



## **DORVAL CONVICTIONS**

### **PROSPECTUS**

UCITS governed by Directive 2009/65/EC

# DORVAL CONVICTIONS

## I. GENERAL FEATURES

### Form of the UCITS:

- **Name** DORVAL CONVICTIONS, hereinafter referred to as “the Fund” in this document.
- **Legal form** French Mutual Fund (FCP).
- **Launch date** This UCITS was approved by the AMF on 27/12/2007. It was launched on 31/12/2007.

### Summary of the offer:

Name	Unit class	ISIN code	Allocation of income	Base currency	Initial net asset value	Recommended investment period	Minimum initial subscription
R unit:	All subscribers	FR0010557967	Accumulation	EUR (€)	€100	Minimum 3 years	One thousandth of a unit
I unit:	Strictly reserved for institutional investors or eligible counterparties defined by the management company	FR0010565457	Accumulation	EUR (€)	€1,000	Minimum 3 years	EUR 500,000
M unit:	Reserved for feeder UCIs managed by the management company or a Group company	FR0013192838	Accumulation	EUR (€)	€100	Minimum 3 years	One ten-thousandth of a unit
N unit:	Subscription in this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting any retrocessions to distributors, or providing an independent advisory	FR0013299187	Accumulation	EUR(€)	€100	Minimum 3 years	One ten-thousandth of a unit

	service within the meaning of the European MiFID II regulation and/or individual portfolio management mandates, and when they are paid by their clients.						
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➤ **Address from which the Fund's regulations, the latest annual and interim reports and asset composition can be obtained:**

The latest annual and interim reports, the Fund's regulations and the asset composition will be sent to the unitholder within one week of receipt of a written request to:

**Dorval Asset Management**

1 Rue de Gramont 75002 Paris, France

Fax: + 33 (0) 1 42 94 18 37

[Informations@dorval-am.com](mailto:Informations@dorval-am.com)

**Institutional Clients:** Mr Denis Laval

Tel.: + 33 (0)1 44 69 90 43

E-mail: [denis.laval@dorval-am.com](mailto:denis.laval@dorval-am.com)

**External Distribution client base and Individuals:**

Ms Gaëlle Guilloux

Tel.: + 33 (0) 1 44 69 90 45

E-mail: [gaelle.guilloux@dorval-am.com](mailto:gaelle.guilloux@dorval-am.com)

Additional information can be obtained from Dorval Asset Management at the above address, or from your usual adviser.

➤ **Information for professional investors:**

Dorval Asset Management may send the breakdown of the UCI's portfolio to investors classified as professional investors by the ACPR, the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

## **II - PARTIES INVOLVED:**

<b>Management Company:</b>	DORVAL ASSET MANAGEMENT, 1 Rue de Gramont, 75002 Paris Portfolio management company authorised by the AMF on 14 June 1993 under no. GP 93008.
<b>Depository, custodian, and institution responsible for clearing subscription and redemption requests</b>	<p>CACEIS Bank</p> <p>The duties of the depository include, as set out in the applicable Regulations, custody of the assets, checking that the management company's decisions are lawful, and monitoring the UCITS' cash flows.</p> <p>The depository is also responsible, on behalf of the management company, for the Fund's liability accounting, which includes centralising subscription and redemption orders for Fund units as well as managing the Fund's unit issue account.</p> <p>The depository is independent of the management company.</p> <p>The description of the delegated custodial duties, the list of custodians and sub-custodians of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: <a href="http://www.caceis.com">www.caceis.com</a>.</p> <p>Updated information is made available to investors upon request.</p>
<b>Institution responsible for maintaining registers of units</b>	CACEIS Bank
<b>Prime broker</b>	None
<b>Statutory auditor</b>	<p>KPMG</p> <p>Represented by Gérard Gaultry</p> <p>Tour EQHO, 2 Avenue Gambetta, CS 60055, 92006 Paris</p>
<b>Marketing agent</b>	DORVAL ASSET MANAGEMENT
<b>Accounting agents</b>	<p>CACEIS FUND ADMINISTRATION, Société anonyme, 1-3 Place Valhubert, 75206 Paris Cedex 13 – France</p> <p>The main duties of the party responsible for accounting is to provide, in France and abroad, services to support the management of financial assets, in particular the valuation and administrative and accounting management of the financial portfolios.</p> <p>The management company has not identified any conflicts of interest that may arise from such arrangements.</p>
<b>Advisors</b>	None

### III. OPERATING AND MANAGEMENT CONDITIONS

#### Characteristics of the units:

<b>R unit: ISIN code</b>	FR0010557967
<b>I unit: ISIN code</b>	FR0010565457
<b>M unit: ISIN code</b>	FR0013192838
<b>N unit: ISIN code</b>	FR0013299187

<b>Rights attached to the units</b>	<p>The rights of the Fund's co-owners are expressed in units, with each unit representing an equal fraction of the Fund's assets. Each unitholder has a co-ownership right to the Fund's assets, proportional to the number of units held. Distributable income is equal to the net income for the financial year plus or minus the balance of any accrued income or deferred expenses for the last financial year. The management company shall decide on the allocation of income. It opts for accumulation.</p> <p>Unitholders may be informed about changes affecting the Fund by any means that conform to AMF guidelines. Management of the Fund, which has no corporate personality and for which the rules concerning undivided ownership and companies have been waived, is carried out by the management company, acting on behalf of the unitholders and in their exclusive interest.</p>
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<b>Entry in a register</b>	Management of the issuer's account at Euroclear France.
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<b>Voting rights</b>	<p>There are no voting rights attached to the units. Decisions concerning the Fund are taken by the management company.</p> <p>The management company's voting policy may be viewed at the registered office of the management company or at <a href="http://www.dorval-am.com">www.dorval-am.com</a>.</p>
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<b>Type of unit</b>	Bearer.
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<b>Decimalisation</b>	Subscription or redemption in thousandths of units.
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<b>Year-end date</b>	<p>The last business day in December.</p> <p>The first year will end on 31 December 2008.</p>
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<b>Tax system</b>	<p>The Fund is not subject to corporation tax, but dividends and capital gains or losses are taxable once in the hands of the unitholders.</p> <p>Depending on your tax system, any capital gains and income related to the holding of UCITS units may be subject to tax. We recommend that you obtain further information on this matter from the UCITS' marketing agent.</p>
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<b>Tax provisions</b>	This Fund is eligible for a life insurance policy.
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#### Special provisions:

<b>Management objective</b>	<ul style="list-style-type: none"><li>The investment objective is to outperform the benchmark (50% of which is composed of the EONIA Capitalization Index 7 D (Bloomberg code: OISEONIA) and 50% composed of the EURO STOXX 50 NR (EUR) index calculated with net dividends reinvested) (Bloomberg code: SX5T)) over an investment period of a minimum of 3 years, via a flexible allocation between equity and interest rate markets. The Fund is managed on a fully discretionary basis.</li></ul>
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<b>Benchmark</b>	<p>50% of the EONIA Capitalization Index 7 D (Bloomberg code: OISEONIA) and 50% of the Euro Stoxx 50 NR (EUR) index (Bloomberg code: SX5T), calculated with net dividends reinvested (from 1 January 2013).</p> <p>Reminder regarding these benchmarks:</p>
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- EONIA (Euro Overnight Index Average) Capitalization Index 7 D (Bloomberg code: OISEONIA), rate calculated daily by the ECB resulting from the weighted average of the day-to-day transactions made between the most active banks in the eurozone. It represents the eurozone risk-free rate. The EONIA index is calculated and published by the European Money Markets Institute on the website [www.emmi-benchmarks.eu](http://www.emmi-benchmarks.eu)
- Euro Stoxx 50 NR (EUR): index containing the 50 most representative listed securities in the eurozone, selected from the largest market capitalisations. It is calculated with net dividends reinvested. (Bloomberg code: SX5T). The index is calculated by Stoxx and is available on the website [www.stoxx.com](http://www.stoxx.com). Investors' attention is drawn to the fact that the composition of the portfolio may differ significantly from that of its benchmark index.

The directors of the indices are the European Central Bank and Stoxx Ltd. The indices are available on the sites respectively:

<http://fr.euribor-rates.eu/eonia.asp>

<https://www.stoxx.com/>

To date, the Directors of the benchmarks have not yet been listed on the ESMA's Register of Directors and Benchmarks.

## Investment strategy

The investment strategy is the discretionary management of French and foreign diversified securities.

More specifically, it involves:

- Active management of the asset allocation, distributed between equity markets and interest rate products: this is achieved through tactical, strategic allocation based on an economic scenario of the market valuation and portfolio risk control.  
This asset allocation is determined by the management team in charge of the Fund after a 4-step process: determine the levels of exposure to French and European equities; identify investment themes; allocate by cap size; select individual companies.
- Selection of equities or equity securities (small, medium or large-caps), according to the convictions of the specialist teams of managers/analysts at DORVAL ASSET MANAGEMENT. This investment process promotes a thematic, stock-picking approach (seeking out companies that are undervalued or neglected by the market). To do so, the managers attach specific importance to individual equity valuations, based on discounted cash flow and stock market comparison models (yields, price/earnings ratios).
- The remainder of the portfolio is invested in money market products and interest rate products, in order to safeguard capital and reduce overall portfolio volatility.  
Investors are reminded that the specific management of sub-funds in the bond and credit markets is not the ultimate purpose of the management objective.

## Composition of assets

The target allocation is 50% equities and 50% interest rate products, but this may vary according to market conditions and the opportunities that may present themselves to the manager.

### Equities or equity securities:

Between 0 and 100% of the Fund's assets may be exposed to equity markets.

*Characteristics of the equities or equity securities held:*

- Securities traded on regulated markets
- Equities issued almost exclusively by European companies

- Up to 10% of total assets will be held on an ancillary basis in equities of non-European companies, companies in emerging markets in Eastern Europe, South America and Asia.
- Up to 40% of total assets will be held in equities of companies listed in a currency other than the euro.
- Equities from all economic sectors
- Small, medium or large-cap equities
- Equities purchased by the Fund do not specifically make up the benchmark.

#### **Debt securities and money market instruments:**

Between 0 and 100% of the Fund's assets may be exposed to interest rate markets.

#### *Characteristics of interest rate products held:*

- Negotiable debt securities or bonds
- Debt securities issued by states or public institutions
- Securities with a minimum rating of BBB- (Standard & Poor's rating or equivalent)
- The sensitivity range of securities held will be between 0 and 6.
- The Fund may hold convertible bonds.

The management company relies on its teams and its own methodology to appraise credit risk.

#### **Shares or units in other UCIs:**

The Fund may invest between 0 and 10% in UCIs in order to meet the management objective or to earn interest on cash.

Investment in UCIs managed by Dorval Asset Management is authorised.

#### *Characteristics of the UCI units held:*

- European UCITS or AIFs open to a non-professional client base.

#### **Derivatives:**

The UCITS may invest in forward financial instruments and options.

#### *Type of markets in which the Fund operates:*

- organised, regulated markets.

#### *Types of risk handled:*

- equity risk
- interest rate risk
- exchange rates risk

#### *Types of operations:*

- hedging and exposure

#### *Type of instruments:*

- Futures
- Options

#### *Strategy of using derivatives to achieve the management objective:*

- exposure or hedging (equities, interest rates)
- hedging of a sub-fund: geographic area, type of capitalisation
- Derivatives will be used up to a maximum of 100% of the portfolio.

The Fund will not use total return swaps.

#### **Securities with embedded derivatives:**

#### *Types of risk handled:*

- equity risk

#### *Types of operations:*

- Exposure or hedging to meet the management objective

*Type of instruments:*

- Warrants or equivalent traded on regulated markets
- Convertible bonds traded on regulated markets

*Strategy of using embedded derivatives:*

- hedging of a sub-fund or security: geographic area, business sector, specific security, etc.

**Deposits:**

These transactions may be used within the limits set out in the regulations to earn interest on cash according to their levels of remuneration in comparison to other money market products

**Cash borrowings:**

None

**Temporary purchases and sales of securities:** none

**Contracts constituting collateral:** none

**Leverage effect:** The Fund does not use leverage

**Risk profile**

The portfolio is exposed to the following risk factors:

Generally, the net asset value may experience high volatility due to the composition of its portfolio. However, the goal of the management strategy is to maintain an overall level of volatility that is on average lower than that of equity markets.

Investors' attention is drawn to the fact that the composition of the portfolio may differ significantly from that of its benchmark, and that the Fund is managed on a fully discretionary basis: as such, the Fund's performance may be significantly higher or lower than that of its benchmark.

**Capital risk:**

The Fund does not offer any protection or guarantees, and capital initially invested may not be returned in full.

**Discretionary management risk:** The discretionary management style is based on anticipating trends on the various markets (equities, interest rate products). There is a risk that the UCITS may not be invested in the best-performing markets at all times.

This risk may expose unitholders to a risk of performance below that of the benchmark or to a capital loss.

**Equity risk:** If equity markets fall, the net asset value of the Fund may go down. The portfolio is exposed to the risk of fluctuations in European equity prices.

Its investments may include equities from small and mid-cap companies. The volume of these securities listed on the stock market is low, so market fluctuations are therefore more pronounced, both upwards and downwards, and are more rapid than with large-capitalisation companies. The net asset value of the Fund may therefore behave in the same manner.

**Interest rate risk:** The portfolio is exposed to fluctuations in bond prices, which are themselves linked to the risk of rising interest rates.

This risk is measured by sensitivity, which assesses the elasticity of bond prices in light of interest rate changes. The level of exposure to the interest rate market is between 0% and 100% of assets. If interest rates rise, the net asset value of the Fund may fall. These interest rate instruments will be short-term securities, thus presenting a lower level of interest rate risk.



**Credit risk:** The portfolio is exposed to the risk of default or downgrading of issuers' ratings. A downgrading of these ratings may cause a fall in bond prices that is more significant than that of comparable government bonds.

This risk is offset by the fact that the securities held are issued by states or public institutions, generally rated A or higher, and with a minimum rating of BBB-.

The Fund may however hold convertible bonds.

Investors are reminded that the specific management of sub-funds in the bond and credit markets is not the ultimate purpose of the management objective, and that the interest rate product portion is held to limit overall portfolio volatility.

**Currency risk:** This is the risk of a fall in the securities held compared to the portfolio's reference currency: the Euro.

Unitholders residing in the Eurozone may have to bear this currency risk, subject to a limit of 40% of the portfolio.

**Risk of investing in emerging markets:** The Fund may invest up to 10% of its assets in equities from emerging countries in Eastern Europe, Latin America and Asia. Investors are reminded that operating conditions and supervision in some of the above markets may fall short of the standards prevailing on major international stock markets.

<b>Guarantees or protection</b>	None (neither the capital, nor the level of performance, is guaranteed).
<b>Target subscribers</b>	<p>R unit: All investors including insurance companies in connection with unit-linked life assurance policies.</p> <p>I unit : Strictly reserved for institutional investors or eligible counterparties defined by the management company</p> <p>M unit: Reserved for feeder UCIs managed by the management company or by a Group company.</p> <p>N unit : Subscription in this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting any retrocessions to distributors, or providing an independent advisory service within the meaning of the European MiFID II regulation and/or individual portfolio management mandates, and when they are paid by their clients.</p>
<b>Typical investor profile</b>	<p>This Fund is intended for investors seeking capital growth by means of a vehicle invested flexibly in equities and interest rate products, with the goal of outperforming the benchmark over a minimum period of 3 years.</p> <p>Subscribers residing in the territory of the United States of America are not permitted to subscribe to this UCITS.</p> <p>The amount that it is appropriate to invest in this UCITS will depend on investors' personal circumstances. To determine the amount to invest, investors should consider their personal assets and current needs and the recommended investment period of over three years, as well as their willingness to take risks or whether they would prefer to invest cautiously. Investors are also strongly advised to diversify their investments to ensure that they are not exposed solely to the risks of this UCITS.</p> <p>The Fund is eligible for life insurance policies.</p>
<b>Recommended investment period</b>	Minimum 3 years.
<b>Allocation of income</b>	Accumulation Fund.
<b>Base currency</b>	Euro (€)
<b>Type of unit:</b>	Bearer.

<b>Decimalisation</b>	Subscription or redemption in thousandths of units.
<b>Subscription and redemption procedures:</b>	Requests for subscription and redemption are centralised on each business day up to 1.00 pm (CET) at the custodian's offices, and are fulfilled on the basis of the net asset value on that day. It is possible to subscribe and redeem fractions of units (thousandths).
<b>Initial value of units</b>	R unit: €100 I unit: €1,000 M unit: €100 N unit: €100
<b>Minimum subsequent subscriptions</b>	R unit: one thousandth of a unit I unit: one thousandth of a unit M unit: one ten-thousandth of a unit N unit: one thousandth of a unit
<b>Institution responsible for clearing subscription and redemption requests</b>	CACEIS Bank
<b>Date and frequency of net asset value calculation</b>	Daily, except on public holidays, even if the benchmark stock market(s) are open; in this case it is calculated on the next business day. It is calculated based on the last known net asset values for UCIs and, for other securities, based on the last price listed on the valuation day. Reference calendar: Euronext Paris
<b>Calculation and determination of the net asset value</b>	Subscriptions and redemptions are processed at an unknown net asset value; the rules used for determining the net asset value are given in the "Asset valuation and accounting rules" section.
<b>Place and method of publication or availability of the net asset value</b>	This information is available from DORVAL ASSET MANAGEMENT, 1 rue de Gramont, 75002 Paris, France and from the website <a href="http://www.dorval-am.com">http://www.dorval-am.com</a>

## INFORMATION ON CHARGES, FEES AND TAXES

<b>Charges and fees</b>	<b>Subscription and redemption fees:</b> Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' holdings. Fees that are not paid to the UCITS are paid to the management company, marketing agent, etc.
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<b>Fees charged to the investor, payable at the time of subscription or redemption</b>	<b>Basis</b>	<b>Rate</b>
Subscription fees not accruing to the UCITS	Net asset value x number of units	maximum 2% (P and I units) maximum 5% (M unit)
Subscription fees accruing to the UCITS	Net asset value x number of units	None
Redemption fees not accruing to the UCITS	Net asset value x number of units	None
Redemption fees accruing to the UCITS	Net asset value x number of units	None

## Fees invoiced to the Fund:

These charges cover:

- Financial management fees;
- Administrative charges external to the management company;
- Maximum indirect costs (management fees and charges) for UCITS that invest over 20% in French or foreign UCITS, French AIFs or AIFs established in another Member State of the European Union, or investment funds established under foreign law, with reference made to the maximum level of indirect fees and charges;
- Performance fees. These reward the management company if the UCITS exceeds its objectives. They are therefore invoiced to the UCITS;
- Transaction fees invoiced to the UCITS.

Fees charged to the UCITS	Basis	Rate
Financial management fee and administrative charges external to the management company	Net assets	R unit: 1.60% incl. tax I unit: 0.80% incl. tax M unit: 0.10% incl. tax Maximum rate
Transfer charges	Payable on each transaction	Equities: market-dependent, with a maximum of 0.35% incl. tax Bonds: 0.03% incl. tax Money market instruments and derivatives: None
Outperformance fee	Net assets	20% of the Fund's outperformance compared to its benchmark in the event of positive performance (P & I units) None (M unit)

**(\*) Outperformance fee:** The variable portion is based on a comparison between the performance of the Fund and the composite benchmark over the accounting period:

- If the performance of the Fund over the accounting period is greater than that of the composite benchmark and is greater than zero, then the variable portion of the management fee will be 20% of the difference between the Fund's performance and that of the benchmark.
- If, during the year, the Fund's performance since the beginning of the accounting period is greater than that of the composite benchmark calculated over the same period and greater than zero, then this outperformance is subject to a provision for variable management fees at the time of each net asset value calculation.
- If over the accounting period, the Fund's performance is below that of the composite benchmark, the variable portion of the management fee is zero.
- If the Fund underperforms in comparison to the composite benchmark between two NAV calculations, any previously accrued provision will be reversed accordingly. The new provisions must not exceed the previous allocations.
- This variable portion is only definitively charged at the end of each financial year  $n$ , in respect of the financial year  $n$ , if during this period, the Fund's performance is greater than that of the composite benchmark and is greater than zero. In all other cases, no variable management fee is levied at the end of the accounting period.

These variable fees are charged directly to the Fund's income statement at each net asset value calculation, and levied annually.

The following formula sets out how performance fees are calculated in respect of the financial year starting at 0 and ending in  $n$ :

- ⇒ If  $NAV(n) \leq NAV(0)$ , then  $TotalFGV(n) = 0$   
 ⇒ Calculation of the provision between two consecutive NAVs:  
 For all  $i$  varying between 1 and  $n$ : if  $NAV(i) > NAV(0)$  then:

$$TotalFGV(i) = \text{Max}(0, 0.20 * [N(i) * NAV(i) - \text{Bench}(i) / \text{Bench}(0) * N(i) * NAV(0)])$$

where

- $NAV(n)$  is the net asset value at the end of the financial year after fixed management fees, with no variable management fee,

- NAV(0) is the net asset value at the end of the previous accounting period. This net asset value serves as a benchmark for the current accounting period.
- TotalFGV(n) is the amount of the outperformance fee levied over the accounting period,
- N(i) is the total number of Fund units on the NAV calculation date (i),
- NAV(i) is the unit net asset value on day (i) after fixed management fees, with no variable management fee,
- Bench(i) is the value of the index on the same date:

$$Bench_i = Bench_{i-1} \times \left( 50\% \times \frac{EONIA \text{ Capitalization Index } 7 D_i}{EONIA \text{ Capitalization Index } 7 D_{i-1}} + 50\% \times \frac{Euro Stoxx 50 NR (EUR)_i}{Euro Stoxx 50 NR (EUR)_{i-1}} \right)$$

- N(i)\*NAV(i) represents pure assets, after fixed costs,
- N(i)\*NAV(0) represents the equivalent assets since the beginning of the year,
- Bench(i)/Bench(0)\*N(i)\*NAV(0) represents the benchmark equivalent assets,

The daily provision is thus expressed as:

ProvisionFGV(i) = TotalFGV(i)-TotalFGV(i-1)
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where

- ProvisionFGV(i) is the amount of variable management fees ("*frais de gestion variables*"), provisioned or reversed, at the net asset value calculation on i,

## IV - COMMERCIAL INFORMATION

### **Procedure for selecting intermediaries:**

Intermediaries and counterparties are selected by the management team for each transaction, using a competitive process from a list of authorised intermediaries.

The management company has implemented a selection and assessment procedure for intermediaries, which takes into account such objective criteria as quality of research, commercial monitoring and execution. This procedure is available on Dorval Asset Management's website, at [http://www.dorval-am.com/en\\_FR/statutory-information](http://www.dorval-am.com/en_FR/statutory-information). Investors are invited to refer to the UCITS' annual report for further information.

### **ESG criteria in our investment policy:**

DORVAL ASSET MANAGEMENT does not manage any ESG funds. Accordingly, our investment policy does not systematically or simultaneously include Environment, Social and Governance (ESG) criteria. However, in addition to traditional financial criteria, we strive to analyse the securities in which we invest, taking into account certain Environmental, Social and Governance criteria.

**Distribution is performed by:** DORVAL ASSET MANAGEMENT

**Redemption of units:** The subscription and redemption procedures were outlined in the section "Subscription and redemption procedures".

**The circulation of information about the UCITS is performed by:**

#### **Dorval Asset Management**

1 Rue de Gramont 75002 Paris, France

Fax: + 33 (0) 1 42 94 18 37

[Informations@dorval-am.com](mailto:Informations@dorval-am.com)

#### **Institutional Clients:** Mr Denis Laval

Tel.: + 33 (0)1 44 69 90 43

E-mail: [denis.laval@dorval-am.com](mailto:denis.laval@dorval-am.com)

#### **External Distribution client base and Individuals:**

Ms Gaëlle Guilloux

Tel.: + 33 (0) 1 44 69 90 45

E-mail: [gaelle.guilloux@dorval-am.com](mailto:gaelle.guilloux@dorval-am.com)

The AMF website ([www.amf-france.org](http://www.amf-france.org)) contains additional information on the list of regulatory documents and all the provisions relating to investor protection.

All subscription and redemption requests relating to the Fund are centralised by the depositary:  
CACEIS BANK, 1-3 Place Valhubert, 75013 Paris, France

**Prospectus publication date: 31/05/2018**

## V - INVESTMENT RULES

The Fund is subject to the statutory investment rules applicable to UCITS under directive no. 2011-19 investing up to 10% in units or shares of UCITS or investment funds.

## VI – OVERALL RISK

The overall risk ratio of this UCITS is determined using the commitment method.

## VII – ASSET VALUATION AND ACCOUNTING RULES

### Asset valuation rules:

The net asset value per unit is calculated in accordance with the valuation rules given below:

- Financial instruments and securities traded on a regulated market are valued at their market price, in accordance with the following principles:
- They are assessed at their official market price:

The market price used depends on the market where the security is listed:

European listing markets:	Last market price on the net asset value calculation day
Asian listing markets:	Last market price on the net asset value calculation day
North and South American listing markets:	Last market price on the net asset value calculation day

The prices used are those available at 9.00 am (CET) on the following day, obtained from appropriate sources: Fininfo or Bloomberg.

In the event that a security is not listed, the last known market price is used.

However, the following instruments are valued according to the following specific methods:

- The management company is responsible for appraising financial instruments not traded on a regulated market at their likely trading value.  
In particular, negotiable and other debt securities that are not traded in large volumes are valued using an actuarial method; the rate used is that applied to issues of equivalent securities plus or minus any differential representing the specific characteristics of the security's issuer. However, negotiable debt securities with low sensitivity and a residual maturity of three months or less may be valued using the straight-line method.
- Contracts (futures and options) are valued at their market value or at an estimated value in accordance with the methods established by the management company. The valuation method used for off-balance sheet commitments for futures consists of their valuation at the market price, and for options, of their translation into the underlying equivalent.

The prices used to value futures and options are in line with those of their underlying securities. They vary according to their listing market:

European listing markets:	Settlement price on the NAV calculation day, if different from the last price
Asian listing markets:	Last market price on the NAV calculation day, if different from the last price
North and South American listing markets:	Last market price on the NAV calculation day, if different from the last price

In the event that a future or option is not listed, the last known price is used.

Securities which are subject to temporary purchase or sale contracts are valued in line with the regulations in effect. Securities received under repurchase agreements are recorded at their acquisition date under the heading "Receivables representing securities received under repurchase agreements" at the value stipulated in the contract offset against the cash account in question. Throughout the period they are held, they are maintained at this value plus any accrued interest.

Securities sold under repurchase agreements are taken from the account on the transaction date and the corresponding receivable is recorded under the heading "securities sold under repurchase agreements"; this is valued at market price. Debts representing securities sold under repurchase agreements are recorded under the heading "Payables on securities transferred under repurchase agreements" offset against the cash account in question. It is maintained at the value stipulated in the contract, and any interest relating to the debt is added.

- Other instruments: UCITS units or shares held are valued at the last known net asset value.
- Financial instruments whose prices were not recorded on the valuation day or have been adjusted are valued at their probable trading value under the management company's responsibility. These valuations and their justification are provided to the auditors when their audits are carried out.

#### **Accounting methods:**

**Revenue recognition:** Interest on bonds and transferable debt securities is calculated using the accrued interest method.

**Recognition of transaction charges:** The method used to record transactions excludes charges and fees.

## **VIII – REMUNERATION**

Details of the management company's remuneration policy are available at [www.dorval-am.com](http://www.dorval-am.com).

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