

**Information letter to the unitholders of the Ellipsis Master Top ECI Fund**

Paris, 8 November 2022

ISIN Code IEUR Unit:	FR0000993503
ISIN code ICHF share:	FR0011527969
ISIN Code JEUR Unit:	FR0012581940
ISIN code PEUR share:	FR0011758317
ISIN Code Z share :	FR0011758325

**Subject : Merger-absorption of the ELLIPSIS MASTER TOP ECI FUND**

Dear Sir or Madam,

You are a unit holder in the Ellipsis Master Top ECI Fund managed by the portfolio management company Ellipsis Asset Management (hereinafter the "Management Company") and we thank you for the trust you have placed in us.

**What changes will occur in your fund?**

We hereby wish to inform you that the Management Company has decided to merge your Ellipsis Master Top ECI Fund (hereinafter the "Absorbed Fund") into the Ellipsis European Convertible Fund (hereinafter the "Absorbing Fund"), the latter also being managed by the Management Company.

As the FCP is an index fund that aims to replicate the performance of the Top ECI 25 index, the Management Company has decided to merge the FCP following the announcement by Exane Derivatives that it will cease the administration, calculation and publication of the Top ECI 25 index at the end of 2022.

The main effect of the merger by absorption of the Ellipsis Master Top ECI Fund into the Ellipsis European Convertible Fund will be to change from a passively managed index fund to a fund implementing active discretionary management incorporating Environmental, Social and Governance (ESG) criteria. As a result, the management fees will be increased.

In addition, the merger will ease some investment constraints and provide access to a wider range of securities.

The investment universe of convertible bonds is extended to include debt securities and money market instruments.

Although the SRRI (Synthetic Risk and Reward Indicator) of the Absorbing FCP on a scale of 1 to 7 remains the same as that of the Absorbed FCP at 4 out of 7, the merger operation leads to an increase in the risk/return profile due to the increased exposure to certain types of risk on the Absorbing FCP compared to the Absorbed FCP (i.e. interest rate risk, widening of the geographical area of the underlying assets' master market, etc.) as well as exposure to certain new risks, such as the risk linked to discretionary management, as detailed in the comparative table in the Appendix to this letter. ) as well as the exposure to certain new risks, such as the risk linked to discretionary management, as detailed in the Comparative Table in the Appendix to this letter.

### When will this operation take place?

The merger was subject to an application for approval by the Autorité des marchés financiers, which was granted on 7 November 2022.

This transaction will be carried out on **15 December 2022** ("Merger Date") on the basis of the net asset values calculated on the same day on the basis of the closing prices on 14 December 2022.

**Please note that, in order to ensure that this operation runs smoothly, you will not be able to subscribe to new units or request the redemption of your units from 11 a.m. on 12 December 2022 until 15 December 2022. As the fund is valued daily, the last net asset value of the fund on which subscriptions or redemptions can be made before the merger operation will be that of 12 December 2022, calculated on 13 December 2022.**

If you are happy with this operation, no further action is required on your part.

**If you do not agree with this operation, you can request the redemption of all or part of your shares at any time, free of charge, until 11:00 a.m. on 12 December 2022.**

### What is the impact of this operation on the risk/return profile of your investment?

- **Change in yield/risk profile:** Yes
- **Increase in risk profile:** Yes
- **Fee increase:** Yes
- **Magnitude of change in risk/return profile:** Very significant<sup>1</sup>



<sup>1</sup> This indicator is based on the evolution of the SRRI and the evolution of the Fund's exposure to one or more risk typologies.

You will find in the Annex to this letter a graph comparing the performance history of the Absorbed Fund and the Absorbing Fund.

### What is the impact of this operation on your taxation?

There will be no immediate tax impact with regard to tax neutrality in the event of a merger. However, the tax situation of the holders of the Absorbed Fund is likely to change as a result of the merger. You will find further information in the Annex to this letter.


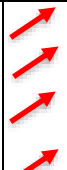

We invite you to contact your usual tax advisor to find out the consequences of this operation for your personal tax situation.

### What are the main differences between the Absorbed Fund and the Absorbing Fund?

Here are the main differences between your current fund and your future fund:

	Before	After
<b>Legal regime and investment policy</b>	<b>Ellipsis Master Top ECI Fund</b>	<b>Ellipsis European Convertible Fund</b>
<b>Management objective</b>	To replicate the performance of the Top ECI 25 index, regardless of its evolution, and to maintain the tracking error between the net asset value of the mutual fund and that of the index at a level below 1%.	To outperform the ECI-Europe Index hedged against currency risk over the recommended investment horizon of 5 years through active directional management of European convertible bonds.
<b>Benchmark</b>	Top ECI 25	ECI-Europe hedged against currency risk
<b>Change in stock selection method</b>	Passively managed index fund	Active directional funds
<b>Consideration of non-financial criteria in the management method</b>	No	Yes
<b>Allocation of distributable sums</b>	IEUR units: Capitalisation and/or Distribution ICHF unit: Capitalisation JEUR units: Capitalisation PEUR unit: Capitalisation Z Unit: Capitalisation	I EUR share: Capitalisation I CHF Unit: Capitalisation ID Unit EUR: Distribution J share EUR: Capitalisation Unit J CHF: Capitalisation J Unit USD: Capitalisation P share EUR: Capitalisation P share CHF: Capitalisation P Unit USD: Capitalisation Z Units : Capitalisation D Units : Capitalisation and/or distribution
<b>Change in risk/return profile</b>	<b>Ellipsis Master Top ECI Fund</b>	<b>Ellipsis European Convertible Fund</b>

Evolution of exposure to different risk categories	List with exposure ranges	List with exposure ranges	Contribution to the risk profile compared to the previous situation :
Foreign exchange risk	[0% ; 100%]	[0% ; 5%]	-
Interest rate risk	[1 ; 4]	[0 ; 7]	+
Debt securities and money market instruments	[0% ; 0%]	[0% ; 40%]	+
Lead market of the underlying other than EEA, UK and Switzerland	[0% ; 0%]	[0% ; 40%]	+
Issue size < €250M	[0% ; 0%]	[0% ; 100%]	+
Capitalisation of the underlying < EUR 2 billion	[0% ; 0%]	[0% ; 100%]	+

Fees Ellipsis Master Top ECI Fund Ellipsis European Convertible Fund			
<b>Maximum fee</b>	<u>Direct financial management fees :</u> I Units: maximum 0.72% incl. tax J Units: maximum 0.90% incl. tax P Units: maximum 1.50% incl. tax Z share: maximum 0.15% incl. tax	<u>Direct financial management fees :</u> I and ID units: maximum 0.8% incl. tax J Units: maximum 1% incl. tax P Units: maximum 1.7% incl. tax Z share: maximum 0.15% incl. tax D share: maximum 0.15% incl. tax	 = N/A
<b>Current costs (year-end 2021)</b>	I Units: 0.73 J Units: 0.91 P Units: 1.51%. Z share: 0.16%.	I Units: 0.83%. J Units: 1.03%. P Units: 1.73%. Z share: 0.18%. D share: 0.18%.	 N/A
<b>Outperformance fee</b>	None	IEUR, ICHF, JEUR and PEUR units: 15% (incl. tax) of the fund's annual outperformance, net of fees, compared with the benchmark, after offsetting the underperformance of the last 5 years  Z unit: None	 =

Practical information	Ellipsis Master Top ECI Fund	Ellipsis European Convertible Fund
ISIN	IEUR share: FR0000993503 ICHF share: FR0011527969 JEUR share: FR0012581940 PEUR share: FR0011758317 Z share: FR0011758325	I EUR share: FR0010868802 Part ID EUR: FR00140068E0 J share EUR: FR0010868919 P share EUR: FR0010868901 USD J share: FR0012696755 P share USD : FR0011024199 I CHF share: FR0011042167 J CHF share: FR0011042142 P share CHF : FR0011042159 Z Units: FR0011758341 D Units : FR0050000944

### Key points for the investor to remember

Holders of the Absorbed mutual fund are invited to read the prospectus of the Absorbing mutual fund carefully.

The prospectus, the Key Investor Information Document (KID) and the latest annual and periodic documents of the Absorbed Fund and the Absorbing Fund are available on the website [www.ellipsis-am.com](http://www.ellipsis-am.com) or can be sent within eight working days upon written request by the holder to the following address

Ellipsis Asset Management  
 112 avenue Kleber - 75116 Paris  
 E-mail: [client\\_service@ellipsis-am.com](mailto:client_service@ellipsis-am.com)

Yours sincerely

### Annex

#### 1. Information on the calculation of the exchange ratio

On the day of the merger, the exchange ratio (i.e. the ratio between the net asset value of the Absorbed mutual fund and the net asset value of the Absorbing mutual fund) will be calculated according to the following table of concordance

Ellipsis Master Top ECI Fund	Ellipsis European Convertible Fund
IEUR share: FR0000993503	IEUR share: FR0010868802
ICHF share: FR0011527969	ICHF share: FR0011042167
JEUR share: FR0012581940	JEUR share: FR0010868919
PEUR share: FR0011758317	PEUR share: FR0010868901
Z share: FR0011758325	Z share: FR0011758341

The number of units of the Absorbing FCP, Ellipsis European Convertible Fund, to be created and allocated as remuneration for the contributions of the Absorbed FCP, Ellipsis Master Top ECI Fund, will be determined under the supervision of the auditors, according to the following calculation

Number of units held in the absorbed fund

X

Net asset value as at 14 December 2022 of the  
absorbed fund

= number of units of the absorbing fund allocated

Net Asset Value as at 14 December 2022 of the  
Absorbing Fund

Given the exchange ratio thus determined and the possibility of acquiring fractions of units (thousandths of units) of the Absorbing mutual fund, each holder of a unit of the Absorbed mutual fund may receive the equivalent number of units in thousandths of units of the Absorbing mutual fund, depending on the exchange ratio.

For example: IEUR units (FR0000993503) of the Ellipsis Master Top ECI Fund will be exchanged on the day of the merger for IEUR units (FR0010868802) of the Ellipsis European Convertible Fund. The exchange ratio will be defined on the basis of the net asset values determined on the day before the merger. Thus, if the merger operation had taken place on 13/09/2022, the exchange parity would have been

NAV IEUR share of the Absorbed fund / NAV IEUR share of the Absorbing fund = 16.594 / 1,216,623.38 = 0.00001363939.

Thus, if you hold 100,000 IEUR (FR0000993503) units of the Absorbed mutual fund, you would have received 1,363 IEUR (FR0010868802) units of the Absorbing mutual fund as well as a balance of €1,142.33.

## 2. Taxation :

Individuals domiciled in France for tax purposes

For the capital gains recorded at the time of the allocation of units of the Absorbing Ellipsis European Convertible Fund, the unitholders of the Absorbed Ellipsis Master Top ECI Fund will automatically benefit from the tax deferral.

As the exchange transaction is considered as an intercalary transaction, the capital gain realised will only be taxable for income tax purposes at the time of the subsequent sale of the units received in the exchange by reference to the cost price of the units of the Absorbed FCP. In the event of an exchange with a balancing payment, the tax deferral regime will only apply if the balancing payment received does not exceed 10% of the nominal value of the securities received, nor the amount of the capital gain realised.

#### Legal persons domiciled in France for tax purposes

In the case of legal entities subject to corporate income tax that realise a capital gain or loss on the exchange transaction, they must submit this result to the provisions of Article 38-5 bis of the General Tax Code (C.G.I.) and to the rules applicable under the provisions of Article 209-0 A 1<sup>o</sup>a of the C.G.I.

### **3. Comparison of past performance of the Absorbed Fund (IEUR share, ISIN FR0000993503) and the Absorbing Fund (IEUR share, ISIN FR0010868802)**

