



# R-co Valor

Open-ended investment fund (SICAV)

Prospectus

Updated on 30 July 2021



## R-CO VALOR

### I. General characteristics

#### FORM OF THE UCITS:

Name	:	R-co Valor
Legal form	:	Open-ended investment fund (SICAV) – incorporated in France
Registered office	:	29, avenue de Messine, 75008 Paris
Date of creation	:	02 October 2012
Expected duration	:	99 years

#### Summary of the investment offer:

Share class	ISIN code	Allocation of amounts available for distribution	Currency of issue	Eligible investors	Minimum initial subscription amount <sup>(1) (2)</sup>
C EUR	FR0011253624	Accumulation	EUR	All investors	2,500 euros Initial NAV: 1,070.61 euros
C USD	FR0012406163	Accumulation	USD	All investors	2,500 US dollars Initial net asset value of one share: 1,000 US dollars
C USD H	FR0012406171	Accumulation	USD*	All investors	2,500 US dollars Initial net asset value of one share: 1,000 US dollars
D EUR	FR0011261189	Distribution	EUR	All investors	2,500 euros Initial NAV: 919.79 euros
F EUR	FR0011261197	Accumulation	EUR	All investors	200.00 euros Initial NAV: 995.90 euros
M EUR	FR0011847417	Accumulation	EUR	Shares reserved for mutual funds, employees and officers of the Rothschild & Co Group	1,000 euros Initial net asset value: 1,000 euros
MF EUR	FR0013294238	Distribution	EUR	Shares reserved for feeder UCIs of the Rothschild & Co Group	5,000 euros Initial NAV: equal to the NAV of the PB EUR share on the day when the MF EUR share is created
P EUR	FR0011847409	Accumulation	EUR	See below**	5,000 euros or 500,000 euros for institutional investors  Initial net asset value of one share: 1,000 euros
P CHF H	FR0012406189	Accumulation	CHF*	See below**	2,500 Swiss francs or 500,000 Swiss francs for institutional investors  Initial net asset value of one share: 1,000 Swiss francs
P USD	FR0012406213	Accumulation	USD	See below**	5,000 US dollars or 500,000 dollars for institutional investors  Initial net asset value of one share : 1,000 US dollars
P USD H	FR0012406262	Accumulation	USD*	See below**	5,000 US dollars or 500,000 dollars for institutional investors Initial net asset Value of one share: 1,000 US dollars



PB EUR	FR0013123544	Distribution	EUR	See below**	5,000 euros or 500,000 euros for institutional investors  Initial net asset value of one share: 1,000 euros
R EUR	FR0013123551	Accumulation	EUR	All investors but specifically intended for foreign marketing networks	100 euros Initial net asset value of one share: 10 euros

<sup>1</sup>The management company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.

<sup>2</sup>Subsequent subscriptions may be done in shares or fractions of shares, where applicable.

\* These shares are systematically hedged against the foreign exchange risk of the SICAV's reference currency.

\*\* Subscription of these shares is reserved for:

1) investors subscribing through distributors or intermediaries:

- subject to national laws prohibiting all retrocessions to distributors (for example, Great Britain and the Netherlands),

or

- providing
  - an independent advisory service within the meaning of the European MiFID 2 regulation
  - an individual discretionary portfolio management service

2) institutional investors whose minimum initial subscription amount is 500,000 euros for the P EUR and PB EUR shares, 500,000 dollars for the P USD and P USD H shares, and 500,000 Swiss francs for the P CHF H share.

The SICAV has thirteen share classes: C EUR, C USD, C USD H, D EUR, F EUR, P EUR, M EUR, MF EUR, P CHF H, P USD, P USD H, PB EUR and R EUR. These thirteen share classes differ mainly in terms of their currency of issue, their systematic hedging against foreign exchange risk, their nominal value and have a different distribution regime, incur different management fees and different subscription/redemption fees, and the distribution network(s) for which they are intended.

Finally, for each share class, the Management Company reserves the right to not activate it and therefore to delay its commercial launch.

**Where the latest annual report and the latest interim statement can be obtained:**

The latest annual and interim documents shall be sent within a period of eight business days on the shareholder's written request to:

Rothschild & Co Asset Management Europe  
Service commercial  
29, avenue de Messine  
75008 Paris

The Key Investor Information Document (KIID) is also available on the website [www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com)

For further information, contact the sales and marketing department (service commercial) of the management company (tel: 01 40 74 40 84) or by e-mail to the following address: [clientserviceteam@rothschildandco.com](mailto:clientserviceteam@rothschildandco.com)



## ***II. Parties involved***

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### **Management Company:**

Rothschild & Co Asset Management Europe, portfolio management company approved by the AMF on 6 June 2017 under number GP-17000014.

Limited Partnership

29 avenue de Messine – 75008 Paris

### **Depositary, Custodian and share Registrar:**

Rothschild Martin Maurel

Limited Partnership

29, avenue de Messine

75008 PARIS

A French credit institution approved by the ACPR (French prudential supervisory and resolution authority)

### **Description of the depositary's duties:**

Rothschild Martin Maurel performs the duties defined by the applicable Regulations, namely:

- Safekeeping of the UCITS' assets,
- Ensuring the legality of the decisions taken by the management company,
- Monitoring of cash flows of UCITS.

The Depositary is also responsible for managing the liabilities of the UCITS, which includes centralising its share subscription and redemption orders as well as managing the issue account and share registers of the UCITS.

### **Supervision and management of conflicts of interest:**

Rothschild Martin Maurel and the management company Rothschild & Co Asset Management Europe belong to the same Group, Rothschild & Co. In accordance with the applicable Regulations, they have put in place a policy and a procedure appropriate for their size, their organisation, and the nature of their activities in order to take reasonable measures intended to prevent conflicts of interests that could arise from this relationship.

### **Delegate(s):**

The Depositary has delegated the safekeeping of foreign financial securities to the Custodian, The Bank of New York Mellon SA/NV (Belgium).

The list of entities that the Bank Of New York Mellon SA/NV (Belgium) uses with regard to the delegation of safekeeping, and information relating to the conflicts of interest likely to result from these delegations are available on the website [www.rothschildandco.com/fr/wealth-management/rothschild-martin-maurel/informations-bancaires/](http://www.rothschildandco.com/fr/wealth-management/rothschild-martin-maurel/informations-bancaires/).

Updated information is made available to investors free of charge within eight working days on written request from the shareholder to the Depositary.

### **Statutory Auditor:**

Ernst & Young et Autres

Tour First

TSA 14 444

92037 Paris La Défense Cedex

Signatory: Bernard Charrue

**Promoters:** Rothschild & Co Asset Management Europe

### **Sub-delegate:**

Rothschild & Co Asset Management Europe shall alone be responsible for the administrative and financial management of the SICAV without delegation to third parties with the exception of the accounting function which is sub-delegated in its entirety to:

CACEIS Fund Administration

1--3, Place Valhubert

75013 Paris

### **Directors:**

Information related to the identity of the SICAV's administrators as well as their external functions are covered in detail in the SICAV's annual report.

In accordance with point I.1, above, this information is also available on request from marketers.

**Advisers:** None

**Institution responsible for the centralisation of subscription/redemption orders:** Rothschild Martin Maurel



### **III. Management and operations**

#### **III. 1 GENERAL CHARACTERISTICS:**

##### **Share characteristics:**

- Isin code:
  - C EUR share: FR0011253624
  - C USD share: FR0012406163
  - C USD H share: FR0012406171
  - D EUR share: FR0011261189
  - F EUR share: FR0011261197
  - M EUR share: FR0011847417
  - MF EUR share: FR0013294238
  - P EUR share: FR0011847409
  - P CHF H share: FR0012406189
  - P USD share: FR0012406213
  - P USD H share: FR0012406262
  - PB EUR share: FR0013123544
  - R EUR share: FR0013123551
- Type of right attached to the share class: The rights of owners are expressed in shares, each share corresponding to a fraction of the SICAV's assets. Each shareholder is entitled to ownership of the SICAV's assets in proportion to the number of shares held.
- Recording in a register or liabilities management: Liabilities are managed by Rothschild Martin Maurel. The shares are admitted to trading on Euroclear France.
- Voting rights: Each shareholder has voting rights attached to the shares they own. The SICAV's articles of association set out how they will be exercised.
- Form of units or shares: Bearer
- Fractional shares: All the SICAV's shares are broken down into ten-thousandths of shares.

**Closing date:** Last trading day of the month of December (1<sup>st</sup> closing: December 2013)

##### **Tax treatment:**

UCITS (SICAV or FCP) are not subject to corporate tax for the income they receive.

In the case of individuals, income is taxed in the hands of shareholders in the investment income category when it is distributed by UCITS and retains its specific nature (dividends, bonds, interest on receivables, etc.). The shareholder can therefore benefit from the same tax advantages as those related to directly holding securities.

When shares are redeemed by an individual, the capital gain realised is subject to the progressive income tax scale and liable to social security contributions in respect of investment income. For legal entities subject to corporate tax, identical principles apply to income distributed by the UCITS.

However, legal entities subject to corporate tax are taxed on the unrealised capital gains or losses of their portfolios comprising UCITS, except in the case of the application of the regime of Article 209 OA of the French General Tax Code.

Shareholders resident for tax purposes outside France are subject to the tax provisions in force in their country of residence, subject to the application of international tax treaties.

#### **III.2 SPECIFIC PROVISIONS:**

- Isin code:
  - C EUR share: FR0011253624
  - C USD share: FR0012406163
  - C USD H share: FR0012406171
  - D EUR share: FR0011261189
  - F EUR share: FR0011261197
  - M EUR share: FR0011847417
  - MF EUR share: FR0013294238
  - P EUR share: FR0011847409
  - P CHF H share: FR0012406189
  - P USD share: FR0012406213
  - P USD H share: FR0012406262
  - PB EUR share: FR0013123544
  - R EUR share: FR0013123551

**Delegation of financial management:** No



**Investment objective:** R-co Valor seeks to achieve a return, by investing essentially in global equity and fixed income markets, through the implementation of discretionary management based primarily on the selection of financial instruments founded on the financial analysis of issuers.

**Benchmark index:** The SICAV has no benchmark, as the investment process is based on a selection of securities that applies fundamental criteria other than the criterion of belonging to a market index.  
In addition, considering the fact that the management team will favour the equity asset class or the fixed-income class depending on the market circumstances, reference to an index would not be representative.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used describing the measures to be implemented in the event of substantial changes to a benchmark or if that benchmark ceases to be provided.

The SICAV is managed actively on a discretionary basis. The Sicav is not managed in reference to a benchmark index.

This UCITS is not an index-linked UCITS.

#### **Investment strategies:**

##### **1. Description of strategies used:**

The SICAV R-co Valor is invested, as part of a rigorous quantitative and qualitative selection process by the management company (as described below), in fixed-income or convertible products and in fixed-income UCITS as well as in equity products and equity UCITS, according to market opportunities. The SICAV may invest up to 10% of its assets in UCITS.

- **Strategic allocation:** the SICAV shall invest, according to market trends, in fixed-income or convertible products and also in fixed-income UCITS as well as in equities and equity UCITS, with a view to achieving the investment objective.

The SICAV may therefore invest:

- ✓ Between 0 and 100% in fixed-income products issued by governments or private issuers, whether investment grade or not, with a maximum of 20% in high yield bonds, with investments in unrated securities representing up to 10% of the SICAV's assets.
- ✓ Between 0 and 100% in equities of all market capitalisations,
- ✓ Between 0 and 100% in UCITS.

The SICAV may also invest in derivative instruments traded on French and foreign regulated or over-the-counter markets (repos, interest rate, index, currency swaps, forex forwards, securities borrowing and lending, equity, fixed income, currency or index futures and options market) in order to achieve its investment objective (discretionary management). To do this, it hedges its portfolio and/or exposes it to business sectors, geographical areas, currencies, interest rates, equities, securities and equivalent instruments, and indices.

Direct and indirect exposure to the equity market, including any off-balance sheet exposure shall not exceed 100%. Direct and indirect exposure to the fixed income market, including any off-balance sheet exposure, will help maintain the portfolio's modified duration within a range of between -1 and 9.

Direct and indirect exposure to the currency market, including any off-balance sheet exposure shall not exceed 100%.

Total exposure to the equity market, currency market, or fixed income market, including exposure incurred by the use of derivative instruments, shall not exceed 200% of assets.

The SICAV may be exposed, directly and indirectly, to non-OECD countries for up to 100% of its assets and to the risks related to small caps for up to 20% of assets.

Existence of a currency risk for shareholders.

- **Selection of underlyings:**

- **For the equity component, the criterion for selecting securities is as follows:**

The management process for the UCITS combines the top-down and bottom-up approaches to identify two sources of added value:

- The sector allocation results from the analysis of the macro-economic and financial environment.
- The selection of securities is based on a fundamental approach that consists of two stages:
  - A quantitative analysis to determine the attractiveness of the valuation using ratios tailored to each industry (Enterprise Value/Capital Employed, Enterprise Value/Gross Operating Result, PER, etc.)
  - A qualitative analysis based on an understanding of competition, how profitability is built (supply/demand imbalance, cost advantage, patents, brands, regulations, etc...)

- **For the fixed-income segment, the following three sources of added value are used for management:**

- 1) **Sensitivity:** The portfolio's sensitivity is increased if the manager anticipates a decline in interest rates and vice versa.

**Credit risk exposure:** The management process for the UCITS combines the top-down and bottom-up approaches to identify two sources of added value:



- The sectoral and geographical allocation results from the analysis of the economic and financial environment. This analysis identifies the long-term risks and problems that influence the price formation. In particular, analyses of default histories and competition are examined.
  - The selection of securities is based on a fundamental approach that involves two steps:
    - A quantitative analysis based on the probability of default:
      - by using a large amount of public data and statistics on each company,
      - by comparing these data to data of companies in the same economic sector,
      - by determining a theoretical valuation that compares favourably or unfavourably with the valuation given by the market.
    - A qualitative analysis based on:
      - the sustainability of the sector,
      - a study of the competitive environment,
      - understanding of the balance sheet,
      - understanding of the construction of profitability (supply/demand imbalance, cost-benefit analysis, patents, brands, regulations, etc.),
      - understanding of debt schedules (balance sheet and off-balance sheet),
- determination of the probability of intra-sector survival.
- 2) **Yield curve positioning:** Depending on the manager's expectations as to the flattening or steepening of the yield curve, securities with short and very long maturities shall be preferred to those with intermediate maturity or the reverse.

- **For the UCITS and AIF component, the criterion for selecting securities is as follows:**

UCITS and AIFs shall be selected according to a top-down approach depending on the asset classes. This selection shall be done mainly within the Rothschild & Co range.

The management company does not exclusively or automatically use credit ratings issued by rating agencies but undertakes its own in-depth analysis to assess the credit quality of fixed-income instruments.

Extra-financial criteria:

The portfolio's investment universe is the MSCI ACWI index, the iBoxx Euro Corporates Overall index, the ICE BofA Euro High Yield index and the Bloomberg Barclays Global Treasury index; portfolio stocks not included in these indices will be added back to the initial investment universe.

The securities in the portfolio's investment universe are subject to a prior review of their profiles with regard to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria can be taken into consideration in the investment decisions, without being a decisive factor.

The percent share of positions analysed on the basis of extra-financial criteria will be permanently greater than:

- i. 90% of the share of net assets, consisting of equities issued by companies whose market capitalisation is greater than 10 billion euros and whose registered office is located in developed countries, debt securities and money market instruments with an investment grade credit rating and sovereign debt issued by developed countries;
- ii. 75% of the share of net assets, consisting of equities issued by companies whose market capitalisation is less than 10 billion euros or whose registered office is located in non-OECD countries, as well as debt securities and money market instruments with a high yield credit rating and sovereign debt issued by non-OECD countries.

The portfolio's rating, with regard to extra-financial criteria, is higher than the rating of the initial investment universe.

The extra-financial ratings used are mainly those of the external extra-financial research provider MSCI ESG Research. MSCI ESG Research rates the companies from CCC to AAA (AAA being the best rating).

Ratings are assigned by sector using a "best-in-class" approach. This approach favours the top rated companies from an extra-financial viewpoint within their business sector, without favouring or excluding any sector.

We reserve the right to rate the issuers not covered by the research of MSCI ESG Research to which we have access by using reliable data sources and a comparable analysis grid.

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR) lays down the rules for transparency with regard to the integration of sustainability risks in investment decisions, the consideration of adverse sustainability impacts and the disclosure of ESG (Environmental, Social and Governance) and sustainability-related information.

A sustainability risk means an ESG event or condition that, if it occurs, could cause a negative material impact on the value of a fund's investment. A sustainability risk can either be a risk on its own, or have an impact on other risks and can contribute significantly to risks such as market risk, operational risk, liquidity risk or counterparty risk. Sustainability risks can have an impact on long-term returns adjusted according to the risks for investors. The assessment of sustainability risks is complex and can be based on ESG data that is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be correctly evaluated.





The management company integrates sustainability-related risks and opportunities into its research, analysis and investment decision processes in order to improve its ability to manage risks more comprehensively and to generate lasting long-term returns for investors.

The SICAV promotes certain environmental and social characteristics within the meaning of Article 8 of the SFDR and good governance practices. Sustainability risks are incorporated in investment decision-making, as set out in the above non-financial criteria, and through exclusion policies, the portfolio's non-financial rating, its engagement policy, the ESG controls put in place and compliance with Rothschild & Co.'s coal policy.

Investments will be aligned with the ESG policy available on the website : <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

## 2. Description of the asset classes:

All the asset classes included in the composition of the UCITS' assets are:

- **Equities:** investment and/or exposure between 0-100% of the net assets  
Within the limit of the holding range specified in the table below, the SICAV shall invest and/or shall be exposed in equity products. The sector and geographical breakdown of issuers is not determined in advance and will be determined according to market opportunities.  
In any event, within the limit of the holding range specified below, the allocation of the equity component (investment and/or exposure) is between 0 and 100% of the SICAV's assets in all industrial sectors and all stock market capitalisations (with 20% maximum in small caps and 100% in equities of non-OECD countries)
- **Debt securities, money market instruments and Bonds:** investment and/or exposure between 0-100% of the net assets  
Within the limit of the holding range specified below, the SICAV shall invest in and/or shall be exposed to bonds, negotiable debt securities (such as in particular short-term negotiable securities (including in particular certificates of deposit and commercial paper issued before 31 May 2016), and Euro Commercial Paper) at fixed, variable or adjustable rates, equity securities, indexed bonds, convertible bonds (up to 20% maximum). The private/public debt breakdown is not determined in advance and will be determined based on market opportunities. In any event, the exposure to high yield debt shall not exceed 20%. Investments in unrated securities may represent up to 10% of the SICAV's assets.
- **Holding of shares or units of other UCITS, AIFs or investment funds governed by foreign law:**  
0-10% of the net assets  
Within the limit of the holding range specified below, the SICAV may hold:
  - units or shares of French and/or European UCITS subject to European directive 2009/65/EC that may invest no more than 10% of their assets in units or shares of other UCIs or investment funds;
  - units or shares of other French or foreign UCIs, or foreign investment funds, European or not, and meeting the four conditions set out by Article R. 214-13 of the French monetary and financial code.
  - units or shares of UCIs as defined above, managed by the Rothschild & Co Group.

### ○ For each of the classes mentioned above:

	Equities	Fixed-income products	UCIs
Holding ranges	0-100%	0-100%	0-10%
Investment in small caps	0-20%	None	0-10%
Investment in financial instruments of non-OECD countries	0-100%	0-100%	0-10%
Investment restrictions imposed by the management company	None	None	None

## 3. Use of derivative instruments:

The UCITS may operate in regulated, organised or over-the-counter markets. The manager shall intervene on equity, interest rate, and currency risk. In order to achieve the investment objective, these interventions shall be done for portfolio hedging (sale of derivatives) and exposure to reconstitute a synthetic exposure to assets (purchase of derivatives). In particular, the manager may intervene on the repo, interest rate, index, currency swaps, forex forwards, securities borrowing and lending market, the equity, fixed income, currency or index futures and options market.

Options strategies: depending on the manager's expectations about changes in the volatility and prices of the underlying instruments, the manager will sell or buy options on the equity, fixed income and currency markets. For example, if a sharp market increase is anticipated, the manager will be able to buy calls; if it appears that the market will grow slowly and that implied volatility is high, the manager will be able to sell puts. Conversely, if a significant market downturn is anticipated, the manager will buy puts. Lastly, if it appears that the market cannot grow any further, the manager will sell calls.

The manager may combine these various strategies.





The portfolio's direct and indirect exposure to the equity market, including exposure incurred by the use of derivative instruments, shall not exceed 100%.

The portfolio's direct and indirect exposure to the fixed income market, including exposure incurred by the use of derivative instruments, will help maintain the portfolio's modified duration within a range of between -1 and 9.

The portfolio's direct and indirect exposure to currency risk, including exposure incurred by the use of derivative instruments, shall not exceed 100%.

Total exposure to the equity market, currency market, or fixed income market, including exposure incurred by the use of derivative instruments, shall not exceed 200% of assets.

Please note that the FCP will not use Total Return Swaps (TRS).

**Information related to counterparties of over-the-counter derivatives:**

Counterparties, which may or may not be a credit institution, shall be selected according to the procedure in force within the Rothschild & Co Group and on the basis of the principle of selectivity as part of an ad hoc internal process. The Management Company may regularly select the Depositary as its counterparty for OTC forex derivatives.

In particular, this involves:

- a validation of the counterparties at the end of this internal selection process, which takes into account criteria such as the nature of the activities, expertise, reputation, etc.
- a limited number of financial institutions with which the UCITS trades.

**4. Securities with embedded derivatives:**

The use of securities with embedded derivatives is limited to 10% of the net assets (bond warrants, EMTNs, share warrants, auto-callables, and securities with simple embedded derivatives presenting a risk type similar to that of the previously listed instruments) in order to achieve the fund's investment objective, particularly in managing its equity and fixed-income and forex market exposure. The portfolio's direct and indirect exposure to the equity market, including exposure incurred by the use of securities with embedded derivatives, shall not exceed 100%. The portfolio's direct and indirect exposure to the fixed income market, including exposure incurred by the use of securities with embedded derivatives, will help maintain the portfolio's modified duration within a range of between -1 and 9.

The portfolio's direct and indirect exposure to currency risk, including exposure incurred by the use of securities with embedded derivatives, shall not exceed 100%.

Total exposure to the equity market, currency market, or fixed income market, including exposure incurred by the use of securities with embedded derivatives, shall not exceed 200% of assets.

**5. Deposits:**

Within a limit of 20% of its assets, the UCITS may make deposits in euros with a life less than or equal to three months so as to earn returns on the UCITS' cash.

**6. Cash borrowings:**

Within a limit of 10% of its assets, the UCITS may make borrowings, particularly in order to offset deferred payment terms related to asset movements.

**7. Securities financing transactions:**

• **General description of transactions:**

◦ **Purpose of the transactions:**

Securities financing transactions shall be carried out in accordance with the French monetary and financial code. They shall be carried out as part of cash management and/or the optimisation of the UCI's income.

◦ **Type of transactions used:**

These transactions shall consist of securities lending and borrowing and/or repurchase and reverse repurchase agreements, of fixed-income products, or credit products (debt securities and money market instruments) from issuers of OECD member countries.

• **General information for each type of transaction:**

◦ **Level of intended use:**

Securities financing transactions involving disposals (securities lending, repurchase agreements) and acquisitions (securities borrowing, reverse repurchase agreements) of securities may be carried out for up to 100% of the UCI's assets. The expected proportion of assets under management that will be used in this type of transaction may represent 10% of the assets.

◦ **Remuneration:**

Additional information about the remuneration is provided in the "Fees and expenses" section.

• **Information on the counterparties, collateral, and risks:**

◦ **Collateral:**

The collateral received as part of these transactions will be the subject of a discount according to the principle described in the "Information about the UCI's financial collateral" section. The Collateral shall be kept by the UCI's Depositary. For further information concerning collateral, please refer to the "Information about the UCI's financial collateral" section.



○ Selection of Counterparties:

A procedure for selecting counterparties with which these transactions are entered into makes it possible to prevent the risk of a conflict of interest when these transactions are used. These counterparties will be credit institutions having their registered office in a Member State of the European Union and a minimum rating of BBB. Additional information about the counterparties selection procedure is provided in the "Fees and expenses" section.

○ Risks: refer to the "Risk profile" section.

**Information about the UCI's financial collateral:**

As part of securities financing transactions and OTC derivatives transactions, the UCI may receive as collateral securities (such as in particular bonds or securities issued or guaranteed by a government or issued by international financing organisations and bonds or securities issued by good quality corporate issuers), or cash. There is no correlation policy insofar as the UCI will primarily receive eurozone government securities and/or cash as collateral.

Cash received as collateral is reinvested in accordance with the applicable rules.

All of these assets must be issued by high-quality, liquid, low-volatility, diversified issuers that are not an entity of the counterparty or its group.

Discounts may be applied to the collateral received; they shall take into account, in particular, the credit quality and the volatility of the prices of the securities. The valuation is performed at least on a daily basis.

Financial collateral received must be able to give rise to a full execution by the UCI at any time and without consultation or approval of the counterparty.

Financial collateral other than in cash must not be sold, reinvested, or pledged.

Financial collateral received in cash must only be:

- placed in deposit accounts;
- invested in high-quality government bonds;
- used for the purposes of reverse repurchase agreement transactions, provided that these transactions are entered into with credit institutions subject to prudential supervision and that the sub-fund can, at any time, recall the total amount of cash, taking into account the accrued interest;
- invested in money market collective investment schemes.

**Risk profile:**

1. Risk associated with discretionary management: The discretionary management style is based on anticipating trends on the various markets (equity, fixed-income). There is the risk that the UCITS will not always be invested in the best-performing markets.
2. Equity market risk:  
The SICAV may experience a risk:
  - a. associated with direct and indirect investments in equities;
  - b. associated with direct and indirect investments in large, mid, and small caps;
  - c. associated with direct and indirect investments on non-OECD markets; this investment is limited to 100% of the assets;

**The attention of investors is drawn to the fact that the operating and supervision conditions of markets in which the SICAV operates (non-OECD markets) may differ from the standards prevailing in the major international markets.**

Therefore, any decline in the equity market may lead to a decline the SICAV's net asset value.
3. Interest rate risk:  
Risk associated with investments in fixed-income products. Therefore, in the event of a rise in interest rates, the UCITS' net asset value may decline;
4. Credit risk: risk of credit quality deterioration or default of an issuer present in the portfolio or default of a counterparty to an OTC transaction (swap, repo). Therefore, in the event of positive exposure to the credit risk, an increase in credit spreads may lead to a decline in the SICAV's net asset value. Likewise, in the event of negative exposure to the credit risk, a decline in credit spreads may lead to a decline in the SICAV's net asset value. Nevertheless, exposure to high-yield rates shall not represent more than 20% of assets.
5. Currency risk: The shareholder may be exposed to currency risk for up to a maximum of 100%. Some assets are expressed in a currency other than the SICAV's accounting currency; therefore, a change in exchange rates may result in a reduction in the UCITS' net asset value;
6. Counterparty risk:  
The UCITS may use securities financing transactions and/or derivatives (OTC derivatives). These transactions, entered into with a counterparty, expose the UCITS to a risk of the counterparty's default, which may cause the net asset value of the UCITS to decline. Nevertheless, the counterparty risk may be limited by establishing guarantees granted to the UCITS in accordance with the regulations in force.
7. Risks related to securities financing transactions: In addition to the counterparty risk previously mentioned, the use of these techniques, the management of their collateral, and collateral reuse involve certain specific risks such as the possibility of a lack of liquidity for any instrument, possible risks in relation with the legal documentation, the application of the contracts, and their limits, operational and custodial risks, a risk of incorrect valuation, and a counterparty risk. If use of these transactions proves to be inadequate, ineffective, or a failure due to market conditions, the UCI may suffer significant losses that will have a negative effect on the UCI's net asset value.



8. Risk that the performance of the UCITS does not comply with its objectives.
9. Risk of capital loss: shareholders have no capital guarantee.
10. Liquidity risk: Risk related to the weak liquidity of certain underlying markets, which makes them sensitive to significant buy/sell movements.
11. Risk related to non-financial (ESG) criteria:  
The incorporation of sustainability risks in the investment process and responsible investing are based on the use of non-financial criteria. Their application may lead to the exclusion of issuers and loss of certain market opportunities. Consequently, the UCITS' performance may be superior or inferior to the performance of a UCITS that does not take into account these criteria.  
ESG data, whether coming from internal or external sources, are derived from assessments that are not subject to strict market standards. This leaves room for subjectivity, and may result in very different ratings for an issuer from one provider to another. Moreover, ESG criteria may be incomplete or inaccurate. There is a risk of inaccurate assessment of a security or an issuer.  
These different aspects make it difficult to compare strategies incorporating ESG criteria.
12. Sustainability risk: Any environmental, social or governance-related event or situation which, if it occurs, could have a real or potential negative impact on the value of the investment. The occurrence of this type of event or situation can also lead to a modification of the Fund's investment strategy, including the exclusion of the securities of certain issuers. More specifically, the negative effects of sustainability risks can affect issuers via a series of mechanisms, in particular: 1) a drop in revenues; 2) higher costs; 3) damage or a depreciation of the value of assets; 4) a higher cost of capital; and 5) fines or regulatory risks. Due to the nature of the sustainability risks and specific issues such as climate change, the probability that sustainability risks will have an impact on the returns of financial products could increase in the longer term.

**Guarantee or protection:** None

**Eligible investors:** All investors (see summary table of share characteristics).

The shares of this UCITS are not and will not be registered in the United States pursuant to the US Securities Act of 1933 as amended ("Securities Act of 1933") or admitted under any law of the United States. These shares may not be offered, sold, or transferred in or to the United States (including its territories and possessions) or benefit, directly or indirectly, any US Person (within the meaning of Regulation S of the Securities Act of 1933) or equivalent (as referred to in the US "HIRE" Act of 18 March 2010 and in the FATCA framework).

**Typical investor profile:**

This UCITS is aimed at investors who wish to have an investment vehicle whose diversified allocation provides, depending on market opportunities, exposure to fixed income products and/or equity products.

The amount that it is reasonable to invest in this UCITS depends on the shareholder's personal situation. To determine this amount, unitholders must consider their personal wealth, their current needs, and their needs over the recommended investment period as well as their willingness to take risks or, otherwise, favour a cautious investment. It is also highly advisable to sufficiently diversify the investments so as not to expose them solely to the risks of this UCITS.

**Recommended investment period:** More than 5 years

**Determination and allocation of amounts available for distribution:**

Net income for the year is equal to the amount of interest, arrears, dividends, premiums and bonuses, directors' fees as well as all income relating to the securities that constitute the SICAV's portfolio, plus income from temporary cash holdings minus management fees and borrowing costs.

Amounts available for distribution consist of the following:

- 1) the net income for the year, plus retained earnings and plus or minus the balance of the income equalisation account;
- 2) realised capital gains, net of charges, minus realised capital losses, net of expenses recognised for the year, plus net capital gains of the same nature recognised over prior years that were not paid out or accumulated, minus or plus the balance of the capital gains equalisation account.

The amounts indicated in points 1) and 2) above may be accumulated and/or paid out and/or retained, independently of each other, in whole or in part.

Amounts available for distribution must be paid within a maximum period of five months from the year-end.

- C EUR, C USD, C USD H, F EUR, M EUR, P EUR, P CHF H, P USD, P USD H and R EUR shares: accumulation shares.
- D EUR, MF EUR and PB EUR shares: distribution shares, full distribution of the net income as defined in 1) above, concerning the capital gains or losses defined in 2) above, the General Meeting may decide to distribute them (totally or partially) and/or carry them forward (totally or partially).

**For accumulation shares:** amounts available for distribution shall be fully accumulated, with the exception of those amounts that are subject to compulsory payout by law.



For distribution shares: full payout of net income as defined in 1) above, concerning the capital gains or losses defined in 2) above, the management company may, each year, accumulate them (totally or partially) and/or pay them out (totally or partially) and/or retain them (totally or partially).

**Frequency of payout:**

- C EUR, C USD, C USD H, F EUR, M EUR, P EUR, P CHF H, P USD, P USD H and R EUR shares: amounts available for distribution shall be fully accumulated
- D EUR, MF EUR and PB EUR shares: Annual on the decision of the General Meeting. Interim distributions may be paid on the decision of the Board of Directors.

**Characteristics of shares:**

Share class	ISIN code	Allocation of amounts available for distribution	Currency of issue	Eligible investors	Minimum initial subscription amount <sup>(1) (2)</sup>
C EUR	FR0011253624	Accumulation	EUR	All investors	2,500 euros Initial NAV: 1,070.61 euros
C USD	FR0012406163	Accumulation	USD	All investors	2,500 US dollars Initial net asset value of one share: 1,000 US dollars
C USD H	FR0012406171	Accumulation	USD*	All investors	2,500 US dollars Initial net asset value of one share: 1,000 US dollars
D EUR	FR0011261189	Distribution	EUR	All investors	2,500 euros Initial NAV: 919.79 euros
F EUR	FR0011261197	Accumulation	EUR	All investors	200 euros Initial NAV: 995.90 euros
M EUR	FR0011847417	Accumulation	EUR	Shares reserved for mutual funds, employees and officers of the Rothschild & Co Group	1,000 euros Initial net asset value: 1,000 euros
MF EUR	FR0013294238	Distribution	EUR	Shares reserved for feeder UCIs of the Rothschild & Co Group	5,000 euros Initial NAV: equal to the NAV of the PB EUR share on the day when the MF EUR share is created
P EUR	FR0011847409	Accumulation	EUR	See below**	5,000 euros or 500,000 euros for institutional investors  Initial net asset value of one share: 1,000 euros
P CHF H	FR0012406189	Accumulation	CHF*	See below**	2,500 Swiss francs or 500,000 Swiss francs for institutional investors  Initial net asset value of one share: 1,000 Swiss francs
P USD	FR0012406213	Accumulation	USD	See below**	5,000 US dollars or 500,000 euros for institutional investors  Initial net asset value of one share: 1,000 US dollars
P USD H	FR0012406262	Accumulation	USD*	See below**	5,000 US dollars or 500,000 euros for institutional investors  Initial net asset value of one share: 1,000 US dollars
PB EUR	FR0013123544	Distribution	EUR	See below**	5,000 euros or 500,000 euros for institutional investors



					Initial net asset value of one share: 1,000 euros
R EUR	FR0013123551	Accumulation	EUR	All investors but specifically intended for foreign marketing networks	100 euros

<sup>1</sup>The management company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.

<sup>2</sup>Subsequent subscriptions may be done in shares or fractions of shares, where applicable.

\* These shares are systematically hedged against the foreign exchange risk of the SICAV's reference currency.

\*\* Subscription of these shares is reserved for:

1) investors subscribing through distributors or intermediaries:

- o subject to national laws prohibiting all retrocessions to distributors (for example, Great Britain and the Netherlands),

or

- o providing
  - an independent advisory service within the meaning of the European MiFID 2 regulation
  - an individual discretionary portfolio management service

2) institutional investors whose minimum initial subscription amount is 500,000 euros for the P EUR and PB EUR shares, 500,000 dollars for the P USD and P USD H shares, and 500,000 Swiss francs for the P CHF H share.

The SICAV has thirteen share classes: C EUR, C USD, C USD H, D EUR, F EUR, P EUR, M EUR, MF EUR, P CHF H, P USD, P USD H, PB EUR and R EUR. These thirteen share classes differ mainly in terms of their currency of issue, their systematic hedging against foreign exchange risk, their nominal value and have a different distribution regime, incur different management fees and different subscription/redemption fees, and the distribution network(s) for which they are intended.

Finally, for each share class, the Management Company reserves the right to not activate it and therefore to delay its commercial launch.

#### **Subscription and redemption procedures:**

Subscription and redemption requests are received and centralised each day at four pm (D-1) at Rothschild Martin Maurel and executed on the basis of the net asset value of the following business day (D). Settlements relating to subscriptions and redemptions take place on the second business day following execution (D+2).

Orders are executed in accordance with the table below:

D-1 business day	D-1 business day	D: day of NAV calculation	D+1 business day	D+2 business days	D+2 business days
Centralisation of subscription orders before 4 pm <sup>1</sup>	Centralisation of redemption orders before 4 pm <sup>1</sup>	Execution of the order no later than day D	Publication of net asset value	Settlement of subscriptions	Settlement of redemptions

<sup>1</sup>Unless otherwise agreed with your financial institution.

**Receipt of subscriptions and redemptions** Rothschild & Co Asset Management Europe – 29, avenue de Messine – 75008 Paris / Rothschild Martin Maurel - 29, avenue de Messine - 75008 Paris.

#### **Net asset value calculation:**

The net asset value is calculated each day the Paris stock exchange is open for business, with the exception of French public holidays.

#### **Location and procedures for the publication or communication of the net asset value:**

The net asset value is published on the management company's website at the following address: [www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com)

#### **Condition for exchanging shares:**

Share exchange requests are received and centralised each valuation day and executed on the basis of the net asset value of the shares on the following business day. Any fractional units are either settled in cash or supplemented with an additional share for the subscription, exempt from any subscription fee.

Transactions involving the exchange of the SICAV's share classes for another share class of the SICAV are considered as a disposal followed by a subscription and as such are subject to capital gains tax on disposals of securities.

#### **Fees and expenses**

##### **SUBSCRIPTION AND REDEMPTION FEES:**



The subscription and redemption fees shown below respectively increase the subscription price paid by the investor or decrease the redemption price received. Fees retained by the UCITS are used to offset the fees incurred by the UCITS for investing or divesting entrusted assets. Any fees not retained by the UCITS are paid to the management company, marketer, distributor, etc.

Fees charged to the investor, deducted at the time of subscription and redemption	Base	Rate Scale
Subscription fee not retained by the UCITS	Net asset value X number of shares	<u>C EUR, C USD, C USD H and D EUR shares</u> : 4.5 % maximum <u>F EUR, MF EUR, P EUR, P CHF H, P USD, P USD H and PB EUR shares</u> : 3% maximum <u>M EUR shares</u> : 5% maximum R EUR shares: None
Subscription fee retained by the UCITS	Net asset value X number of shares	None
Redemption fee not retained by the UCITS	Net asset value X number of shares	None
Redemption fee retained by the UCITS	Net asset value X number of shares	None

Exchanges of M EUR shares do not give rise to a fee. Exchanges of shares other than M EUR shares may give rise to a fee. In the event of redemption followed by subscription, on the same day, in the same share class, and for the same amount on the basis of the same net asset value, no subscription and/or redemption fees will be charged.

#### OPERATING EXPENSES AND MANAGEMENT FEES:

These costs cover all costs billed directly to the UCITS, with the exception of transaction costs. Transaction costs include intermediation fees (brokerage, etc.) and turnover commissions, where applicable, which notably may be charged by the Depositary and the Management Company.

The following may be added to the operating expenses and management fees:

- performance fees. These remunerate the management company when the UCITS has exceeded its objectives. They are therefore billed to the UCITS;
- turnover commissions charged to the UCITS;
- a share of the income from securities financing transactions.

For further details about the costs actually billed to the UCITS, please refer to the Key Investor Information Document (KIID).

	Fees charged to the UCITS	Base	Rate Scale
1	Financial management fees	Net assets	<u>C EUR, C USD, C USD H and D EUR shares</u> : 1.196 % maximum until 31/12/2017 / 1.45% maximum beginning 01/01/2018 <u>F EUR shares</u> : 1.80 % maximum <u>M EUR shares</u> : 0.001% maximum <u>MF EUR, P EUR, P CHF H, P USD, P USD H and PB EUR shares</u> : 0.90% maximum until 31/12/2017 / 0.95% maximum beginning 01/01/2018 R EUR shares: 2.30% maximum
2	Administrative fees external to the management company		
3	<u>Maximum indirect fees:</u> - <u>management fees</u> - <u>other fees:</u> - subscription: - redemption:	Net assets	Not Applicable
4	<u>Service providers collecting turnover commissions:</u> Depositary: between 0% and 50% Management Company: between 50% and 100%	Deducted on each transaction	0.14% on French and foreign bonds 0.44% on French and foreign equities EUR 40 on equity options and equity indices
5	Performance fee	Net assets	None





Securities lending or borrowing is remunerated on a pro rata temporis basis according to a fixed or variable rate that depends on market conditions.

Securities financing transactions:

For its temporary sales of securities, the SICAV's service provider shall be one or more credit institutions having their head office in a member state of the European Union. The service providers shall act independently of the SICAV and shall systematically be counterparties of transactions on the market. These service providers shall belong to the Rothschild & Co Group or an entity of the group to which it belongs (hereinafter "Entity"). As such, the Entity's performance of the transactions may generate a potential conflict of interest.

No remuneration is retained by the Depositary (as part of its custodian function) or the management company on securities financing transactions. All income from these transactions shall be fully collected by the UCITS. These transactions generate costs that are borne by the UCITS. Billing by the Entity shall not exceed 50% of the income generated by these transactions.

In addition, the management company does not receive any soft commission.

Research costs within the meaning of Article 314-21 of the AMF's General Regulation may be charged to the SICAV.

For any additional information, please refer to the SICAV's annual report.

Financial intermediary selection procedure:

The Management Company may in some cases use brokers to invest in other financial instruments. In these cases, the UCI may be charged brokerage fees.

When the Management Company trades other types of assets listed on a market (shares or units of UCITS, AIFs or open-ended foreign investment funds, shares or units of closed-end investment companies, derivatives, etc.), it selects its financial intermediaries according to a policy that consists of taking into account qualitative criteria (price) and quantitative criteria (market position, internal organisation, speed, etc.) that are set based on an internal assessment grid.

Because this type of transaction does not represent a majority, Rothschild & Co Asset Management Europe may select only one intermediary for their execution.

#### ***IV. Commercial information***

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Modifications requiring a special notification to shareholders will be reported to each identified shareholder or via Euroclear France for unidentified shareholders in the form of an information notice.

Modifications not requiring a special notification to shareholders shall be communicated either in the SICAV's interim documents, available from the Depositary, through the press, through the Management Company's website ([www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com)), or by any other means in accordance with the regulations of the French financial markets authority.

Repurchase or redemption of shares is carried out via Rothschild Martin Maurel.

Information on the procedures for including criteria relating to compliance with social, environmental and governance objectives in the investment policy is available on the management company's website [www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com) and in the UCITS' annual report.

The portfolio's composition may be sent to professional investors subject to supervision of the ACPR, the AMF, or equivalent European authorities, or to their service providers, with a confidentiality commitment, in order to meet their regulatory requirements related to Directive 2009/138/EC (Solvency 2).

Transmission shall be carried out in accordance with the provisions defined by the French Financial Markets Authority, within a period that cannot be less than 48 hours after the publication of the net asset value.

Shareholders may contact the management company for any additional information.

#### ***V. Investment rules***

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Overall risk associated with financial contracts is calculated using the commitment method.

This SICAV shall comply with the regulatory ratios applicable to UCITS funds investing less than 10% in UCIs funds.

#### ***VI. Asset valuation and accounting rules at the approval date***

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The UCITS has adopted the Euro as its reference currency.





The prices used for the valuation of securities traded on the stock market are the closing prices

The prices of the derivatives markets are the settlement prices.

Interest is recognised using the accrued interest method.

UCITS are valued at the last known price.

Treasury bills are valued at the market rate.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market sensitivity.

A simplified "linearisation" method is applied for negotiable debt securities with a remaining life of less than three months not presenting any particular market sensitivity, on the basis of the crystallised three-month rate.

Repurchase agreements and sales with an option to repurchase are valued at the contract price.

Financial collateral is marked to market on a daily basis, in compliance with the valuation rules described above.

The prices used for the valuation of OATs (fungible government bonds) are an average of contributors.

Currency futures are valued at the daily fixing price, plus a variable premium/discount depending on the maturity and currencies of the contract.

Credit default swaps (CDS) are valued as follows:

- for the leg representative of the premium: pro rata temporis value of this premium
- for the leg representative of the credit risk: according to the market price

Entries into the portfolio are recognised at their acquisition price, excluding costs.

## ***VII. Remuneration***

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In compliance with Directive 2009/65/EC, Rothschild & Co Asset Management Europe, as the delegated financial manager of the SICAV, has drawn up and applies remuneration policies and practices compatible with sound and efficient risk management and that do not encourage risk taking incompatible with the SICAV's risk profiles and regulatory documents and that do not undermine the obligation to act in its best interests.

The remuneration policy complies with the economic strategy, objectives, values and interests of the SICAV and investors and includes measures aimed at avoiding conflicts of interest.

In addition, as management company for alternative investment funds and UCITS, Rothschild & Co Asset Management Europe also applies the AIFM and UCITS directives.

Identified Staff under the AIFM and UCITS directives includes the following functions:

- General Management (excluding Associate Managing Directors)
- Managers of AIFs or UCITS
- Heads of Development and Marketing
- Head of Compliance and Internal Control
- Risk functions (operating, market, etc.)
- Administrative managers
- Any other employee that has a material impact on the company's risk profile or the managed AIF/UCITS and whose overall remuneration falls in the same remuneration bracket as other risk takers.

The remuneration policies and practices of Rothschild & Co Asset Management Europe apply to all staff members, with specific rules on deferred variable remuneration applicable to the Regulated Population, in line with the AIFM and UCITS regulations.

Details concerning the Rothschild & Co Asset Management Europe remuneration policy are available at [www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com).

A printed version of the Rothschild & Co Asset Management Europe remuneration policy can be made available free of charge to investors in the SICAV on request at the registered office of the SICAV.

## **R-CO VALOR**

Open-ended investment fund (SICAV)  
Registered office: 29 avenue de Messine – 75008 Paris  
PARIS Trade and Companies Register 789 648 409

# **ARTICLES OF ASSOCIATION**

## **TITLE 1**

### **FORM - PURPOSE - NAME - REGISTERED OFFICE - DURATION OF THE COMPANY**

#### **ARTICLE 1 - FORM**

The holders of shares hereinafter created and shares subsequently created hereby form an open-ended investment fund (SICAV) governed particularly by the provisions of the French commercial code relating to commercial companies (Book II – Title II – Chapters V and VI), the French monetary and financial code (Book II – Title I – Chapter IV), their implementing texts, subsequent texts, and by these articles of association.

#### **ARTICLE 2 - PURPOSE**

The purpose of this company is to set up and manage a portfolio of financial instruments and deposits.

#### **ARTICLE 3 - NAME**

The company, an open-ended investment fund (SICAV), is named: R-co Valor.

#### **ARTICLE 4 - REGISTERED OFFICE**

The registered office is located in PARIS (8th district) - 29, avenue de Messine.

#### **ARTICLE 5 - DURATION**

The duration of the company is ninety-nine years from the date of its entry in the Trade and Companies Register, except in cases of early dissolution or extension provided for in these articles of association.

## **TITLE 2**

### **CAPITAL - CHANGES IN CAPITAL - CHARACTERISTICS OF SHARES**

#### **ARTICLE 6 - SHARE CAPITAL**

The minimum capital of the SICAV is 300,000 euros.

The initial capital of the SICAV is 304,745.40 euros divided into 306 fully paid-up shares.

It was constituted through a cash payment.

Share classes:

The characteristics of the various share classes and their access conditions are set out in the SICAV's prospectus.

The different share classes may:

- Have different arrangements for distributing income (paid out or accumulated);
- Be denominated in different currencies;
- Be subject to different management fees;
- Be subject to different subscription and redemption fees;
- Have a different nominal value;
- Be systematically hedged against risk, either partially or in full, as set out in the prospectus. Financial instruments are used for hedging, minimising the impact of hedging transactions on the UCITS' other unit classes;
- Be reserved for one or more distribution networks.

Possibility of a stock split or reverse stock split by a decision of the Extraordinary General Meeting.

Shares may be divided on a decision by the Board of Directors into tenths, hundredths, thousandths, ten-thousandths of shares called fractional shares.

The provisions of the articles of association governing the issue and redemption of shares shall also apply to fractional shares, whose value shall always be proportionate to that of the share that they represent. Unless otherwise stated, all other provisions of the articles of association relating to units shall apply to fractional shares without any need to make a specific provision.

#### **ARTICLE 7 - CHANGES IN CAPITAL**

The amount of the capital is likely to change, resulting from the company's issue of new shares and decreases following the redemption of shares by the company for shareholders who so request.

#### **ARTICLE 8 - SHARE ISSUES, REDEMPTIONS**

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

Redemptions and subscriptions are performed under the conditions and according to the procedures specified in the prospectus.

Redemptions can be made in cash and/or in kind. If the redemption in kind corresponds to a representative share of assets in the portfolio, then only the written signed agreement of the shareholder must be obtained by the SICAV or the management company. If the redemption in kind does not correspond to a representative share of assets in the portfolio, all shareholders must give their written approval authorising the redemption of the outgoing shareholder's shares against certain specific assets, as defined explicitly in the agreement.

## Articles of Association

### R-co Valor

In derogation from the above, when the fund is an ETF, redemptions on the primary market can, with the agreement of the portfolio's management company and in respect of the interests of shareholders, be made in kind according to the conditions defined in the prospectus or the fund's rules. The assets will then be delivered by the issuer account holder under the conditions defined in the SICAV's prospectus.

In general, the assets redeemed are valued according to the rules set out in Article 9, and the redemption in kind takes effect based on the first net asset valuation following the acceptance of the securities concerned.

Any subscription of new shares must be fully paid up. Otherwise, the subscription shall be nullified. Issued shares shall have the same rights as the shares existing on the day of the issue.

Pursuant to Article L. 214-7-4 of the French financial and monetary code, the redemption of its shares by the company, as for the issue of new shares, may be suspended on a temporary basis by the board of directors or executive board when the circumstances so require and if the interests of the shareholders so dictate. If the net assets of the SICAV (or, where applicable, a sub-fund) fall below the minimum regulatory requirement, no redemption of shares may be done.

Units may be subject to minimum subscription conditions, pursuant to the terms specified in the prospectus.

The SICAV may cease to issue shares pursuant to the third paragraph of Article L. 214-7-4 of the French monetary and financial code, provisionally or definitively, in part or in full, in situations that objectively require the closure of subscriptions, such as when the maximum number of shares has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired. The triggering of this tool will be the object of information by any means to existing shareholders relative to its activation as well as to the threshold and the objective situation having led to the partial or full closure decision. In the event of a part closure, this information by all means will explicitly point out the terms under which existing shareholders can continue to subscribe throughout the duration of this partial closure. Shareholders are also informed by all means of the decision by the SICAV or the management company either to end the full or part closure of subscriptions (after a fall below the trigger threshold) or not to end it (if the threshold is changed or the objective situation that led to the tool being implemented changes). A change in the objective situation invoked or in the trigger threshold for the tool should always be undertaken in the interests of shareholders.

The information by all means points out the exact reasons for these changes.

### **ARTICLE 9 - CALCULATION OF NET ASSET VALUE**

The net asset value of the share is calculated in accordance with the valuation rules specified in the prospectus. In addition, an indicative instantaneous net asset value shall be calculated by the investment firm in case of admission to trading.

Contributions in kind may only consist of the securities, instruments, or contracts eligible to form part of the UCITS's assets; Contributions and redemptions in kind are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

### **ARTICLE 10 - FORM OF SHARES**

Subscribers may opt to hold shares in either bearer or administered registered form.

Pursuant to Article L. 211-4 of the French monetary and financial code, the securities must be recorded in accounts kept by an authorised intermediary.

The rights of holders shall be represented by an entry in an account in their name

with the intermediary of their choice, both for bearer securities and for administered registered securities.

## **Articles of Association**

### **R-co Valor**

The Company may, against remuneration payable by the Company, request the name, nationality and address of the SICAV's shareholders, as well as the quantity of securities held by each of them in accordance with Article L. 211-5 of the French monetary and financial code.

#### **ARTICLE 11 - ADMISSION TO TRADING ON A REGULATED MARKET**

The shares may be admitted to trading on a regulated market in accordance with applicable regulations. In this case, the SICAV must have put in place a mechanism to ensure that the price of its share does not deviate significantly from its net asset value.

#### **ARTICLE 12 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES**

Each share entitles the holder to ownership of the corporate assets and an interest in the profits proportional to the fraction of the capital that it represents.

The rights and obligations attached to the share shall follow the security in any change of ownership.

Each time it is necessary to own several shares in order to exercise any right whatsoever, and especially in the case of an exchange or regrouping, the owners of isolated shares, or with a lower number than that required, may only exercise these rights on condition that they make the grouping a personal affair, and eventually the purchase or sale of the necessary shares.

#### **ARTICLE 13 - INDIVISIBILITY OF SHARES**

All joint holders of a share or the beneficiaries are required to be represented with the Company by a single person appointed mutually by them or, failing that, by the President of the commercial court with jurisdiction over the location of the registered office.

If a fractioning of shares has been chosen (Article 6):

Owners of fractions of shares may group together. In this case, they must be represented under the terms set out in the previous line, by a single and same person, who will exercise for each group, the rights attached to ownership of one whole share.

Possibility of providing for the distribution of voting rights at General Meetings, between the usufructuary and bare owner, or leaving this choice to the interested parties who shall be responsible for notifying the Company thereof.

### **TITLE 3**

#### **ADMINISTRATION AND MANAGEMENT OF THE COMPANY**

#### **ARTICLE 14 - ADMINISTRATION**

The company shall be administered by a board of directors (of no fewer than three and no more than eighteen members) appointed by the General Meeting.

During the life of the company, the directors shall be appointed or renewed in their functions by the ordinary general meeting of shareholders.

Directors may be natural persons or legal entities. Upon their appointment, such legal entities must appoint a permanent representative who shall be subject to the same conditions and obligations and who shall incur the

## **Articles of Association**

### **R-co Valor**

same civil and criminal liabilities as if he or she were a member of the board of directors in his or her own name, without prejudice to the liability of the legal entity represented.

This mandate as permanent representative is given to him or her for the duration of the mandate of the legal entity represented. If the legal entity revokes the mandate of its representative, it shall be required to notify the SICAV immediately by registered letter of this revocation as well as the identity of its new permanent representative. The same is true in case of death, resignation, or extended incapacity of the permanent representative.

## **ARTICLE 15 - DURATION OF THE FUNCTIONS OF DIRECTORS - RENEWAL OF THE BOARD**

Subject to the provisions of the last paragraph of this article, the duration of the functions of the directors is three years for the initial directors and six years at most for subsequent directors, each year referring to the interval between two consecutive annual general meetings.

If one or more director seats become vacant between two general meetings, as a result of death or resignation, the board of directors may make temporary appointments.

The director temporarily appointed by the board to replace another shall remain in office only for the remaining time of the term of his or her predecessor. His or her appointment shall be subject to ratification by the next General Meeting.

Any outgoing director may be re-elected. They may be dismissed at any time by the ordinary general meeting.

The functions of each member of the board of directors shall end at the conclusion of the ordinary general meeting of shareholders having ruled on the accounts of the preceding financial year and held in the year in which his or her term expires, with the understanding that, if the meeting is not held during this year, said functions of the member in question shall end on 31 December of the same year, all subject to the exceptions below.

Any director may be appointed for a period of less than six years when this is necessary in order to ensure that the renewal of the board remains as regular as possible and complete in each period of six years. This shall apply in particular if the number of directors is increased or decreased and the regularity of the renewal process is affected.

When the number of members of the board of directors falls below the statutory minimum, the remaining member(s) must immediately convene the ordinary general meeting of shareholders in order to make appointments to ensure that the board has an appropriate number of members.

The number of directors who have exceeded the age of 95 years may not be more than one third of the directors in office. If this limit is exceeded, the oldest board member is considered as resigning from their position.

The board of directors may be renewed in part.

In the event of resignation or death of a director and when the number of directors remaining in office is greater than or equal to the minimum required by the articles of association, the board of directors may, on a provisional basis and for the remainder of the term, provide for his or her replacement.

## **ARTICLE 16 – EXECUTIVE COMMITTEE**

The board shall elect from among its members, for the duration that it determines but not exceeding the duration of the director's term, a Chairman who must be a natural person.

The chairman of the board of directors organises and manages the works of the board and presents these at the general meeting. The chairman shall ensure that the bodies of the company function properly and, in particular, that the directors are able to fulfil their duties.

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If it deems it useful, the board of directors shall also appoint a vice-chairman and may also choose a secretary, even from outside of the board of directors.

For the performance of his or her functions, the chairman must be under the age of 95 years. The chairman having reached the age limit continues to perform his or her functions until the Ordinary General Meeting to approve the financial statements for the financial year during which he or she reaches the age of 95 years.

In the event of a temporary absence or the death of the chairman, the board will designate a session chairman chosen among the vice-chairmen or by default among the board members.

## **ARTICLE 17 - MEETINGS AND DELIBERATIONS OF THE BOARD**

Meetings of the board of directors are called by its Chairman as often as required by the company's interests, either at the registered office or at any other location indicated in the notice of meeting.

If the board has not met for more than two months, at least one third of its members may ask the chairman to convene a meeting for a specific agenda. The managing director may also ask the chairman to convene the board of directors on a specific agenda. The chairman shall be bound by these requests.

Internal regulations may define, in accordance with the legal and regulatory provisions, the conditions for organising meetings of the board of directors, which may take place by videoconference, to the exclusion of the adoption of decisions expressly prohibited by the French commercial code.

Convening notices for the board meeting to approve the annual accounts shall be sent by post to each of the board members.

For all other committee meetings, a verbal invitation is allowed.

The presence of at least half of the members shall be required for valid deliberations. Decisions shall be taken by a majority of the members present or represented.

Each director shall have one vote. In the event of a tie vote, the Chairman of the meeting shall have the casting vote.

If a videoconference is allowed, in compliance with prevailing regulations, the internal rules may stipulate that board members taking part in the board meeting via video are considered to be present for quorum and majority calculations.

## **ARTICLE 18 - MINUTES**

Minutes shall be kept, and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

## **ARTICLE 19 – POWERS OF THE BOARD OF DIRECTORS**

The board of directors shall set the company's business strategy and oversee its implementation. Within the limit of the corporate purpose and subject to the powers expressly attributed to General Meetings of shareholders, the board of directors examines any and all issues related to the efficient running of the company and makes any and all business decisions within its remit. The board of directors shall carry out the checks and verifications that it deems appropriate. The Company's chairman or managing director shall be required to communicate all documents and information necessary to each board member for carrying out his/her duties.

Any board member may grant power of attorney to another board member to represent him/her at a meeting of the board of directors. Each director may only hold one of the power of attorneys received, during the same meeting. These provisions apply to the permanent representative of a legal entity director.



#### **ARTICLE 20 - GENERAL MANAGEMENT**

The company's general management shall be ensured, under its responsibility, either by the chairman of the board of directors or by another natural person appointed by the board of directors and bearing the title of chief executive officer.

The choice between the two methods of general management shall be made under the conditions established in these articles of association by the board of directors for a term ending upon the expiry of the functions of chairman of the board of directors in office. Shareholders and third parties shall be informed of this choice pursuant to the legal and regulatory provisions in force.

Depending on the choice made by the board of directors in accordance with the provisions set out hereinabove, the chairman or a managing director shall ensure the general management.

If the board of directors chooses to separate the functions of chairman and managing director, it shall appoint the managing director and set the duration of his or her term of office.

If the Company's general management is handled by the chairman of the board of directors, the following provisions relating to the managing director shall be applicable to him/her.

Subject to the powers that the law expressly allocates to shareholders' meetings as well as the powers that it reserves specially for the board of directors, and within the limit of the corporate purpose, the managing director shall be vested with the broadest powers to act in the name of the Company in all circumstances. The managing director's powers shall be exercised within the limits of the corporate purpose and subject to those that the law expressly grants to shareholders' meetings and the board of directors. He/she represents the Company in its relations with third parties.

The managing director may grant all partial delegations of his or her powers to any person of his or her choice.

The managing director may be dismissed at any time by the board of directors.

Upon the recommendation of the managing director, the board of directors may appoint up to five natural persons to assist the managing director, who shall have the title of deputy managing director.

The deputy managing directors may be dismissed at any time by the board on the proposal of the managing director.

In agreement with the managing director, the board of directors shall determine the extent and duration of the powers delegated to the deputy managing directors.

These powers may include the ability to make partial delegations. In the event of cessation of functions or incapacity of the managing director, they shall maintain their functions and powers until the appointment of the new managing director, unless the board decides otherwise.

The deputy managing directors shall have the same powers as the managing director as regards third parties.

For the performance of his or her functions, the managing director or the deputy managing director must be under the age of 95 years. The managing director or the deputy managing director having reached the age of 95 years continues to perform his or her functions until the Ordinary General Meeting to approve the financial statements for the financial year during which he or she reaches the age limit.

#### **ARTICLE 21 - ALLOCATIONS AND REMUNERATIONS OF THE BOARD**

The remuneration of the chairman of the board of directors and that of the managing director or directors shall be set by the board of directors; it may be fixed or both fixed and proportional.

An annual fixed remuneration may be assigned to the board of directors in the form of directors' fees, the amount of which is determined by the Annual General Meeting and maintained until otherwise decided by said meeting.

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The board of directors distributes this remuneration among its members as it sees fit.

#### **ARTICLE 22 - DEPOSITARY**

The depositary shall be appointed by the board of directors. The depositary shall perform the duties for which it is responsible in accordance with the legal and regulatory provisions in force and those contractually entrusted to it by the SICAV or the management company.

In particular, it must ensure the legality of the decisions taken by the management company. Where applicable, the depositary must take any protective measures that it deems useful. It shall inform the French regulator, *l'Autorité des Marchés Financiers* (AMF), in the event of a dispute with the management company.

#### **ARTICLE 23 - PROSPECTUS**

When the SICAV has delegated its overall management, the board of directors or the management company has full powers to potentially make any modifications to ensure the proper management of the company, in accordance with the legislative and regulatory provisions specific to SICAVs.

### **TITLE 4**

#### **STATUTORY AUDITOR**

#### **ARTICLE 24 - APPOINTMENT - POWERS - REMUNERATION**

The statutory auditor shall be appointed by the board of directors for a 6-year term, after the agreement of the French Financial Markets Authority, from among persons authorised to perform these functions in commercial companies.

The statutory auditor shall certify that the accounts are true and fair.

The statutory auditor may be reappointed to office.

The statutory auditor shall inform the AMF as soon as possible of any event or decision concerning the UCITS of which the statutory auditor has become aware in the course of the work that may:

- 1° constitute a violation of the legislative or regulatory provisions applicable to this UCITS and be liable to have a significant impact on the financial position, results or assets;
- 2° adversely affect the conditions or the continuity of its operations;
- 3° result in the statutory auditor expressing a qualified opinion or refusing to certify the accounts.

Asset valuations and the determination of exchange rates used in currency conversions, mergers, or spin-offs shall be audited by the statutory auditor.

The statutory auditor assesses all contributions or redemptions in kind under its responsibility, except under the framework of redemptions in kind for an ETF on the primary market.

The statutory auditor shall certify the composition of the assets and other information before it is reported.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the SICAV's board of directors or executive board on the basis of a work schedule specifying the procedures deemed to be necessary.

The statutory auditor shall certify the circumstances underlying any interim distributions.

### **TITLE 5**

#### **GENERAL MEETINGS**

## **ARTICLE 25 - GENERAL MEETINGS**

General meetings shall be convened and shall deliberate under the conditions provided for by law.

The Annual General Meeting to approve the Company's financial statements must be held within four months of the close of the financial year.

General meetings shall be held at the corporate registered office or at any other location defined in the notice convening the meeting.

Any shareholder may participate, personally or through a proxy, in the General Meetings subject to proof of identity and ownership of shares, in the form of either an entry in registered security accounts, or a deposit in bearer security accounts or a certificate of deposit, at the locations mentioned in the notice of meeting; these formalities must be completed two days before the date of the General Meeting.

A shareholder may be represented in accordance with the provisions of Article L.225-106 of the French commercial code

A shareholder may also vote by correspondence under the conditions provided for by the regulations in force.

General meetings shall be chaired by the chairman of the board of directors or the chairman of the management board, or in his or her absence, by a vice-chairman or by a director appointed for this purpose by the board of directors or the management board. Failing this, the general meeting itself shall elect its chairman.

Minutes of the general meeting shall be prepared, and their copies shall be certified and issued in accordance with the law.

## **TITLE 6**

### **ANNUAL FINANCIAL STATEMENTS**

## **ARTICLE 26 - FINANCIAL YEAR**

The financial year shall begin on the day after the last trading day in Paris in December and end on the last trading day in Paris of the same month of the following year.

However, as an exception, the first financial year shall include all transactions carried out since the creation date and shall end the last trading day of the month of December 2013.

## **ARTICLE 27 - PROCEDURES FOR THE ALLOCATION OF INCOME AND DISTRIBUTABLE AMOUNTS**

The Board of Directors shall establish the net income for the year, which, in accordance with the provisions of the law, is equal to the amount of interest, arrears, premiums, bonuses, and dividends, as well as all income relating to securities that constitute the SICAV's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

Amounts available for distribution consist of the following:

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1° Net income for the year, plus retained earnings and plus or minus the balance of the income equalisation account;

2° Capital gains realised, net of costs, minus capital losses realised, net of costs recorded during the period, plus net capital gains of the same type recorded during earlier periods that were not the subject of any payout or accumulation and minus or plus the balance of the capital gains equalisation account.

The amounts indicated in points 1° and 2° above may be distributed independently of each other, in whole or in part.

Amounts available for distribution must be paid within a maximum period of five (5) months from the year-end.

Each year, the Annual General Meeting shall decide on the allocation of the amounts available for distribution.

For each share class, where applicable, the SICAV may opt for one of the following formulas for each of the amounts mentioned in points 1° and 2°:

- Accumulation only: distributable amounts shall be fully accumulated, with the exception of those amounts which are subject to compulsory payout by law;
- Distribution only: all amounts available for distribution shall be paid out to the nearest round number; the company may make interim dividend payouts;
- For SICAVs that would like to remain free to accumulate and/or pay out, and/or retain amounts available for distribution, the General Meeting shall decide each year on the allocation of the amounts indicated in points 1° and 2°.

Where applicable, the Board of Directors can decide, during the year, to distribute one or more interim dividends within the limit of the net revenues of each of the amounts indicated in 1° and 2°, booked on the decision date, as well as their amounts and their distribution dates.

For the (i) distribution only and (ii) accumulation and/or distribution shares, the General Meeting shall decide each year how to allocate the capital gains (accumulated, paid out, and/or retained).

More precise details concerning the allocation of distributable amounts are provided in the prospectus.

## **TITLE 7**

### **EXTENSION - DISSOLUTION - LIQUIDATION**

#### **ARTICLE 28 - EXTENSION OR EARLY DISSOLUTION**

At any time and for any reason whatsoever, the board of directors may propose the extension, early dissolution, or liquidation of the SICAV to an Extraordinary General Meeting.

The issue of new shares and the buyback of shares by the SICAV from shareholders who so request shall cease on the day of the publication of the notice of the General Meeting at which the dissolution and liquidation of the company are proposed or at the expiry of the duration of the company.

#### **ARTICLE 29 - LIQUIDATION**

The liquidation methods shall be established according to the provisions of Article L.214-12 of the French monetary and financial code.

**TITLE 8**

**DISPUTE**

**ARTICLE 30 - COMPETENCE - ELECTION OF DOMICILE**

Any disputes that may arise during the course of the company or its liquidation either between the shareholders and the company, or between the shareholders themselves, on the subject of company affairs, shall be judged in accordance with the law and subject to the jurisdiction of the competent courts.

Articles of association updated by the Extraordinary General Meeting of 22 May 2019