

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 Disruption Convertible Fund – S USD Unit**

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

ISIN code: FR001400MM87

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: 12 February 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 product aims to achieve, over the recommended investment period of 5 years, an average annual performance net of management fees in excess of that of the capitalised SOFR plus 4.15%, through active directional management of international convertible bonds.

The performance of the product will be compared a posteriori to that of the capitalised SOFR index, plus 4.15%. 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. The management of the product is not constrained by this index, which is only an element of comparison of the performance, and consequently the performance of the product may differ significantly from that of this index.

The product will invest mainly in securities that the Management Company has identified as being exposed to a "disruption" theme. The strategy consists of focusing on investment opportunities presented by companies that participate in a structural change in practices, particularly economic, social or environmental. These companies may benefit from (i) a technological innovation with the potential for large-scale adoption, or (ii) the creation of a product or service that responds to a societal issue or is the source of a new consumer habit, or (iii) a regulatory change leading to a market evolution.

The investment strategy is based on discretionary management which favours the selection of securities based on the assessment of financial and non-financial criteria. As such, the management team integrates environmental, social and governance (ESG) criteria into its investment decisions, without these criteria being a determining factor in the decision making process.

- First, a qualitative analysis of credit risk, which aims to ensure the sustainability of the issuer's economic and financial model, based on an assessment of credit quality enhanced by a systematic assessment of the quality of governance, reputational risks and regulatory risks. Thus, each of the criteria contributes to the qualitative assessment of credit risk without necessarily being disqualifying individually. This first level of analysis may lead to the exclusion of a security;
- Secondly, a multi-criteria assessment, according to 3 axes of analysis (a fundamental analysis, a quantitative analysis of the technical profile of the convertible bond and a liquidity analysis), which leads to the selection of convertibles and the calibration of positions.

The product is exposed to :

- At least 60% of the net assets in international convertible bonds and similar securities;
- Maximum 40% in bonds, negotiable debt securities and money market instruments.

The allocation is made by selecting both public and private issuers, without geographical, sectoral or size predominance among the different world markets (including emerging markets), and without rating constraints. The product may also invest in equities and equity-linked securities up to a maximum of 10% of the net assets.

The average sensitivity range of the portfolio is between :

- 10% and 90% for underlying equities and directly invested securities (30% and 70% of net assets under normal market conditions),
- 0 and +7 for interest rate instruments.

Derivatives and instruments incorporating derivatives are used to hedge the portfolio, as well as to reconstitute a synthetic exposure to one or more risks in accordance with the management objective, without however generating an overexposure to the markets. In particular, the product is hedged against currency risk, although a residual risk may remain (maximum 5% of the net assets). Finally, the product may use temporary acquisition or sale of securities in order to optimise its income.

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

Subscription/redemption requests are centralised each business day at 5pm Paris time at Société Générale (32 rue du Champ de Tir, 44000 Nantes, +33 (0)2 51 85 57 09) and executed on the next net asset value.

❖ TARGETED RETAIL INVESTORS

All investors wishing to gain exposure to the international convertible bond market, including emerging countries, and more particularly to institutional investors. This product cannot directly or indirectly benefit any American person or entity, American citizens or US Person.

❖ OTHER INFORMATION

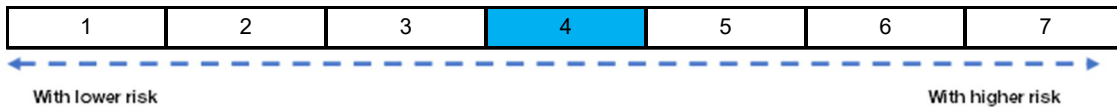
The Custodian is Société Générale.

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 for an early exit, and you may get less in return.

We have classified this product in risk indicator 4 out of 7, which is a medium risk class, due to its investment in convertible bonds, with significant sensitivity to the underlying equities. The main risks to which the product is exposed are the risks associated with investing in convertible bonds, credit and interest rate risks. Risks related to the low liquidity of certain securities, to forward financial instruments and to counterparty risks are not taken into account in the calculation of the risk indicator.

The risk indicator may be affected by the swing pricing mechanism with a trigger point as it may increase the volatility of the net asset value of the product.

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's investment universe over the last ten years. Markets may develop very differently in the future.

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

Recommended holding period : Example of an investment :		5 years 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	USD 5 880	USD 3 570
	Average annual yield	-41,17%	-18,60%
Unfavourable	What you could get after deducting costs	USD 5 880	USD 6 410
	Average annual yield	-41,17%	-8,50%
Intermediate	What you could get after deducting costs	USD 10 810	USD 14 910
	Average annual yield	8,12%	8,32%
Favourable	What you could get after deducting costs	USD 16 510	USD 18 780
	Average annual yield	65,06%	13,43%

Unfavourable, intermediate and favourable scenarios: This type of scenario occurred for an investment in the investment universe of the product between the years 2012 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);
- 10,000 USD is invested.

	If you leave after 1 year (if applicable)	If you leave after the recommended detention period
Total costs	USD 240	USD 1877
Annual cost impact (*)	2,4%	2,6%

(*) 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 10,92% before deducting costs and 8,32% after deducting costs.

We may share the cost with the person selling you the product to cover the services they provide.

❖ COMPOSITION OF COSTS

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	0,85% of the value of your investment per year to manage your investments. This estimate is based on actual costs over the past year.	USD 85
Transaction costs on the portfolio	0,78% 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 78
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 77

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

Recommended holding period	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, 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.