



GALILEE INNOVATION EUROPE

PROSPECTUS

UCITS covered by Directive - 2009/65/EC

I – GENERAL INFORMATION

I-1 Form of the UCITS

► **Name:** GALILEE INNOVATION EUROPE

► **Legal form and Member State in which the UCITS was incorporated:** mutual fund under French law (FCP)

► **Date of creation and expected duration of existence:** the UCITS was authorised on 03/09/2002 and created on 16/10/2002 for a period of 99 years.

► **Summary of the management offer:**

Code ISIN	Affected policyholders	Allocation of distributable amounts	Currency	Original Net Asset Value	Minimum Initial Subscription Amount*
RC FR0007075585 Share	All subscribers	Accumulation	Euro	100€	One thousandth of a share
IC FR0013482759 share	All subscribers and more particularly institutional investors and large retail investors	Accumulation	Euro	1,000€	€250,000

* With the exception of funds managed by the management company

► **Indication of where the latest annual report and periodic statement are available:**

The last annual and periodic documents are sent within eight working days upon written request from the holder to:

GALILEE ASSET MANAGEMENT
10 Boulevard Tauler
67000 STRASBOURG
Contacts: +33 (0)3 90 22 92 60 Fax: +33 (0)3 90 22 92 68
contact@galilee-am.com

I-2 Actors

► **Management company:**

GALILEE ASSET MANAGEMENT – 10 Boulevard Tauler - 67000 STRASBOURG

Management company approved by the Commission des Opérations de Bourse (now the Autorité des Marchés Financiers) under the number GP 00 023.

► **Custodian - Institution in charge of centralising subscription orders and redemption by - Institution in charge of keeping registers of units or shares (liabilities of the UCITS):**

CREDIT INDUSTRIEL ET COMMERCIAL (CIC)

6 Avenue de Provence – 75009 PARIS

(a) Missions:

1. Custodian of Assets
 - i. Custody
 - ii. Asset record keeping
2. Verification of the regularity of the decisions of the fund or its management company
3. Liquidity flow tracking
4. Maintenance of liabilities by delegation
 - i. Centralization of subscription orders and redemption of unit/share
 - ii. Maintenance of the issue account

Potential conflicts of interest: the conflict of interest policy is available on the following website: www.cic-marketsolutions.eu

A paper copy is available free of charge upon request from: 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:

www.cic-marketsolutions.eu

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

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

► **Statutory auditor:** Ernst & Young - Tour First - 1-2 place des saisons - 92400 Courbevoie – Paris La Défense 1.

► **Delegation of administrative management and valuation:** CREDIT INDUSTRIEL ET COMMERCIAL (CIC) – 6, avenue de Provence - 75009 PARIS.

► **Other delegates:** None

► **Marketers:** GALILEE ASSET MANAGEMENT

► **Advisors:** None

II - OPERATING AND MANAGEMENT PROCEDURES

II-1 General characteristics:

► **Characteristics of share classes:**

ISIN code:

RC share class: FR0007075585

IC share class: FR0013482759

• **Nature of the rights attached to the units:**

Each unitholder has a right of co-ownership over the assets of the mutual fund proportional to the number of units held.

• **Entry in a register:**

The rights of the holders will be represented by an entry in their name with the intermediary of their choice for bearer securities, with the issuer, and, if they wish, with the intermediary of their choice for registered securities.

• **Liability maintenance:**

The liabilities are maintained by the custodian: CREDIT INDUSTRIEL ET COMMERCIAL. It is specified that the administration of the shares is carried out by Euroclear France.

• **Voting rights:** As this is a mutual fund, no voting rights are attached to the units, as decisions are taken by the asset management company; information on the terms and conditions of operation of the mutual fund is provided to the holders, as the case may be, either individually, through the press, through periodic documents or by any other means

• **Shape of shares:** bearer

Shares are expressed in thousandths.

► **Closing date of the financial year:** last day of the Paris Stock Exchange in June

Closing date of the first financial year: last day of the Paris Stock Exchange in June 2003

► **Information on the tax regime:** the UCITS is not subject to corporation tax and a tax transparency regime applies to the holder.

The UCITS is eligible for the French PEA

This UCITS is eligible for the ordinary allowance scheme for a holding period that can be applied to the net amount of the capital gain

If the investor has any doubts about the tax situation, we advise them to contact a tax advisor.

The tax regime applicable to sums distributed by the UCITS or to unrealised capital gains or losses or losses by the UCITS depends on the tax provisions applicable to the particular situation of the investor and/or the investment jurisdiction of the UCITS.

II-2 Special provisions

► **Funds:** up to 10% of net assets

► **Management objective:**

This UCITS is actively and discretionarily managed. Its management objective is to seek a performance higher than that of its benchmark indicator STOXX Europe 600 Net Return (ISIN: EU0009658210) (ticker SXXR INDEX), over the recommended investment period, by carrying out dynamic management mainly in European Union equities and financial contracts.

The composition of the UCITS may deviate significantly from the allocation of the indicator.

► **Benchmark:** STOXX Europe 600 Net Return (ISIN: EU0009658210) (ticker SXXR INDEX)

The STOXX Europe 600 Net Return Index (ISIN: EU0009658210) (ticker SXXR INDEX) is a stock market benchmark index comprising 600 stocks representative of European markets. Further information on the index is available on the administrator's website: www.stoxx.com

The benchmark indicator is used at the closing stage and expressed in euros, dividends reinvested.

The STOXX Limited administrator of the STOXX Europe 600 Net Return benchmark is registered in the register of administrators and benchmarks maintained by ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the management company shall have a procedure for monitoring the benchmarks used describing the measures to be implemented in the event of substantial changes to an index or cessation of supply of that index.

The benchmark does not assess or include environmental and/or social characteristics in its constituents.

► **Investment strategy:**

1 – Strategies used:

The UCITS' management objective is to achieve a performance higher than that of the STOXX Europe 600 Net Return benchmark, through dynamic management mainly in European Union equities and financial contracts over a minimum investment horizon of five years. The management objective is long-term capital appreciation. The benchmark indicator is used at the closing stage and expressed in euros, dividends reinvested.

Stock picking is based on a rigorous process of quantitative and qualitative fundamental analysis of companies, aimed at identifying companies whose market valuation is not representative of the estimated intrinsic value.

In the context of qualitative analysis, the management process is based on the analysis of the factors of innovation of companies, vectors of value creation, sustainability and long-term financial performance.

Companies will also be selected based on their strategic plan, sector positioning, financial strength and growth prospects.

The selection of shares is carried out without capitalization constraints. The portfolio can therefore be fully exposed to small or mid-cap companies (less than ten billion euros).

The construction of the portfolio does not take into account the above-mentioned index. The weight of each company in the portfolio is therefore completely independent of the weight of that same company in the STOXX Europe 600 Net Return Index. As such, it is possible that a portfolio company may not be included in the list of constituent companies of the benchmark indicator or that a company that is prominently included in the same list may be excluded from the UCITS portfolio.

For the selection and monitoring of fixed income securities, the management company does not use rating agencies exclusively or mechanically. It favours its own credit analysis, which serves as the basis for management decisions made in the interest of the holders.

The stock selection process is complemented by an extra-financial approach that integrates environmental, social and governance (ESG) criteria.

The UCITS shall promote environmental, social and ESG governance criteria within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. The UCITS is subject to sustainability risk as defined in the risk profile of the prospectus.

Galilee Asset Management relies exclusively on the search of a recognised external provider that analyses the sustainability risks that may have an impact on the valuation of companies. The methodology is based on a risk-based approach that seeks to assess the extent to which a company is successful in mitigating ESG risks.

The selection of the stocks (mainly European large and mid-caps) comprising the mutual fund is made on the basis of a combination of ESG and financial criteria according to the following selection process:

- The UCITS excludes certain securities and sectors from all its investments in accordance with its sector exclusion policy;
- The investment universe is then filtered according to the ESG risk ratings provided by the specialist external provider. The rating system is built around three main themes: corporate governance, material issues related to ESG (human capital, occupational health and safety, etc.) and the occurrence of specific events related to ESG risk (damage to the company's reputation, etc.). At the end of this analysis, a final ESG risk score is obtained, determined exclusively by this provider, ranging from 0 to 100, with 0 representing a zero ESG risk level, and 100 representing a maximum ESG risk level. According to a "Best in Universe" approach, the UCITS will have to obtain an overall ESG risk rating lower than that of its investment universe by excluding 20% of the lowest-rated companies;
- The analysis of companies based on strategic, financial and innovation criteria makes it possible to finalize the portfolio integration process.

At least 90% of the securities invested in the mutual fund must be subject to an extra-financial rating.

Galilee Asset Management ensures that eligible companies are not subject to severe controversy and do not fall within the scope of exclusion.

The controversy management policy and the exclusion policy can be consulted at any time on the management company's website.

There is a methodological limitation in the implementation of the extra-financial strategy for the UCITS insofar as the use of an external service provider specialized in the provision of data and ESG rating may raise the following issues:

- those related to the absence or insufficiency of information relating to certain companies that the external service provider includes in its method of calculating ESG scores;
- those related to the quantity or quality of the data to be processed by the external service provider: the significant flow of information must continuously feed into its method of calculating ESG scores;
- those related to the identification of relevant factors for the ESG analysis to be conducted in accordance with the methodological framework established by the external service provider. This identification work is carried out upstream, as each sector has its own indicators deemed important by the external service provider.

In addition, the fund manager may be required to divest as soon as possible from a security that contributes to the financial performance of the mutual fund, due to an event that will affect its ESG rating in application of the E, S and G extra-financial filters and thus make it ineligible for the UCITS.

Finally, as the evolution of controversies is difficult to grasp, Galilee Asset Management may have to revise its opinion on the ESG quality of a stock in its portfolio if a controversy arises on a subject not originally identified.

Galilee Asset Management publishes its ESG approach on its website through its Responsible Investment Policy.

Under the Taxonomy Regulation 2020/852, the EU Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives:

- Climate change mitigation,
- Adaptation to climate change,
- Sustainable use and protection of water and marine resources,
- Transition to the circular economy (waste, prevention and recycling),
- Pollution prevention and control
- Protection of healthy ecosystems.

Currently, Technical Screening Criteria have been developed for certain economic activities that can contribute substantially to two of these objectives: climate change mitigation and climate change adaptation. To be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of one of the 6 objectives, while not harming one of the other five (the so-called DNSH principle, "Do No Significant Harm"). For an activity to be considered aligned with the EU Taxonomy, it must also respect the human and social rights guaranteed by international law.

The 'do no significant harm' principle applies only to investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

The fund does not take into account principal adverse sustainability impacts in the investment decision-making process, as they are not considered relevant to the investment strategy.

For more information, please refer to the Annex on Pre-Contractual Information for the financial products referred to in Article 8.

The UCITS undertakes to respect the following exposure ranges on net assets:

From 60% to 150% on equity markets, in all geographical areas, including emerging countries, of all market capitalizations, in all sectors, including:

- a minimum of 60% on the equity markets of the countries of the European Union
- from 0% to 100% in small and mid-cap equity markets (< €10 billion)
- from 0% to 25% to emerging market equities
- from 0% to 30% in gold and commodity-related equity markets

From 0% to 40% in sovereign interest rate instruments, in the public and private sector, in all geographical areas excluding emerging countries, of all ratings according to the analysis of the management company or that of the rating agencies, or unrated, including:

- from 0% to 20% in speculative or unrated interest rate instruments

From 0% to 20% in convertible bonds in all geographical areas excluding emerging countries.

The sum of the equity exposure resulting from the shares and the equity exposure from the convertible bonds may not exceed 150% of the net assets.

From 0% to 100% to exchange rate risk on currencies of the European Union (mainly the Danish krone DKK, the Swedish krona SEK and the British pound sterling) and from 0% to 25% to the exchange rate risk on currencies outside the European Union.

The securities eligible for the French PEA represent at least 75% of the UCITS net assets at all times.

2 – Assets (excluding embedded derivatives):

The UCITS can be invested in:

- **Equities:** these are selected based on their market valuation, earnings reports and sector positioning, with no particular geographical allocation.

- Debt securities and money market instruments:

The UCITS is authorised to invest in:

- obligations of any kind
- negotiable debt securities
- securities equivalent to the above, issued on the basis of foreign law.

- Units or shares of UCITS, AIFs and investment funds:

The UCITS may invest up to 10% of its net assets in UCITS under French or foreign law and in General Purpose Investment Funds meeting the conditions of Article R. 214-13 of the French Monetary and Financial Code.

These collective investment schemes can be managed by the portfolio management company or affiliated companies and are selected on the basis of their management orientation and/or performance history.

3- Derivative financial instruments:

(a) Nature of intervention contracts:

The UCITS may intervene in fixed and contingent forward financial instruments traded on French and foreign regulated markets, or over-the-counter.

b) Risks on which the manager wishes to intervene:

Equity risk, interest rate risk, currency risk.

(c) Nature of interventions:

The manager may take positions to hedge and/or expose the portfolio to equity risk, interest rate risk and currency risk. It will be able to use derivative financial instruments within the limit of net assets and in compliance with the exposures to the various risks provided for in the KID and in the Prospectus, as well as in compliance with an overall overexposure of up to 50% of net assets.

(d) Nature of the instruments used:

The manager uses:

- index or interest rate futures
- options on stocks, currencies or indices
- swaps

It will not use TRS (Total Return Swaps).

(e) Strategy for the use of derivatives to achieve the management objective:

The use of forward financial instruments is carried out

- to make inflow adjustments, in particular in the event of significant flows of subscriptions and redemptions on the UCITS,
- in order to adapt to certain market conditions (large market movements, better liquidity or efficiency of financial futures instruments, for example, etc.).

4- Securities incorporating derivatives and strategy for their use:**a) Risks on which the manager wishes to intervene:**

Equity risk, interest rate risk, currency risk.

(b) Nature of interventions:

The manager may take positions for the purpose of hedging and/or exposure to equity risk, interest rate risk, and currency risk. It will be able to use securities incorporating derivatives within the limit of net assets and in compliance with the exposures to the various risks provided for in the KIID and in the Prospectus, as well as in compliance with an overall overexposure of a maximum of 50% of the net assets.

(c) Nature of the instruments used:

The manager may invest in convertible bonds, warrants, warrants, listed certificates, EMTNs incorporating simple derivatives.

They are listed on regulated markets or traded over-the-counter with issuers.

The selection of convertible bonds is made after an analysis of their structure, the credit quality of their issuer and the underlying share. The fund will not invest in contingent convertible bonds.

(d) Strategy for the use of embedded derivatives to achieve the management objective:

The manager may use securities incorporating derivatives in the event that these securities offer an alternative to other financial instruments or if these securities do not have an identical offer on the market for other financial instruments.

The use of securities incorporating derivatives is limited to 20% of net assets in order to achieve the management objective, particularly in the management of its exposure to the equity and currency markets.

5- Cash loans:

Cash loans may not represent more than 10% of net assets and are used, on a temporary basis, to provide liquidity to holders wishing to redeem their shares without penalizing the overall management of the assets.

6- Deposits:

Nothingness

7- Acquisition and temporary transfer of securities:

The UCITS may use the acquisition and temporary sale of securities in order to achieve objectives such as income optimisation or cash management, while taking risks in line with the fund's investment policy.

(a) Nature of the operations used:

- Securities lending and borrowing by reference to the Monetary and Financial Code

(b) Nature of interventions:

- Cash management
- Optimisation of the UCITS revenues

(c) Type of assets that may be subject to transactions:

- Shares of all capitalization sizes, all sectors, all geographical areas, listed on regulated markets and serving as a support for the UCITS management strategy

- Debt securities of all ratings, from issuers in all geographical areas

(d) Expected and permitted level of use:

A UCITS may carry out securities financing transactions in the following proportions:

	Maximum proportion of assets under management that can be subject to such transactions	Expected proportion of assets under management that will be subject to such transactions
Reverse repurchase agreements	FORBIDDEN	FORBIDDEN
Pension	FORBIDDEN	FORBIDDEN
Securities lending	20%	Between 10 and 20%
Securities borrowings	20%	Between 10 and 20%

Generally speaking, leverage is not sought through the commitments on these securities lending/borrowing operations.

(e) Remuneration:

The remuneration on transactions involving the temporary acquisition and sale of securities benefits the UCITS exclusively.

(f) Choice of counterparties:

These securities financing transactions will be carried out with counterparties that are credit institutions whose head office is located in a Member State of the European Union, the list of counterparties of which is specified in the policy on the selection of intermediaries.

► Contracts constituting financial guarantees:

In the context of carrying out transactions in over-the-counter derivative financial instruments and transactions for the acquisition/temporary sale of securities, the UCITS may receive financial assets considered as collateral and intended to reduce its exposure to counterparty risk.

The financial guarantees received will consist mainly of cash or financial securities for transactions in over-the-counter derivative financial instruments, and cash and eligible government bonds for the acquisition/temporary sale of securities.

These guarantees are given in the form of cash or bonds issued or guaranteed by OECD member states or by their local authorities or by supranational institutions and bodies of a Community, regional or global nature.

Any financial guarantee received will adhere to the following principles:

- Liquidity: any financial collateral in securities must be highly liquid and be able to trade quickly on a regulated market at a transparent price.
- Transferability: financial guarantees are transferable at any time.
- Valuation: the financial guarantees received are valued daily at the market price or according to a pricing model. A prudent haircut policy will be applied to securities that may exhibit significant volatility or depending on credit quality.
- Credit quality of issuers: financial guarantees are of high credit quality according to the management company's analysis.
- Investment of collateral received in cash: these are either placed on deposit with eligible entities, invested in high-quality government bonds (rated in accordance with the criteria of money market UCITS/AIFs), invested in money market UCITS/AIFs, or used for repurchase transactions with a credit institution.
- Correlation: collateral is issued by an entity that is independent of the counterparty.
- Diversification: exposure to a given issuer does not exceed 20% of net assets.
- Safekeeping: the financial guarantees received shall be placed with the Depositary or by one of its agents or third parties under its control or with any prudentially supervised third-party depositary that has no connection with the provider of the financial guarantees. The assets that are the subject of securities financing transactions and the guarantees received are held by the UCITS depositary: Crédit Industriel et Commercial (CIC).
- Prohibition of re-use: Non-cash financial collateral may not be sold, reinvested or pledged as collateral.

► Risk profile:

Your money will mainly be invested in financial instruments selected by the portfolio management company. These instruments will be subject to market developments and uncertainties.

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

Procedures for managing conflicts of interest have been put in place to prevent and manage conflicts of interest in the exclusive interest of unitholders.

The risks to which the holder is exposed are as follows:

- **Risk of capital loss:** capital loss occurs when selling a unit at a lower price than the price paid at the time of purchase. The UCITS does not benefit from any guarantee or capital protection. The capital initially invested is exposed to the vagaries of the market, and may therefore, in the event of an unfavourable stock market development, not be returned in full.

- **Risk related to discretionary management:** the discretionary management style is based on anticipating the evolution of the various markets (equities, fixed income products) and/or on the selection of stocks. There is a risk that the UCITS will not be invested in the best performing markets or securities at all times. Its performance may therefore be lower than the management objective and the net asset value may decrease. The fund's net asset value may also have a negative return.

- **Equity market risk:** equity markets can fluctuate significantly depending on expectations of the global economy and corporate earnings. In the event of a decline in equity markets, the net asset value may fall.

- **Risk associated with investing in small and mid-cap stocks:** due to their specific characteristics, these stocks can pose risks to investors and may pose liquidity risk due to the possible narrowness of their market. In this case, the net asset value can fall faster and more sharply.

- **Risk related to the evolution of commodity prices:** commodity markets may have a significantly different evolution from traditional securities markets (stocks, bonds) because they depend in part on climatic and geopolitical factors. An unfavourable development in these markets could have a negative impact on the net asset value.

- **Investment risk in emerging markets:** investors' attention is drawn to the fact that the operating and supervisory conditions of markets in emerging and developing countries may deviate from the standards prevailing in major international markets. As a result, the net asset value can fall faster and more sharply.

- **Interest rate risk:** in the event of a rise in interest rates, the value of the instruments invested in fixed rates may fall and may lower the net asset value.

- **Liquidity risk:** it presents the risk that a financial market, when trading volumes are low or in the event of tension in this market, will not be able to absorb trading volumes (buy or sell) without a significant impact on the price of assets. In this case, the net asset value can fall faster and more sharply.

- **Credit risk:** in the event of a deterioration in the quality of issuers or if the issuer is no longer able to meet its maturities, the value of these securities may fall, thus leading to a decrease in the net asset value.

- **Risk associated with investments in speculative securities (high yield):** securities assessed as "speculative" according to the analysis of the management company or rating agencies present a higher increased risk of default, and are likely to be subject to more significant and/or frequent valuation changes, which may lead to a decrease in the net asset value

- **Convertible bond risk:** the value of convertible bonds depends on several factors: the level of interest rates, changes in the price of the underlying shares, changes in the price of the derivative embedded in the convertible bond. These different elements can lead to a decrease in the net asset value.

- **Currency risk:** an unfavourable evolution of the euro against other currencies could have a negative impact and lead to a decrease in the net asset value.

- **Counterparty risk:** counterparty risk arises from all private transactions and acquisitions and temporary disposals of securities (financial contracts and financial guarantees) entered into with the same counterparty. Counterparty risk measures the risk of loss in the event of default by a counterparty unable to meet its contractual obligations before the transaction has been finally settled in the form of a cash flow. In this case, the net asset value could decrease.

- **Risk related to the impact of techniques such as derivatives:** the use of derivatives can lead to significant downward changes in net asset value over short periods of time if exposure is contrary to market developments.

- **Custody risk:** this represents the risk of loss of assets given in custody due to the insolvency, or bankruptcy, or negligence or fraudulent acts of the Custodian (or Sub-Custodian). In that case, the assets pledged as collateral would not be returned, which would constitute a loss for the UCITS and would reduce the net asset value of the UCITS.

- **Legal risk:** there is a risk of inadequate drafting of contracts with counterparties, particularly related to effective portfolio management techniques.

- **Operational risk:** there is a risk of failure or error by the various actors involved related to corporate actions. This risk arises only in the context of transactions involving the acquisition and temporary sale of securities and the use of TRS.

- **Sustainability risk:** this is the risk associated with an environmental, social or governance event or condition that, if occurred, could have a material or potential adverse effect on the value of the investment and, ultimately, on the net asset value of the fund.

► **Warranty or protection:** None

► **Affected Subscribers and Typical Investor Profiles:** All Subscribers.

RC share class: All Subscribers

IC share class: All subscribers and more particularly institutional investors and large retail investors

This UCITS is aimed at investors who wish to have an investment vehicle with a high exposure to equities, which may be partly risky shares of small and mid-caps or emerging countries, which can experience significant downward or upward fluctuations.

It can be used as a vehicle for unit-linked life insurance policies.

The amount that is reasonable to invest in this UCITS depends on the personal circumstances of each investor; To determine this, it is necessary to take into account your personal assets, current needs and investment period, but also the desire to take risks or to invest prudently. It is strongly recommended that you diversify all your investments sufficiently so that you do not expose them only to the risks of a single UCITS.

The units of this UCITS have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), or under any applicable law of any U.S. state, and the units may not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions), for the benefit of any U.S. Person (hereinafter referred to as the "U.S. Person", as that term is defined by the U.S. Regulation S under the Securities and Exchange Commission Act of 1933 ("SEC"), unless a registration of the units is made or an exemption is applicable (with the prior consent of the management company of the mutual fund.

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

► **Procedures for determining and allocating distributable amounts:**

The net result for the year is equal to the amount of interest, arrears, dividends, premiums and prizes, directors' fees and all income relating to the securities constituting the fund's portfolio plus the proceeds of the sums temporarily available and less management fees and borrowing expenses.

The distributable amounts are made up of:

1° The net result plus the carry-forward and increased or reduced by the balance of the income deferred account

2° Realized capital gains, net of expenses, less realized capital losses, net of expenses, recognized during the financial year, increased by net capital gains of the same nature recognized during previous financial years not subject to distribution or capitalization and reduced or increased by the balance of the capital gains deferred income account.

Capitalization (RC and IC share classes):

Distributable amounts are fully capitalized each year.

		<i>Total Capitalization</i>	<i>Partial funding</i>	<i>Total Distribution</i>	<i>Partial distribution</i>	<i>Total carry-forward</i>	<i>Partial deferral</i>
<i>RC share</i>	<i>Net income</i>	X					
	<i>Net realized capital gains or losses</i>	X					
<i>IC share</i>	<i>Net income</i>	X					
	<i>Net realized capital gains or losses</i>	X					

► **Characteristics of the units**

The subscription of a class of units may be reserved for a class of investors based on objective criteria described in this section, such as the original net asset value of the unit, the minimum initial subscription amount.

The RC unit is, in accordance with the terms and conditions set out in the prospectus, specifically open to all subscribers

The IC share is, in accordance with the terms and conditions set out in the prospectus, specifically intended for all subscribers and more particularly institutional investors and large retail investors

Original Net Asset Value of share classes:

RC share class: 100 €

IC share class: 1,000 €

The number of shares in Units I and C is expressed in thousandths

Minimum amount of the initial subscription of the RC share: 1 thousandth of a unit

Minimum initial subscription amount for the IC share: €250,000

Minimum amount of subsequent subscriptions and redemptions of IC and RC shares: 1 thousandth of a unit

► **Subscription and redemption terms:**

Institution designated to receive subscriptions and redemptions: CREDIT INDUSTRIEL ET COMMERCIAL - 6, Avenue de Provence - 75009 PARIS

Subscription and redemption orders are centralised every working day at 12 noon.

- Orders received before 12:00 are executed based on the day's net asset value.

- Orders received after 12:00 are executed based on the following net asset value.

Orders are executed in accordance with the following table:

<i>Business day</i>	<i>Business day</i>	<i>D: day of establishment of the NAV</i>	<i>D+1 business day</i>	<i>D+2 business days</i>	<i>D+2 business days</i>
<i>Centralization of subscription orders before 12:00 noon (1)</i>	<i>Centralization of redemption orders before 12:00 noon (1)</i>	<i>Execution of the order by D at the latest</i>	<i>Publication of the net asset value</i>	<i>Settlement of subscriptions</i>	<i>Settlement of redemptions</i>

(1) Unless there is a specific deadline agreed with your financial institution.

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

Daily:

Calculated on the basis of the closing price on each business day, with the exception of the closing days of the Paris Stock Exchange (Euronext SA calendar).

► **Where and how the net asset value is published or communicated:**

It is available from the management company.

► **Existence of a "gate" system:**

- Description of the method used:

The management company will be able to set up gates that allow, in exceptional market circumstances, to spread redemption requests over several net asset values as soon as they exceed a certain level, determined objectively.

UCITS holders are reminded that the threshold for triggering gates corresponds to the ratio between:

- The difference observed, on the same date of centralisation, between the number of units of the UCITS whose redemption is requested or the total amount of such redemptions, and the number of units of the UCITS whose subscription is requested or the total amount of such subscriptions; and
- The net assets or total number of units of the UCITS.

The threshold for triggering the procedure is the same for all classes of units of the UCITS. This threshold is justified in the light of the periodicity of calculation of the net asset value of the UCITS, its management orientation and the liquidity of the assets it holds. The latter is set at 5% of the net assets of the UCITS and applies to centralised redemptions for all the assets of the UCITS and not specifically according to the categories of units of the UCITS. However, when redemption requests exceed the gate trigger threshold, the management company may decide to honour redemption requests beyond the prescribed cap, and thus partially or fully execute orders that may be blocked.

Arbitrage or subscription and repurchase transactions for the same amount or for the same number of shares, on the basis of the same net asset value date, the same ISIN code, and for the same unitholder (so-called round-trip transactions) are not subject to gates.

The maximum duration of the gates is set at 20 net asset values over 3 months

- In the event of activation of the "gates" mechanism, the procedures for informing holders whose orders have not been fully executed, as well as all holders:

In the event of activation of the gate system, all unitholders will be informed by any means, and at least through the Galilee Asset Management website, www.galilee-am.com.

For unitholders whose orders have not been executed, they will be informed in a special manner and as soon as possible by their account holder. In general, the triggering of the Gates will be the subject of information to all unitholders in the next periodic information.

The Management Company must inform the Autorité des Marchés Financiers (AMF) in the event of triggering of the gate system, via the ROSA tool, as soon as possible.

- Processing of non-executed orders (postponement, cancellation, option open to holders to object to the postponement):

Redemption orders will be executed in the same proportions for unitholders who have requested redemption since the last centralization date. In the case of non-executed orders, these will be automatically carried forward to the next net asset value and will not take priority over new redemption orders placed for execution on the next net asset value. Non-executed and automatically deferred redemption orders may not be revoked by unitholders.

- Example illustrating the partially implemented system:

For example, if the total net redemption requests for the units of the UCITS are 10% while the trigger threshold is set at 5% of the net assets, Galilee Asset Management may decide to honour redemption requests up to 8% of the net assets (and therefore execute 80% of the redemption requests instead of 50% if it strictly applied the 5% cap).

► Fees & Commissions:

a. Subscription and redemption fees

Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The commissions earned by the UCITS are used to offset the costs incurred by the UCITS in investing or divesting the assets entrusted to it. Unearned commissions accrue to the portfolio management company, marketers, etc.

Fees to be paid by the investor, levied on subscriptions and redemptions	Calculation	Rate Scale	
		RC share class	IC share class
Subscription fee not earned on the UCITS	Net asset value × number of units	2.0% maximum	2.0% maximum
Subscription fee earned on the UCITS	Net asset value × number of units	N/A	N/A
Redemption fee not earned by the UCITS	Net asset value × number of units	N/A	N/A
Redemption fee earned from the UCITS	Net asset value × number of units	N/A	N/A

b. Operating and management costs

This fee covers all fees charged directly to the UCITS, with the exception of transaction fees. Transaction fees include intermediation fees (brokerage, etc.) and the transaction fee, if any, which may be charged by the custodian and the portfolio management company.

In addition to operating and management costs, the following may be added:

- Performance fees. These remunerate the asset management company as soon as the UCITS has exceeded its objectives. They are therefore invoiced to the UCITS.

- Transaction fees charged to the UCITS.

c. Operating costs and other services

- Fees for registration and referencing of funds
- Customer and distributor information costs
- Data charges
- Custodian, legal, audit, tax, etc.
- Costs related to compliance with regulatory obligations and regulatory reporting
- Operational costs
- Know-your-customer fees

	Fees charged to the UCITS	Plate	Billing Schedule	
			RC Share	IC Share
1	Financial Management Fees	Net Assets	2.00 % VAT incl. maximum	1.00% incl. VAT maximum
2	Operating costs and other services	Net Assets	0.10% incl. VAT maximum	
3	Maximum Indirect Costs (Commissions and management fees)	Net Assets	Maximum 1.00 % incl. VAT	
4	Movement Commissions The Custodian	The amount of the transaction	<ul style="list-style-type: none"> - Equity, ETFs, Warrants, Convertible Bonds: <ul style="list-style-type: none"> • min 25€ France, Belgium and Netherlands • min 55€ for other countries - Fixed income <ul style="list-style-type: none"> • min 25€ France, Belgium and Netherlands • min 55€ for other countries - Funds (AIFs + UCITS): <ul style="list-style-type: none"> • France / Euroclear admitted: 15€ Abroad: 40 € - TCN: <ul style="list-style-type: none"> • France 25€ • Other countries 55 € - Futures Markets: <ul style="list-style-type: none"> • MONEP Futures: 1€/lot • MONEP Options: 0.25% min 5€ 	
	Movement Commission The management company	The amount of the transaction	<ul style="list-style-type: none"> - Equity, ETFs, Warrants, Convertible Bonds: <ul style="list-style-type: none"> • 0.40% France, Belgium and the Netherlands after deduction of the minimum of €25 deducted by the custodian • 0.40% for other countries after deduction of the minimum of €55 deducted by the custodian - Fixed income <ul style="list-style-type: none"> • 0.40% France, Belgium and the Netherlands after deduction of the minimum of €25 deducted by the depositary • 0.40% for other countries after deduction of the minimum of €55 deducted by the custodian 	

5	Performance fee	Net Assets	20% including tax of the mutual fund's outperformance above that of the STOXX Europe 600 Net Return dividends reinvested (1) benchmark, even if this performance is negative . A catch-up period for any past underperformance will be applied over an observation period extendable from 1 to 5 years.
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Exceptional costs related to the collection of claims on behalf of the UCITS or to a procedure to enforce a right may be in addition to the recurring costs charged to the UCITS and shown above.

There are no research costs to be paid by the fund.

The maximum flat rate for operating costs and other services may be levied even if the actual costs are lower than this and, conversely, if the actual costs are higher than the posted rate, the excess of this rate will be borne by the management company.

The management company reserves the right to increase the operating costs and other services to the management company by 10 basis points per calendar year without informing the holders in a specific manner.

Method of calculating the performance fee:

- (1) The performance fee is calculated according to the index method.
The performance surcharge (positive or negative) to which the 20% rate including VAT applies, represents:
 - the difference between the level of the net asset value of the UCI before taking into account the performance fee provision and
 - the value of a reference asset that has performed as well as the index (or, if applicable, the indicator) over the calculation period and recording the same changes related to subscriptions/redemptions as the UCITS.
- (2) As of the first financial year of the open-ended fund on 01/07/2022, any underperformance of the fund compared to the index is compensated before performance fees become payable. To this end, an observation period extendable from 1 to 5 rolling years has been introduced, with a reset of the calculation at each deduction of the performance fee

The table below sets out these principles based on performance assumptions presented as examples, over a 19-year period

	Net Over/Under Performance*	Underperformance to be compensated for the following year	Payment of the performance fee
YEAR 1	5%	0%	YES
YEAR 2	0%	0%	NO
YEAR 3	-5%	-5%	NO
YEAR 4	3%	-2%	NO
YEAR 5	2%	0%	NO
YEAR 6	5%	0%	YES
YEAR 7	5%	0%	YES
YEAR 8	-10%	-10%	NO
YEAR 9	2%	-8%	NO
YEAR 10	2%	-6%	NO
YEAR 11	2%	-4%	NO
YEAR 12	0%	0%**	NO
YEAR 13	2%	0%	YES
YEAR 14	-6%	-6%	NO
YEAR 15	2%	-4%	NO
YEAR 16	2%	-2%	NO
YEAR 17	-4%	-6%	NO
YEAR 18	0%	-4%***	NO
YEAR 19	5%	0%	YES

Example Notes:

*Net over/underperformance is defined here as the fund's performance above/below the performance of its benchmark.

**The underperformance in year 12 to be carried forward to the next year (YEAR 13) is 0% (not -4%) because the residual underperformance in year 8 that has not yet been compensated (-4%) is no longer relevant as the five-year period has elapsed. (Underperformance in year 8 is compensated up to year 12).

The underperformance of year 18 to be carried forward to the following year (YEAR 19) is 4% (not -6%) because the residual underperformance of year 14 that has not yet been compensated (-2%) is no longer relevant as the five-year period has elapsed. (underperformance in year 14 is compensated up to year 18)

(3) At each net asset value institution:

- In the event of outperformance compared to the threshold for triggering outperformance, an endowment is provisioned.
- In the event of underperformance compared to the threshold for triggering outperformance, a provision reversal is made up to 100% of the existing outperformance provision.

(4) The performance fee on redemptions made during the financial year is definitively acquired by the management company.

(5) In case of outperformance, the commission is payable annually on the last net asset value of the financial year. The provision is reset to zero in the event of payment.

Selection of intermediaries:

The selection of intermediaries is the result of a definition of quantitative and qualitative criteria allowing calls for tenders in order to obtain the best rates for the conclusion of orders.

III - COMMERCIAL INFORMATION

All information concerning the UCITS is available from the management company.

The "voting policy" document and the report reporting on the conditions under which the voting rights were exercised can be consulted on the www.galilee-am.com website or sent to any holder who requests it from the management company.

GALILEE ASSET MANAGEMENT - 10 Boulevard Tauler - 67000 STRASBOURG

Contacts: Tel: +33 (0)3 90 22 92 60 Fax: +33 (0)3 90 22 92 68

contact@galilee-am.com

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

Procedures for managing conflicts of interest have been put in place to prevent and manage conflicts of interest in the exclusive interest of unitholders.

► ESG criteria

Information on the consideration of environmental, social and governance (ESG) criteria can be found on the www.galilee-am.com website and in the annual report.

IV - INVESTMENT RULES

In accordance with the provisions of the French Monetary and Financial Code, the asset composition rules set out in the French Monetary and Financial Code and the risk dispersion rules applicable to this UCITS must be complied with at all times. If these limits are exceeded independently of the management company or following the exercise of a subscription right, the management company's primary objective will be to regularize this situation as soon as possible, taking into account the interests of the unitholders of the UCITS.

V – OVERALL RISK

The overall risk on financial contracts is calculated using the liability method.

VI - RULES FOR THE VALUATION AND RECOGNITION OF ASSETS

REVENUE RECOGNITION:

The UCITS recognises its income on a cashed coupon basis.

ACCOUNTING FOR INFLOWS AND OUTFLOWS IN THE PORTFOLIO:

The entry and exit of securities into the portfolio is accounted for excluding trading costs.

VALUATION METHODS:

At each valuation, the UCITS' assets are valued according to the following principles:

Listed shares and similar securities (French and foreign securities):

The valuation is based on the stock market price.

The share price used depends on the listing place of the security:

European Exchanges:	Last stock price of the day.
Asian Exchanges:	Last stock price of the day.
Australian Exchanges:	Last stock price of the day.
North American Exchanges:	Last stock price of the day.
South American Exchanges:	Last stock price of the day.

In the event of non-listing of a security, the last stock market price of the previous day is used.

Bonds and similar debt securities (French and foreign securities) and EMTNs:

The valuation is based on the following share price:

The share price used depends on the listing place of the security:

European Exchanges:	Last stock price of the day.
Asian Exchanges:	Last stock price of the day.
Australian Exchanges:	Last stock price of the day.
North American Exchanges:	Last stock price of the day.
South American Exchanges:	Last stock price of the day.

In the event of non-listing of a security, the last stock market price of the previous day is used.

In the case of an unrealistic quote, the manager must make an estimate that is more in line with the actual market parameters. Depending on the available sources, the evaluation may be carried out by different methods such as:

- the rating of a contributor,
- an average of ratings from several contributors,
- a price calculated by an actuarial method from a spread (credit or otherwise) and a yield curve,
- etc.

Securities of UCITS, AIFs or investment funds in the portfolio: valuation based on the last known net asset value.

Temporary acquisitions of securities:

Pensions delivered for purchase:	Contractual valuation. No pension for more than 3 months.
Reimbursed for purchase:	Contractual valuation, as the repurchase of the shares by the seller is envisaged with sufficient certainty.
Securities borrowings:	Valuation of the borrowed securities and the return debt corresponding to the market value of the securities concerned.

Temporary transfers of securities:

Securities given in delivered repurchase agreement:	The securities given under the repo are valued at the market price, the debts representing the securities given under the repurchase agreement are maintained at the value fixed in the contract.
Securities lending:	Valuation of the loaned securities at the share price of the underlying security. The securities are recovered by the UCITS at the end of the loan agreement.

Unlisted securities:

Valuation using asset value and performance-based methods, taking into account prices retained in recent significant transactions.

Marketable debt securities:

TCNs that have a residual life of less than three months at the time of acquisition are valued on a linear basis.

TCNs acquired with a residual shelf life of more than three months are valued:

At their market value up to 3 months and one day before maturity.

The difference between the market value recorded 3 months and 1 day before maturity and the redemption value is linearized over the last 3 months.

Exception: BTFs/BTANs are valued at the market price until maturity.

Market value retained:

BTF/BTAN:

Actuarial rate of return or daily rate published by the Banque de France.

Other TCNs:

a/ Securities with a maturity of between 3 months and 1 year:

- if TCN is the subject of significant transactions: application of an actuarial method, the rate of return used being that observed on the market each day.
- other TCNs: application of a proportional method, the rate of return used being the EURIBOR rate of equivalent duration, possibly corrected by a margin representative of the intrinsic characteristics of the issuer.

b/ Securities with a maturity of more than 1 year: Application of an actuarial method

- if TCN is the subject of significant transactions, the rate of return used is the rate of return that is seen on the market each day.
- Other TCNs: the rate of return used is the rate of BTANs of equivalent maturity, possibly corrected by a margin representative of the issuer's intrinsic characteristics.

Firm futures:

The market prices used for the valuation of firm futures contracts are in line with those of the underlying securities.

They vary depending on the Marketplace of the contracts:

Firm futures contracts listed on European stock exchanges: last stock market price of the day or clearing price of the day

Firm futures contracts listed on North American exchanges: last stock price of the day or clearing price of the day.

Options:

The market prices used follow the same principle as those governing contracts or support securities:

Options listed on European stock exchanges: last stock price of the day or clearing price of the day

Options listed on North American exchanges: last stock price of the day or clearing price of the day

Swaps:

Swaps with a maturity of less than 3 months are valued on a straight-line basis.

Swaps with a maturity of more than 3 months are valued at the market price.

The valuation of index swaps is carried out at the price given by the counterparty, the management company independently carries out a verification of this valuation.

When the swap contract is backed by clearly identified securities (quality and duration), these two elements are assessed globally.

METHOD OF VALUATION OF OFF-BALANCE SHEET LIABILITIES

Commitments on hard futures contracts are determined at market value. It is equal to the valuation price multiplied by the number of contracts and by the nominal value, the commitments on OTC swaps are presented at their nominal value or, in the absence of a nominal value, for an equivalent amount.

Contingent trade commitments are determined on the basis of the underlying equivalent of the option. This translation consists of multiplying the number of options by a delta. The delta is the result of a mathematical model (Black-Scholes type) whose parameters are: the price of the underlying, the maturity to maturity, the short-term interest rate, the strike price of the option and the volatility of the underlying. The presentation in the off-balance sheet corresponds to the economic sense of the transaction, and not to the meaning of the contract.

Dividend-versus-performance swaps are shown at nominal value off-balance-sheet.

Back-to-back and non-back-to-back swaps are recorded at nominal value on an off-balance sheet basis.

VII – REMUNERATION

Details of the information relating to the remuneration policy of the management company, including but not limited to the description of the calculation of remuneration, the identity of the person responsible for supervising remuneration and the composition of the remuneration committee, if applicable, are available on the www.galilee-am.com website. A copy of this policy is available free of charge upon request.

GALILEE INNOVATION EUROPE

MUTUAL FUND

REGULATION

TITLE I - ASSETS AND SHARES

Article 1 - Co-ownership shares

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

The duration of the UCITS shall be 99 years from the date of its creation, except in cases of early dissolution or extension provided for in this Regulation.

The shares may be divided, grouped or fractionated, by decision of the management company, into tenths, hundredths, thousandths, ten-thousandths, or millionths known as fractions of shares.

The provisions of the Regulation governing the issue and redemption of shares are applicable to fractional shares, the value of which will always be proportional to that of the share they represent. All other provisions of the Regulations relating to shares shall apply to fractional shares without the need to specify it, except where otherwise provided.

The asset management company may, on its own decisions, divide the units by creating new units that are allocated to the holders in exchange for the old units.

Article 2 - Minimum amount of assets

Units may not be redeemed if the assets of the UCITS become less than €300,000; when the assets remain below this amount for thirty days, the asset management company shall take the necessary steps to liquidate the UCITS concerned, or to carry out one of the operations mentioned in Article 422-16 of the AMF General Regulation (transfer of the UCITS).

Article 3 - Issuance and redemption of shares

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

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

UCITS units may be listed in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They can be made in cash and/or by contribution of financial instruments. The management company has the right to refuse the proposed securities and, to this end, has a period of seven days from the date of their submission to make its decision known. In the event of acceptance, the tendered securities shall be valued in accordance with the rules laid down in Article 4 and the subscription shall be made on the basis of the first net asset value following the acceptance of the securities concerned.

Redemptions can be made in cash and/or in kind. If the redemption in kind corresponds to a representative share of the assets in the portfolio, then only the signed written consent of the outgoing holder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative share of the assets in the portfolio, all holders must give their written consent authorising the exiting holder to obtain the redemption of its units in exchange for certain specific assets, as explicitly defined in the agreement.

By way of derogation from the above, where the fund is an ETF, redemptions on the primary market may, with the agreement of the management company and in the interest of the unitholders, be made in kind under the conditions set out in the prospectus or the rules of the fund. The assets are then delivered by the issuing account holder under the conditions set out in the fund's prospectus.

In general, the repurchased assets shall be valued in accordance with the rules laid down in Article 4 and the repurchase in kind shall be carried out on the basis of the first net asset value following the acceptance of the securities concerned.

Redemptions are settled by the issuing account holder within a maximum of five days following the valuation of the unit.

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

Except in the case of inheritance or shared gift, the assignment or transfer of shares between holders, or from holders to a third party, is considered to be a redemption followed by a subscription; In the case of a third party, the amount of the assignment or transfer must, where appropriate, be supplemented by the beneficiary to reach at least the amount of the minimum subscription required by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the FCP of its shares, as well as the issuance of new shares, may be suspended, on a provisional basis, by the management company, when exceptional circumstances so require and if the interests of the holders so require.

When the net assets of the mutual fund are less than the amount set by the regulations, no redemption of the units may be made.

The UCITS may cease to issue units pursuant to the third paragraph of Article L.214-8-7 of the French Monetary and Financial Code, provisionally or definitively, partially or totally, in objective situations leading to the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a specific subscription period. The activation of this tool will be the subject of information by any means to existing holders relating to its activation, as well as the threshold and the objective situation that led to the decision to close partially or totally. In the event of a partial closure, this information by any means will explicitly specify the terms and conditions under which existing holders may continue to subscribe during the duration of such partial closure. Unitholders are also informed by any means of the decision of the UCITS or the management company either to put an end to the total or partial closure of subscriptions (when the trigger threshold is dropped) or not to terminate it (in the event of a change in the threshold or a change in the objective situation that led to the implementation of this tool). A change in the objective situation invoked or the trigger threshold of the tool must always be made in the interest of the unitholders. The information by any means specifies the exact reasons for these changes.

Pursuant to Articles L. 214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the management company may decide to cap buybacks when exceptional circumstances so require and if the interest of the holders or the public so requires.

The management company may set up a redemption cap mechanism ("gates" mechanism) allowing redemption requests to be temporarily spread over several net asset values as soon as they exceed a certain level previously determined. They can only be legally activated in exceptional circumstances and protect the interests of all unitholders of the UCITS.

The gate trigger threshold is the ratio between:

- The difference observed, on the same date of centralisation, between the number of units of the UCITS whose redemption is requested or the total amount of such redemptions, and the number of units of the UCITS whose subscription is requested or the total amount of such subscriptions; and
- The net assets or total number of units of the UCITS.

The threshold for triggering the procedure is the same for all classes of units of the UCITS. This threshold is justified in the light of the periodicity of calculation of the net asset value of the UCITS, its management orientation and the liquidity of the assets it holds. The latter is set at 5% of the net assets of the UCITS and applies to centralised redemptions for all the assets of the UCITS and not specifically according to the categories of units of the UCITS. However, when redemption requests exceed the gate trigger threshold, the management company may decide to honour redemption requests beyond the prescribed cap, and thus partially or fully execute orders that may be blocked.

Arbitrage or subscription and repurchase transactions for the same amount or for the same number of shares, on the basis of the same net asset value date, the same ISIN code, and for the same unitholder (so-called round-trip transactions) are not subject to gates.

The maximum duration of the gates is set at 20 net asset values over 3 months

In the event of activation of the "gates" mechanism, the procedures for informing holders whose orders have not been fully executed, as well as all holders:

In the event of activation of the gate system, all unitholders will be informed by any means, and at least through the Galilee Asset Management website, www.galilee-am.com.

For unitholders whose orders have not been executed, they will be informed in a special manner and as soon as possible by their account holder. In general, the triggering of the Gates will be the subject of information to all unitholders in the next periodic information.

The Management Company must inform the Autorité des Marchés Financiers (AMF) in the event of triggering of the gate system, via the ROSA tool, as soon as possible.

Processing of non-executed orders (postponement, cancellation, option open to holders to object to the postponement):

Redemption orders will be executed in the same proportions for unitholders who have requested redemption since the last centralization date. In the case of non-executed orders, these will be automatically carried forward to the next net asset value and will not take priority over new redemption orders placed for execution on the next net asset value. Non-executed and automatically deferred redemption orders may not be revoked by unitholders.

Article 4 - Calculation of the net asset value

The calculation of the net asset value of the units is carried out taking into account the valuation rules set out in the prospectus.

Contributions in kind may only include securities, securities or contracts admitted to the assets of UCITS; Contributions and redemptions in kind shall be valued in accordance with the valuation rules applicable to the calculation of the net asset value.

TITLE 2 - OPERATION OF THE FUND

Article 5 - The portfolio management company

The management of the UCITS shall be carried out by the portfolio management company in accordance with the orientation laid down for the UCITS.

The asset management company acts in all circumstances in the exclusive interest of the unitholders and may alone exercise the voting rights attached to the securities included in the fund.

Article 5a - Operating rules

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

Article 5b - Admission to trading on a regulated market and/or multilateral trading facility

Units may be admitted to trading on a regulated market and/or a multilateral trading facility in accordance with the regulations in force. In the event that the UCITS whose units are admitted to trading on a regulated market has a management objective based on an index, the fund must have put in place a mechanism to ensure that the price of its units does not deviate significantly from its net asset value.

Article 6 - The custodian

The Custodian carries out the tasks incumbent on it in accordance with the laws and regulations in force as well as those contractually entrusted to it by the asset management company. In particular, he must ensure the regularity of the decisions of the asset management company. It must, if necessary, take any precautionary measures it deems appropriate. In the event of a dispute with the management company, it informs the Autorité des marchés financiers.

Article 7 - The Statutory Auditor

An auditor is appointed for six financial years, with the approval of the Autorité des Marchés Financiers, by the management body of the asset management company
It certifies the regularity and sincerity of the accounts.
He may be reappointed.

The statutory auditor is required to report as soon as possible to the Autorité des Marchés Financiers any fact or decision concerning the UCITS of which he has become aware in the performance of his mission, of a nature to:

- 1) To constitute a violation of the legislative or regulatory provisions applicable to this body and likely to have significant effects on the financial situation, profit or assets
- 2) To adversely affect the conditions or continuity of its operation
- 3) To lead to the issuance of reservations or the refusal of the certification of the accounts.

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

It assesses any contribution or redemption in kind under its responsibility, except in the context of redemptions in kind for an ETF on the primary market.

It checks the accuracy of the asset mix and other items before publication.

The fees of the statutory auditor are set by mutual agreement between the auditor and the board of directors of the asset management company in the light of a work programme specifying the due diligence deemed necessary.

It certifies the situations used as a basis for the distribution of advance payments.

His fees are included in the management fee.

Article 8 - Accounts and management report

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

The asset management company shall draw up, at least semi-annually and under the supervision of the depositary, the inventory of the UCITS' assets.

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

TITLE 3 - PROCEDURES FOR THE ALLOCATION OF DISTRIBUTABLE SUMS

Article 9 – Modalities for the allocation of distributable sums

The net result for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, directors' fees and all income relating to the securities constituting the UCITS' portfolio, plus the proceeds of the sums temporarily available and less the management fees and the borrowing expense.

The distributable amounts are made up of:

- 1° The net result plus the carry-forward and increased or reduced by the balance of the income deferred account
- 2° Realized capital gains, net of expenses, less realized capital losses, net of expenses, recognized during the financial year, increased by net capital gains of the same nature recognized during previous financial years not subject to distribution or capitalization and reduced or increased by the balance of the capital gains deferred income account.

TITLE 4 - MERGER - DEMERGER - DISSOLUTION - LIQUIDATION

Article 10 - Merger – Demerger

The asset management company may either transfer, in whole or in part, the assets included in the UCITS to another UCITS or split the UCITS into two or more other UCITS.

Such mergers or demergers may only be completed after the holders have been notified. They give rise to the issuance of a new certificate specifying the number of shares held by each holder.

Section 11 - Dissolution – Prorogation

If the assets of the UCITS remain below the amount set out in Article 2 above for thirty days, the asset management company shall inform the Autorité des Marchés Financiers and, except in the case of a merger with another mutual fund, shall proceed to the dissolution of the UCITS.

The asset management company may dissolve the UCITS in advance; It notifies unitholders of its decision and, as of that date, subscription or redemption requests are no longer accepted.

The asset management company shall also dissolve the UCITS in the event of a request for redemption of all the units, the termination of the depositary's function, where no other depositary has been appointed, or upon expiry of the term of the UCITS, if it has not been extended.

The asset management company informs the Autorité des Marchés Financiers (AMF) by letter of the date and the dissolution procedure chosen. It then sends the statutory auditor's report to the Autorité des Marchés Financiers. The extension of a UCITS may be decided by the asset management company in agreement with the depositary. Its decision must be taken at least 3 months before the expiry of the term provided for the UCITS and brought to the attention of the unitholders and the Autorité des Marchés Financiers.

Article 12 – Liquidation

In the event of dissolution, the asset management company assumes the functions of liquidator; Failing this, the liquidator shall be appointed in court at the request of any interested person. To this end, they are vested with the widest powers to realize assets, pay any creditors and distribute the available balance among unitholders in cash or securities.

The external auditor and the depositary shall continue to perform their duties until the completion of the liquidation operations.

TITLE 5 – DISPUTE

Article 13 - Jurisdiction - Election of domicile

Any disputes relating to the UCITS that may arise during the period of operation of the UCITS, or during its liquidation, either between the unitholders or between them and the asset management company or the depositary, shall be subject to the jurisdiction of the competent courts.