

UCITS subject to Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 and to the European Directive 2009/65 / EC

## PROSPECTUS

### I. GENERAL CHARACTERISTICS

Date : 01 September 2021

- ▶ **Name:** HUGAU MONETERME
- ▶ **Legal form and Member State in which the UCITS was established:** mutual fund under French law
- ▶ **Date of creation and expected duration of existence:** UCITS created on the 21/01/2007. - Expected service life: 99 years
- ▶ **Summary of management offer:**

ISIN Code	Subscribers concerned	Allocation of income	Accounting currency	Initial net asset value	Minimum initial subscription amount
<b>Unit "I":</b> <b>FR0013267663</b> (ex: FR0011683762)	All subscribers	Capitalisation	Euro	<b>Unit "I":</b> €100,000 The quantity of securities is expressed in thousandths.	<b>Unit "I":</b> one unit
<b>Unit "R":</b> <b>FR0013267689</b> (ex: FR0011683747)	All subscribers	Capitalisation	Euro	<b>Unit "R":</b> €100,000 The quantity of securities is expressed in thousandths.	<b>Unit "R":</b> one unit

#### **Indication of the place where the mutual fund regulations, the latest annual report and the latest periodical statement are available:**

The latest regular and annual documents are sent within 8 working days upon simple written request from the holder to:

Hugau Gestion

Customer Service

60 rue Saint Lazare 75009 Paris, France

Email: [info@hugau-gestion.com](mailto:info@hugau-gestion.com)

Additional information can be obtained from your usual advisor.

The AMF website [www.amf-france.org](http://www.amf-france.org) contains additional information about the list of documents

### II. STAKEHOLDERS

► **Management company:** HUGAU GESTION - 60, rue Saint-Lazare - 75009 - PARIS. Portfolio management company approved by the AMF under number GP06 000008 on 27 June 2006.

► **Depository and custodian:** Crédit Industriel and Commercial (CIC), 6 avenue de Provence, 75009 PARIS.

a) Assignments:

1. Custody of assets
  - i. Protection
  - ii. Record keeping of assets
2. Control of the regularity of the decisions of the UCI or its management company
3. Monitoring of cash flow
4. Liability holding by delegation
  - i. Centralisation of unit/share subscription and redemption orders
  - ii. Charge of issuing account

Potential Conflicts of Interest: the Conflict of Interest Policy is available on the following website: <https://www.cmcics.com/>

A paper copy is available free of charge on request from: CM CIC MARKET SOLUTIONS - Custodian Solutions - 6 avenue de Provence 75009 PARIS

b) Delegate of custodial duties: BFCM

The list of delegates and sub-delegates is available on the following website: <https://www.cmcics.com/>

A paper copy is available free of charge on request from: CM CIC MARKET SOLUTIONS - Custodian Solutions - 6 avenue de Provence 75009 PARIS

c) Updated information will be made available to investors upon request to: CM CIC MARKET SOLUTIONS - Custodian Solutions - 6 avenue de Provence 75009 PARIS

► **Auditor:** Deloitte & Associates: 6 place de la Pyramide, 92908 Paris-La Défense cedex

► **Marketer:** Hugau Gestion

► **Delegate of administrative management and valuation:** CREDIT MUTUEL ASSET MANAGEMENT - 4, rue Gaillon - 75002 - PARIS.

► **Advisors:** none

### **III. OPERATING AND MANAGEMENT PROCEDURES**

#### **1. General features**

► **Characteristics of the units:**

- **Nature of the right attached to the unit class:** Each unitholder has a right of co-ownership of the assets of the unit trust proportional to the number of units held;
- **Entries in a register:** The rights of the holders will be represented by a book entry in their name at the intermediary of their choice for bearer securities, at the issuer.
- **Liability holding:** The liability is held by the custodian CREDIT INDUSTRIEL ET COMMERCIAL (CIC). It is specified that the administration of the units is carried out by EUROCLEAR France.
- **Voting rights:** In the case of a mutual fund, no voting rights are attached to the units, decisions being taken by the management company; information on the mutual fund's operating procedures is given to the holders, as the case may be, either individually or through the press, or through periodical documents or by any other means in accordance with the AMF Instruction.
- **Form of the shares:** bearer.
- The shares are decimalised in thousandths. First subscription: one unit. Subsequent subscriptions and redemptions are possible from the first thousandth.

► **Closing Date:** last trading day of the month of December. The first financial year will be closed on the last trading day of December.

► **Indication about the tax system:** The UCITS as such is not subject to taxation. However, the holders may incur charges as a result of the income distributed by the UCITS, if any, or when they sell the securities of the UCITS. The tax regime applicable to amounts distributed by the UCITS or to unrealised or realised capital gains or losses by the UCITS depends on the tax provisions applicable to the investor's particular situation, tax residence and/or the jurisdiction of the UCITS investment.

If the investor is unsure of his tax situation, he should contact a consultant or a professional.

Certain income distributed by the UCITS to non-residents in France may incur withholding tax in that State.

## 2. Special provisions

► **Classification:** Monetary  
Standard VNAV

► **Management objective:** The UCITS aims to preserve capital and achieve a performance equal the euro short-term rate (€STR published by ECB) less actual management costs.

► **Benchmark indicator:**  
The benchmark is the capitalised €STR.

[https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/euro\\_short-term\\_rate/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html)

The €STR is based entirely on daily confidential statistical information relating to money market transactions collected in compliance with the Money Market Statistical Reporting (MMSR) Regulation.

The list of MMSR reporting agents is provided on the MMSR webpage. There are four national central banks assisting the ECB in the collection of the input statistical information: the Deutsche Bundesbank, the Banco de España, the Banque de France, and the Banca d'Italia.

The method of calculation is defined in the €STR methodology and policies. The ECB reviews the €STR methodology and publishes a report every year.

As the fund's management is not index-based, this indicator is only given as a posteriori indicator of performance. It does not narrowly define the fund's management universe of reference.

The asset management company is able to replace the benchmark if one or more of the indices making up this benchmark change substantially or ceases to be provided.

► **Investment Strategy:**

### 1- Strategy used:

In order to achieve this, the management team adopts an active management style based on a macro-and micro-economic analysis, aiming to anticipate the movements of money market rates, and select "high credit quality" money market instruments, mainly denominated in euro. Management decisions include the degree of exposure to interest rate risk, positioning on the curve, geographical allocation within the Eurozone, the degree of exposure to credit risk resulting from sector allocation and selection of transmitters.

It limits its investment instruments eligible for the money market category, satisfying the required maturity conditions with a residual life of less than 397 days and up to 2 years, provided that the rate is revisable within a maximum period of 397 days and having a high credit quality.

The weighted average maturity to the maturity date of the portfolio is less than or equal to 6 months. The weighted average life of the portfolio up to the date of the extinction of the securities is less than or equal to 12 months.

Assets denominated in a currency other than the euro are systematically hedged to offset the currency risk.

The management company does not use the credit ratings issued by rating agencies exclusively or mechanically, but may take this into account in its own analysis, based mainly on a targeted financial analysis of the companies dealing in particular with debt and cash flow issues. The procedure for the internal assessment of credit quality is described in detail in the fund's prospectus.

Management is based on macroeconomic analysis, an anticipation of interest rates, a credit analysis, by selecting bonds of "high credit quality".

The assessment of this credit quality is based on internal studies based primarily on a financial analysis of issuers, focused on debt and cash flow issues.

- **Management of interest rate risk exposure:** macroeconomic analysis is used as a basis for developing a rate scenario. Taking into account the valuation of interest rate instruments makes it possible to calibrate the interest rate risk by determining the overall sensitivity level of the fund;
- **Management of positions on the yield curve:** the market scenario resulting from the interest rate scenario makes it possible to define the positions taken on the interest rate curve;
- **Management of exposure to inflation:** the market scenario resulting from the macroeconomic scenario gives us some indication of the portfolio's desirable exposure to indexed securities;

- **Management of swap spread exposure:** our market scenario leads us, after the analysis of the budget deficit outlook of the Eurozone member states, to define our exposure to the risk of changes in the interest rate swap curve. This risk mainly affects supranational issuers, secured bonds such as mortgage bonds and bank and industrial issuers;
- **Selection of issuers and securities:** for credit, it is based on studies conducted internally by credit analysis teams and studies from third parties. The fund's exposure to an issuer's specific or systemic credit risk is determined by the Manager.

## 2- Assets used (excluding derivatives)

- **Debt securities and money market instruments**

The physical portfolio is composed of money market instruments including treasury bills, short-term negotiable securities, bankers' acceptances and short- and medium-term debt securities (notably bonds issued by public companies, or by State or local or private authorities) that meet the required maturity conditions and have a high credit quality.

- **Shares**

Nil

- **Shares or units of other UCIs or investment funds**

The UCITS may acquire other units of money market funds up to a limit of 5% of its assets in a single money market fund, but this amount may not exceed 10% in aggregate across all money market funds.

The targeted money market fund must be approved under this regulation.

## 3- Derivative financial instruments

The UCITS may, within the limit of 100% of the assets, intervene on rate derivative financial instruments traded on regulated and over-the-counter European markets for risk hedging purposes only.

These instruments are subject to a reliable and verifiable daily valuation and may at any time on the initiative of the money market fund be sold, liquidated or closed by a symmetrical transaction at fair value.

The selection of counterparties is made according to the procedure in force and is based on the principle of selectivity of the best market counterparties. Counterparties to over-the-counter derivative transactions are institutions subject to prudential regulation and supervision and belong to the categories approved by the competent authority for the monetary fund.

The total risk that a money market fund exposes to the same counterparty in over-the-counter derivative transactions does not exceed 5% of its assets.

The manager may invest in the following derivative instruments:

- Nature of intervention contracts:
  - Regulated;
  - Organised;
  - Over-the-counter.
- Risk on which the manager wishes to intervene:
  - Shares;
  - Rate;
  - Credit;
  - Currency exchange;
  - Volatility.
- Nature of interventions, all operations to be limited to the achievement of the management objective:
  - Cover;
  - Exposure;
- Type of instruments used:
  - Futures;
  - Options;
  - Swaps;
  - Forward currency exchange.

- Derivatives use strategy to achieve the management objective:
  - General portfolio coverage, certain risks, securities, etc.;
  - Reconstitution of a synthetic exposure to assets, to risks;
  - Increased market exposure.

Futures contracts are used for buying and selling as inexpensive and liquid alternatives to live securities to adjust the overall exposure of the portfolio to the bond markets.

Currency swaps are used extensively to hedge the portfolio.

#### **4- Securities including derivatives**

Nil

#### **5- Deposits:**

Within the regulatory limits, (10% max from the same institution) the UCITS may use deposits with one or more credit institutions.

Deposits with credit institutions in which money market funds can invest must meet all the following conditions:

- a) they are refundable on request or can be withdrawn at any time;
- b) they expire within twelve months maximum;
- c) the credit institution has its registered office in a Member State.

#### **6- Cash loans:**

Nil

A money market mutual fund cannot rely on external support

A money market fund can not borrow cash or use liquidity loans.

#### **7- Acquisition and temporary transfer of securities:**

- Nature of operations used:
  - Selling and repurchase agreements by reference to the Monetary and Financial Code
- Nature of interventions, all operations to be limited to the achievement of the management objective:
  - Liquidity management
  - Optimisation of the income of the UCITS

##### 7-1 Eligible repurchase agreements:

The UCITS may enter into repurchase agreements provided that all the following conditions are met:

- a) It is of temporary duration, not more than seven working days, and is used only for liquidity management purposes and not for investment purposes other than those referred to in point (c).
- b) the counterpart receiving assets transferred by the money market fund as collateral under the repurchase agreement may not assign, invest, commit or otherwise transfer such assets without the prior agreement of the money market fund;
- c) the cash received by the money market UCITS in the context of the repurchase agreement are:
  - (i) placed in custody or (ii) invested in liquid assets (liquid securities or liquid money market instruments).
- d) cash received by the UCITS under the repurchase agreement does not exceed 10% of its assets.
- e) the money market fund has the right to terminate the agreement at any time with a notice of up to two business days.

##### 7-2 Qualified repurchase agreements:

The UCITS may enter into reverse repurchase agreements, provided that all the following conditions are met:

- a) The UCITS has the right to terminate the agreement at any time with a notice of up to two business days.
- b) The market value of the assets received under the reverse repurchase agreement shall at all times be at least equal to the value of the cash paid.
- c) The assets received by the UCITS under a reverse repurchase agreement are money market instruments that comply with the requirements of the regulations.

Assets received by the money market fund under a reverse repurchase agreement are not assigned, reinvested, committed, or otherwise transferred.

d) The UCITS does not receive securitisations or ABCP under a reverse repurchase agreement.

e) The assets received by the UCITS under a reverse repurchase agreement are sufficiently diversified, with a maximum exposure to a given issuer of 15% of the net asset value of the money market fund.

Assets received by the money market fund under a reverse repurchase agreement are issued by an entity that is independent of the counterparty and is not expected to have a close correlation with the performance of the counterparty.

f) The UCITS is able to recall at any time the total amount of liquidity either on a prorata temporis basis or on the basis of valuation at market price. When liquidity can be recalled at any time on the basis of the market price valuation, the market value of the reverse repurchase agreement is used for the purposes of calculating the net asset value of the money market fund.

g) The UCITS may, in the context of a reverse repurchase agreement, receive liquid securities or liquid money market instruments.

The selection of counterparties takes place rigorously among reputable local operators according to the criteria defined by the management company in its evaluation and counterparty selection procedure.

### 7-3 Information relating to the financial guarantees of the UCITS:

As part of carrying out transactions on over-the-counter derivative financial instruments of securities, it may receive financial assets that are considered as collateral and are intended to reduce its exposure to counterparty risk.

The financial guarantees received will essentially be in cash for transactions on over-the-counter derivative financial instruments.

Any financial guarantee received will respect the following principles:

Guarantee investments received in cash: They are either invested in deposits with eligible entities or invested in "short-term monetary" UCITS/FIA.

- Correlation: guarantees are issued by an entity independent of the counterparty.
- Diversification: counterparty risk in over-the-counter transactions may not exceed 5% of net assets. Exposure to a given issuer does not exceed 15% of net assets.
- Protection: financial guarantees received are invested with the Custodian or by one of its agents or third parties under its control or by any third party custodian subject to prudential supervision and who has no link with the provider of the financial guarantees.
- Prohibition of re-use: non-cash financial guarantees may not be sold, reinvested or used as collateral.

### ► Risk profile:

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be affected by market changes and variations.

No counterparty has any discretionary power over the composition and management of the portfolio or the underlying assets of the derivative financial instruments. Counterparty approval is not required for any portfolio transactions.

Conflict of interest procedures have been put in place to prevent and manage them in the exclusive interest of unitholders.

A money market mutual fund is not a guaranteed investment. Investing in a money market mutual fund differs from investing in deposits; invested capital may vary upward or downward. A money market mutual fund cannot rely on external support to guarantee its liquidity or stabilize its net asset value per unit or per share. The risk of capital loss must be supported by the investor.

The main risks to which the bearer is exposed through the UCITS are the following:

- The main risks related to classification are:
  - **Rate risk:** in the event of an increase in interest rates, the value of the instruments invested in fixed rate may fall and may lower the net asset value.
  - **Risk of loss of capital:** the capital loss occurs on the sale of a unit at a price lower than that paid on the purchase. The UCITS does not benefit from any guarantee or protection of the capital. The capital initially invested is exposed to the vagaries of the market, and can therefore, in case of unfavourable stock market evolution, not be fully restored.
- The main specific risks related to management are:

- **Credit risk:** if the quality of the issuers deteriorates or if the issuer is no longer able to meet its maturities, the value of these securities may fall, leading to a fall in the net asset value.
- **Risk linked to the impact of techniques such as derivatives:** the use of derivatives may lead to a significant decline over short periods of the asset value in the event of exposure in a direction contrary to market changes.
- Other risks:
  - **Counterparty risk:** this risk is related to the conclusion of contracts on financial futures and the conclusion of temporary acquisitions and sales of securities. It represents the risk of default by a market participant preventing it from honouring its commitments vis-à-vis the UCITS for example (payment, reimbursement, non-delivery). The occurrence of any of these risks may have a negative impact on the net asset value of the UCITS.
  - **Operational risk** (accessory): The operational risk represents the risk of default or an error by one of the main players involved in the management process and/or valuation of the fund.
  - **Liquidity risk** (accessory): in the particular case where the exchange volumes on the financial markets are very low, any purchase or sale transaction on the latter may cause significant market fluctuations.

### ► Eligible subscribers and typical investor profile

It is aimed at subscribers seeking a performance linked to the Euro money market.

Unit "I": All subscribers  
 Unit "R": All subscribers

The amount that it is reasonable to invest in this UCITS depends on the personal circumstances of each investor; to determine this, it is a question of taking into account one's personal patrimony, the current needs and the duration of investment but also the wish to take risks or to privilege a prudent investment. It is strongly recommended to sufficiently diversify all its investments so as not to expose them to the risks of a single UCITS.

The units of this fund may not be offered or sold directly or indirectly in the United States of America (including its territories and possessions) for the benefit of a "US Person" as defined by the US regulation "Regulation S" adopted by the Securities and Exchange Commission.

**Minimum recommended placement time: 7 days.**

### ► Methods of determining and allocating distributable sums:

The distributable amounts for the year are equal to the amount of interest, arrears, dividends, premiums and prizes, attendance fees and all income relating to the securities comprising the fund's portfolio plus the proceeds of the amounts currently available and minus management fees and borrowing costs.

Distributable sums consist of:

1. The net profit increased by the retained earnings and increased or decreased by the balance of the income adjustment account;
2. Realised capital gains, net of expenses, minus realised capital losses, net of expenses, recorded during the financial year, plus net capital gains of the same type recognised in previous financial years not distributed or capitalised and decreased or increased by the balance of the capital gains adjustment account.

**Unit "I" and "R":** Total capitalisation.

Distributable sums are fully capitalised each year.

	<i>Total capitalisation</i>	<i>Partial capitalisation</i>	<i>Full distribution</i>	<i>Partial distribution</i>
<i>Net result</i>	<b>X</b>			
<i>Net realised gains or losses</i>	<b>X</b>			

### ► Characteristics of the shares:

**Initial net asset value:**

**Part "I" :** €100,000 –

**Unit "R":** €100,000

Each share is decimalised in thousandths.

The quantity of securities is expressed in thousandths.

**Minimum subscription amount:**

Unit "I": one unit

Unit "R": one unit

Minimum amount of subsequent subscriptions and redemptions:

Unit "I": one thousandth

Unit "R": one thousandth

Denominated currency of account: Euro

► **Subscription and redemption conditions:**

**Dates and times of order centralisation:**

<i>J (ouvré)</i>	<i>J (ouvré)</i>	<i>J : jour d'établissement de la VL</i>	<i>J (ouvré)</i>	<i>J(ouvré)</i>	<i>J (ouvré)</i>
<i>Centralization every day before [11:30] of subscription orders<sup>1</sup></i>	<i>Centralization every day before [11:30 am] redemption orders<sup>1</sup></i>	Execution of the order at the latest in D on the VL calculated in D-1. * In exceptional market circumstances the NAV can be recalculated. This will not be recalculated after the day D	<i>Publication of the net asset value</i>	<i>Subscription regulations</i>	<i>Redemptions Settlement</i>

<sup>1</sup> Unless there is a specific deadline agreed with your financial institution

\* The net asset value of the Hugau Moneterme fund on which the subscription and redemption orders are executed may be recalculated between the time the orders are placed and executed, in order to take account of any exceptional market event that has occurred in the meantime. This will not be likely to be recalculated after the day D.

-The subscription and redemption orders are centralised every day at 11:30 am.

-Subscription and redemption orders are centralised each business day at 11:30 a.m. (D) and executed on the basis of the last net asset value calculated on the trading price of the previous day (D-1).

-Orders received after 11:30 am, are executed on the basis of the next net asset value.

-Orders received after 11.30 am on a Friday or a day before a public holiday and/or holiday, are executed on the basis of the net asset value dated Sunday or the last public holiday and/or non-working day; and includes the coupon of the weekend and/or public holidays and/or non-working days.

-The payment is made on D

► **Date and frequency of calculation of the net asset value:**

Daily, except holidays, even if the reference stock exchange(s) are open and stock closing days.

It is available from the management company and the custodian the next working day of the calculation day.

► **Expenses and fees**

**Subscription and redemption fees**

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees received by the UCITS are used to offset the costs incurred by the UCITS in investing or disinvesting the assets entrusted to it. Unearned fees accrue to the portfolio management company.

<b>Expenses to be borne by the investor, levied on subscriptions and redemptions</b>	<b>Base</b>	<b>Rate scale</b>
Subscription fee not received by the UCITS	Net asset value × number of units	Nil



Subscription fee acquired by the UCITS	Net asset value × number of units	Nil
Redemption fee not acquired by the UCITS	Net asset value × number of units	Nil
Redemption fee acquired by the UCITS	Net asset value × number of units	Nil

#### Operating and management costs

These fees cover all the costs invoiced directly to the UCITS, with the exception of transaction costs. Transaction fees include intermediation fees (brokerage, etc.) and the transaction fee, if any, which may be charged by the custodian and the asset management company.

Operational and management costs may be added:

- outperformance fees. These compensate the portfolio management company if the UCITS has exceeded its objectives. They are therefore invoiced to the UCITS,
- transfer fees invoiced to the UCITS.
- costs related to the temporary acquisition and sale of securities.

Fees charged to the UCITS	Base	Rate scale
Financial management fees and administrative expenses external to the management company	Net assets	Unit "I": 0.35% maximum incl. VAT Unit "R": 0.5% maximum incl. VAT
Transfer fees: -Custodian: 10% of transfer fees 60€ Maximum tax included -Management company: Balance (after deduction of the unit going to the Custodian)	Deduction from each transaction	0.48% maximum incl. VAT
Out-performance fee	Net assets	Nil

#### Selection of intermediaries:

The intermediaries selected appear on a list established and reviewed at least once a year by the management company Hugau Gestion. The intermediary selection procedure consists of examining, for each intermediary, the area of intervention, the quality of the research, the quality of the backing and the quality of the service, and then assigning a mark according to the aforementioned criteria.

### **IV. COMMERCIAL INFORMATION**

#### Dissemination of information concerning the UCITS:

The fund's prospectus, the KIID and the net asset value, the latest annual and periodic documents and the report on the voting rights policy of the asset management company as well as the report setting out the conditions for the exercise of the voting rights are available and sent free of charge, within 10 days upon written request from the investor and any other practical information from the asset management company.

HUGAU GESTION – 60, rue Saint-Lazare – 75009 – PARIS

The net asset value of the UCITS is available upon request from the management company and on the website: [www.hugau-gestion.com](http://www.hugau-gestion.com).

Holders are informed of the changes affecting the UCITS in accordance with the procedures defined by the Financial Market Authority: particular information or any other means (financial notice, periodic document, etc.).

Events affecting the UCITS are, in certain cases, subject to market information via Euroclear France and/or information via various media in accordance with the regulations in force and according to the commercial policy put in place.

## **Transfer of the composition of the UCITS portfolio:**

The management company may transmit, directly or indirectly, the composition of the UCITS 'assets to UCITS investors having the status of professional investors under the control of the ACPR, the AMF or the European authorities. for the sole purpose of calculating the regulatory requirements related to the Solvency II Directive. This transmission takes place, where applicable, within a period that cannot be less than 48 hours after the publication of the net asset value.

## **UCITS compliance with criteria relating to environmental, social and governance quality objectives (ESG):**

The management company makes available to the investor on its website [www.hugau-gestion.com](http://www.hugau-gestion.com) and in the annual report of the UCITS, information on how the ESG criteria are to be taken into account in the investment policy of the UCITS.

## **V. INVESTMENT RULES**

The UCITS complies with the investment rules laid down by the Monetary and Financial Code and applicable to its category.

The UCITS Hugau Moneterme may by way of derogation in accordance with the principle of risk spread invest up to 100% of its assets in different money market instruments issued or guaranteed individually or jointly by:

EU central banks as well as the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility.

The national, regional and local administrations of the Member States of the European Union (for example the CDC, ACOSS, UNEDIC, APHP, BPI or their equivalents in the developed countries of the EU, for example the Cassa Depositi and Prestati SPA in Italy , the Parpublica in Portugal) and the OECD (for example in the United States, Fanny Mae and Freddy Mac).

The central authority or central bank of a developed country member of the OECD (ex France, Germany, Italy and Spain).

International financial institutions such as: the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements.

This derogation is possible provided that these 100% are spread over at least 6 issues, none of which represents more than 30% of the assets.

## **VI. OVERALL RISK**

The commitment calculation method is used to calculate overall risk on financial contracts.

## **VII. ASSET VALUATION AND ACCOUNTING RULES**

General accounting conventions are applied in accordance with the principles of:

- a going concern
- consistent accounting methods from one financial year to the next,
- independence of financial years.

### **Asset evaluation rules**

The valuation rules for the Hugau Moneterme fund's net asset value comply with the provisions of Regulation (EU) 2017/1131 of 14 June 2017 on money market funds.

- The fund will not use the amortized cost method to value assets in the portfolio

As a result, the assets of the money market fund are valued at least once a day, taking into account the valuation rules below:

- The assets of the money market fund are valued at the market price using a cautious approach provided by the various market participants.
- When the use of market valuation is not possible or the market data are of insufficient quality, the assets of the money market fund are conservatively valued at their probable trading value by reference to a model under the

responsibility of the Asset Management Company. These assessments and their justifications are communicated to the External Auditor during his audits.

- UCI units or shares are valued at the last known net asset value.
- Cash, deposits and financial instruments held in the portfolio and denominated in foreign currencies are converted into the accounting currency of the UCITS on the basis of exchange rates on the day of the valuation.
- Transferable securities which are the subject of temporary sale or acquisition contracts are valued in accordance with the regulations in force, the terms of application being determined by the Management Company.
- Securities received under repurchase agreements are recorded in the portfolio for their amounts stipulated in the contracts, plus interest receivable.
- The securities sold under repurchase agreements are valued at the stock market price. The interest receivable and payable for repurchase transactions is calculated pro rata temporis. Debt representing securities sold under repurchase agreements is recorded in the seller's portfolio at the value fixed in the contract plus interest payable. At settlement, interest received and disbursed is recorded in receivables.
- The fixed or conditional transactions concerning financial futures instruments traded on French or foreign organised markets are valued at market value in accordance with the terms and conditions established by the Management Company. Futures contracts are valued at the settlement price.
- Futures transactions, whether fixed or conditional or exchange transactions entered into over-the-counter markets, authorised by the regulations applicable to UCIs, are valued at their market value or at a value estimated according to the terms and conditions determined by the Company Management. Interest rate and/or currency swap contracts are valued at their market value, based on the price calculated by discounting future cash flows (principal and interest), interest rates and/or interest rates or market currencies. This price is adjusted to the issuer's risk.
- The titles that are not traded on a regulated market are valued under the responsibility of the Management Company at their probable trading value. They are valued using methods based on asset value and yield, taking into account the prices retained during recent significant transactions. Units or shares of investment funds are valued at the last known net asset value or, where appropriate, on the basis of estimates available under the control and responsibility of the Management Company.

The net asset value of the fund used to execute subscriptions and redemptions orders on a particular day is based on the previous day's prices. In case of exceptional market event, it is likely to be recalculated to ensure the absence of market timing opportunities.

### **Accounting method**

The UCI records its income using the redeemed coupon method.

The accounting of securities inflows and outflows in the UCI's portfolio is made excluding trading costs.

Revenues consist of:

- transferable securities income,
- dividends and interest received at the rate of the currency, for foreign securities,
- cash compensation in foreign currencies, lending revenue and repo transactions and other investments

The following are deducted from these revenues:

- management fees,
- financial expenses and charges on securities loans and borrowings and other investments.

### **Off-balance sheet commitments**

Futures contracts are carried at their market value, off-balance sheet commitments, at the settlement price. Conditional forward transactions are translated into the underlying equivalent. OTC interest rate swap agreements are valued on the basis of the nominal amount plus or minus the corresponding estimation difference.

## **VIII. Credit quality assessment**

The financial instruments admissible for the monetary category and selected in the assets of the UCITS are valued after an assessment of the quality of credit carried out internally according to the credit evaluation procedure established and validated by the company.

The credit quality assessment procedure is reviewed whenever necessary and at least once a year. It is approved by the General Management of the company.

The purpose of the credit quality assessment procedure is to enable investments in high quality credit assets.

The search and the selection of potential papers likely to interest the management of the monetary fund are proposed during the life of the fund according to the market opportunities and the internal research conducted by the analyst, the assistant portfolio manager or the portfolio managers of the portfolio under the supervision of the Director of the Asset Management and the Risk Management Department.

An analysis of the issue is then conducted by the analyst who proposes an evaluation. The issue is then authorized or not in light of this evaluation during the lifetime of the fund by the members of the Credit Quality Assessment Committee.

The Credit Quality Assessment Committee, whose operation is described below, is held every six weeks. It reviews and ratifies the decisions made before authorization of signatures and authorized instruments during the period.

The credit quality assessment of issuers and instruments is performed by an independent financial analyst of the management teams.

The analyst then prepares a complete file of analysis on the issuer and / or the proposed or sought instrument leading to the attribution of a note from official sources such as financial reports and / or the periodic financial presentations of issuers as well as Bloomberg which is also a source of privileged data. Financial press releases can be used if they are deemed credible.

For public issuers, we use official public communications on the sites of:

- OECD
- IMF
- Eurostat, ECB, Banque de France
- ISTAT
- INSEE
- DESTATIS

If the issuer or the proposed instrument is rated high credit quality, the new issuer or instrument will increase the investment universe of the money market fund.

High credit quality will be noted, CR +. In contrast, an instrument or issuer that will not be of high credit quality and therefore ineligible for the money market fund will be rated CR-.

The new issuer or authorized instrument will be included in the "signature list" file with the note and its date of grant.

The new issuer or authorized instrument will then be integrated into the permanent controls of the risk controller. The latter verifies, in particular, that the new issuer or instrument satisfies the eligibility criteria for the monetary category. It also conducts unannounced checks on the proper application of the rating process. Finally, with an annual periodicity, it checks the validity of the methodology by comparing the ratings of Hugau Gestion with the posterior behavior of the issuers and instruments analyzed.

The issuers or securities selected are constantly monitored and may be placed under surveillance or written off after analysis by the analyst, particularly during significant events concerning the issuer or the instrument and referred by the Credit Quality Assessment Committee.

A signature may also be placed on the list of securities under surveillance and be subject to more specific monitoring by the Risk Department after information by the analyst, assistant portfolio manager or portfolio managers.

The Credit Quality Assessment Committee may monitor or write off one or more issuers and / or instruments if it deems necessary. Supervision may also be carried out between two committees on the proposal of one of the members of the committee.

The non-exhaustive reasons for cancellation of an issuer are:

- The issuer no longer has any financial interest in the portfolio management (spread too low for example)

- The issuer no longer has enough deposits of securities on the market and it is very likely that it will not issue in the near future.
- The issuer no longer has the credit profile to be eligible for Hugau Moneterme fund
- Hugau Gestion considers that the issuer shows now a certain credit risk.

The risk department monitors more specifically each issuer included the list of securities under supervision.

The Credit Quality Assessment Committee meets every six weeks on a regular basis to review the signatures and instruments authorized during the period. The Credit Committee will review the files of issuers selected along the way to follow their evolution. The Credit Committee is used to update the files of issuers for which there has been new information (earnings announcements, various corporate announcements, press releases, market events) in order to keep the investment universe of the fund up to date and to see how the securities behave in the market. The committee may meet at higher frequencies if necessary, especially when providing new items that may have an impact on the various issuers monitored.

The permanent members of the Credit Quality Assessment Committee are:

- The analyst
- The director of the portfolio management, who is also Senior Managing Director
- The director of risks
- The deputy director of risk
- The compliance officer

The committee reserves the right to invite other members of Hugau Gestion such as portfolio managers or assistant portfolio managers in an advisory function but they do not have the right to vote.

Permanent members have the right to vote.

The guests do not have the right to vote.

There is no blank vote.

Decisions are taken by a majority of votes after exchanges around the issuer made from the preparatory work of the analyst.

In case of blockage, the final validation will be made by the risk manager.

In its rating methodology, Hugau Gestion does not mechanically and exclusively use credit rating agencies.

Hugau Gestion may, however, in the event that a registered and approved credit rating agency has given a rating to this money market issuer, take account of this note with reference to it provided that it has itself carried out its own credit quality assessment and have come to the same internal rating as this agency.

The company can therefore use agency ratings as a complement to its own assessment of the quality of eligible assets.

This credit quality assessment takes into account the following elements:

The analyst considers the quantification of the issuer's credit risk and the relative risk of issuer and instrument default.

The analyst takes a two-step methodical approach in assessing whether the instrument is of high credit quality, or not.

The first step will be the internal evaluation of the issuer in the short term. The second step will be an internal evaluation of the instrument.

The analyst therefore goes first to assess the short-term credit quality of an issuer to differentiate it into 3 categories:

- national, regional or local administrations
- financial companies
- non financial companies

Once this differentiation is completed, the analyst will analyze the issuer taking into account a certain number of analysis criteria allowing him to check the short-term nature of money market instruments (maximum 2 years).

This analysis is based on quantitative elements such as:

- for national administrations: GDP, the GDP growth rate, the unemployment rate, the employment rate (in% of the total population), the inflation rate, the wage growth rate, the households' net saving (in € bn), the household net saving rate (in% of GDP), the budget deficit (in% of GDP), the public debt (in € bn), the current account balance ( in% of GDP), the level of the loan at 10 years (in rate), the level of the loan at 1 year (in rate).

- for financial companies: taking into account the macro context as well as various criteria such as, capital and leverage / Ratio Core Tier 1 (fully loaded), Capital and Leverage / Ratio TCE / RWA, asset quality, profitability / EBIT / RWA, adjusted net income / tangible assets, liquidity.

-for non-financial corporations, taking into account accounting ratios that make it possible to measure whether the issuer is able to repay its short-term maturities such as cash flow / EBITDAR > 20%, cash available at the end of the year. year / short-term debt > 80%, FFO (funding from operations) / debt service > 1.5x, gross potential liquidity (free available cash flow + undrawn facilities) / debt service > 1, 1x.

For the evaluation of the instruments the analyst takes into account:

- a) the credit quality of the instrument;
- b) the nature of the asset class of the instrument;
- c) for structured financial instruments, operational risks and counterparty risks inherent in the investment structure;
- d) liquidity profile / liquidity score with minimum threshold

Once the analyst has assessed the credit quality, he/she will attribute the rating to the instrument and / or issuer.

If the issuer and the instrument, both have ratings greater than or equal to the limits defined in the procedure, Hugau Gestion may conclude that the instrument is of high credit quality and therefore eligible for the Money Market Fund (internal rating CR +).

The information on the instrument and the quantitative and qualitative elements that led to the valuation are recorded in a credit folder of the issuer.

### **VIII. REMUNERATION**

The prospectus contains the elements mentioned in Article 411-113 of the AMF General Regulation in this case a summary of Hugau Gestion's remuneration policy.

HUGAU Gestion has implemented a remuneration policy that is compatible and consistent with sound and effective risk management that enables the control of staff behaviour in terms of risk taking. This policy aims to avoid any risk of conflicts of interest so as not to harm the interests of customers in the short, medium and long term.

Hugau Gestion's remuneration policy is adapted to the size of the company, its internal organisation and the nature, scope and complexity of its activities and its risk management system and its policy for the prevention of conflicts of interest.

Hugau Gestion's remuneration policy is consistent with the economic strategy, objectives, values and interests of the Company and the UCI it manages.

Hugau Gestion's remuneration policy provides for a structured remuneration system with a sufficiently high fixed component and a specific variable remuneration for risk-takers in order to reward value creation over the long term. This variable compensation is paid after annual appraisal incorporating qualitative and quantitative criteria to assess the performance of the operating unit over time. Half of the variable remuneration is paid in cash during the first half of the year following the year in which the performances are evaluated and measured. The payment of the other half of the variable remuneration is subject to a 3-year deferral period and is distributed in the form of financial instruments managed by Hugau Gestion and representative of its risk profile per third (3 thirds over 3 years). It is paid if the performance conditions of the index basket managed by Hugau Gestion are met, and of excessive risk-taking over the period. The variable remuneration is definitively acquired only if it is compatible with the financial situation of the company, there is no guaranteed variable remuneration.

The remuneration policy of Hugau Gestion is established by the Remuneration Committee of Hugau Gestion, which reviews it annually and is placed under the control of the Company's Orientation and Supervisory Board and the general meeting of shareholders.

The remuneration policy is available in its entirety on the website of Hugau Gestion at the following address: [www.hugau-gestion.com](http://www.hugau-gestion.com). A paper copy is available free of charge.

## INFORMATION FOR INVESTORS IN GERMANY

**Acting as Information Agent in Germany is:**

ZEIDLER LEGAL SERVICES RECHTSANWALTSGESELLSCHAFT MBH  
Bettinastrasse 48, 60325 Frankfurt  
GERMANY

**(hereafter: Information Agent)**

Requests for redemption or conversion of shares may be submitted to the Information Agent. All payments (redemption proceeds, distributions and other payments) can be conducted through the Information Agent. The current version of the Prospectus, the Key Investor Information Documents, the Company's Articles and annual and semi-annual reports can be obtained free of charge from the Information Agent in Germany. Information regarding the issue, redemption and conversion prices of Shares as well as all other information intended for Shareholders can also be obtained from the Information Agent in Germany.

The issue and redemption prices of Shares shall be published each Calculation Day on [www.hugau-gestion.com](http://www.hugau-gestion.com). Notices to Shareholders are available free of charge from the Information Agent in Germany, and Shareholders registered in the Company's register of Shareholders will receive such notices by mail. Notices will also be published in the Bundesanzeiger if such publication is prescribed by law, such as in the case of a merger, switch or suspension of the redemption of Shares, and any contractual changes with an impact on Shareholders' rights.

# UCITS: HUGAU MONETERME

## UNIT TRUST

### RULES

#### TITLE 1 - ASSETS AND SHARES

##### Article 1 - Shares of co-ownership

The co-owners' rights are expressed in units, each unit corresponding to the same fraction of the assets of the UCITS. Each unitholder has a co-ownership right over the assets of the UCITS proportional to the number of units owned.

The duration of the UCITS is 99 years from the date of its incorporation except in the case of early dissolution or extension provided for in this Regulation.

The shares may be split by the management company in tenths, hundredths, thousandths and ten thousandths, referred to as fractional units.

The provisions of the regulations governing the issue and redemption of units are applicable to fractional units whose value will always be proportional to that of the share they represent. All other provisions of the regulation relating to units shall apply to fractions of units without the need to specify such units unless otherwise provided.

Finally, the management company may, on its own decisions, proceed to the division of the units by the creation of new units which are allocated to the holders in exchange for the old shares.

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

Units may not be redeemed if the UCITS assets fall below €300,000; where the asset remains below thirty days, the management company shall take the necessary steps to liquidate the relevant UCITS or any of the operations referred to in Article 411-16 of the General Regulation of the AMF (transfer of the UCI).

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

Units are issued at any time at the request of the holders on the basis of their net asset value plus, if applicable, subscription fees.

Redemptions and subscriptions are made under the terms and conditions set out in the prospectus.

Units of UCI may be listed for trading in accordance with applicable regulations.

Subscriptions must be fully paid up on the day of calculating the net asset value. They may be made in cash and/or by the use of financial instruments. The management company shall have the right to refuse the proposed securities and, for this purpose, shall have seven days from the date of their deposit to make known its decision. In the event of acceptance, the securities contributed are valued according to the rules set out in Article 4 and the subscription is made on the basis of the first net asset value following acceptance of the securities concerned.

Redemptions are made exclusively in cash, except in the event of liquidation of the fund when the unitholders have signified their agreement to be repaid in securities. They shall be settled by the custodian within a maximum period of five days following that of the valuation of the unit.

However, if, in exceptional circumstances, repayment requires the prior realisation of assets included in the UCITS, this period may be extended, but may not exceed 30 days.

Except in the case of inheritance or an inter vivos gift, the sale or transfer of units between unitholders or from unitholders to a third party is treated as a redemption followed by a subscription; in the case of a third party, the amount of the disposal or transfer must, where applicable, be completed by the beneficiary to at least the amount of the minimum subscription required by the prospectus.

Pursuant to Article L.214-8-7 of the Monetary and Financial Code, the redemption by the mutual fund of its units, such as the issuance of new shares, may be temporarily suspended by the management company, when exceptional circumstances so require and if the interests of the bearers so request.

If the net assets of the mutual fund are lower than the amount set by regulation, no redemption of the units may be carried out.



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

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

## **Credit quality assessment**

The financial instruments eligible for the money market category and selected on the assets of the UCITS are based on an assessment of the credit quality achieved internally according to the credit assessment procedure established and validated by the company described in point VIII of this prospectus.

## **List of issuers in which the fund plans to invest at + 5%**

The UCITS may, by derogation from the 5% ratio, invest up to 100% of its assets in securities issued by the same public debt issuer. This possibility and the list of entities concerned are described in point V of this prospectus.

## **TITLE 2 - FUNCTIONING OF THE UCITS**

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

The management of the UCITS is ensured by the asset management company in accordance with the orientation defined for the UCITS.

The portfolio management company acts in all circumstances in the exclusive interest of the unitholders and can only exercise the voting rights attached to the securities included in the UCITS.

### **Article 5 bis - Rules of procedure**

The instruments and deposits eligible for the UCITS assets as well as the investment rules are described in the prospectus.

### **Article 6 - The custodian**

The Custodian performs the duties incumbent on it under the laws and regulations in force as well as those contractually entrusted to it by the asset management company. It must in particular ensure the regularity of the decisions of the asset management company. It must, if necessary, take any precautionary measures that it deems useful. In the event of a dispute with the management company, it shall inform the Financial Markets Authority(AMF).

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

An auditor is appointed for six financial years, after approval by the AMF, by the management body of the asset management company  
It certifies the regularity and fairness of the accounts.  
It may be reappointed.

The statutory auditor is required to report as soon as possible to the AMF any fact or decision concerning the undertaking for collective investment in transferable securities of which he became aware in the performance of his duties:

- 1) that constitute a violation of the legislative or regulatory provisions applicable to this organisation and likely to have significant effects on the financial situation, the profit or the assets;
- 2) that undermine the conditions or the continuity of its exploitation;
- 3) that lead to the issuance of reserves or the refusal of certification of accounts.

The valuation of the assets and the determination of exchange parities in the processing, merger or demerger operations are carried out under the supervision of the auditor.

It assesses any contribution in kind under its responsibility.

It certifies the accuracy of the asset mix and other elements prior to publication.

The fees of the auditor shall be fixed by mutual agreement between the auditor and the board of directors or the management board of the management company in the light of a work programme specifying the due diligence considered necessary.

It certifies the situations that are the basis for the distribution of interim payments.

Its fees are included in the management fees.

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

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

The portfolio management company establishes, at least semi-annually and under the control of the custodian, the inventory of the assets of the UCITS.

The management company will make these documents available to unitholders within four months of the end of the financial year, and will inform them of the income to which they are entitled: these documents will be sent to unitholders by post at their express request or made available to them at the offices of the management company.

### **TITLE 3 - TERMS AND CONDITIONS FOR ALLOCATION OF DISTRIBUTABLE AMOUNTS**

#### **Article 9 - Provisions for the assignment of distributable amounts**

The distributable amounts for the year are equal to the amount of interest, arrears, dividends, premiums and prizes, attendance fees and all income relating to the securities comprising the fund's portfolio plus the proceeds of the amounts currently available and minus management fees and borrowing costs.

Distributable sums consist of:

1. The net profit increased by the retained earnings and increased or decreased by the balance of the income adjustment account;
2. Realised capital gains, net of expenses, minus realised capital losses, net of expenses, recorded during the financial year, plus net capital gains of the same type recognised in previous financial years not distributed or capitalised and decreased or increased by the balance of the capital gains adjustment account.

Units "I" and "R": Capitalisation:

Distributable sums are fully capitalised.

### **TITLE 4 - MERGER - DEMERGER - DISSOLUTION - LIQUIDATION**

#### **Article 10 - Merger - Demerger**

The portfolio management company may either contribute all or part of the assets included in the UCITS to another UCITS, or split the UCITS into two or more other UCITS.

Such merger or demerger may only be completed one month after the holders have been notified. They give rise to the issuance of a new certificate specifying the number of units held by each holder.

#### **Article 11 - Dissolution - Extension**

If the assets of the UCITS remain lower for 30 days than the amount set in Article 2 above, the asset management company shall inform the AMF and proceed, unless it is a merger with another unit trust, upon dissolution of the UCITS.

The management company may dissolve the fund in advance; it shall inform unitholders of its decision and, from that date, applications for subscription or redemption are no longer accepted.

The portfolio management company shall also dissolve the UCITS in the event of a request for the redemption of all the units, the termination of the function of the custodian, when no other custodian has been appointed, or on expiry of the duration of the UCITS, if this has not been extended.

The portfolio management company shall inform the AMF by post of the date and the procedure of dissolution adopted. Subsequently, it shall send the AMF the auditor's report.

The extension of a UCITS may be decided by the asset management company in agreement with the custodian. Its decision must be taken at least 3 months before the expiry of the period foreseen for the UCITS and notified to the unitholders and the AMF.

#### **Article 12 - Liquidation**

In the event of dissolution, the asset management company or the custodian acts as liquidator; failing this, the liquidator shall be appointed in court at the request of any interested person. To this end, the management company is vested with the broadest powers to realise the assets, to pay the potential creditors and to distribute the available balance between the unitholders in cash or in securities.

The auditor and the custodian shall continue to perform their duties until the end of the liquidation operations.

### **TITLE 5 - DISPUTE**

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

Any disputes relating to the UCITS which may arise during the term of the UCITS or on its liquidation either between the holders of units or between them and the portfolio Management Company or the custodian shall be subject to the jurisdiction of the competent courts.