

## 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 High Yield Fund – I USD Unit**

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

ISIN Code: FR001400MAH9

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: 30 June 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, classified as "Bonds and other debt securities denominated in euro", is to achieve, over the recommended investment period of 3 years, the best possible performance through active directional management of bonds denominated in euro, mainly from non-financial issuers and of speculative grade.

The performance of the product may be compared a posteriori with that of the ICE BofAML BB-B Euro Non-Financial High Yield Constrained Index in Euros, which represents the performance of speculative grade bonds denominated in euros (private issuers excluding financials) with a rating of B- / B3 or higher. This indicator is available on the Intercontinental Exchange website (Ticker HEC5).

The investment strategy is based on a discretionary management approach that relies on a comprehensive credit analysis of both the issuer and the issue, as well as on the integration of environmental, social and governance (ESG) criteria in its investment decisions. The investment process favours stock selection based on its own characteristics before looking at the issuer's sector or country of activity, based on a dual performance driver: carry and tightening of the credit risk premium.

The level of duration and credit risk is managed through the choice of securities (issuer, maturity) as well as the allocation to a less risky pocket that can represent up to 40%. The average interest rate sensitivity of the portfolio ranges from 0 to +6. The product has a weighted average rating of over B- / B3 on the scope of rated securities (official agency rating scales or ratings deemed equivalent by the management company, which does not exclusively or automatically use credit ratings issued by these agencies).

The product is invested :

- up to 100% of the net assets in debt securities and money market instruments denominated in Euro, from OECD, G20 and European Economic Area member countries, allocated as follows
  - o between 60% and 100% of its net assets in securities issued by private speculative grade entities (rated below BBB- / Baa3);
  - o between 0% and 40% of its net assets in public or private investment grade securities (rated BBB- / Baa3 or higher), in cases where the speculative grade market does not offer sufficiently attractive opportunities;
- up to 10% of the net assets in contingent convertible bonds ("CoCos").

The allocation is made without geographical predominance among the main euro-denominated debt markets, and without constraint regarding the type of debt (fixed or floating rate, any subordination rank, dated or perpetual bonds...). The exposure to speculative grade financial bonds is below 10%. In addition, the proportion of unrated securities or securities with a rating below B- / B3 is less than 20%.

Derivatives and instruments embedding derivatives are used to create synthetic exposure to one or more risks in accordance with the management objective, without exceeding an overall exposure limit of 110% of the net assets. Derivatives may also be used for arbitrage or portfolio hedging. Finally, the product may use temporary purchases or sales 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 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 seeking a bond yield over the recommended investment period, obtained in particular from a portfolio of bonds and speculative debt securities, more particularly intended for institutional investors, funds of funds and pension funds, pension funds or investors for own account. This product cannot directly or indirectly benefit any American person or entity, American citizens or US Person.

#### ❖ OTHER INFORMATION

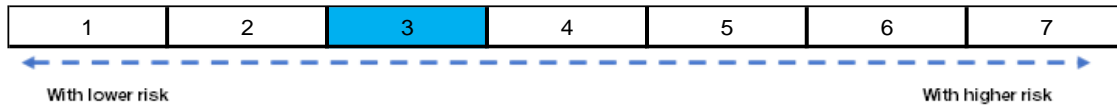
The Custodian is Société Générale.

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](mailto:client_service@ellipsis-am.com) or on the website [www.ellipsis-am.com](http://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 3 years. The real risk may be very different if you opt for an early exit, and you may get less in return.

We have classified this product as a 3 out of 7 risk indicator, which is a low to medium risk class, due to its investment in speculative securities with a low rating. The main risks to which the product is exposed are credit, interest rate and speculative investment risk. Risks linked to the low liquidity of certain securities, to financial futures 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, possibly supplemented by that of the benchmark, 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 :		More than 3 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 Average annual yield	USD 8 380 -16,21%	USD 8 170 -6,52%
Unfavourable	What you could get after deducting costs Average annual yield	USD 8 380 -16,21%	USD 8 890 -3,86%
Intermediate	What you could get after deducting costs Average annual yield	USD 10 220 2,21%	USD 10 700 2,30%
Favourable	What you could get after deducting costs Average annual yield	USD 11 260 12,62%	USD 11 210 3,88%

Adverse, intermediate and favourable scenarios: This type of scenario occurred for an investment in the investment universe of the ICE BofAML BB-B Euro Non-Financial High Yield Constrained Index (EUR) 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
<b>Total costs</b>	USD 139	USD 452
<b>Annual cost impact (*)</b>	1,4%	1,4%

(\*) 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 3,72% before deducting costs and 2,30% 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
<b>Input costs</b>	We do not charge an entry fee for this product.	N/A
<b>Exit costs</b>	We do not charge an exit fee for this product.	N/A
Recurrent costs levied each year		
<b>Management fees and other administrative and operating expenses</b>	0,81% of the value of your investment per year to manage your investments. This estimate is based on the actual costs over the last year.	USD 81
<b>Transaction costs on the portfolio</b>	0,56% 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 56
Ancillary costs levied under certain conditions		
<b>Performance-related commission</b>	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 2

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

Recommended holding period	More than 3 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 3 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](mailto:client_service@ellipsis-am.com)  
Website [www.ellipsis-am.com](http://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](mailto:client_service@ellipsis-am.com) or on the website [www.ellipsis-am.com](http://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](http://www.ellipsis-am.com) and on request.