

# **CYRIL SYSTEMATIC**

**UCITS Fund**

**authorised by European Directive 2009/65/EC**

**(1) KIID (Class I, P and C)**

**(2) PROSPECTUS**

## KEY INFORMATION FOR THE INVESTOR

This document provides key investor information about this UCITS. It is not a promotional document. The information is required by law, to help you understand the nature and risks of investing in this UCITS. You are advised to read it so you can make an informed decision on whether to invest or not.

### CYRIL SYSTEMATIC – Share Class I

ISIN Code : FR0000976342

Management Company: John Locke Investments S.A.

#### Investment aims and policy

The objective of the Cyril Systematic Fund is to deliver an absolute performance and to offer dynamic management uncorrelated to the economic environment and the trends of traditional markets (shares, bonds, money, real estate). It targets an annual performance net of all management fees of between 5% and 15% above the EONIA with an annualized monthly volatility of between 10% and 15%.

To enable the Fund to achieve these objectives, a team of managers and researchers has implemented a "systematic" asset management based on quantitative management methods known as "trend following" seeking to benefit from upwards and downwards market trends over different time spans: from a few hours to several months. This method may be supplemented with other methods using market phenomena such as volatility or noise. Other risk management techniques are also used to ensure that the fund is not overexposed to a market trend. In addition, the Fund may identify complementary strategies which improve the risk/return profile and expose itself to them directly or through an investment in another UCITS fund.

Bearing in mind the performance objective of the Fund, there is no relevant benchmark indicator. By way of indication, however, the Fund may be compared to the capitalized EONIA.

The Fund will be invested directly up to 100% of its assets in money market instruments, financial futures markets and equity derivative products. In addition, the Fund may invest in other UCITS funds which provide it with exposure to such markets for up to 10% of its assets.

The Fund may invest up to 100% of its assets in money market instruments and in debt securities. These securities are either government stock or private sector issues. The rating given as a result of the analysis performed by the management company will be situated in the upper levels of the Investment Grade.

The recommended investment period is a minimum of 3 years. This Fund may not suit investors planning to withdraw their contribution within that period.

The leverage of the Fund is monitored regularly. It should be 10 on average, but could be higher depending on the market conditions or if the new trading models that could be put in production required more leverage.

Investors may redeem their shares daily: subscription and redemption requests are centralized at CACEIS Bank France every day before 11am except on French public holidays and Bourse de Paris closing days, in which case the request is carried out based on the next net asset value.

**Dividend policy:** Capitalization

#### Risk and Return Profile

Lower Risk, ← Higher Risk,  
Potentially Lower Return Potentially Higher Return



The UCITS has a grade 5 risk. This indicator reflects, over a period of 5 years, the Fund's objective to deliver absolute performance uncorrelated to the various markets (interest rates, shares and foreign currencies) on which it is positioned by means of the systematic strategy developed by the management company. It aims to help investors understand the uncertainties concerning losses and gains that may impact on their investment.

- The historical data used to calculate this indicator may not be a reliable indicator of the future risk profile of the Fund.
- The risk grade associated with this Fund is not guaranteed and may vary over time.
- The lowest grade is not synonymous with a no-risk investment.
- The capital initially invested does not benefit from any guarantee.

The major risks for the Fund not taken into account in this indicator are as follows:

- **Counterparty risk:** this represents the risk of bankruptcy of a counterparty used by the Fund which would be unable to honour the assets, securities or cash or the commitments made with the Fund.
- **Derivatives risk:** The use of derivatives to obtain excess returns may increase the level of the Fund's risk and the expected return. Using derivatives for risk hedging and management purposes may reduce the risk and expected return. The use of derivatives may increase the risks, such as the counterparty risk and the operational risk.

The occurrence of one of these risks may lead to a fall in the net asset value.

For further information on risks, investors may refer to the "Risk Profile" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com).

## Costs

Costs and fees paid serve to cover the Fund's operating costs, including share marketing and distribution costs. These costs reduce the potential growth of investments.

Specific costs deducted before or after investment	
Entry costs	2% maximum
Withdrawal costs	0%
These rates correspond to the maximum percentage that may be deducted from your capital before it is invested (entry) or disinvested (withdrawal).	
Costs deducted by the Fund over a year	
Ongoing costs	1.50 % of the AUM
Costs deducted by the Fund in certain circumstances	
Incentive fee	20% maximum of the Fund outperformance compared to the EONIA OIS and according to the "High Water Mark" principle detailed in the Fund's prospectus. In 2019 :3.60%

The **entry** and **withdrawal costs** shown are the maximum costs applicable. In certain cases, the costs paid may be lower. Investors may find out the actual entry and withdrawal costs from their advisors or distributors.

The **current costs** are based on the figures of the previous financial year ending December 2019. The percentage may vary from one financial year to the next.

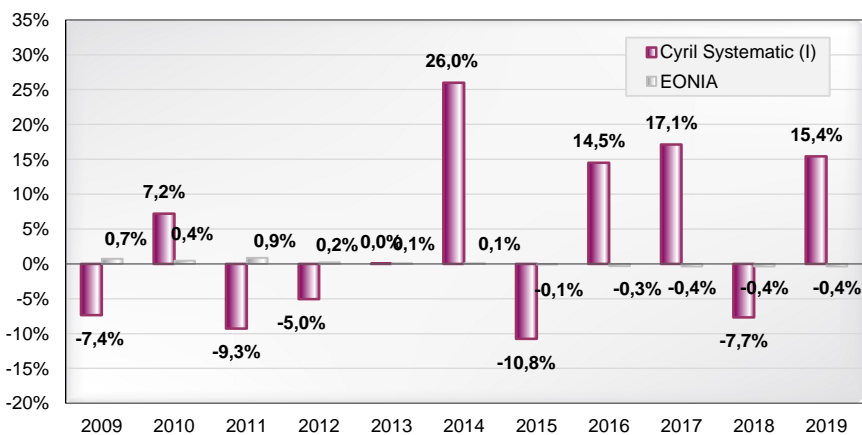
It excludes:

- incentive fees;
- intermediation fees, except entry and withdrawal costs paid by the UCITS when buying or selling shares in a different UCITS.

For more information on costs, investors may refer to the "Costs and Fees" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com), or by request to the management company.

## Past Performance

Unit Class I - Annual Performance, net of all costs



The FCIMT Cyril Systematic was created on 3 July 2000 and on 28 June 2011 became the UCITS Cyril Systematic Fund.

Performance presented in this diagram is that of FCIMT Cyril Systematic adjusted to take into account the costs of Share Class I and the net income reinvested.

It is calculated based on the net asset values stated in Euros.

**The Fund's investment strategy was modified on 23 June 2014.**

**The Fund's past performance is not a guarantee of future results.**

## Practical information

- The Fund's custodian is CACEIS Bank situated at 1-3, Place Valhubert - 75013 Paris - Tel: +33 1 57 78 00 00.
- The latest prospectus, the remuneration policy details, reports and the latest periodic documents and all other practical information are available from **John Locke Investments S.A.** - 38, Avenue Franklin Roosevelt - 77210 Fontainebleau-Avon - E-mail: [contact@jl-investments.com](mailto:contact@jl-investments.com) - Tel: + 33 1 64 70 40 40 - Fax: + 33 1 60 74 99 38
- The net asset value can be obtained from the management company and on the website [www.jl-investments.com](http://www.jl-investments.com).
- Depending on your tax regime, any capital gains and income connected with the holding of shares in UCITS may be subject to taxation. You are advised to obtain information on this matter from your tax adviser.
- The UCITS offers other types of shares. You can find more information on these shares in the Fund prospectus.
- John Locke Investments may only be held liable based on any declarations contained in this document found to be deceitful, incorrect or inconsistent with the corresponding parts of the Fund prospectus.

John Locke Investments SA is approved in France and regulated by the Autorité des Marchés Financiers.

The KEY INFORMATION FOR THE INVESTOR supplied here is correct and up-to-date at **14 February 2020**.

## KEY INFORMATION FOR THE INVESTOR

This document provides key investor information about this UCITS. It is not a promotional document. The information is required by law, to help you understand the nature and risks of investing in this UCITS. You are advised to read it so you can make an informed decision on whether to invest or not.

### CYRIL SYSTEMATIC – Share Class P

ISIN Code : FR0011073774

Management Company: John Locke Investments S.A.

#### Investment aims and policy

The objective of the Cyril Systematic Fund is to deliver an absolute performance and to offer dynamic management uncorrelated to the economic environment and the trends of traditional markets (shares, bonds, money, real estate). It targets an annual performance net of all management fees of between 5% and 15% above the EONIA with an annualized monthly volatility of between 10% and 15%.

To enable the Fund to achieve these objectives, a team of managers and researchers has implemented a "systematic" asset management based on quantitative management methods known as "trend following" seeking to benefit from upwards and downwards market trends over different time spans: from a few hours to several months. This method may be supplemented with other methods using market phenomena such as volatility or noise. Other risk management techniques are also used to ensure that the fund is not overexposed to a market trend. In addition, the Fund may identify complementary strategies which improve the risk/return profile and expose itself to them directly or through an investment in another UCITS fund.

Bearing in mind the performance objective of the Fund, there is no relevant benchmark indicator. By way of indication, however, the Fund may be compared to the capitalized EONIA.

The Fund will be invested directly up to 100% of its assets in money market instruments, financial futures markets and equity derivative products. In addition, the Fund may invest in other UCITS funds which provide it with exposure to such markets for up to 10% of its assets.

The Fund may invest up to 100% of its assets in money market instruments and in debt securities. These securities are either government stock or private sector issues. The rating given as a result of the analysis performed by the management company will be situated in the upper levels of the Investment Grade.

The recommended investment period is a minimum of 3 years. This Fund may not suit investors planning to withdraw their contribution within that period.

The leverage of the Fund is monitored regularly. It should be 10 on average, but could be higher depending on the market conditions or if the new trading models that could be put in production required more leverage.

Investors may redeem their shares daily: subscription and redemption requests are centralized at CACEIS Bank France every day before 11am except on French public holidays and Bourse de Paris closing days, in which case the request is carried out based on the next net asset value.

**Dividend policy:** Capitalization

#### Risk and Return Profile

Lower Risk, Higher Risk,  
Potentially Lower Return Potentially Higher Return



The UCITS has a grade 5 risk. This indicator reflects, over a period of 5 years, the Fund's objective to deliver absolute performance uncorrelated to the various markets (interest rates, shares and foreign currencies) on which it is positioned by means of the systematic strategy developed by the management company. It aims to help investors understand the uncertainties concerning losses and gains that may impact on their investment.

- The historical data used to calculate this indicator may not be a reliable indicator of the future risk profile of the Fund.
- The risk grade associated with this Fund is not guaranteed and may vary over time.
- The lowest grade is not synonymous with a no-risk investment.
- The capital initially invested does not benefit from any guarantee.

The major risks for the Fund not taken into account in this indicator are as follows:

- **Counterparty risk:** this represents the risk of bankruptcy of a counterparty used by the Fund which would be unable to honour the assets, securities or cash or the commitments made with the Fund.
- **Derivatives risk:** The use of derivatives to obtain excess returns may increase the level of the Fund's risk and the expected return. Using derivatives for risk hedging and management purposes may reduce the risk and expected return. The use of derivatives may increase the risks, such as the counterparty risk and the operational risk.

The occurrence of one of these risks may lead to a fall in the net asset value.

For further information on risks, investors may refer to the "Risk Profile" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com)

## Costs

Costs and fees paid serve to cover the Fund's operating costs, including share marketing and distribution costs. These costs reduce the potential growth of investments.

Specific costs deducted before or after investment	
Entry costs	2% maximum
Withdrawal costs	0%
These rates correspond to the maximum percentage that may be deducted from your capital before it is invested (entry) or disinvested (withdrawal).	
Costs deducted by the Fund over a year	
Ongoing costs	2.40% of the net assets
Costs deducted by the Fund in certain circumstances	
Incentive fee	20% maximum of the Fund outperformance compared to the EONIA OIS and according to the "High Water Mark" principle detailed in the Fund's prospectus. In 2019 : 1.29%

The **entry** and **withdrawal costs** shown are the maximum costs applicable. In certain cases, the costs paid may be lower.

Investors may find out the actual entry and withdrawal costs from their advisors or distributors.

The **current costs** are based on the figures of the previous financial year ending December 2019.

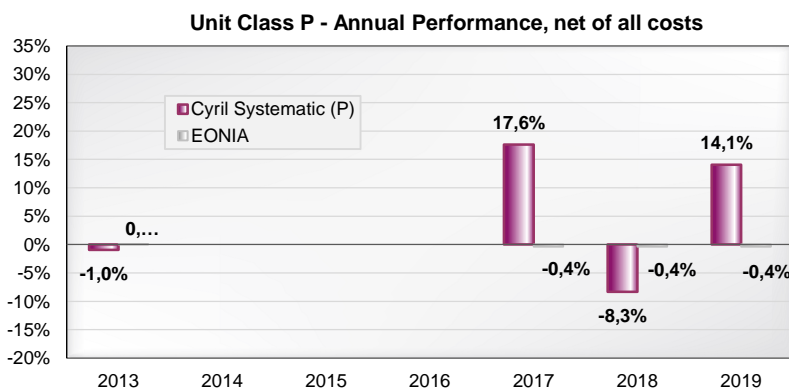
The percentage may vary from one financial year to the next.

It excludes:

- incentive fees;
- intermediation fees, except entry and withdrawal costs paid by the UCITS when buying or selling shares in a different UCITS.

For more information on costs, investors may refer to the "Costs and Fees" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com) or by request to the management company.

## Past Performance



The FCIMT Cyril Systematic was created on 3 July 2000 and on 28 June 2011 became the UCITS Cyril Systematic Fund.

It is calculated based on the net asset values stated in Euros.

Share Class P was launched on 13 July 2012, and was closed on 10 January 2014. It was reopened on 6 June 2016.

The NAV of Share Class P was fractioned by a factor of 30 (decimalization) on 1 January 2018.

**The Fund's investment strategy was modified on 23 June 2014.**

**The Fund's past performance is not a guarantee of future results.**

## Practical information

- The Fund's custodian is CACEIS Bank France situated at 1-3, Place Valhubert - 75013 Paris - Tel: +33 1 57 78 00 00.
- The latest prospectus, the remuneration policy details, reports and the latest periodic documents and all other practical information are available from **John Locke Investments S.A.** - 38, Avenue Franklin Roosevelt - 77210 Fontainebleau-Avon - E-mail: [contact@jl-investments.com](mailto:contact@jl-investments.com) - Tel: + 33 1 64 70 40 40 - Fax: + 33 1 60 74 99 38
- The net asset value can be obtained from the management company and on the website [www.jl-investments.com](http://www.jl-investments.com).
- Depending on your tax regime, any capital gains and income connected with the holding of shares in UCITS may be subject to taxation. You are advised to obtain information on this matter from your tax adviser.
- The UCITS offers other types of shares. You can find more information on these shares in the Fund prospectus.
- John Locke Investments may only be held liable based on any declarations contained in this document found to be deceitful, incorrect or inconsistent with the corresponding parts of the Fund prospectus.
- 

This Fund is approved in France and regulated by the Autorité des Marchés Financiers.  
John Locke Investments SA is approved in France and regulated by the Autorité des Marchés Financiers.

The KEY INFORMATION FOR THE INVESTOR supplied here is correct and up-to-date at **14 February 2020**.

## KEY INFORMATION FOR THE INVESTOR

This document provides key investor information about this UCITS. It is not a promotional document. The information is required by law, to help you understand the nature and risks of investing in this UCITS. You are advised to read it so you can make an informed decision on whether to invest or not.

### CYRIL SYSTEMATIC – Share Class C

ISIN Code : FR0011073766

Management Company: John Locke Investments S.A.

#### Investment aims and policy

The objective of the Cyril Systematic Fund is to deliver an absolute performance and to offer dynamic management uncorrelated to the economic environment and the trends of traditional markets (shares, bonds, money, real estate). It targets an annual performance net of all management fees of between 5% and 15% above the EONIA with an annualized monthly volatility of between 10% and 15%.

To enable the Fund to achieve these objectives, a team of managers and researchers has implemented a "systematic" asset management based on quantitative management methods known as "trend following" seeking to benefit from upwards and downwards market trends over different time spans: from a few hours to several months. This method may be supplemented with other methods using market phenomena such as volatility or noise. Other risk management techniques are also used to ensure that the fund is not overexposed to a market trend. In addition, the Fund may identify complementary strategies which improve the risk/return profile and expose itself to them directly or through an investment in another UCITS fund.

Bearing in mind the performance objective of the Fund, there is no relevant benchmark indicator. By way of indication, however, the Fund may be compared to the capitalized EONIA.

The Fund will be invested directly up to 100% of its assets in money market instruments, financial futures markets and equity derivative products. In addition, the Fund may invest in other UCITS funds which provide it with exposure to such markets for up to 10% of its assets.

The Fund may invest up to 100% of its assets in money market instruments and in debt securities. These securities are either government stock or private sector issues. The rating given as a result of the analysis performed by the management company will be situated in the upper levels of the Investment Grade.

The recommended investment period is a minimum of 3 years. This Fund may not suit investors planning to withdraw their contribution within that period.

Investors may redeem their shares daily: subscription and redemption requests are centralized at CACEIS Bank France every day before 11am except on French public holidays and Bourse de Paris closing days, in which case the request is carried out based on the next net asset value.

**Dividend policy:** Capitalization

#### Risk and Return Profile



The UCITS has a grade 5 risk. This indicator reflects, over a period of 5 years, the Fund's objective to deliver absolute performance uncorrelated to the various markets (interest rates, shares and foreign currencies) on which it is positioned by means of the systematic strategy developed by the management company. It aims to help investors understand the uncertainties concerning losses and gains that may impact on their investment.

- The historical data used to calculate this indicator may not be a reliable indicator of the future risk profile of the Fund.
- The risk grade associated with this Fund is not guaranteed and may vary over time.
- The lowest grade is not synonymous with a no-risk investment.
- The capital initially invested does not benefit from any guarantee.

The major risks for the Fund not taken into account in this indicator are as follows:

- **Counterparty risk:** this represents the risk of bankruptcy of a counterparty used by the Fund which would be unable to honour the assets, securities or cash or the commitments made with the Fund.
- **Derivatives risk:** The use of derivatives to obtain excess returns may increase the level of the Fund's risk and the expected return. Using derivatives for risk hedging and management purposes may reduce the risk and expected return. The use of derivatives may increase the risks, such as the counterparty risk and the operational risk.

The occurrence of one of these risks may lead to a fall in the net asset value.

For further information on risks, investors may refer to the "Risk Profile" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com).



## Costs

Costs and fees paid serve to cover the Fund's operating costs, including share marketing and distribution costs. These costs reduce the potential growth of investments.

Specific costs deducted before or after investment	
Entry costs	2% maximum
Withdrawal costs	0%
These rates correspond to the maximum percentage that may be deducted from your capital before it is invested (entry) or disinvested (withdrawal).	
Costs deducted by the Fund over a year	
Ongoing costs	1.50%
Costs deducted by the Fund in certain circumstances	
Incentive fee	20% maximum of the Fund outperformance compared to the EONIA OIS and according to the "High Water Mark" principle detailed in the Fund's prospectus. In 2019 : 4.40%

The **entry** and **withdrawal costs** shown are the maximum costs applicable. In certain cases, the costs paid may be lower. Investors may find out the actual entry and withdrawal costs from their advisors or distributors.

Share Class C was launched on 25 January 2019, The **current costs** are based on the figures of the previous financial year ending December 2019.

The percentage may vary from one financial year to the next.

It excludes:

- incentive fees;
- intermediation fees, except entry and withdrawal costs paid by the UCITS when buying or selling shares in a different UCITS.

For more information on costs, investors may refer to the "Costs and Fees" section of the Fund prospectus, available on the website [www.jl-investments.com](http://www.jl-investments.com) or by request to the management company.

## Past Performance

The Cyril Systematic – Share class C performance history does not include a whole calendar year and cannot therefore be presented.

The FCIMT Cyril Systematic was created on 3 July 2000 and on 28 June 2011 became the UCITS Cyril Systematic Fund.

It is calculated based on the net asset values stated in Euros.

The Part C NAV was multiplied by a factor of 30 on 14 February 2019.

**The Fund's investment strategy was modified on 23 June 2014.**

**The Fund's past performance is not a guarantee of future results.**

## Practical information

- The Fund's custodian is CACEIS Bank France situated at 1-3, Place Valhubert - 75013 Paris - Tel: +33 1 57 78 00 00.
- The latest prospectus, the remuneration policy details, reports and the latest periodic documents and all other practical information are available from **John Locke Investments S.A.** - 38, Avenue Franklin Roosevelt - 77210 Fontainebleau-Avon - E-mail: [contact@jl-investments.com](mailto:contact@jl-investments.com) - Tel: + 33 1 64 70 40 40 - Fax: + 33 1 60 74 99 38
- The net asset value can be obtained from the management company and on the website [www.jl-investments.com](http://www.jl-investments.com).
- Depending on your tax regime, any capital gains and income connected with the holding of shares in UCITS may be subject to taxation. You are advised to obtain information on this matter from your tax adviser.
- The UCITS offers other types of shares. You can find more information on these shares in the Fund prospectus.
- John Locke Investments may only be held liable based on any declarations contained in this document found to be deceitful, incorrect or inconsistent with the corresponding parts of the Fund prospectus.

This Fund is approved in France and regulated by the Autorité des Marchés Financiers.  
John Locke Investments SA is approved in France and regulated by the Autorité des Marchés Financiers.

The KEY INFORMATION FOR THE INVESTOR supplied here is correct and up-to-date at **14 February 2020**.

UCITS complying with European directive 2009/65/EC

**CYRIL SYSTEMATIC**

**MUTUAL FUND**

**PROSPECTUS**



## GENERAL CHARACTERISTICS

<b>Name</b>	Cyril Systematic (the "Fund")
<b>Legal form</b>	Mutual fund (FCP) incorporated under French law
<b>Date of creation</b>	3 July 2000, for a period of 99 years

Share Classes	Isin Code	Subscribers concerned	Distribution of income	Currency of denomination	Frequency of calculation of the NAV	Minimum initial subscription	Subsequent minimum subscription
Share class I	FR0000976342	All subscribers and in particular institutional investors	Capitalization	Euro (€)	Daily	€500,000	None
Share class C*	FR0011073766	All subscribers and in particular institutional investors	Capitalization	USD (\$)	Daily	\$100,000	None
Share class P	FR0011073774	All subscribers and in particular institutional investors	Capitalization	Euro (€)	Daily	€100	None

\*The Management Company may invest in one share of this share class and the initial NAV of share class C is 1,000/USD. The Part C NAV was multiplied by a factor of 30 on 14 February 2019.

### Indication of the place where the latest annual report and the latest periodic statement may be obtained:

The Fund's prospectus and latest annual and periodic documents are sent within a period of eight working days of receipt of a written request made by the shareholder to:

**John Locke Investments S.A.**  
**38, Avenue Franklin Roosevelt**  
**77210 FONTAINEBLEAU-AVON**  
**E-mail: [contact@jl-investments.com](mailto:contact@jl-investments.com)**  
**Tel: + 33 1 64 70 40 40**  
**Fax: + 33 1 60 74 99 38**

These documents are also available on the website [www.jl-investments.com](http://www.jl-investments.com).

## SERVICE PROVIDERS

<b>Management Company</b>	<p><u>Name:</u> John Locke Investments S.A. (the "Management Company")</p> <p><u>Legal form:</u> Public limited liability company whose activities comprise the management of portfolios on behalf of third parties, approved by the Autorité des Marchés Financiers under No. GP 04000064</p> <p><u>Registered office:</u> 4, Rue Galvani, 75017 PARIS</p> <p><u>Telephone:</u> +33 1 64 70 40 40</p>
<b>Custodian and Account Keeper</b>	<p><u>Name:</u> CACEIS Bank France</p> <p><u>Legal form:</u> Public limited liability company approved as a credit institution by the CECEI</p> <p><u>Registered office:</u> 1-3, Place Valhubert, 75013 PARIS</p> <p><u>Telephone:</u> +33 1 57 78 00 00</p>

The custodian's duties cover the missions defined by the applicable Regulation. They pertain to the safekeeping of the assets, ensuring that the management company's decisions comply with laws and regulations, and monitoring the cash flows of the UCITS.

The custodian is also tasked, by delegation of the management company, with handling the liabilities of the Fund, which cover the centralization of orders to subscribe and redeem units of the Fund as well as with keeping the Fund's unit issue account.

## Delegates

The description of any delegated safekeeping duties, the list of delegates and sub-delegates of CACEIS Bank and information relating to conflicts of interest likely to ensue from said delegations are available on the website of CACEIS. Updated information is made available to investors by the Custodian upon request.

The custodian is an independent management company.

### Subscription and redemption order centralizer appointed by the Management Company

Name: CACEIS Bank

Legal form: Public limited liability company approved as a credit institution by the CECEI

Registered office: 1-3, Place Valhubert, 75013 PARIS

Telephone: +33 1 57 78 00 00

### Auditor

Name: Deloitte & Associés

Legal form: Public limited liability company, member of the Compagnie régionale de Versailles

Registered office: 185, Avenue Charles de Gaulle, 92524 NEUILLY sur SEINE

Signatory: Jean-Marc Lecat

Telephone: +33 1 55 61 61 00

### Marketer

John Locke Investments

### Representatives

Administrative and accounting management:

CACEIS Fund Administration

Public limited liability company subsidiary of CACEIS Bank  
France

1-3, Place Valhubert, 75013 PARIS

Tel: +33 1 57 78 00 00

The delegation relates to the Fund's entire assets.

## OPERATING AND MANAGEMENT PROCEDURES

---

### GENERAL CHARACTERISTICS

#### Characteristics of the shares classes

Isin code: Share class I: FR0000976432

Share class C: FR0011073766

Share class P: FR0011073774

Nature of the rights attached to share classes: Each shareholder has a right of joint ownership over the Fund's assets proportional to the number of shares owned.

Entry in a register: The shares of the Fund are administered on Euroclear France.  
The liabilities are held by the custodian.

Voting rights: No voting rights are attached to the shares, decisions being taken by the Management Company.

Form of the shares: Bearer

Division: Ten-thousandths of shares

Financial year date and closing: Last working day of the month of March

Taxation: The Fund is not subject to tax as such. However, shareholders are subject to taxation on the sums distributed or gains. The tax system applicable to sums distributed by the Fund or to latent gains or to gains realized by the Fund depends on the investor's particular situation. In the event of doubt over his tax situation, the investor should contact an advisor or a professional. Certain gains distributed by the Fund to non-residents in France may give rise to a withholding at source in certain cases.

## SPECIAL PROVISIONS

### Management objective

The objective of the Cyril Systematic Fund is to deliver an absolute performance and to offer dynamic management uncorrelated to the economic environment and the trends of traditional markets (shares, bonds, money, real estate). It targets an annual performance net of all management fees of between 5% and 15% above the EONIA with an annualized monthly volatility of between 10% and 15%.

To enable the Fund to achieve these objectives, a team of managers and researchers has implemented a "systematic" asset management based on quantitative management methods known as "trend following" seeking to benefit from upwards and downwards market trends over different time spans: from a few hours to several months. This method may be supplemented with other methods using market phenomena such as volatility or noise. Other risk management techniques are also used to ensure that the Fund is not overexposed to a market trend. In addition, the Fund may identify complementary strategies which improve the risk/return profile and expose itself to them directly or through an investment in another UCITS fund.

**The AMF reminds potential subscribers that the annualized performance objective indicated is based on the realization of market assumptions established by the Management Company and does not constitute a promise of a return or performance of the Fund in any event.**

### Benchmark indicator

The Management Company considers that, owing to the Fund's objective and investment strategy, which is to target an absolute performance, no relevant benchmark indicator may be adopted. By way of indication, however, the investor may compare the Fund's performance with the capitalized EONIA rate.

The EONIA expresses the average euro overnight money market rate. It is calculated by the European Central Bank (ECB) as a weighted average of the overnight unsecured lending transactions in the interbank market with the rates supplied by a panel of international banks. The capitalized EONIA also incorporates the impact of the daily reinvestment of interest based on the OIS (*Overnight Indexed Swap*) method.

EMMI (European Money Markets Institute) is the administrator of the EONIA. EMMI is not on the ESMA register of benchmark administrators. Further information on the EONIA are available on the administrator's web site: <https://www.emmi-benchmarks.eu/>

### Investment strategy

#### A. Description of the strategies used:

##### 1. Systematic part:

###### a) **Investment philosophy**

The management method is based on the systematic implementation of trading strategies within the scope of a quantified risk allocation allowing for the capture of upwards and downwards market trends over different time spans (from a few hours to several months). This "trend following" model may be supplemented with correlated or uncorrelated methodologies using other market phenomena such as volatility or noise (methods more generally known as "contrarian" systems). If it is more appropriate, the investment may be achieved by investing in a UCITS fund which trades such strategies.

The Management Company together with its team of managers and engineers endeavours to improve the various management techniques employed on a regular and consistent basis.

The Management Model generates buy and sell signals, whose frequency may be as regular as *intraday* (buying and selling an instrument within the same day).

The strategies applied are purely technical and based on the analysis of the change in the prices of future contracts traded on the international futures markets authorized by the regulations in force and forward contracts traded over the counter.

Statistical studies on price histories make it possible to identify several configurations which are repeated in the price movements. Algorithms detecting these configurations make it possible to define profitable trading strategies.

In-depth statistical research makes it possible to draw up several trading strategies qualified as robust. The portfolio management algorithms obey the following characteristics:

- a limited number of parameters;
- a large number of markets with the same parameters;
- different time spans of analysis.

The research process is on-going and breaks down into four main stages:

- storage of various frequency market data and verification of the quality of data;
- multi-dimensional back-test and analysis of market biases;
- financial and statistical filtering, with stability and robustness test;
- modification of the portfolio, using optimization constraints, with the aim of improving the risk / return ratio.

Depending on the type of configuration and strategy, positions may be taken in the direction of the trend or against the trend with predefined or dynamic profit or loss levels.

The buy and sell signals are determined by computer models owned by the Management Company, and the placing of "trading" orders is automated for the majority of signals.

#### **b) Management based on diversification of the portfolio investments**

In order to optimize the risk / return ratio of the Fund, significant diversification of the allocations is made in terms of assets classes, interest rates, currencies, stock market and stock indices, either directly in the Fund or by investing in other UCITS funds.

#### **c) Management based on risk monitoring**

The system used for allocating positions among the various markets is based on the principle of diversification of the risk observed on each of the futures and forward contracts on which the Fund operates. This risk is assessed by calculating the Value at Risk (VaR) of each contract and of the total portfolio and incorporates the concepts of liquidity, volatility and size of contracts.

We would draw subscribers' attention to the fact that the Fund uses the probabilistic method of the absolute VaR with regard to the calculation of commitments on future and forward financial instruments. Consequently, the Fund's VaR with a 20-day time span and a probability of 99% cannot exceed 20%. This means that the loss recorded over twenty days by a subscriber will not exceed 20%, with a probability of 99%. Subscribers' attention is also drawn to the fact that this limit does not constitute a guarantee in any way, but only an objective stated in terms of probabilities.

## **2. Cash management:**

The portion of the Fund's assets not exposed to future and forward contracts may be invested in money market instruments or left on deposit in order to obtain a return on liquid assets with minimal risk.

### **B. Assets and future and forward financial instruments used:**

In order to implement the investment strategy, the Strategy Index is essentially invested in the following financial instruments.

This list does not constitute an exhaustive presentation of all the instruments used. The Fund thus reserves the right to use financial instruments other than those stated below, in order to achieve the Fund's management objective, within the limits of the regulations applicable thereto.

#### **Futures and forward financial instruments:**

The Fund may be exposed to French and foreign futures and forward financial instruments traded on a regulated market, a recognized foreign market, a multilateral trading system or an over-the-counter market.

The Strategy will be exposed to different asset classes through the main markets and the following sectors of intervention:

- ✓ interest rates;

- ✓ shares and stock indices;
- ✓ foreign exchange.

C. Other future and forward financial instruments used:

The Fund may carry out forward or spot foreign exchange transactions for hedging purposes, particularly for hedging the foreign-exchange risk resulting from investments made in a currency other than the main currency of the Fund (Euro).

The nature of the intervention and risks on which the Management Company wishes to intervene are as follows:

Risks	Hedging	Exposure	Arbitrage
Stock market risk	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Interest-rate risk	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foreign-exchange risk	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Credit risk	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Fund's exposure will not exceed its maximum leverage capacity expressed by the Value at Risk (probabilistic absolute VaR method) over 20 days with a confidence interval of 99%, which will permanently remain below 20% of the Fund's assets. The VaR is calculated based on historic daily data, which implies that it is not perfect for measuring extreme risks in the event of unusual market conditions or conditions never encountered in the past.

The Fund may be invested in the following financial instruments:

**1. Debt securities and money market instruments**

Within the scope of its cash management, the Fund may invest up to 100% of its assets in money market instruments and debt securities issued by public entities or entities whose registered office or principal establishment is situated in a member country of the OECD. These securities are either government debt or private sector issues, without any predefined distribution between public debt and private debt.

More particularly, the money market instruments and the debt securities used are essentially certificates of deposit, *Euro Commercial Paper* (ECP), short-term bonds, negotiable debt securities (TCN), American Treasury Bills (*US T-Bills*) and fixed-income instruments issued by public entities in the OECD area, with a maturity of less than 1 year.

The money market instruments and debt securities held directly by the Fund are selected following analysis by the management team and will be of the "Investment Grade" type based on said analysis and will be more specifically found in the upper part of that grade.

**The fund is authorized to invest up to 100% of net assets, in accordance with the principle of risk diversification, in transferable securities and money market instruments issued or guaranteed by an EU Member State, by its authorities or agencies, by a non-EU Member State or by another Member State of the OECD, Singapore or any other G20 Member State or by public international bodies of which one or more EU Member States are members**

**, provided that the fund holds securities of at least six different issues and the securities of any one issue do not represent more than 30% of the total net assets of the fund.**

**2. UCITS**

In order to achieve its management objective and in accordance with R214-24 Article of French Monetary and Financial Code, the Fund may invest up to 10 % of its assets in:

- units or shares of French UCITS (covered by the European directive 2009/65/EC) or UCITS authorized for investment in France (which may be managed by John Locke Investments) of any class.
- units or shares of IAF governed by French law or established in another Member State of the European Union or investments funds established under foreign law mentioned in 3° of I of Article L.214-20.

**3. Deposits**

The Fund may make deposits of up to 100% of its assets with lending institutions under the conditions laid down by article R. 214-3 of the Monetary and Financial Code, in order to optimize its cash management.

**4. Cash borrowings**

The Fund may also borrow cash up to a limit of 10% of its assets, in order to optimize its cash management (without having the authority to be a cash borrower structurally, the Fund may find itself in a debit position owing to transactions connected with its flows).

**5. Financial guarantees**

The Fund may be required, particularly in the context of financial instruments traded over the counter, to place collateral in the form of cash or debt securities and money market instruments of the category mentioned in point 1. It may also be required to receive collateral, in the form of cash that is not reinvested by the Fund.

**6. Temporary purchases and sales of securities**

None

**7. Total Return Swaps (TRS)**

None

**8. Guarantee or protection**

None (Neither the capital nor the performance are guaranteed).

**Risk profile**

*The Fund is invested primarily in financial instruments selected by the Management Company. These instruments will follow the ups and downs in financial markets. The main risks to which investors subscribing units of the Fund are exposed are:*

A. Risk of loss of capital:

Since the Fund is exposed to various risks (connected with the models, markets, etc.), the capital initially invested may not be fully returned. The Fund does not offer any guarantee or protection of capital and performance level. It is up to each investor to analyse the risk relating to his investment and to forge his own opinion independently from John Locke Investments, by obtaining specialist advice on these issues, if necessary, in order to ensure in particular that this investment is in keeping with his financial situation.

B. Risks on the systematic portion of the Fund's portfolio:

**1) Risks connected with the use of systematic models:**

The subscriber's attention is drawn to the fact that the Fund's strategy is based on the use of quantitative models based on past statistical results. The efficiency of these models is not guaranteed. Using them may lead to drops in the net asset value or not attaining the management objective. Exposure to risk may result in a fall in the Fund's Net Asset Value.

**2) Risks connected with the markets:**

The Fund is exposed to future and forward financial instruments which are exposed to the risk of the markets of the euro zone and international markets. There is a major risk that the markets will no longer exhibit the characteristics enabling the strategies to generate profits, e.g. if trends no longer exist in the markets, resulting in a fall in the Fund's Net Asset Value.



**3) Risk of overexposure:**

The Fund may be overexposed by more than 1000% of its net assets. This exposure is used to raise the hope of gains but also increases the risk of losses. If the manager's anticipated performance of the securities under arbitrage does not materialize, the Fund's net asset value will be amplified. Exposure to this risk may result in a fall in the Fund's Net Asset Value.

**4) Counterparty risk:**

This risk measures the losses incurred by the Fund resulting from the potential bankruptcy of a counterparty used by the Fund which would no longer be able to honour the assets, securities or cash, or the commitments made with the Fund, for example in the context of forward financial instruments traded over the counter for which the Fund is required to provide collateral to the counterparty in question in the form of cash or securities. In the case of the Fund, this risk has been reduced by the choice of leading counterparties as custodians and counterparties for over the counter derivatives.

**5) Derivatives risk:**

The use of derivatives to obtain excess returns may increase the level of the Fund's risk and the expected return. Using derivatives for risk hedging and management purposes may reduce the risk and expected return. The use of derivatives may increase the risks, such as the counterparty risk and the operational risk.

**6) Risk associated with high leveraging**

Because derivatives require a relatively small initial investment, a minimal variation in the price of the underlying asset may produce a high gain or loss in proportion to the initial investment. Fund management may be highly leveraged by the use of derivatives. Leverage increases the possibility of gain but also increases the risk of loss. Therefore, should the relative value of the arbitrated shares not increase as anticipated by the manager, the reduction in the Fund's net asset value would be increased by being highly leveraged. Exposure to this risk may decrease the Fund's net asset value.

**C. Risks on the Money Market portion of the Fund's portfolio**

**1) Interest-rate risk:**

This is the risk of depreciation of the fixed-income instruments deriving from changes in interest rates. A portion of the portfolio is invested in interest-rate products with a maturity of less than one year, thus enabling this risk to be minimized.

**2) Credit risk:**

The securities held by the Fund may experience fluctuations in prices (upwards or downwards) based on the markets' perception of the issuers' credit risk. The issuers selected will either be States or issuers positioned in the upper part of the "Investment Grade" based on the Management Company's analysis. These choices enable this credit risk to be minimized and controlled.

**D. Foreign-exchange risk:**

The Fund will be subject to exposures in the currencies of the underlying financial instruments if they are not denominated in the benchmark currency of the Fund (Euro). Based on the net exposure of the Fund on each currency, fluctuations on the foreign exchange markets may impact on the performance of the Fund.

Exposure to these different risks may give rise to a change in the Fund's net asset value.

## **SUBSCRIBERS AND SHARE CLASSES**

---

**Subscribers concerned**

The share classes P, I and C of the Fund are aimed at all subscribers and more particularly at institutional investors: asset managers, funds of funds, banking or insurance institutions, capital holding companies, sovereign funds, public not-for-profit organizations (e.g. universities,

foundations, family offices, etc.) and at private banking investors. The minimum amount of the first subscription is fixed at €500,000 for share class I, at \$100,000 for share class C and at €100 for share class P.

<b>Investor profile</b>	<p>The Fund is intended for investors looking for a diversification tool connected with dynamic management and targeting an absolute appreciation of capital using the national and international futures and forward markets, in accordance with the recommended 3-year investment period.</p> <p>The amount which it is reasonable to invest in this Fund depends on the investor's personal situation. In order to determine that, the shareholder is advised to obtain advice from a professional, in order to diversify his investments and to determine the proportion of his financial portfolio or of his capital to invest in this Fund, having regard for the recommended investment period and the exposure to the aforesaid risks, his personal wealth, his requirements and his own objectives.</p> <p>Investors are invited to acquaint themselves with this prospectus and, in the event of any doubt over the advisability of this investment, are advised to consult their bankers, legal advisors, accountants or other financial advisors.</p>
<b>Recommended investment period</b>	3 years minimum
<b>Appropriation of income</b>	<p>Pursuant to the legal provisions, the net result for the financial year is equal to the amount of interest, arrears, premiums and lots, dividends, attendance fees and any other proceeds relating to securities forming the Fund's portfolio, plus the proceeds of sums temporarily available and minus the amount of management fees and the cost of borrowings. The sums distributable are equal to the net result plus the carryover and plus or minus the balance of the adjustment account for income relating to the financial year ended. The shares of the Fund form the subject of <u>pure capitalization</u>: the sums distributable are fully capitalized except for those forming the subject of compulsory distribution by law.</p>
<b>Guarantee or protection</b>	None (Neither the capital nor a performance level is guaranteed.)
<b>Currency of denomination</b>	Share class I & P : Euro Share class C: USD
<b>Characteristics of the shares</b>	Bearer. The shares are administered by Euroclear France.
<b>Decimalization</b>	Ten-thousandths of shares

## METHOD FOR SUBSCRIPTIONS AND REDEMPTIONS

---

<b>Subscription and redemption conditions</b>	<p>Applications for subscription and redemption are centralized at CACEIS Bank France (1-3 Place Valhubert, 75013 PARIS, FRANCE) every day before 11am (Paris time) except for French and USA public holidays and Bourse de Paris closing days, and are effective on the next net asset value.</p> <p>The shares are divided into ten-thousandths.</p> <p>Subscription or redemption orders may be drawn up in cash or as a number of shares.</p>
<b>Date and frequency of calculation of the net asset value</b>	<p>The net asset value is calculated daily, except for French and USA public holidays, (Chicago Mercantile Exchange), and closing dates of the French (application of the EURONEXT Paris SA official calendar) and American (Chicago Mercantile Exchange) markets.</p>
<b>Initial minimum subscription</b>	Share class P: €100 Share class I: €500,000 Share class C: \$100,000
<b>Place and methods of publication or communication of the net asset value</b>	The net asset value is equal to the value of the net assets divided by the or communication of the total number of shares available at the Management Company.

## COSTS AND FEES

**Subscription and redemption fee:** The subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price.  
The fees acquired by the Fund are used to offset the costs borne by the Fund to invest or disinvest the assets assigned. The non-acquired fees revert to the Management Company, to the marketer, etc.

Fees borne by the investor, deducted on subscriptions and redemptions	Base	Scale rates (including all taxes)
Subscription fee not acquired by the UCITS	Net asset value x number of shares	Share class I: maximum 2% Share class P: maximum 2% Share class C: maximum 2%
Subscription fee acquired by the UCITS	Net asset value x number of shares	Nil
Redemption fee not acquired by the UCITS	Net asset value x number of shares	Nil
Redemption fee acquired by the UCITS	Net asset value x number of shares	Nil

In the event of subscriptions and redemptions of the same number of shares, made on the same day by the same shareholder and on the same net asset value, the transaction shall not incur a fee.

**Operating and management fees** These fees include all fees charged directly to the Fund, except for transaction fees. Transaction fees, on the other hand, include intermediation fees (brokerage fees, stock exchange taxes, etc.) and any transaction fees charged in particular by the Custodian and the Management Company.

The operating and management fees may be supplemented by:

- Incentive fees which remunerate the Management Company when the Fund exceeds its targets. They are therefore charged to the Fund;
- Transaction fees charged to the Fund;

Fees charged to the UCITS	Base	Scale rates
Financial management fees	Net assets	Share class C: maximum 1.5% including all taxes Share class I: maximum 1.5% including all taxes Share class P: maximum 2.4% including all taxes
Administrative fees outside the management company (CAC, custodian, valuation)	Net assets	Maximum 1% including all taxes
Maximum indirect fees (management and other fees)	Net assets	Maximum 1% including all taxes
Switch fees: None	Deduction on each transaction: None	None

(High-water mark) performance fee including all taxes	Net assets	Share class C, I and P: maximum 20% of the Fund outperformance compared to the EONIA OIS and based on the so-called "High Water Mark" principle.
---	------------	--

### The Performance fee

The management company receives remuneration based on both the assets under management as well as an incentive for the performance of the fund above the benchmark. This variable remuneration has the positive effect of aligning the interests of the management company with those of the investors.

### Abbreviations and definitions:

o **Benchmark: EONIA OIS:** The EONIA (Euro Overnight Index Average ) represents the overnight Euro money market rate. It is calculated by the European System of Central Banks (ESCB) as the average rate of transactions on the Euro money market carried out by a panel of international banks. Its evolution depends on the monetary policy conducted by the European Central Bank. The capitalized EONIA also includes the impact of the daily reinvestment of interest using the OIS (Overnight Indexed Swap) method.

o **CS:** The Cyril Systematic fund.

o **"High Water Mark" Principle:** This principle looks to evaluate the evolution of the indexed asset at the anniversary date of the variable management fees.

a) In the case of outperformance: the indexed assets rise and take the value of the assets of the fund. This has the effect of erasing the manager's lead over its benchmark over the past period. The manager is starting from scratch and must once again outperform its benchmark for the period ahead.

b) In the case of underperformance: the indexed assets retain their value. The manager must therefore first catch up with the benchmark and outperform before triggering the provisioning mechanism. The manager thus continues into the subsequent period with the shortfall accumulated over the previous period

o **Indexed assets:** The indexed assets are the pool of assets which realize the performance of the EONIA whilst receiving the same subscriptions and redemptions as CS. Subscriptions and redemptions on the indexed asset are taken into account as follows:

- Subscriptions: the indexed assets increase by the CS subscription amount.
- Redemptions: the indexed assets decrease by the proportion of assets represented by the CS Redemption.

o **NACS:** Net Assets (published fund) Cyril Systematic.

o **NAV:** Net Asset Value.

o **Reference period:** The reference period for calculating the performance fee is from October 1 to September 30 of each year.

o **Treatment of funds with share classes / parts:** In the case of a fund comprising of several share classes/parts, the variable management fee calculations are individualized by share class /part.

### How the performance fee is calculated:

The calculation method determines the value created by the manager by comparing the evolution of the assets of CS to that of the indexed assets.

For each NAV calculation, the performance fee provision account will be calculated to reflect 20% of the positive difference between the NACS (excluding provisions for variable management fees) and the indexed assets.

In the case of a NAV showing underperformance, any provision previously made will be readjusted by a provision reversal which is capped at the level of the previous allocation.

Where the performance of the fund after taking into account the fixed management fees and before taking into account the performance commission, exceeds the performance of the indexed asset, a provision of up to 20% of this outperformance is constituted. This variable management fees provision is crystallized and becomes payable to the management company in two circumstances:

a) At each redemption (of the pro-rata redemption amount): the percentage of the assets redeemed is applied to the provision for variable management fees on the day of the redemption and reduces the provision by the same percentage. This amount is deducted from the provision for variable management fees to fund the variable management fees crystallized provision. The proportion of the commission provisioned, corresponding to the number of shares bought back, is definitively acquired and payable to the management company by a "crystallization" mechanism: there is then a transfer of the provision for variable management fees to the provision for variable management fees crystallized.

b) As at the last net asset value in September, the anniversary date of the variable management fees, all the provisions for variable management fees are "crystallized" and payable to the Management Company. The balance of the variable management fee provision account is transferred to the account of crystallized management fees.

Further information (including a worked example) is available on request.

## COMMERCIAL INFORMATION

<b>Information on distributions</b>	The shares of the Fund form the subject of <u>pure capitalization</u> : the sums distributable are fully capitalized except for those forming the subject of compulsory distribution by law.
<b>Circulation of information on the redemption and reimbursement of shares</b>	The redemption and reimbursement of shares shall be effected in accordance with the provisions of the "Subscription and redemption procedure" section of the Prospectus or Article 3 of the Rules.
<b>Circulation of information on the Fund</b>	<p>All Fund shareholders receive full information on the behaviour of the Fund by means of annual and periodic reports whose content and form comply with the applicable regulations.</p> <p>The Management Company's Customer Service periodically produces a summary of the performance, portfolio distribution, exposure and volatility of the Fund.</p> <p>Information relating to the inclusion of environmental, social and governance quality (ESG) criteria in the investment policy is available on the website <a href="http://www.jl-investments.com">www.jl-investments.com</a> and will appear in the annual report from the one covering the financial year beginning on 1 January 2012.</p> <p>The Fund's net asset value is available from the Management Company.</p> <p>The full prospectus of the Cyril Systematic Mutual Fund and the latest annual and periodic documents are sent within a period of one week on written request made by the shareholder to:</p>

**John Locke Investments S.A.**  
**38, Avenue Franklin Roosevelt**  
**77210 FONTAINEBLEAU-AVON**  
**E-mail: [contact@jl-investments.com](mailto:contact@jl-investments.com)**  
**Tel: + 33 1 64 70 40 40**  
**Fax: + 33 1 60 74 99 38**

These documents are also available on the website: [www.jl-investments.com](http://www.jl-investments.com)

Prospectus publication date (last updated): **14 February 2019**.

The AMF website ([www.amf-france.org](http://www.amf-france.org)) contains additional information on the list of regulatory documents and all provisions concerning the protection of investors.

## INVESTMENT RULES

<b>Observance of investment limits applicable to the Fund</b>	<p>The Fund is subject to the investment rules and to the legislative and regulatory ratios applicable to UCITS covered by the European directive 2009/65/EC investing over 10% of their assets in shares of French or European UCITS covered by the European directive 2009/65/EC.</p> <p>Pursuant to the provisions of article R. 214-10 of the Monetary and Financial Code, the rules on the composition of the assets provided for by the Monetary and Financial Code and the rules on dispersion of the risks applicable to the Fund must be observed at all times. If these limits are exceeded independently from the Management Company, the latter shall have the primary aim of regularizing this situation, as soon as possible, taking the Fund shareholders' interests into account.</p>
<b>Method of calculating the global risk</b>	<p>The method of calculating the Fund's global risk is based on the probabilistic method of absolute VaR.</p> <p>The Fund's VaR is equal to the loss which the Fund may sustain over a given period (20 days) with a determined probability (99%), known as the confidence threshold.</p> <p>The historic VaR, 99% over 20 days, is used by the Management Company to manage the Fund's market risk.  The Management Company calculates and checks the Fund's VaR daily.</p> <p>The limits of this tool should also be stated:</p> <ul style="list-style-type: none"> <li>- When the VaR is at its maximum level, in 99% of cases, the risk of a fall over 20 days is less than 20%.</li> </ul>

- The VaR is calculated based on historic daily data, which implies that it is not perfect for measuring extreme risks in the event of unusual market conditions or conditions never encountered in the past.

In addition, the Fund's leverage level is regularly monitored. It should be at around 10 on average, although it may be higher depending on market conditions or if new trading models which may be put into production require more leverage.

## RULES ON THE VALUATION AND REPORTING OF ASSETS

---

The Management Company has assigned the valuation and reporting services relating to the portfolio managed to CACEIS Fund Administration.

The Fund is valued at closing price.

The Fund has complied with the accounting rules and methods laid down by the regulations in force, and in particular by the UCITS accounting plan.

The annual accounts and risk exposure tables to are drawn up based on the last net asset value of the financial year.

In order to determine the net asset values, the portfolio is valued according to the following rules:

1. **French and European securities** are valued based on the last exchange price.
2. **Listed French bonds** with accrued coupon interest are valued based on the last exchange price and interest accrued calculated at D where D is the day of calculation of the UCITS' net asset value.
3. **Other foreign securities** are valued based on the closing price of their principal market converted into Euros based on the London currency exchange rates of the valuation day.
4. **Negotiable and other debt securities** are valued:
  - ✓ for those forming the subject of significant transactions, at market price,
  - ✓ for the others, actuarially based on the rate curve defined below, plus any difference representative of the intrinsic characteristics of the issuer:
    - European Interbank Offered Rate in euros (EURIBOR) for negotiable debt securities with a maturity of less than one year,
    - Rates of Bons du Trésor à Intérêt Annuel Normalisé [*Standardized Annual Interest Treasury Bonds*] (BTAN) published by Banque de France for negotiable debt securities maturing between one and five years,
    - Rates of O.A.T. [*Fungible government bonds*] with similar maturity for negotiable debt securities maturing after five years.
  - ✓ for synthetic securities, based on future flows receivable in Euros.

However, negotiable debt securities with a residual maturity of less than or equal to 3 months in the absence of particular sensitivity may be valued by the straight-line method.
5. **Units and shares in UCITS** are valued using the last known net asset value.
6. **Securities acquired or placed under repurchase agreements** are valued at the time of initiation of the repurchase, plus the remuneration agreed, prorata temporis.
7. **Swaps** are valued actuarially based on a benchmark rate, i.e.:
  - ✓ for exchange-rate swaps, the rates supplied by Reuters contributors,
  - ✓ for share swaps, the rates supplied by Reuters contributors,
  - ✓ for index swaps, the rates supplied by the counterparty.

However, for transactions whose residual maturity is equal to or inferior to three months, the valuation methods may be



simplified observing the rules laid down by the Autorité des Marchés Financiers.

8. **Firm and conditional futures and forward contracts on French shares traded on the MONEP French regulated market** are valued at the daily settlement price.
9. **The other firm and conditional futures and forward contracts traded on the French and European regulated markets** are valued at the daily settlement price.
10. **The firm and conditional futures and forward contracts traded on the other regulated markets** are valued based on the settlement price on their market converted into Euros using the London currency exchange rates of the valuation day.
11. **Future foreign exchange** is valued using the London currency exchange rates of the valuation day, taking contango/backwardation depreciation into account.
12. **Off-balance-sheet commitments** are valued at market value and conditional transactions at the underlying equivalent.

## REMUNERATION

---

John Locke Investments SA has adopted remuneration policy consistent with the principles set out in the European Securities and Markets Authority (ESMA) remuneration policy guidelines for management companies. Its aim is to ensure that the remuneration of the staff of John Locke Investments SA is consistent and promotes a sound and effective risk management and does not encourage taking risks that are incompatible with the risk profile, the regulations or constituent documents of the funds it manages, and the articles of association of John Locke Investments SA itself. Information on the remuneration policy of John Locke Investments SA is available on [www.jl-investments.com](http://www.jl-investments.com) or obtainable free of charge upon request.

# **CYRIL SYSTEMATIC**

## **MUTUAL FUND**

### **RULES**

# CYRIL SYSTEMATIC RULES

## TITLE 1 – ASSETS AND SHARES

### Article 1 - Jointly-owned shares

The rights of the joint owners are expressed as shares, each share corresponding to the same fraction of the assets of the Fund (or, where appropriate, of the share class). Each shareholder has a right of joint ownership over the Fund's assets proportional to the number of shares owned.

The Fund is set up for 99 years from its date of creation (corresponding to the date of approval of the Autorité des Marchés Financiers) except in the event of early dissolution or extension provided for in these Rules.

Categories of shares:

The characteristics of the various categories of shares and their conditions of access are set out in the Mutual Fund prospectus.

The various categories may:

- Benefit from different income distribution regimes;
- Be stated in different currencies;
- Incur different management costs;
- Incur different subscription and redemption fees;
- Have a different nominal value;
- Be combined with partial or total systematic hedging of risks, defined in the Prospectus. This hedging is provided by means of financial instruments reducing the impact of hedging transaction on the other categories of shares in the UCITS to a minimum;
- Be reserved for one or more marketing networks.

### Article 2 - Minimum amount of assets

Shares may not be bought back if the Fund's assets fall below €300,000; when the assets remain below that sum for 30 days, the Management Company takes the necessary measures to liquidate the UCITS concerned, or to perform one of the transactions indicated in article 411-16 of the General Rules of the Autorité des Marchés Financiers (change of UCITS).

### Article 3 - Issue and redemption of shares

The shares shall be issued at any time at the request of the shareholder based on their net asset value plus any subscription fees.

Redemptions and subscriptions shall be dealt with under the conditions and according to the procedures defined in the prospectus.

Shares in mutual funds may be admitted to listing according to the regulations in force.

Subscriptions must be fully paid-up on the day of calculation of the net asset value. They may be made in cash and/or by the contribution of marketable securities. The Management Company shall be entitled to refuse securities offered and, for that purpose, shall have a period of seven days following the submission thereof to indicate its decision. In the event of acceptance, the securities contributed shall be valued according to the rules laid down in article 4 and the subscription shall be made based on the first net asset value following acceptance of the securities concerned.

Redemptions shall be paid solely in cash, except in the event of the liquidation of the Fund when the shareholders have given their consent to be reimbursed in securities. They shall be paid by the issuing custodian within a maximum period of five days following the share valuation day.

If, in exceptional circumstances, however, redemption necessitates the prior realization of assets included in the Fund, such period may be extended, without being able to exceed 30 days.

Except in the event of a succession or inter vivos distribution of estate, the donation or transfer of shares among shareholders, or from shareholders to a third party, shall be treated as a redemption followed by a subscription; in the case of a third party, the amount of the donation or transfer shall, if needed, be supplemented by the beneficiary to attain at least the minimum subscription required by the prospectus.

Pursuant to article L. 214-8-7 of the Monetary and Financial Code, the redemption of its shares and the issue of new shares by the Mutual Fund may be suspended, temporarily, by the Management Company, when exceptional circumstances so require and if the shareholders' interests so demand.

When the Mutual Fund's net assets are lower than the amount fixed by the regulations, no redemption of shares may be made.

Possibility of minimum subscription conditions, according to the terms and conditions set out in the Prospectus.

#### **Article 4 - Calculation of the net asset value**

The net asset value of the shares is calculated taking the valuation rules set out in the prospectus into account.

Contributions in kind may only comprise securities, or contracts admitted to form the assets of UCITS; they are valued according to the valuation rules applicable to the calculation of the net asset value.

## **TITLE 2 – OPERATION OF THE FUND**

#### **Article 5 - Management Company**

The Fund is managed by the Management Company according to the guidelines defined for the Fund.

The Management Company acts in all circumstances on behalf of shareholders and may alone exercise the voting rights attached to the securities included in the Fund.

#### **Article 5 bis - Operating rules**

The instruments and deposits eligible to form the UCITS' assets and the investment rules are described in the prospectus.

#### **Article 6 - Custodian**

The custodian performs the tasks assigned to it by the laws and regulations in force as well as those assigned to it by contract.

In the event of a dispute with the Management Company, it shall inform the Autorité des Marchés Financiers.

#### **Article 7 - Auditor**

An auditor is appointed for six financial years, following the consent of the Autorité des Marchés Financiers, by the management of the Management Company.

It shall carry out the measures and checks laid down by law and in particular shall certify, whenever necessary, the sincerity and regularity of the accounts and the accounting information contained in the management report.

It may be reappointed.

It shall inform the Autorité des Marchés Financiers, and the Mutual Fund's Management Company, of any irregularities and inaccuracies found in performing its task.

The valuations of assets and determination of exchange rates used in transformations, mergers or demergers shall be made under the auditor's control.

It shall assess any contribution in kind and draw up a report on its valuation and remuneration under its responsibility.

It shall certify the accuracy of the composition of the assets and other items prior to publication.

The auditor's fees are determined by mutual consent between it and the board of directors or management of the Management Company in the light of a work programme stipulating the undertakings considered necessary.

In the event of liquidation, it shall assess the amount of the assets and draw up a report on the conditions of such liquidation.

It shall certify the situations forming the basis for the distribution of advances.

#### **Article 8 - Accounts and management report**

At the close of each financial year, the Management Company shall draw up the summary documents and a report on the management of the Fund during the financial year elapsed.

The Management Company shall draw up the inventory of the UCITS' assets at least half-yearly and under the custodian's supervision. All the foregoing documents shall be checked by the auditor.

The Management Company shall keep such documents at the disposal of the shareholders during the four months following the financial year end and shall inform them of the amount of income to which they are entitled: such documents shall be forwarded by post at the express request of the shareholders, or made available to them at the Management Company.

### **TITLE 3 – PROCEDURE FOR THE APPROPRIATION OF RESULTS**

#### **Article 9**

The net result for the financial year is equal to the amount of interest, arrears, dividends, premiums and lots, attendance fees and any other proceeds relating to securities forming the portfolio of the Fund plus the proceeds of sums temporarily available and minus management fees and the cost of borrowings.

The sums distributable are equal to the net result for the financial year plus carryovers and plus or minus the balance of the adjustment accounts for income relating to the financial year ended.

The Management Company shall decide on the distribution of the results.

The sums distributable are fully capitalized except for those forming the subject of compulsory distribution by law.

The procedures for the appropriation of profits or losses are specifically described in the Prospectus.

### **TITLE 4 – MERGER, DEMERGER, DISSOLUTION AND LIQUIDATION**

#### **Article 10 – Merger - Demerger**

The Management Company may either contribute all or part of the assets included in the Fund to another UCITS it manages, or separate the Fund into two or more new mutual funds it shall manage.

These merger or demerger transactions may only be carried out after the shareholders have been notified thereof. They shall give rise to the issue of a new certificate indicating the number of shares held by each shareholder.

#### **Article 11 – Dissolution - Extension**

If the Fund's assets remain lower than the amount laid down in Article 2 for more than 30 days, the Management Company shall inform the Autorité des Marchés Financiers thereof and, except in the event of a merger with another mutual fund, shall dissolve the Fund.

The Management Company may dissolve the Fund early; it shall inform the shareholders of its decision and as from that date requests for subscription or redemption shall no longer be accepted.

The Management Company shall also dissolve the Fund in the event of a request for the redemption of all shares, termination of office of the custodian, when no other custodian has been appointed, or upon expiry of the period of the Fund, if it has not been extended.

The Management Company shall inform the Autorité des Marchés Financiers by letter of the date and dissolution procedure adopted. It shall then send the Autorité des Marchés Financiers the auditor's report.

The extension of a Fund may be decided by the Management Company on agreement with the custodian. Its decision shall be taken at least 3 months prior to the expiry date laid out for the Fund and notified to the shareholders and to the Autorité des Marchés Financiers.

#### **Article 12 - Liquidation**

In the event of dissolution, the Management Company shall perform the duties of liquidator; failing that, the liquidator shall be appointed in law at the request of any interested party. They shall be vested with the fullest powers for that purpose for the realization of the assets, payment of any creditors and distribution of the balance available among the shareholders in cash or in securities.

The auditor and the custodian shall continue to perform their duties up to completion of the liquidation operations.

## **TITLE 5 - DISPUTES**

#### **Article 13 – Competence - Official address**

Any disputes concerning the Fund that may arise during the period of operation thereof, or at the time of its liquidation, either among the shareholders or between the latter and the Management Company or the custodian, shall be subject to the jurisdiction of the competent courts.