value, after consideration after any provision for outperformance fee, is higher than the net asset value at the start of the financial year. In the case of negative absolute performance, when the relative performance of the Fund is positive, this same outperformance fee shall also be collected, but this shall be limited to 1.5% of the Net Assets.*

*From 1 August 2015 to 31 December 2015, the outperformance fee can only be charged on the condition that the net asset value, after consideration after any provision for outperformance fee, is higher than the net asset value at the start of the financial year.*

*Then, from 1 January 2016, this condition will be abolished and in the case of negative absolute performance, when the relative performance of the Fund is positive, this same outperformance fee shall also be collected, but this shall be limited to 1.5% of the Net Assets.*

*In the case of redemptions, the share of the outperformance fee corresponding to the redeemed units is collected by the management company. Apart from redemptions, the outperformance fee is collected by the management company after each calculation period.*

*A description of the method used for calculation of the outperformance fee is made available to subscribers by the management company.*

➤ Procedures for calculation and allocation of the remuneration on acquisitions and temporary purchase or sale of securities

Not applicable

➤ Brief description of the procedure for choosing brokers for the Master Fund

*The OFI Group has introduced a procedure for selection and assessment of market brokers, which makes it possible to select, for each category of financial instruments, the best market brokers and to ensure the quality of execution of orders placed on behalf of our UCITS under management.*

*The management teams can send their orders directly to the market brokers selected or go through the OFI Group trading desk, OIS.*

*This service provider handles the receipt and transmission of orders, followed by execution or not, to the market brokers on the following financial instruments: Debt securities, Capital securities, UCI units or shares, Financial contracts.*

*This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.*

*A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:*

- *Monitoring volumes of transactions per market broker.*
- *Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties").*
- *The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order.*
- *Feedback of operational incidents detected by the managers or the Middle Office.*

*At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.*

*This valuation can be based on an analysis report provided by an independent service provider.*

*For the execution of certain financial instruments, the Management Company resorts to commission sharing agreements (CCP or CSA), according to which a limited number of investment service providers:*

- *provide the order execution service*
- *collect brokerage costs relating to services of assistance with investment decisions*
- *pay these costs back to a third party provider of these services*

*The objective sought is to use, as far as possible, the best service providers in each speciality (execution of orders and assistance with investment/disinvestment decisions).*

## V. Commercial information

### 1/ Distribution

Not applicable

### 2/ Redemption or reimbursement of units

Subscriptions and redemptions of units of the Fund can be sent to: **SOCIÉTÉ GÉNÉRALE**

Postal address of function of centralisation of subscription/redemption orders and keeping of registers (by delegation by the Management Company):

32, rue du Champ-de-tir, 44000 Nantes (France)

Unit-holders are informed of changes affecting the Fund according to the terms defined by the Autorité des Marchés Financiers: specific provision of information or any other means (financial notices, periodic documents, etc.).

### 3/ Distribution of information about the UCITS

The Fund prospectus, the net asset value of the fund and the latest annual reports and periodic documents are available, on request, from:

OFI ASSET MANAGEMENT  
22 rue Vernier – 75017 PARIS

At the following e-mail address: [contact@ofi-am.fr](mailto:contact@ofi-am.fr)

### 4/ Information on ESG criteria

The Management Company makes available to the investor information about the procedure for consideration in their investment policy of criteria relating to compliance with environmental, social and governance quality objectives on its website [www.ofi-am.fr](http://www.ofi-am.fr) and in the annual report for the Fund (from financial years starting from 1st January 2012).



## VI. Investment rules

**THE FUND IS SUBJECT TO THE INVESTMENT RULES AND REGULATORY RATIOS APPLICABLE TO "AUTHORISED UCITS IN ACCORDANCE WITH DIRECTIVE 2009/65/EC" COMING UNDER ARTICLES L.214-2 OF THE MONETARY AND FINANCIAL CODE.**

The Fund is subject to the investment rules and regulatory ratios applicable to authorised UCITS in accordance with Directive 2009/65/EC coming under Article L.214-2 of the Monetary and Financial Code, governed by Sub-section 1 of Section 1 of Chapter IV of Title I of Book II of the Monetary and Financial Code.

***The Fund is a general purpose Feeder UCITS governed by French law whose investment rules are set out by the Monetary and Financial Code in the regulatory section (Book II - Title I - Chapter IV - Section I - Paragraph 6 "Feeder UCITS").***

The main financial instruments and management techniques used by the Fund are detailed in Part III, "Operating and management procedures", of the Prospectus.

## VII. Global risk

***The method chosen to calculate the global risk differs from that of the Master Fund.***

**Method used for the Master Fund OFI RS EURO EQUITY SMART BETA:**

The method applied for calculation of the global risk is the commitment method.

**Method used for the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX:**

The commitment is calculated according to the probability method with a VaR at a horizon of one week with a probability of 95%. This VaR must not exceed 5% of the net assets.

The maximum leverage of the Fund, given for information only, calculated as the sum of the nominal values of the positions on financial futures instruments used, is **100%**. However, the fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

## VIII. Rules for valuation and posting of assets

The rules for valuation of the assets are based, first, on valuation methods and second, on practical terms which are specified in the appendix to the annual accounts and in the prospectus. The rules for valuation are fixed, under its responsibility, by the management company.

The net asset value is calculated every non-holiday trading day and is dated that same day.

### I/ RULES FOR VALUATION OF ASSETS

The Fund has complied with the accounting rules prescribed by the regulation of the accounts regulation committee no. 2003-02 of 2 October 2003 relating to the accounts plan of UCI amended by regulations no. 2004-09 of 23 November 2004 and no. 2005-07 of 3 November 2005.

The accounts relating to the securities portfolio are kept by reference to the historic cost: entries (purchases or subscriptions) and exits (sales or redemptions) are posted based on the acquisition price, excluding costs.

Any exit generates a capital gain or capital loss from sale or redemption and potentially, a redemption bonus.

Accrued coupons on negotiable debt securities are considered on the day of the net asset value date.

The Fund values its securities at the actual value, the value resulting from the market value or in the absence of the existence of any market, from financial methods. The entry value-actual value difference generates a capital gain or loss which shall be posted as "difference in estimate of portfolio".

### Description of the valuation methods for balance sheet items

As a Feeder, the Fund complies with the accounting rules and methods of the Master Fund.

#### ▪ UCI

The securities in the portfolio are XL units of the Master Fund OFI RS EURO EQUITY SMART BETA and are valued based on the last known net asset value.

## II/ METHOD OF POSTING

#### ▪ Description of method followed for posting income from securities with fixed income

Result is calculated based on coupons cashed. Coupons accrued on the day of the valuations constitute an element of the valuation difference.

#### ▪ Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Fund on calculation of each net asset value. The maximum rate applied on the basis of net assets may not be more than 0.65% incl. tax for I units and 1.40% for R units; all UCITS included.

#### ▪ Description of the method for calculating fixed management fees of the Master Fund OFI RS EURO EQUITY SMART BETA

Management fees are directly charged to the profit and loss account of the Master Fund on calculation of each net asset value. The maximum rate applied on the basis of net assets may not be more than 0.65% incl. tax; all UCI included for I units - at 0.35% incl. tax; all UCIs included on XL units.

#### • Description of the method for calculating variable management fees of the Master Fund OFI RS EURO EQUITY SMART BETA

The variable management fees correspond to 20% (including tax) of the performance exceeding the Euro Stoxx Reinvested Net Dividends index. These will be provisioned on each net asset value.

## **I. Assets and units**

### **Article 1 - Jointly-owned units**

The rights of co-owners are denominated in units, each unit corresponding to the same fraction of the assets of the fund. Every unit-holder has a right of joint ownership on the assets of the fund proportional to the number of units owned.

The term of the fund is set at 99 years from 16 January 2007, except in cases of early dissolution or of extension provided for in these regulations.

Fractional units: ☒ YES ☐ NO

Number of decimal places

☐ Tenths ☐ hundredths ☐ thousandths ☒ ten thousandths

The provisions of the regulations governing the issue and redemption of units are applicable to the fractions of units with a value which will always be proportional to that of the unit they represent. All other provisions of the regulations relating to units apply to the fractions of units without it being necessary to specify this, except where stipulated otherwise.

Unit categories

The characteristics of the various unit categories and their access conditions are set out in the Fund prospectus.

The various unit categories may:

- benefit from different income distribution procedures (distribution or capitalisation)
- be denominated in different currencies
- bear different management fees
- bear different subscription and redemption fees
- have a different nominal value
- be combined with systematic risk cover, partial or full, defined in the prospectus. This cover is assured through financial instruments reducing to a minimum the impact of hedging transactions on other categories of hedge on other unit categories of the UCITS
- be reserved for one or more marketing networks

Lastly, the Board of Directors of the management company may, on its decisions alone, proceed with division of the units by the creation of new units which are allocated to unit-holders in exchange for old units.

**The Fund is a Feeder UCITS. The bearers of units for this feeder UCITS benefit from the same information as bearers of units in the Master UCITS.**

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

There may be no redemption of units if the assets fall below EUR 300,000; when the assets remain below this amount for thirty days, the management company takes the necessary measures in order to proceed with liquidation of the UCITS concerned, or carries out one of the transactions mentioned in Article 411-16 of the General Regulations of the AMF (transfer of the UCITS).

### **Article 3 - Issue and redemption of units**

The units are issued at any time at the request of the unit-holders, based on their net asset value plus, where applicable, subscription fee.

Redemptions and subscriptions are carried out under the conditions and according to the procedures defined in the prospectus.

The units of Mutual Funds may form the subject of admission for listing, according to the regulations in force.

Subscriptions must be paid-up in full on the day of calculation of the net asset value. They can be paid in cash and/or by contribution of financial instruments. The management company is entitled to refuse the securities proposed and, to this end, has a period of seven days from their deposit in which to make its decision known. In the case of acceptance, the securities contributed are valued according to the rules fixed in Article 4 and subscription is carried out based on the first net asset value following acceptance of the securities concerned.

Redemptions are carried out exclusively in cash, except in the case of liquidation of the fund when the unit-holders have notified their consent to be reimbursed in stocks. They are paid by the account holder-issuer within five days at the most following the day of valuation of the unit.

However, if, in exceptional circumstances, redemption requires the prior realisation of assets included in the Fund, this deadline may be extended, but may not exceed 30 days.

Except in the case of succession or donation-sharing, the assignment or transfer of shares between unit-holders, or from unit-holders to a third party, is comparable to redemption followed by subscription; if this is a third party, the amount of the assignment or of the transfer must, where appropriate, be complemented by the beneficiary in order to reach, as a minimum, the amount of the minimum subscription required by the prospectus.

Under Article L. 214-8-7 of the Monetary and Financial Code, the redemption by the mutual fund of its units, like the issue of new units, may be suspended, temporarily, by the management company, when exceptional circumstances require this and if the interest of the unit-holders demands this.

When the assets of the mutual fund are less than the amount fixed by the regulations, no redemption of units can be carried out.

### **Article 4 - Calculation of the net asset value**

The net asset value of the unit is calculated by taking into account the valuation rules featuring in the prospectus.

## **II. Operating and management procedure**

### **Article 5 - The management company**

Management of the fund is handled by the management company in accordance with the direction defined for the fund.

In all circumstances, the management company acts in the exclusive interest of unit-holders and alone may exercise the voting rights attached to the securities included in the fund.

### **Article 5 a - Operating rules**

The instruments and deposits eligible for the assets of the UCITS along with the investment rules are described in the prospectus.

### **Article 6 - The depositary**

The depositary handles the missions incumbent upon it in accordance with the laws and regulations in force and those which are contractually entrusted to it by the management company. In particular, it must ensure the regularity of the decisions of the portfolio management company. Where applicable, it must take all precautionary measures it deems useful. In the case of any dispute with the management company, it informs the Autorité des Marchés Financiers.

**The Fund is a Feeder UCITS. The Depositary has drawn up suitable specifications.**

### **Article 7 - The auditor**

An auditor is appointed for six financial years, after approval by the Autorité des Marchés Financiers, by the management company's governance body.

It certifies the regularity and truthfulness of the accounts.

Its mandate may be renewed.

The auditor is required to report, as promptly as possible, to the Autorité des Marchés Financiers, any fact or decision concerning the UCITS of which it becomes aware in exercise of its mission, which may:

1/ Constitute an infringement of the legislative or regulatory provisions applicable to that UCITS and likely to have significant effects on the financial situation, result or assets;

2/ Prejudice the conditions or the continuity of its operation

3/ Result in the issue of reserves or refusal of certification of the accounts

Valuations of assets and determination of foreign exchange parities in transactions of transformation, merger or demerger are carried out under the supervision of the auditor.

It assesses any contribution in kind, under its own responsibility.

It checks the composition of the assets and of the other elements before publication.

The auditor's fees are fixed by mutual agreement between the auditor and the Company's Board of Directors in the light of a work programme specifying the diligences deemed necessary.

It certifies the situations used as the basis of distribution of part payments.

**The Fund is a Feeder UCITS:**

**The statutory auditor has drawn up a suitable work schedule.**

### **Article 8 - The accounts and the management report**

At the end of each financial year, the management company prepares the summary documents and draws up a report on the management of the fund during the past financial year.

The management company draws up, at least six-monthly and under the depositary's supervision, the inventory of the assets of the mutual fund.

The management company keeps these documents available to unit-holders for four months after the end of the financial year and informs them of the amount of income to which they are entitled: these documents are either sent by post, on an express request from the unit-holders, or made available to them at the management company.

### III. Procedure for allocation of distributable sums

#### Article 9 - Procedure for allocation of distributable sums

The net result of a UCITS is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income relating to the securities making up the portfolio, plus the income from sums temporarily available and minus the amount of management fees and the cost of borrowing.

The sums distributable by an UCITS are made up of:

- 1 The net result plus the carry forward, plus or minus the balance of the income adjustment account;
- 2 The capital gains made, net of costs, minus capital losses made, net of costs, established during the financial year, plus net capital gains of the same nature established during previous financial years not having formed the subject of distribution or capitalisation, and minus or plus the balance of the capital gains adjustment account.

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

The management company decides on the allocation of results.

Distributable sums are paid out within a maximum of five months following the end of the financial year.

The Fund has opted for the following plan for R and I units

#### Distributable amounts relating to the net result:

- ☒ pure capitalisation: the distributable sums relating to the net result are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;
- ☐ pure distribution: the distributable sums relating to the net result are distributed in full, rounded to the nearest whole number. The management company may decide on the payment of exceptional part payments.
- ☐ the management company decides, each year, on allocation of the net result. The management company may decide on the payment of exceptional part payments.

#### Distributable sums relating to capital gains made:

- ☐ pure capitalisation: distributable sums relating to capital gains made are capitalised in full;
- ☐ pure distribution: the distributable sums relating to capital gains made are distributed in full, rounded to the nearest whole number. The management company may decide on the payment of exceptional part payments.
- ☒ the management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

### IV. Merger - Demerger - Winding-up - Liquidation

#### Article 10 - Merger - Demerger

The management company may either contribute, in full or in part, the assets included in the fund to another UCITS or split the fund into two or more other mutual funds which it shall manage.

These merger or demerger transactions may not be carried out until one month after the unit-holders have been informed. They give rise to the issue of a new certificate specifying the number of units held by each unit-holder.

#### Article 11 - Winding-up - Extension

If the assets of the fund remain lower, for thirty days, than the amount fixed in Article 2 above, the management company informs the Autorité des Marchés Financiers and proceeds, barring any merger with another mutual fund, with winding-up of the fund.

The management company may wind up the fund before maturity; it informs the unit-holders of its decision and from that date, requests for subscription or redemption are no longer accepted.

The management company also proceeds with winding-up of the fund in the case of a request for redemption of all of the units, cessation of the depositary's mandate, when no other depositary has been appointed, or on expiry of the term of the fund, if this has not been extended.

The management company informs the Autorité des Marchés Financiers by letter of the date and winding-up procedure selected. It then sends the auditor's report to the Autorité des Marchés Financiers.

Extension of a fund may be decided by the management company in agreement with the depositary. Its decision must be taken at least 3 months before expiry of the term envisaged for the fund and brought to the attention of the unit-holders and of the Autorité des Marchés Financiers.

### **Article 12 - Liquidation**

In the case of winding-up, the management company carries out the duties of liquidator; failing this, the liquidator is appointed by a court at the request of any interested party. To this end, they are invested with the most extensive powers to realise the assets, pay any creditors and distribute the available balance among the unit-holders, in cash or in securities.

The auditor and the depositary continue to carry out their duties until completion of the liquidation operations.

## **V. Disputes**

### **Article 13 - Jurisdiction - Address for service**

All disputes relating to the fund which may arise during the fund's period of operation, or upon its liquidation, either between the unit-holders or between the unit-holders and the management company or the depositary, are subject to the jurisdiction of the competent courts.



## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

**JANUARY 2018**

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund OFI RS EURO EQUITY SMART DELTA CONVEX (formerly called OFI KAPPASTOCKS) in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

### **Paying and Information Agent**

Bremer Kreditbank AG, a bank established under the laws of Germany, having its registered office at Wachtstrasse 16, 28195 Bremen, registered with the Bremen Trade Registry, number HRB 4188, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the "German Paying and Information Agent")

### **Information and Documents**

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

Any other information to the Shareholders will be sent to the Shareholders by post. The issue, redemption and conversion prices of shares will be published on the website: [www.ofi-am.fr](http://www.ofi-am.fr). Additionally, communications to investors in Germany will be published in a durable medium, further to the requirements of Article 167 of the German Investment Code in the following cases: suspension of the redemption of the shares, termination of the management of the fund or its liquidation, any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool, merger of the fund with one or more other funds and the change of the fund into a feeder fund or the modification of a master fund.

Applications for the redemption and conversion of shares may be sent to the German Paying and Information Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.