

ADVERTISING COMMUNICATION

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PRESS RELEASE

ELLIPSIS AM: NEW MANAGEMENT OBJECTIVE FOR ITS FUND "ELLIPSIS OPTIMAL SOLUTIONS - LIQUID ALTERNATIVE"

Paris, 9 September 2023

Continuing to develop its range of differentiating investment solutions, Ellipsis AM is pleased to present its new strategy, implemented in the "Ellipsis Optimal Solutions - Liquid Alternative" fund. The objective is to integrate Ellipsis AM's Overlay & Customised Solutions management expertise into an allocation based on various equity and bond risk factors. The fund aims to offer a diversified management profile to extract a performance that is decorrelated from the markets.

The portfolio is constructed through active management using a systematic approach, aiming to overweight the allocation to equities and bonds while reducing risk through optimised systematic option hedging, combined with a discretionary return strategy using liquid listed derivatives.

The investment strategy is based on two asset classes:

1. **A 'thematic equities' pocket**, mainly invested in companies aiming to reduce their carbon footprint or helping to preserve biodiversity. By design, this allocation is naturally exposed to the "Quality" and "Growth"¹ risk factors.
2. **A second 'tactical' allocation**, offering quantitative management focused on the ESG Investment Grade bond universe and risk-free fixed income/liquidity. The weighting of this pocket varies according to the anticipated risk of default.

An overlay strategy, the cornerstone of the fund's construction, completes the management and is based on two pillars:

1. **A dynamic hedging "Black Swan"**, made up of dynamic hedging options, helping to limit the maximum decline of the fund in the event of an extreme market downturn.
2. **A discretionary yield strategy** using liquid listed derivatives to manage the risks of the systematic hedging strategy.

The objective of Ellipsis Optimal Solutions - Liquid Alternative is to achieve an annual performance of 6-8% over the recommended investment horizon of five years, combined with an annual realised volatility target of 6% and a maximum loss target of -10%.

The fund is classified under Article 8 - SFDR.²

Pierre Gallice, Head of Overlay & Portfolio Managers³: *"This strategy, unique in Europe, is designed to deliver robust performance in a wide range of market environments".*

Alexandre RYO, Head of Overlay & Customised Solutions: *"Our models have been put to the test of the markets over the last 15 years in the service of European institutional investors. Ellipsis Optimal Solutions - Liquid Alternative incorporates all the accumulated experience of our management team".*

Country of registration: France / Switzerland / Italy / Luxembourg

¹ "Quality": Companies with strong profitability and solid balance sheets / "Growth": Companies with high growth potential.

² ESG: Environment / Social / Governance. SFDR: European Regulation (EU) No 2019/2088 known as Sustainable Finance Disclosure (SFDR). More information on our ESG policy (environmental, social and governance criteria): <https://www.ellipsis-am.com/fra/fr/pro/esg-reglementaire>.

³ Management team at 30 June 2023 subject to change during the life of a fund.

About Ellipsis AM

With a track record spanning almost 20 years and nearly EUR2.5bn under management (as of 31 December 2022), Ellipsis AM is a recognised European and global convertible bond manager. The company has also developed specialised management expertise in credit, volatility, and listed derivatives.

About the “Overlay & Customised Solutions” division

With **15 years' experience**, Ellipsis AM's Overlay & Customised Solutions team addresses institutional portfolio issues and offers solutions to limit portfolio risk or improve returns. The team currently **manages EUR1.3bn⁴** through more than a **dozen mandates and overlay funds** and is bringing together all its expertise to launch its new 'Liquid Alternative' strategy.

Main risk factors:

The strategy implemented is likely to generate negative performance during slow and continuous falls in risky assets or during periods of low volatility. The Fund is exposed to model risk linked to its hedging strategy, which is based on a systematic management process. There is a risk that this model may not be efficient. The Fund is also exposed to volatility risk, counterparty risk and risk associated with the use of forward financial instruments. These risks may lead to a fall in the net asset value of the fund, which is not guaranteed or protected in any way.

Press contacts

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IMPORTANT INFORMATION

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The investment is in units of a collective investment scheme and not in the underlying assets. UCIs do not offer a capital guarantee.

In some jurisdictions, the offering of mutual fund units may be restricted or prohibited by law. Before making any offer, it is advisable to check in which countries the UCI(s) referred to in this document are registered for marketing. The UCI may not be subscribed or held by a Non-Eligible Person or a Non-Eligible Intermediary (see the section on "Relevant subscribers" in the prospectus).

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Additional information for Switzerland:

The fund's country of origin 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 basic information sheets resp. the key information for investors, the regulations, and the annual and semi-annual reports may be obtained free of charge from the representative.

www.ellipsis-am.com

⁴ Data as of 30 June 2023.