

Key Information Document (KID)

OBJECTIVE

This document contains essential information about the investment product. It is not a marketing document. This information is provided to you in accordance with a legal obligation, to help you understand what this product is and what risks, costs, gains and losses may be associated with it, and to help you compare it to other products.

PRODUCT

Product name: **Ellipsis Optimal Solutions – Liquid Alternative - P USD Unit**

Name of the PRIIP initiator: Ellipsis Asset Management, Kepler Cheuvreux Group

ISIN Code: FR001400CBA3

Website: <https://www.ellipsis-am.com>

Call +33 (0)1 78 41 55 00 for more information

The Autorité des marchés financiers is responsible for supervising Ellipsis Asset Management with regard to this key information document

Ellipsis Asset Management is authorised in France under number GP-11000014 and regulated by the Autorité des marchés financiers

Date of production of the key information document: 15 March 2024

WARNING

You are about to buy a product that is not simple and may be difficult to understand.

WHAT THIS PRODUCT IS ABOUT

❖ TYPE

The product is an Undertaking for Collective Investment in Transferable Securities (UCITS) constituted in the form of a Fonds Commun de Placement ("FCP") under French law, and which falls under the European Directive 2009/65/EC (UCITS IV).

❖ DURATION

The duration of the product is 99 years from its incorporation. The Management Company has the right to dissolve the product unilaterally. The product may also be dissolved in the event of a merger, total redemption of units or when the net assets of the product fall below the regulatory minimum.

❖ OBJECTIVES

The objective of the product is to return through active management, over a period of 5 years, an absolute performance decorrelated from the markets in the medium term by applying an investment strategy based mainly on the use of liquid listed derivatives.

The performance of the product can be compared a posteriori with that of the capitalised SOFR index, plus 1%. SOFR is the rate that measures the cost of overnight cash borrowing backed by US Treasury securities and calculated by the Federal Reserve Bank of New York. Insofar as the management of the product is not constrained by this index, which is only a performance comparison, its performance may differ significantly from that of this index.

The portfolio is constructed through active management based on a systematic approach, aiming to overweight the allocation to risky assets (equities and bonds) while reducing risk through systematic hedging based on the purchase of puts and the sale of calls. In order to achieve its management objective, the product will use equity derivatives on the markets of OECD member countries to achieve a net medium-term exposure to this markets of 25% of the net assets, with short-term latitude for net exposure to risky assets (equities and/or investment grade credit) on the markets of OECD member countries of between 0% and 100% of the net assets.

The management process is based on several pillars:

- A first investment strategy within the equity universe of OECD member countries, ranging from 0 to 50% of the Fund's net assets. This investment will be managed quantitatively using sustainability indices (minimum 90% of this first strategy), equities via direct lines or derivatives;
- A second investment strategy within the investment grade credit universe, representing between 0% and 50% of the Fund's net assets. This investment will be managed quantitatively using investment grade ESG indices, bonds belonging to investment grade ESG indices via direct holdings or derivatives;
- An overlay strategy for risk reduction divided into two parts:
 - A systematic hedging strategy mainly based on the use of liquid listed options;
 - A discretionary return strategy based on liquid listed derivatives, allowing the management of the risks of the systematic hedging strategy;

The overall management process aims to reduce the maximum long-term loss of the product by -10%. To achieve this, the overlay strategy described above must comply with the following limits on a daily basis:

Stress scenario of the underlying	-40%	-30%	-20%	-10%
Gain from overlay strategy	10%	5.5%	2.5%	0.6%

The product may also invest up to 100% of its net assets in investment grade debt securities and money market instruments issued by public or private issuers in OECD member countries (not limited to the eurozone) (securities with a rating of BBB- or Baa3 or higher according to the official rating agencies) or a rating deemed equivalent by the management company. The product's average interest rate sensitivity range is between -5 and 5.

Derivatives are used to reconstitute a synthetic exposure to one or more risks in accordance with the management objective. Derivatives may also be used for portfolio hedging or arbitrage purposes. In particular, the product is hedged against currency risk, although a maximum risk of 10% of the net assets remains. The product may also use term deposits from credit institutions or temporary purchases or sales of securities.

The integration of environmental, social and governance (ESG) criteria into its investment decisions.

For this class of units, the distributable amounts are fully capitalised.

Subscription/redemption requests are centralised every business day at 11 a.m. with Société Générale (32 rue du Champ de Tir, 44000 Nantes, +33 (0)2 51 85 57 09) and executed on the net asset value established on D and calculated on D+1 business day.

❖ TARGETED RETAIL INVESTORS

All investors wishing to gain exposure to the OECD equity derivatives market with an objective of absolute performance. This product cannot directly or indirectly benefit any American person or entity, American citizens or US Person.

❖ OTHER INFORMATION

The Custodian is Société Générale.

Other product information documents (prospectus/annual report/half-yearly report/net asset value) are available in French and can be obtained free of charge on request from the management company Ellipsis Asset Management, 112 av. Kleber, 75116 Paris, France, by e-mail client_service@ellipsis-am.com or on the website www.ellipsis-am.com.

Information on the product's net asset value, performance scenarios and past performance over the last 10 years can be consulted on the website: <https://www.ellipsis-am.com/fra/fr/pro/fonds/gamme>, for professional investors, and: <https://www.ellipsis-am.com/fra/fr/nonpro/fonds/gamme>, for non-professional investors.

WHAT ARE THE RISKS AND WHAT'S IN IT FOR ME

Risk indicator:



The risk indicator assumes that you keep the product for at least 5 years. The actual risk may be very different if you opt to exit before maturity, and you may get less in return. The synthetic risk indicator shows the level of risk of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you.

We have classified this product in risk indicator 3 out of 7 risk indicator, which is a low to medium risk class, in other words, the potential losses linked to the future performance of the product are at a low to medium level and, if the situation were to deteriorate on the markets, it is unlikely that our ability to pay you would be affected. The main risks to which the product is exposed are equity, volatility and model risk. Risks related to forward financial instruments and counterparty risks are not taken into account in the calculation of the risk indicator.

As this product does not provide market protection, you may lose all or part of your investment.

PERFORMANCE SCENARIOS

The figures shown include all the costs of the product itself, but not necessarily all the fees payable to your adviser or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you receive.

What you get out of this product depends on future market performance. Future market movements are random and cannot be predicted with any accuracy.

The unfavourable, intermediate and favourable scenarios presented represent examples using the best and worst performance, as well as the average performance of the product, possibly supplemented by that of the benchmark, over the last eleven years. Markets may develop very differently in the future.

The stress scenario shows what you might get in extreme market situations.

Recommended holding period :		More than 5 years	
Example of an investment :		USD 10,000	
		If you leave after 1 year (if applicable)	If you leave after the recommended detention period
Scenarios			
Minimum	There is no guaranteed minimum return. You could lose all or part of your investment.		
Tensions	What you could get after deducting costs Average annual yield	USD 8 100 -19,02%	USD 6 290 -8,84%
Unfavourable	What you could get after deducting costs Average annual yield	USD 9 180 -8,25%	USD 9 940 -0,13%
Intermediate	What you could get after deducting costs Average annual yield	USD 10 310 3,08%	USD 12 630 4,78%
Favourable	What you could get after deducting costs Average annual yield	USD 11 690 16,92%	USD 13 640 6,40%

Unfavourable, intermediate and favourable scenarios: This type of scenario occurred for an investment in the investment universe represented by the SOFR capitalised index between the years 2011 and 2022.

WHAT HAPPENS IF ELLIPSIS ASSET MANAGEMENT IS UNABLE TO MAKE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the asset management company. In case of default of the asset management company, the assets of the product held by the custodian will not be affected. In case of default of the custodian, the risk of financial loss of the product is mitigated due to the legal segregation of the assets of the custodian from those of the product.

WHAT WILL THIS INVESTMENT COST ME?

You may be asked to pay additional costs by the person selling or advising you on the product. If so, they will tell you about these costs and show you how all the costs affect your investment.

❖ COSTS OVER TIME

The table below shows the amounts taken from your investment to cover the different types of costs. These amounts depend on the amount you invest, the length of time you hold the product and the performance of the product (if any). The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We assumed :

- that in the first year you would get back the amount you invested (0% annual return). For the other holding periods, the product evolves as indicated in the intermediate scenario;
- 10,000 USD is invested .

	If you leave after 1 year (if applicable)	If you leave after the recommended detention period
Total costs	USD 212	USD 1397
Annual cost impact (*)	2,1%	2,2%

(*) It shows the extent to which costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 7,00% before deducting costs and 4,78% after deducting costs.

We may share the cost with the person selling you the product to cover the services they provide. If so, they will inform you of the amount.

❖ COMPOSITION OF COSTS TS

One-off entry or exit costs		If you leave after 1 year
Input costs	We do not charge an entry fee for this product.	N/A
Exit costs	We do not charge an exit fee for this product.	N/A
Recurrent costs levied each year		
Management fees and other administrative and operating expenses	1,40% of the value of your investment per year to manage your investments. This estimate is based on actual costs over the past year.	USD 140
Transaction costs on the portfolio	0,58% of the value of your investment per year. This is an estimate of the costs incurred when we buy or sell investments underlying the product. The actual amount varies depending on how much we buy and sell.	USD 58
Ancillary costs levied under certain conditions		
Performance-related commission	We deduct this fee from your investment if the product outperforms its benchmark. The actual amount varies depending on the performance of your investment. The estimated total costs shown opposite include the average over the last 5 years.	USD 14

HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

Recommended holding period	More than 5 years
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The recommended holding period has been chosen to provide a constant return that is less dependent on market fluctuations.

This product may not be suitable for investors who plan to withdraw their contribution before 5 years.

You can redeem all or part of your units at any time free of charge, however, it is more likely that the management objective of the product will not be achieved if you exit before the end of the recommended holding period and you may get less in return.

HOW CAN I MAKE A CLAIM?

In the event that a natural or legal person wishes to file a complaint with the product in order to have a right recognised or to repair a loss, the complainant must send a written request containing a description of the problem and the details giving rise to the complaint, either by e-mail or by post, in an official language of their country of origin to the following address

Ellipsis Asset Management, 112 av. Kleber, 75116 Paris, France

Mail : client_service@ellipsis-am.com

Website www.ellipsis-am.com.

OTHER RELEVANT INFORMATION

This product promotes environmental or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability disclosures in the financial services sector (the so-called "SFDR Regulation").

Other product information documents are available in French and can be obtained free of charge on request from the management company Ellipsis Asset Management, 112 av. Kleber, 75116 Paris, France, by email client_service@ellipsis-am.com or on the website www.ellipsis-am.com.

Where this product is used as a unit-linked carrier of a life insurance or capitalisation contract, additional information on this contract, such as the costs of the contract, which are not included in the costs set out in this document, the contact in the event of a claim and what happens in the event of the insurance company's default, is set out in the key information document for this contract, which is required to be provided by your insurer or broker or other insurance intermediary in accordance with their legal obligation.

Taxation: This product may not be subscribed or held by a Non-Eligible Person or a Non-Eligible Intermediary (see "Relevant Subscribers" section of the prospectus). Its FATCA status is Deemed Non-Reporting Financial Institution (CCIV, Annex II, II, B). Its CRS/DAC status is Non-Reporting Financial Institution (Exempt Collective Investment Scheme).

Remuneration policy: details of the management company's updated remuneration policy describing how remuneration and benefits are calculated and the composition of the remuneration committee responsible for awarding remuneration and benefits are available on the website www.ellipsis-am.com and on request.

The country of origin of the product is France. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, and the paying agent is Banque Cantonale de Genève, quai de l'Ile 17, CH-1204 Geneva. The prospectus, the respective basic information sheets, the key investor information, the regulations, the annual and semi-annual reports can be obtained free of charge from the representative.

