

## **MWM SICAV**

*Société d'investissement à capital variable (SICAV)*

an undertaking for collective investment in transferable securities (UCITS)  
in the form of an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to  
undertakings for collective investment, as amended

## **Prospectus**

**March 2<sup>nd</sup> 2022**

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## 1. INTRODUCTION

This Prospectus contains information about **MWM SICAV** that a prospective Investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund has been authorised by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial market. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund was incorporated on 23 March 2016 with the name of MIDAS SICAV and is registered with the Luxembourg Trade and Companies Register under number B 205051. The latest version of the Articles of Association was published in the *Mémorial C, Recueil des Sociétés et Associations* of the Grand-Duchy of Luxembourg on 6 April 2016.

Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund, copies of which may be requested free of charge at the registered office of the Fund.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain Investors may be restricted or prohibited by law. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons are considered as Prohibited Persons.

The Fund's Shares have not been, and will not be, registered under the United States Securities Act of 1933 ("**1933 Act**") or the securities laws of any of the states of the United States. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares in the Sub-Funds described in this Prospectus may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act.

Further, the Board of Directors has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a U.S. Person.

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in the Grand Duchy of Luxembourg require the Fund or its agent to establish and verify the identity of subscribers for Shares

(as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for Investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

## 2. DIRECTORY

### **Registered Office of the Fund**

5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **Board of Directors**

Helene Kornerup  
Director  
Midas Wealth Management S.A.  
26A, boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

Jean-Paul Vermeulen  
Director  
Midas Wealth Management S.A.  
26A, boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

Jean-Marc Thomas  
Director  
Midas Wealth Management S.A.  
26A, boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

### **Management Company**

Multiconcept Fund Management S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **Depository Bank and Paying Agent**

Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet,  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **Central Administrator and Domiciliary Agent**

Credit Suisse Fund Services (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **Investment Manager and Global Distributor**

Midas Wealth Management S.A.  
26A, boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

### **Auditor**

PricewaterhouseCoopers, Société Coopérative  
2 rue Gerhard Mercator,  
L-2182 Luxembourg,  
Grand Duchy of Luxembourg

### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2008 Regulation	the grand-ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on UCI and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards the clarification of certain definitions.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Administration Services Agreement	the agreement entered into between the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer agent appointed by the Management Company in accordance with the provisions of the 2010 Law and the Administration Services Agreement, as identified in the Directory.
Anti-Dilution Levy	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Anti-Dilution Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Board of Directors	the board of directors of the Fund.
Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg and in such other countries or cities as may be specified for a Sub-Fund or Share Class in a Supplement.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Code of Conduct	the code of conduct adopted by the Board of Directors on the basis of the corporate governance principles issued by the Association of the Luxembourg Fund Industry, as may be amended or supplemented from time to time.
Controlling Person	the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of

	<p>the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.</p>
Conversion Fee	<p>a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.</p>
Conversion Form	<p>the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the Investors or the person acting on behalf of the Investors to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.</p>
CSSF	<p>the <i>Commission de Surveillance du Secteur Financier</i>, the Luxembourg supervisory authority of the financial sector.</p>
Currency Hedged Share Classes	<p>Share Classes for which a currency hedging strategy is implemented, as further described in the Prospectus. The Currency Hedged Share Classes are identified in the Supplements.</p>
Cut-Off Time	<p>for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.</p>
Depository	<p>the depository bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depository Agreement, as identified in the Directory.</p>
Depository Agreement	<p>the agreement entered into between the Fund and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.</p>
Directive 2005/60/EC	<p>Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as may be amended from time to time.</p>
Directive 2006/48/EC	<p>Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), as may be amended from time to time.</p>
Directive 2013/34/EU	<p>Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.</p>
Directive 2014/91/EU	<p>Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depository functions, remuneration policies and sanctions.</p>



Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Fund, the Management Company or the Global Distributor to distribute the Shares.
Domiciliary Agent Agreement	the agreement entered into between the Fund and the Administrator governing the appointment of Credit Suisse Fund Services (Luxembourg) S.A. as a domiciliary agent of the Fund, as may be amended or supplemented from time to time.
Eligible Investor	an Investor who satisfies all additional eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
Exchange Traded Commodities (ETCs)	<p>Exchange Traded Commodities are non-interest bearing secured debt instruments issued by special purpose vehicles. They track the price of commodities, providing investors with the opportunity to gain access to the commodities market without having to take delivery of the commodities in question.</p> <p>They can be broadly classified as follows:</p> <ul style="list-style-type: none"> <li>i. ETCs that track the price of physical metal and are backed by an entitlement to allocated metal held with a custodian (Physically Backed ETCs);</li> <li>ii. ETCs that track the return of commodities using indices linked to futures contracts and are backed by fully funded Over-the-counter contracts entered with a counterparty (Futures Backed ETCs). The majority of such product are collateralised on a daily basis by the counterparty posting securities equal to the last reported outstanding exposure into an account held with a collateral custodian.</li> </ul>
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
Feeder Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a feeder fund in the meaning of the 2010 Law.
Fund	MWM SICAV.
Initial Offer	the first day or period on or during which Shares of a Share Class may be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	<p>Institutional investors generally include:</p> <ul style="list-style-type: none"> <li>i. A credit institution;</li> <li>ii. Other professionals of the financial sector (PFS);</li> <li>iii. An insurance and re-insurance company (provided the company is the sole subscriber from the Sub-fund's point of view, i.e. the beneficiaries of the insurance policies have no direct access to its assets);</li> </ul>

	<ul style="list-style-type: none"> <li>iv. A social security organization;</li> <li>v. A pension fund;</li> <li>vi. A charitable institutions (provided it is not transparent, e.g. its entire income is not redistributed directly to the beneficiaries and control is not exercised by the beneficiaries);</li> <li>vii. A government institution;</li> <li>viii. Industrial, commercial and financial group companies; all subscribing on their own behalf and for their own account and the structures which such institutional investor put into place for the management of their own assets;</li> <li>ix. An undertaking for collective investment (investment fund/ collective investment scheme);</li> <li>x. A third-party (including an individual) investing through a credit institution or other PFS with which the third-party is in a discretionary management relationship, i.e. a discretionary asset management mandate exists (provided the third-party has no right to claim against the Sub-fund);</li> <li>xi. A holding company whose partners are institutional investors.</li> </ul>
Investment Management Agreement	the agreement entered into between the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Investment Manager Fee	the fee payable by the Management Company to the Investment Manager under the Investment Management Agreement, as described in section 9.3 (Investment Manager Fee) of this Prospectus.
Global Distributor	the global distributor appointed by the Management Company in accordance with the provisions of the 2010 Law and the Distribution Agreement, as identified in the Directory.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Agreement, as identified in the Directory.
Management Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Management Fee	the fee payable by the Fund to the Management Company under the Management Agreement, as described in section 9.2 (Management Fee) of this Prospectus.
Master Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a master fund in the meaning of the 2010 Law.
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as may be amended from time to time.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.

New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
OTC	over-the-counter.
Paying Agent	the paying agent appointed by the Fund, as identified in the Directory.
Performance Fee	the fee which may be payable to the Investment Manager depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 9.4 (Performance Fee) of this Prospectus.
Prohibited Person	<p>the term "Prohibited Person means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares of the relevant Sub-Fund may be detrimental to the interests of the existing Shareholders or of the relevant Sub-Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Sub-Fund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Sub-Fund or any subsidiary or investment structure (if any), the Management Company and/or the Fund, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes</p> <ul style="list-style-type: none"> <li>(i) any investor which does not meet the definition of Eligible Investor,</li> <li>(ii) any US Person or (iii) any person who has failed to provide any information or declaration required by the Management Company or the Company within one calendar month of being requested to do so.</li> </ul>
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the Shareholder or the person acting on behalf of the Shareholder to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming Shareholders, subject to the further provisions of this Prospectus.

Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of MiFID.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
SFT	“Securities Financing Transaction or SFT” means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction as defined under the Securities Financing Transaction Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Share Class Currency	the currency in which the Shares of a Sub-Fund or Share Class are denominated, as specified in each Supplement.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which Investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the Investor or the person acting on behalf of the Investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which Investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.

Sustainability Risk	is defined in section 5.8 (Sustainability risks) of this Prospectus.
Swing Factor	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Swing Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
TRS	“TRS” means total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities.
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as amended by the Directive 2014/91/EU.
Unhedged Currency Share Class	class of Shares denominated in a currency different to the Fund Base Currency and which is not a Currency Hedged Share Class
US Person or United States Person	shall be defined as and include: (i) “United States person” as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), (ii) a “U.S. person” as such term is defined in Regulation S of the Securities Act of 1933, as amended, (iii) a person that is “in the United States” as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a “Non-United States Person” as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.
FATCA US Person	Pursuant to the Code and FATCA, the term FATCA US Person means: (i) a citizen or resident of the US or such other person as specified under FATCA, (ii) a partnership or other entity treated as a partnership for US federal income tax organized under the laws of the US or any political subdivision thereof, (iii) a corporation or other entity treated as a corporation for US federal income tax purposes organized under the laws of the US or any political subdivision thereof, (iv) an estate the income of which is subject to US federal income tax without regard to its source or (v) a trust, if, either (a) a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on 20 August 1996 and properly elected to be treated as a US person.

Valuation Day

a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

## 4. INVESTMENT STRATEGY AND RESTRICTIONS

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section.

### 4.1 Authorised investments

**4.1.1** The investments of each Sub-Fund must comprise only one or more of the following.

- (A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (B) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public.
- (C) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public.
- (D) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.
- (E) Units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
  - (1) such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (2) the level of protection for unitholders in such other UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (3) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - (4) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive documents, be invested in aggregate in units of other UCITS or other UCI.
- (F) Deposits with credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (G) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:
  - (1) the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;

- (2) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - (3) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund.
- (H) Money Market Instruments other than those dealt in on a Regulated Market or dealt in on another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public, provided that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting Shareholders and savings, and that such instruments are:
- (1) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
  - (2) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section;
  - (3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (4) issued by other bodies provided that investments in such instruments are subject to Shareholder protection equivalent to that set out in paragraphs (H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 4.1.2** Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (A) to (D) and (H) of this section.
- 4.1.3** Each Sub-Fund may hold ancillary liquid assets. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Each Sub-Fund may exceptionally and temporarily hold liquid assets on a principal basis if the Board of Directors considers this to be in the best interest of its Shareholders.
- 4.1.4** Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.
- 4.1.5** The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.
- 4.1.6** Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:
- (A) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in other Sub-Funds;
  - (B) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and



- (C) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

## **4.2 Prohibited investments**

- 4.2.1** The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any option, right or interest therein. Investments in debt instruments linked to, or backed by the performance of, commodities or precious metals do not fall under this restriction.
- 4.2.2** Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any option, right or interest in real estate. Investments in debt instruments linked to or backed by the performance of real estate or interests therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, are not affected by this restriction.
- 4.2.3** The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase, reverse repurchase or securities lending transactions as described in section 4.6 (Efficient portfolio management techniques) below.
- 4.2.4** The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.
- 4.2.5** The Sub-Funds will not employ SFTs or TRSs. If there are future uses of the SFT product the Prospectus will be updated.

## **4.3 Risk diversification limits**

- 4.3.1** If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the Shareholders of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of the risk diversification rules.

### **Transferable Securities and Money Market Instruments**

- 4.3.2** No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (A) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
- (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3** The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities ("Covered Bonds"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).
- 4.3.4** The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

- 4.3.5** Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one of its local authorities, by a member state of the OECD or the Group of Twenty (G20), by the Republic of Singapore and by Hong Kong or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.

#### **Financial derivative instruments and efficient portfolio management techniques**

- 4.3.6** The counterparty risk exposure arising from OTC derivative transactions and efficient portfolio management techniques (as described below) undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.

#### **Bank deposits**

- 4.3.7** Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.

#### **Combined limits**

- 4.3.8** Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

- (A) investments in Transferable Securities or Money Market Instruments issued by that body;
- (B) bank deposits made with that body; and
- (C) counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with that body.

- 4.3.9** The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.

- 4.3.10** For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.

#### **Index-replicating Sub-Funds**

- 4.3.11** Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognised by the CSSF.

- 4.3.12** The limit of 20% set out in the preceding section is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

- 4.3.13** A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.11 and 4.3.12, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

## **Shares or units of UCITS or other UCI**

**4.3.14** If a Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in units of UCITS or other UCI, as specified in its Supplement:

- (A) investments made in units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
- (B) investments made in units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.

**4.3.15** The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.

**4.3.16** If a Sub-Fund invests in units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCI.

**4.3.17** If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

## **Derogation**

**4.3.18** During the first six (6) months following its authorisation, a new Sub-Fund may derogate from the limits set out in this section 4.3 ((Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

## **4.4 Control limits**

**4.4.1** The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.

**4.4.2** The Fund may acquire no more than 10% of the outstanding non-voting shares of the same issuer.

**4.4.3** The Fund may acquire no more than:

- (A) 10% of the outstanding debt securities of the same issuer;
- (B) 10% of the Money Market Instruments of any single issuer; or
- (C) 25% of the outstanding units of the same UCITS or other UCI.

**4.4.4** The limits set out in section 4.4.3 may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

**4.4.5** The limits set out in sections 4.4.1 to 4.4.3 do not apply in respect of:

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;

- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (D) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.3; and
- (E) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

## **4.5 Financial derivative instruments**

### **4.5.1 General**

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (F) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.
- (G) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (H) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund, as further described in section 4.8 (Global exposure limits) below.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification ) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices (as described in section 4.5.3) the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification ) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to financial derivative instruments.

#### **4.5.2 OTC financial derivative instruments**

Each Sub-Fund may invest into financial derivative instruments that are traded 'over-the-counter' or OTC including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms), specialised in the relevant type of transaction and situated in European countries. The identity of the counterparties will be disclosed in the Annual Report.

The Management Company uses a process for accurate and independent assessment of the value of OTC financial derivative instruments in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC financial derivative instruments, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

#### **4.5.3 Financial indices**

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorised investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

#### **4.6 Efficient portfolio management techniques**

Each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending transactions, repurchase agreements and buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management, in

accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks, as set out in its Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending, repurchase and buy-sell back transactions, the Sub-Fund will receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, will be available in the Annual Report and to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund. Nevertheless, the information related to the securities lending is available below.

#### **4.6.1 Securities lending**

If specifically mentioned in Chapters 12, 13 and 14 “Supplement” and in accordance with the investment restrictions set out above, a Sub-Fund may from time to time enter into securities lending transactions for the purpose of efficient portfolio management. In particular, those securities lending transactions should not result in a change of the investment objective of the relevant Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of such Sub-Fund.

Securities lending transactions consist of transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

As securities lending transactions consist of a transfer of ownership of securities to the borrower, these securities are no longer subject to safekeeping and oversight by the Depositary. However, collateral received by the Company in a securities lending transaction under a title transfer arrangement will become subject to the usual safekeeping and oversight by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Under normal circumstances, it is generally expected that the actual percentage of the assets held by a Sub-Fund that may be subject to securities lending transactions at any time range between 0 and 30 % of such Sub-Fund's net assets. The actual percentage depends on factors including but not limited to, the amount of relevant transferable securities held by such Sub-Fund and the market demand for such securities at any given time. The Company will ensure that the volume of the securities lending transactions of a Sub-Fund is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations.

Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

- (A) The counterparty of a securities lending transaction must be a financial institution of any legal form with a minimum credit rating of A (Fitch) or A2 (Moody's) specialized in this type of transaction which is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and has its registered office in a member state of the OECD;
- (B) The Company may only lend securities to a borrower either directly, through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (C) The Company may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities lent or to terminate the agreement.

The risk exposure to a counterparty arising from securities lending transactions and OTC financial derivative instruments should be combined when calculating the counterparty risk limits provided for in Chapter 4, "Investment strategy and restrictions". The counterparty risk may be disregarded provided that the value of the collateral valued at market price, taking into account appropriate haircuts, exceeds the value of the amount exposed to risk.

The Sub-Funds will ensure that their counterparty delivers collateral in a form compliant with applicable Luxembourg law and regulations and in line with the requirements of section "Collateral Policy" below. Appropriate haircuts on the collateral value are applied in accordance with the Company's haircut policy.

Revenues arising from securities lending transactions, net of direct and indirect operational costs and fees, will be returned to the respective Sub-Fund. In particular, fees and costs may be paid to agents of the Company and other intermediaries providing services in connection with securities lending transactions as compensation for their services.

#### **4.7 Collateral policy**

In the context of OTC financial derivative transactions and efficient portfolio management techniques (i.e. repurchase and reverse repurchase agreements), the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the policy adopted by the Management Company for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments and efficient portfolio management techniques (securities lending, repurchase and reverse repurchase transactions). All cash or assets received by a Sub-Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of this section.

##### **4.7.1 Eligible collateral**

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral such as operational and legal risks which should be identified, managed and mitigated by the risk management process.. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (A) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (B) It should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (D) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received; deviating from the aforementioned diversification requirement, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development ("OECD"), by Brazil or Singapore or a public international body to which one or more Member States of the EU belong. Such Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. A Sub-Fund may accept as collateral for more than 20% of its Net Asset Value securities which are issued or guaranteed by a Member State of the EU, one or more of its local authorities, by any other state which is a member of the OECD, by Brazil or Singapore or a public international body to which one or more Member States of the EU belong;
- (E) Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral in favour of the Company can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
- (F) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty; and
- (G) Where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

#### **4.7.2 Reinvestment of Collateral**

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

- (A) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; or
- (B) invested in high-quality government bonds; or
- (C) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; or
- (D) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds (in accordance with the opinion issued by ESMA in relation thereto on 22 August 2014 (ESMA/2014/1103)).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Company on behalf of such Subfund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- (A) Cash and cash equivalents, including short-term bank certificates and money market instruments;
- (B) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope, each with a minimum rating A+ (S&P) or A1 (Moody's);
- (C) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (D) Shares or units issued by UCITS investing mainly in bonds/shares with characteristics mentioned in points (E) and (F) below;
- (E) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (F) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

#### **4.7.3 Level of collateral**

The level of collateral required for OTC financial derivatives transactions and efficient portfolio management techniques will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus.

It is expected that the amount of collateral posted by a counterparty in favour of each Sub-Fund will be such that the net exposure of the relevant Sub-Fund to that counterparty arising from OTC financial derivatives transactions and efficient portfolio management techniques is aimed to be zero percent (0%) of its Net Asset Value on each Valuation Day: each Sub-Fund is expected to be fully collateralised.



#### 4.7.4 Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Management Company. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

##### (A) Cash collateral

Cash in US Dollars, Swiss Francs, Euros and the Sub-Fund's Reference Currency is accepted as cash collateral.

##### (B) Eligible countries

Bonds and equities of the following countries are accepted as security collateral:

- Canada (CA-TBill, CA-Bond),
- France (FR-BTAN, FR-OAT),
- Germany (DE-Bond, DE-Note),
- United Kingdom (GB-Gilt),
- United States (US-TNote, US-TBond),
- Netherlands (NL-Bill, NL-Bond),
- Switzerland (CH-Fe).

##### (C) Government bonds

The following standard haircuts are applied based on the remaining time to maturity to government bonds:

Remaining time to maturity	Haircuts
<1 yr	0.50%
1-5 yr	2%
5-10 yr	4%
>10 yr	5%

Additionally, the following conditions apply to the government bonds eligible as security collateral:

- Negotiable debt obligations must be denominated in the local currency of the issuing country;
- Negotiable debt obligations of the United States must not have been issued prior to 19 July 1984;
- The issuer of negotiable debt obligations must have a local currency sovereign credit rating of (i) AA or better by S&P and/or (ii) Aa2 or better by Moody's;
- Where the local currency sovereign credit ratings of S&P and Moody's differ with respect to the same issuer, the lower of the ratings shall apply;
- If an issuer ceases to have a local currency sovereign credit rating from both S&P and Moody's then negotiable debt obligations of such issuer shall cease to be eligible collateral.

##### (D) Corporate bonds/covered bonds/equities

Only corporate bonds with a minimum rating of at least AA-/Aa3 are acceptable as collateral. The standard haircuts applied to corporate bonds based on remaining time to maturity and ratings are shown in the table below:

Remaining time to maturity	Rating	Haircuts
<1 yr	AAA	1%
1-5 yr	AAA	4%
5-10 yr	AAA	8%
>10 yr	AAA	8%

<u>&lt;1 yr</u>	<u>AA-/Aa3</u>	<u>1%</u>
<u>1-5 yr</u>	<u>AA-/Aa3</u>	<u>4%</u>
<u>5-10 yr</u>	<u>AA-/Aa3</u>	<u>8%</u>
<u>&gt;10 yr</u>	<u>AA-/Aa3</u>	<u>8%</u>
<u>Equities included in major stock indices</u>		<u>15%</u>

#### 4.7.5 Stress tests

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

#### 4.7.6 Centrally cleared OTC derivatives

The Fund may enter into OTC financial derivative instruments cleared through a clearinghouse that serves as a central counterparty. In such case, the Fund's ultimate counterparty is a central clearinghouse rather than a brokerage firm, bank or other financial institution. The Fund initially will enter into cleared derivatives through an executing broker. Such transactions will then be submitted for clearing and held at regulated financial intermediaries that are members of the clearinghouse that serves as the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of daily margin payments in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that the relevant clearinghouse rules and functioning are in accordance with its collateral policy.

### 4.8 Global exposure limits

#### 4.8.1 General

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or "VaR" approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments and efficient portfolio management techniques (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund's portfolio (where the Sub-Fund uses the VaR approach). The method used by each Sub-Fund to calculate global exposure is mentioned in its Supplement.

#### 4.8.2 Commitment approach

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

#### 4.8.3 VaR approach

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is used for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

#### **4.9 Leverage**

Unless otherwise indicated in its Supplement, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Investment Manager in accordance with the investment objective and policy of each Sub-Fund and its defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in section 5 (General Risk Factors) below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques. The expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed for each Sub-Fund in its Supplement.

The “sum of notionals” methodology, which is mandatory under applicable laws and regulations, does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, the “sum of notionals” methodology does not allow for the netting of derivative positions and does not take into account the underlying assets’ volatility or make any distinction between short term and long term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

In order to take into account the specific use of financial derivative instruments and their contribution to the risks of the Sub-Fund, the expected level of leverage disclosed in the Supplement, based on the “sum of notionals” methodology, may be supplemented by expected leverage figures calculated on the basis of the commitment approach, as described above, which takes into account hedging and netting arrangements.

#### **4.10 Breach of investment limits**

The Sub-Funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 4 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of Shareholders.

## **5. GENERAL RISK FACTORS**

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and Investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any Investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any Investors as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for Investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

### **5.1 Market risk**

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

#### **5.1.1 Economic risk**

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse Investors sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

#### **5.1.2 Interest rate risk**

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

#### **5.1.3 Foreign exchange risk**

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the

value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the Investors to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency Hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

#### **5.1.4 Credit risk**

Sub-Funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

#### **5.1.5 Volatility**

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

#### **5.1.6 Leverage**

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets. A relatively high notional amount may be required in order to achieve the desired level of exposure to the underlying assets. This may be the case in particular for short-term interest rate derivatives to the extent their sensitivity to interest rate changes is low relative to other assets.

### **5.2 Liquidity risk**

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

### **5.3 Counterparty risk**

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, invests into debt securities and other fixed income instruments, enters into OTC financial derivative instruments, or enters into securities lending, repurchase and reverse repurchase agreements.

### **5.4 Legal risk**

Legal risk refers to the risk of non-enforceability of contract or incorrect documentation resulting in the increased probability of loss. Certain transactions (e.g. securities lending) are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by English law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

### **5.5 Custody risk**

Any bankruptcy or other serious failure affecting the Depositary could place at risk of loss those assets a Sub-Fund has deposited there (typically most or all assets). The risk of loss is higher for cash deposits, which are not segregated from other assets deposited with the Depositary in the way that non-cash assets are.

If the Depositary uses sub-custodians in other countries where the Sub-Funds invest, a Sub-Fund's assets are subject to similar risks at the sub-custodian level. In countries where custodial or settlement systems are not fully developed, there may be a risk that investments are not returned by the Depositary.

The Sub-Fund may invest from time to time in a country where the Depositary has no correspondent. In such a case, the Depositary will identify and appoint after due diligence a local custodian. This process may take time and deprive in the meantime the Sub-Fund of investment opportunities.

Similarly, the Depositary assesses the custody risk of the country where the Fund's assets are safe-kept on an ongoing basis and may recommend the immediate sale of the assets. In doing so, the price at which such assets will be sold may be lower than the price the Fund would have received in normal circumstances, potentially affecting the performance of the relevant Sub-Funds.

### **5.6 EU Bank Recovery and Resolution Directive**

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "BRRD") was published in the Official Journal of the European Union on June 12, 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the "Bank Resolution Tools").

The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Sub-Funds, thereby exposing the Sub-Funds to potential losses.

The exercise of Bank Resolution Tools against Shareholders of a Sub-Fund may also lead to the mandatory sale of part of the assets of these Shareholders, including their shares/units in that Sub-Fund. Accordingly, there is a risk that a Sub-Fund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Fund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Sub-Funds.

## 5.7 Operational risk

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

### 5.7.1 Valuation

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

### 5.7.2 Laws and regulations

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate Investors protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

### 5.7.3 Certain U.S. Regulatory and Tax Matters Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "FATCA") generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("Withholdable Payments") and (ii) a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("Passthru Payments"). As a general matter, the new rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership. The new withholding rules will be phased in beginning 1 July 2014.

Generally, the new rules will subject all Withholdable Payments and Passthru Payments received by the Company to 30% withholding tax (including the share that is allocable to Non-US Shareholders) unless the Company enters into an agreement (a "FFI Agreement") with the IRS to provide information, representations and waivers of non-US law (including any waivers relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or "IGA") between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA. Provided the Fund adheres to any applicable terms of the IGA, the Fund would not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA. Additionally, the Fund will not have to enter into an FFI Agreement with the IRS and instead would be required to obtain information regarding its accountholders and report such information to the Luxembourg government, which, in turn, would report such information to the IRS.

Any tax caused by an Investor's failure to comply with FATCA will be borne by such Investor.

Each prospective Investor should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

Each shareholder and each transferee of a shareholder's interest in any Sub-Fund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "**Designated Third Party**"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the shareholder (or the shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption,

reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Fund, amounts paid to the Fund, or amounts allocable or distributable by the Fund to such shareholder or transferee. In the event that any shareholder or transferee of a shareholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the shareholder's or transferee's interest in any Sub-Fund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such shareholder's or transferee's interest in any Sub-Fund or interest in such Sub-Fund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the shareholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each shareholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the shareholder, if the shareholder fails to do so.

The Management Company or the Designated Third Party may disclose information regarding any shareholder (including any information provided by the shareholder pursuant to this section to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Fund to comply with any applicable law or regulation or agreement with a governmental authority. Each shareholder hereby waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information it provides (or has provided) to the Management Company or the Designated Third Party has been given such information, and has given such consent, as may be necessary to permit the collection, processing, disclosure, transfer and reporting of their information as set out in this section and this paragraph.

The Management Company or the Designated Third Party may enter into agreements on behalf of the Fund with any applicable taxing authority (including any agreement entered into pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement) to the extent it determines such an agreement is in the best interest of the Fund or any shareholder.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to Shareholders an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any Shareholder or beneficial owner of Shares to provide such personal information as may be required by the Fund in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal information to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any Shareholder, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

#### 5.7.4 Common Reporting Standard

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the "**CRS Law**").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authority (the "**LTA**") personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders as per the CRS Law (the "**Reportable Persons**") and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.



The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such Shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

### **5.7.5 Segregation of Sub-Funds**

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

### **5.8 Sustainability risks**

Pursuant to the SFDR, the Sub-Funds are required to disclose the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Fund.

Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the sub-fund ("**Sustainability Risk**").

Such risk is principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks.

Sustainability Risks are integrated in the investment decision making process and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there may be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level. Further details and specific information is given for each Sub-Fund in the Supplement.

The Management Company delegates the portfolio management function of the funds under management and as such does not currently have access to sufficient ESG information for determining and weighting with adequate accuracy the negative sustainability effects across all its delegated portfolio managers. Therefore, the Management Company has decided not to consider directly and at its level the adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 SFDR.

## 5.9 Certain financial instruments and investment techniques

### 5.9.1 OTC financial derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC financial derivative instruments (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Shareholders should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

### **5.9.2 Securities lending, repurchase and buy-sell back transactions**

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions (e.g. if legal agreement does not provide full protection in the event that the borrower defaults).

### **5.9.3 Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

### **5.9.4 Investments in emerging markets**

Political and economic structures in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries including a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Sub-Fund's investments in those countries and the availability to the Sub-Fund of additional investments in those countries.

The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make a Sub-Fund's investments illiquid and more volatile than investments in more established markets, and a Sub-Fund may be required to establish special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment.

In addition, the settlement systems may be less developed than in more established markets, which could impede a Sub-Fund's ability to effect portfolio transactions and may result in the Sub-Fund's investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. Moreover, the payment of redemptions proceeds in Sub-Funds that invest in emerging markets may be delayed. Certain countries may also operate margining or pre-payment systems whereby margin or the entire settlement proceeds for a transaction

need to be posted prior to the settlement date which can give rise to credit and operational risks as well as potentially borrowing costs for the Sub-Fund.

In addition, in certain markets, local regulations may limit investment into local securities to certain qualifying foreign institutions and investors through licensing requirements and may also limit investment through quotas granted by local authorities. Potential Investors should note that there is no guarantee that the Fund will benefit from quotas granted to such qualifying institutions and Investors nor that, if it does, that it will always be available to the Fund. Withdrawal or failure to obtain a renewal of any such quota may have material adverse consequences to the Fund. A further consequence of investing via such quota may be that there is a limit on the amount that the Fund, and/or foreign Investors as a whole, can own of the equity capital of a particular company. The actions of other foreign Investors independent of the Fund can therefore impact the position of the Fund. Use of quotas often requires the transmission of funds through government designated service providers and accounts. Mandatory use of such providers may not provide the Fund with terms as advantageous as those which would be available if the selections were made on an open market basis.

Equity investments in Russia are currently subject to certain risks with regard to the ownership and custody of securities. This results from the fact that no physical share certificates are issued and ownership of securities is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary), other than by local regulation. No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system.

#### **5.9.5 Investment in high yield or sub-investment grade securities**

The Sub-Fund(s) may invest in high yield or sub-investment grade securities. Investment in such higher yielding securities is speculative as it generally entails increased credit and market risk. These securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may have greater price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

#### **5.9.6 Investment Funds**

When investing in Shares of the Fund which in turn invests in securities issued by investment funds, shareholders will incur the costs for investment management services and the fees and expenses paid by the Fund to its service providers, as well as fees and expenses paid by the investment funds to their service providers. These costs may in aggregate be higher than if the Sub-Fund had invested directly in equity and debt securities. Where investment funds invest in other collective investment vehicles, there may be further levels of fees and expenses. This will however not apply should any Sub-Fund invest in investment funds, managed by the Investment Manager.

#### **5.9.7 Structured products**

Structured products include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities which then issue Transferable Securities (the structured products) backed by or representing interests in the underlying investments. The cash flow on the underlying investments may be apportioned among the newly issued structured products to create Transferable Securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions. The extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments.

The Sub-Fund(s) may also acquire, when it is in the best interest of the Shareholders, credit linked notes issued by first class financial institutions. The use of such credit-linked notes can overcome problems and mitigate certain risks associated with direct investment in the underlying assets. Credit linked notes referenced to underlying securities, instruments, baskets or indices, which the Sub-Fund may hold, are subject to both issuer risk and the risk inherent in the underlying investment.

The Sub-Fund(s) may also invest in indexed securities which are Transferable Securities linked to the performance of certain securities, indices, interest rates or currency exchange rates. The terms of such securities may provide that their principal amounts or just their coupon interest rates are adjusted upwards or downwards at maturity or on established coupon payment dates to reflect movements in various measures of underlying market or security while the obligation is outstanding.

Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured products may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 The Board of Directors**

The members of the Board of Directors will be elected by the general meeting of Shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of Shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

The Board of Directors has adopted and implemented a Code of Conduct which sets out the general governance principles and rules of conduct which the directors seek to apply in carrying out their duties.

For the current composition of the Board of Directors, please refer to the Directory.

### **6.2 The Management Company**

The Fund has appointed Multiconcept Fund Management S.A. as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Agreement.

The Management Company is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on 26 January 2004. The Management Company is authorised and regulated by the CSSF under Chapter 15 of the 2010 Law. The Management Company is an affiliated company of the Credit Suisse group. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with the 2010 Law.

The relationship between the Fund and the Management Company is subject to the terms of the Management Agreement. Under the terms of the Management Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function.

The Management Company has also been appointed as the registrar and transfer agent of the Fund pursuant to the Management Agreement.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of the Grand Duchy of Luxembourg. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the Shareholders. The delegation to third parties may be subject to the prior approval of the CSSF.

In conducting its activities, the Management Company shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its Shareholders, and the integrity of the market. In accordance with applicable laws and regulations, the Management Company has adopted and maintains sound internal governance, administrative and accounting procedures. It maintains effective, permanent and independent compliance and internal audit functions. The Management Company is organised in such a way as to minimise the risk of the Fund's interests being prejudiced by conflicts of interest between the Management Company and/or its clients.

The Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

### 6.3 The Investment Manager

The Management Company has appointed Midas Wealth Management S.A. as Investment Manager for the Fund pursuant to the Investment Management Agreement.

Midas Wealth Management S.A. is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on 7 July 2010. The Investment Manager is authorised for the purpose of asset management and regulated by the CSSF. The relationship between the Management Company and the Investment Manager is subject to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and, ultimately, the Board of Directors, to manage the assets of each Sub-Fund on a discretionary basis, in accordance with the investment objective and policy of the Sub-Fund and any additional investment restrictions or guidelines imposed by the Board of Directors or the Management Company. Within this function, the Investment Manager has authority to act on behalf of the Fund.

The Investment Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Investment Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Investment Management Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the Shareholders.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability and indemnifying the Investment Manager in certain circumstances. In particular, the Investment Manager will not be responsible for any loss of assets and investments of the Fund, except to the extent that such loss is due to the Investment Manager's negligence or wrongful failure. The liability of the Investment Manager towards the Management Company will not be affected by any delegation of functions by the Investment Manager.

The Investment Manager has also been appointed as the Global Distributor pursuant to the Distribution Agreement.

### 6.4 The Depositary Bank and Paying Agent

Pursuant to a depositary and paying agent services agreement (the "Depositary Agreement"), Credit Suisse (Luxembourg) S.A. has been appointed as depositary of the Company (the "Depositary"). The Depositary will also provide paying agent services to the Company.

Credit Suisse (Luxembourg) S.A. is a public limited company (*société anonyme*) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

The Depositary has been appointed for the safe-keeping of the assets of the Company in the form of custody of financial instruments, the record keeping and verification of ownership of other assets of the Company as well as for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary Agreement.

In addition, the Depositary shall also ensure that:

- (A) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation;
- (B) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation;
- (C) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation;
- (D) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (E) the Company's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation.

In compliance with the provisions of the Depositary Agreement and the Law of 17 December 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-

keeping duties in relation to financial instruments that can be held in custody and that are duly entrusted to the Depositary for custody purposes to one or more sub-custodian(s), and/or in relation to other assets of the Company all or part of its duties regarding the record keeping and verification of ownership to other delegates, as they are appointed by the Depositary from time to time. The Depositary shall exercise all due skill, care and diligence as required by the Law of 17 December 2010 in the selection and the appointment of any sub-custodian and/or other delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian and/or other delegate to which it has delegated parts of its tasks as well as of the arrangements of the sub-custodian and/or other delegate in respect of the matters delegated to it. In particular, any delegation of custody tasks may only occur when the sub-custodian, at all times during the performance of the tasks delegated to it, segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the Law of 17 December 2010.

As a matter of principle the Depositary does not allow its sub-custodians to make use of delegates for the custody of financial instruments unless further delegation by the sub-custodian has been agreed by the Depositary. To the extent, sub-custodians are accordingly entitled to use further delegates for the purpose of holding financial instruments of the Company or Sub-Funds that can be held in custody, the Depositary will require the sub-custodians to comply for the purpose of such sub-delegation with the requirements set forth by applicable laws and regulations, e.g. namely in respect of asset segregation.

Prior to the appointment and/ or the use of any sub-custodian for the purposes of holding financial instruments of the Company or Sub-Funds, the Depositary analyses - based on applicable laws and regulations as well as its conflict of interest's policy - potential conflicts of interests that may arise from such delegation of safekeeping functions. As part of the due diligence process applied prior to the appointment of a sub-custodian, this analysis includes the identification of corporate links between the Depositary, the sub-custodian, the Management Company and/or the Investment Manager. If a conflict of interest was identified between the sub-custodians and any of the parties mentioned before, the Depositary would – depending on the potential risk resulting on such conflict of interest – either decide not to appoint or not to use such sub-custodian for the purpose of holding financial instruments of the Company or require changes which mitigated potential risks in an appropriate manner and disclose the managed conflict of interest to the Company's Shareholders. Such analysis is subsequently performed on all relevant sub-custodians on a regular basis as part of its ongoing due diligence procedure. Furthermore, the Depositary reviews, via a specific committee, each new business case for which potential conflicts of interest may arise between the Depositary, the Company, the Management Company and the Investment Manager(s) from the delegation of the safekeeping functions. As of the date of this Prospectus, the Depositary has not identified any potential conflict of interest that could arise from the exercise of its duties and from the delegation of its safekeeping functions to sub-custodians.

As per the date of this Prospectus, the Depositary does not use any sub-custodian which is part of the Credit Suisse Group and thereby avoids conflicts of interests which might potentially result thereof.

An up-to-date list of these sub-custodians along with their delegate(s) for the purpose of holding in custody financial instruments of the Company or Sub-Funds can be found on the webpage <https://www.credit-suisse.com/media/pb/docs/lu/privatebanking/services/list-of-credit-suisse-lux-sub-custodians.pdf> and will be made available to Shareholders and Shareholders upon request.

The Depositary's liability shall not be affected by any such delegation to a sub-custodian unless otherwise stipulated in the Law of 17 December 2010 and/or the Depositary Agreement.

The Depositary is liable to the Company or its Shareholders for the loss of a financial instrument held in custody by the Depositary and/or a sub-custodian. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the Law of 17 December 2010, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Company and to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 17 December 2010 and/or the Depositary Agreement.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Company, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination period by a successor depositary to whom the Company's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Company will take the necessary steps, if any, to initiate

the liquidation of the Company, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

## **6.5 The Central Administrator and Domiciliary Agent**

The Management Company has appointed Credit Suisse Fund Services (Luxembourg) S.A. as administrative, registrar and transfer agent of the Fund (the Administrator) pursuant to the Administration Services Agreement. Furthermore, the Fund has appointed Credit Suisse Fund Services (Luxembourg) S.A. as domiciliary agent of the Fund Domiciliary Agent pursuant to the Domiciliary Agent Agreement.

Credit Suisse Fund Services (Luxembourg) S.A. is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on 22 November 1993.

The Administrator is authorised and regulated by the CSSF under the 1993 Law.

The Administrator is an affiliated company of the Credit Suisse group. The relationship between the Management Company and the Administrator is subject to the terms of the Administration Services Agreement. Under the terms of the Administration Services Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of Shareholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on Investors to comply with applicable anti-money laundering rules and regulations.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Administration Services Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Services Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the Shareholders.

The Administration Services Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company will not be affected by any delegation of functions by the Administrator.

## **6.6 The Auditor**

The Fund has appointed PricewaterhouseCoopers, *Société Cooperative* as its approved statutory auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of Shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

## **6.7 Conflicts of interest**

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. The Board of Directors has also adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

More specifically, the Management Company, the Central Administration, the Depositary, the Lending Agent and certain Distributors are part of Credit Suisse Group AG (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests. The Company will not be entitled to compensation related to such business activities.



The Management Company is not prohibited to enter into any transactions with the Affiliated Person, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the management fees the Management Company or the Investment Managers earn for managing the Company, they may also have an arrangement with the issuer, dealer and/or distributor of any products entitling them to a share in the revenue from such products that they purchase on behalf of the Company.

Moreover, the Management Company or the Investment Managers are not prohibited to purchase or to provide advice to purchase any products on behalf of the Company where the issuer, dealer and/or distributor of such products is part of the Affiliated Person provided that such transactions are carried out in the best interest of the Company as if effected on normal commercial terms negotiated at arm's length.

Entities of the Affiliated Person may act as counterparty and as calculation agent in respect of financial derivative contracts entered into by the Company. Investors should be aware that to the extent the Company trades with the Affiliated Person as dedicated counterparty, the Affiliated Person will make a profit from the price of the financial derivative contract which may not be the best price available in the market, irrespective of the Best Execution principles, as stated further below.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Company. The Affiliated Person could hold a relatively large proportion of Shares in the Company.

Employees and Directors of the Affiliated Person may hold Shares in the Company. Employees of the Affiliated Person are bound by the terms of the respective policy on personal transactions and conflicts of interest applicable to them.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Company or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Such procedures include, but are not limited to the following:

- (A) Procedure to prevent or control the exchange of information between entities of the Affiliated Person;
- (B) Procedure to ensure that any voting rights attached to the Company's assets are exercised in the sole interests of the Company and its investors;
- (C) Procedures to ensure that any investment activities on behalf of the Company are executed in accordance with the highest ethical standards and in the interests of the Company and its investors;
- (D) Procedure on management of conflicts of interest.

Notwithstanding its due care and best effort, there is a risk that the organisational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. In such case these non-neutralised conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Company). Respective information will also be available free of charge at the registered office of the Management Company

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the Company). Respective information will also be available free of charge at the registered office of the Management Company.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

## **6.8 Remuneration Policy**

The Management Company has in place a remuneration policy which is consistent with, and promotes, sound and effective risk management and that neither encourages risk taking which is inconsistent with the risk profiles of the Sub-Funds and the Articles of Incorporation nor impairs compliance with the Management Company's duty to act in the best interest of the Fund and its Shareholders.

The remuneration policy of the Management Company has been adopted by its board of directors and is reviewed at least annually. The remuneration policy is based on the approach that remuneration should be in line with the business strategy, objectives, values and interests of the Management Company, the Sub-Funds it manages and their Shareholders, and includes measures to avoid conflicts of interest, such as taking into account the holding period recommended to the Shareholders when assessing the performance.

All employees of the Credit Suisse Group are subject to the Group Compensation Policy, the objectives of which include:

- (A) Supporting a performance culture that is based on merit and differentiates and rewards excellent performance, both in the short and long term, and recognizes Credit Suisse's company values;
- (B) Balancing the mix of fixed and variable compensation to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviors and actions; and
- (C) Consistency with, and promotion of, effective risk management practices and Credit Suisse's compliance and control culture.

Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including a description of the global compensation committee of Credit Suisse Group, are available on <https://multiconcept.credit-suisse.com/RemunerationPolicy.pdf>, and a paper copy will be made available free of charge upon request.

Concerning the members of the Board of directors of the Fund, any kind of remuneration is currently provided.

## **7. SHARES**

### **7.1 Shares, Sub-Funds and Share Classes**

#### **7.1.1 Shares**

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

Shares may also be eligible for clearing and settlement by Clearstream and other recognised securities clearing and settlement systems. In such case, Shares may be held and transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights. The Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing Shareholders a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

#### **7.1.2 Sub-Funds**

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 8.2 (Valuation procedure) below.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times.

Shareholders will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established from time to time without the consent of Shareholders in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

### **7.1.3 Share Classes**

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of Shareholders. Shareholders will be able to choose the Share Class with the features most suitable to their individual circumstances.

In particular, the Sub-Funds may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

Currency Hedged Share Classes involve certain risks, as described in section 5 (General Risk Factors) above.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Shareholders will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of Shareholders. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request.

### **7.1.4 Change of rights, restrictions and characteristics of Sub-Funds and Share Classes**

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of Shareholders. In accordance with applicable laws and regulations, Shareholders in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

## **7.2 Dividend distribution policy**

Each Sub-Fund may comprise distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Capitalisation Shares). Distribution Shares and Capitalisation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Capitalisation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in

the Supplement. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is currently EUR 1,250,000.

Unless otherwise requested by a Shareholder, dividends will be reinvested in Shares of the same Share Class and Shareholders will be advised of the details by a dividend statement.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

### **7.3 Eligible Investors**

Shares may only be acquired or held by Investors who satisfy all eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investors). Certain Sub-Funds or Shares Classes may indeed be reserved to specified categories of Investors such as Institutional Investors, Investors investing through a specified distribution channel or Investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any Investors not qualifying as an Eligible Investors will be considered as a Prohibited Person, in addition to those persons described in section 7.11 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 7.11 (Prohibited Persons) below).

### **7.4 Subscription for Shares**

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

#### **7.4.1 Subscription application**

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and available from the Administrator upon request. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day rounded up or down to two (2) decimal places. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the Investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each Investors in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the Administrator following the instructions on such form. The Subscription Form is available from the Administrator on request.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications

until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to Investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund and/or the Administrator reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund and/or the Administrator may refuse an application for subscription where the Fund and/or the Administrator determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

#### **7.4.2 Settlement of subscription**

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class or, at the request of the Investor in any other currency accepted by the Fund. In the latter case, the Fund will have the subscription proceeds in the other currency converted into the Reference Currency of the Sub-Fund or Share Class, at the risks and costs of the Investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will process the subscription application by reference to the net proceeds of the conversion into the Reference Currency of the Sub-Fund or Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

#### **7.4.3 Subscription in kind**

The Fund may agree to issue Shares as consideration for a “contribution in kind” of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other Investors of the Sub-Fund and the principle of fair treatment. To the extent required by applicable laws and regulations, any contribution in kind will be valued independently in a special report issued by the Auditor or any other authorised statutory auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the contributing Investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all Investors of the Sub-Fund.

#### **7.5 Redemption of Shares**

Applications for redemptions can be submitted by Shareholders for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee)

will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

#### **7.5.1 Redemption application**

Shareholders may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day rounded to two (2) decimal places. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the Shareholders when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Shareholders wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form. The Redemption Form is available from the Administrator on request.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the Shareholders so require.

#### **7.5.2 Settlement of redemption**

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Shareholders should contact their local paying agent for further information. The Fund is not responsible for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming Shareholder and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class or, at the request of the Shareholder, in any other currency accepted by the Fund. In the latter case, the Fund will have the net redemption proceeds converted into the other currency at the risks and costs of the Shareholder, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will pay to the Shareholder the net proceeds of the conversion into the other currency.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to Shareholders on redemption proceeds paid after the end of the Redemption Settlement Period.

### 7.5.3 Redemption in kind

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an Shareholder a “redemption in kind” whereby the Shareholder receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the Shareholder must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other Shareholders of the Sub-Fund and the principle of fair treatment. Where the Shareholder accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. To the extent required by applicable laws and regulations, any redemption in kind will be valued independently in a special report issued by the Auditor or any other authorised statutory auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming Shareholder will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming Shareholder or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.

### 7.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

#### 7.6.1 Conversion application

Unless set out otherwise in the Supplement, Shareholders may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any Shareholder eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the Shareholders when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Shareholders wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form. The Conversion Form is available from the Administrator on request.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new Shareholders. In any event, no conversion application will be processed unless and until cleared funds



equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

#### **7.6.2 Conversion rate**

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

$$A = (B \times C \times D) / E$$

where:

- A. is the number of New Shares to be allocated;
- B. is the number of Original Shares to be converted into New Shares;
- C. is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D. is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E. is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

#### **7.7 Transfer of Shares**

##### **7.7.1 Conditions and limitations on transfer of Shares**

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

The Board of Directors has the right to refuse any transfer, assignment or sale of Shares in its sole discretion if the Board of Directors reasonably determines that it would result in a Prohibited Person holding Shares, either as an immediate consequence or in the future.

Any transfer of Shares may be rejected by the Administrator and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer entered in the register of shareholders of the Fund following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Shareholders are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

##### **7.7.2 Trading of Shares on a stock exchange**

Shares of certain Share Classes may be listed and admitted to trading on the Luxembourg Stock Exchange or other market segments or stock exchanges as the Fund may determine from time to time. The Supplement will

specify if Shares are or are intended to be listed. Although the Shares must be freely negotiable and transferable upon their listing and admission to trading on such stock exchanges (and trades carried out on such stock exchanges cannot be cancelled by the Fund) the restrictions of ownership and conditions on holding Shares (as set out in this Prospectus and the Articles of Association) will nevertheless apply to any person to which Shares are transferred on such stock exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of, a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Prospectus and the Articles of Association.

The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.

## **7.8 Special considerations**

### **7.8.1 Minimum subscription and holding amounts**

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming Shareholder in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the Shareholder in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the Shareholder so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that Shareholders are treated fairly.

### **7.8.2 Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be managed and/or administered in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions or new Investors where that Sub-Fund or Share Class has reached its maximum or expected level of assets under management. In such event, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

### **7.8.3 Suspension of issue, redemption or conversion of Shares**

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the Shareholders have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

### **7.8.4 Deferral of redemption or conversion of Shares**

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund or Share Class, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days for a period generally not exceeding ten (10) Business Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 7.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an Shareholder, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund or Share Class in lieu of cash, subject to the conditions set out in section 7.5 (Redemption of Shares) above.

### **7.9 Late trading, market timing and other prohibited practices**

The Fund does not permit late trading practices as such practices may adversely affect the interests of Shareholders. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that Shareholders are fairly treated.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which a Shareholder systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other Shareholders, the Fund has the right to reject any subscription or conversion order, or levy in addition to any Subscription Fee, Redemption Fee or Conversion Fee which may be charged according to the Supplement, a fee of up to two percent (2%) of the value of the order for the benefit of the Sub-Fund or Share Class, from any Shareholder who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an Shareholder's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an Shareholder who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

## **7.10 US selling restrictions**

The Fund's Shares have not been, and will not be, registered under the United States Securities Act of 1933 ("1933 Act") or the securities laws of any of the states of the United States. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares in the Sub-Funds described in this Sales Prospectus may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act. Further, the Board of Directors has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a "U.S. Person". As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a "U.S. Person"

## **7.11 Prohibited Persons**

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares by and Prohibited Person or prohibit certain practices such as late trading and market timing.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer, assignment or sale of Shares, where it appears that such issue, transfer, assignment or sale would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any Shareholders or prospective Shareholders to provide the Fund with any information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue, transfer, assignment or sale would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may, at its discretion and without liability, compulsorily redeem all Shares held by (either alone or in conjunction with any other person), on behalf or for the account or benefit of, Prohibited Persons. In such cases, the Fund will notify the Shareholders of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the Shareholders for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more Shareholders who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any Shareholders who fails to satisfy the Shareholders eligibility requirements for a Shares Class into Shares of another Share Class available for such Shareholders.

The Fund reserves the right to require the Shareholders to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the Shareholder's other Shares, if any, in order to pay for such losses, costs or expenses.

## **7.12 Compulsory redemption with regard to Prohibited Persons.**

If the Board of Directors discovers at any time that Shares are owned by a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at its discretion and without liability, compulsorily redeem the Shares in accordance with the rules laid down in the Articles of Incorporation, and upon redemption, the Prohibited Person will cease to be the owner of those Shares.

The Board of Directors may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person. Further, Shareholders shall have the obligation to immediately inform the Fund to the extent the ultimate beneficial owner of the Shares held by such Shareholders becomes or will become a Prohibited Person.

## **7.13 Prevention of money laundering**

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time. In particular, anti-money laundering measures in force in the Grand

Duchy of Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Subscribers for Shares will be required to provide to the Administrator the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Administrator is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Administrator has the right to request additional information until the Administrator is reasonably satisfied it understands the identity and economic purpose of the subscriber. Furthermore, any Shareholder is required to notify the Administrator prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Administrator may require from existing Shareholders, at any time, additional information together with all supporting documentation deemed necessary for the Administrator to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, where a subscriber is a credit institution or financial institution governed by the 2004 Law or a credit or financial institution, within the meaning of Directive 2005/60/EC, of another EU/EEA Member State or situated in a third country which imposes requirements equivalent to those laid down in the 2004 Law or in Directive 2005/60/EC and is supervised for compliance with those requirements. These procedures will only apply if the credit or financial institution referred to above is located within a country recognised by the Administrator as having equivalent anti-money laundering regulations to the 2004 Law.

Failure to provide information or documentation deemed necessary for the Administrator to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

## **8. VALUATION AND NET ASSET VALUE CALCULATION**

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

### **8.1 Calculation of the Net Asset Value**

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day as specified for each Sub-Fund in the Supplement and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to three (3) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently 1,250,000 EUR, except during the first six (6) months after the approval of the Fund by the CSSF.

### **8.2 Valuation procedure**

#### **8.2.1 General**

The assets and liabilities of the Fund will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply, in good faith and in accordance with generally accepted valuation principles and procedures, other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of Shareholders. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorised the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

The Board of Directors and the Administrator may consult with and seek the advice of the Investment Manager in valuing the Fund's assets. In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed

by the Board of Directors in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all Shareholders, and neither the Board of Directors nor any agent appointed by the Board of Directors shall incur any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

### **8.2.2 Assets of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

- (A) all cash on hand or on deposit, including any outstanding accrued interest;
- (B) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- (C) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- (D) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- (E) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- (F) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and
- (G) all other assets of any kind and nature including expenses paid in advance.

### **8.2.3 Liabilities of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

- (A) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- (B) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- (C) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- (D) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 9 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

#### 8.2.4 Valuation principles

In accordance with the Articles of Association, the valuation of the assets of the Fund will be conducted as follows:

- (A) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- (B) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs (C) and (F) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (C) Notwithstanding paragraph (B) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- (D) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (E) Financial derivative instruments which are traded OTC will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- (F) Notwithstanding paragraph (B) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph (B) above.
- (G) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.



### **8.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes**

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

- (A) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 7.1 (Shares, Sub-Funds and Share Classes) above)
- (B) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- (C) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to Investors generally and will normally be allocated to all Sub-Funds or Share Classes pro rata to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

### **8.2.6 Additional rules for assets and liabilities of the Fund**

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

- (A) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- (B) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.
- (C) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- (D) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Fund in accordance with the valuation principles described above.
- (E) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

### 8.2.7 Adjustments

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-Fund may have a negative impact on the Net Asset Value per Share. Where subscriptions, redemptions, and conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining Shareholders from the potential effect of dilution, the Fund may apply a "swing pricing" methodology or an anti-dilution levy as further explained below. The swing pricing methodology and the anti-dilution levy are not expected to apply at the same time to subscription and/or redemption orders in respect of the same Valuation Day, except in extraordinary market circumstances as determined by the Board of Directors.

The Fund may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments. The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each Sub-Fund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments (called the Swing Factor). As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-Fund. Generally, the Swing Factor will not exceed five percent (5%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

The Board of Directors will determine if a partial swing or full swing is adopted. If a partial swing is adopted, the Net Asset Value per Share will be adjusted upwards or downwards if net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Swing Threshold). If a full swing is adopted, no Swing Threshold will apply. The Swing Factor will have the following effect on subscriptions or redemptions:

- (A) on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e. subscriptions are greater in value than redemptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted upwards by the Swing Factor; and
- (B) on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e. redemptions are greater in value than subscriptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted downwards by the Swing Factor.

The volatility of the Net Asset Value of the Sub-Fund might not reflect the true portfolio performance (and therefore might deviate from the Sub-Fund's benchmark, where applicable) as a consequence of the application of swing pricing.

An extra charge may also be levied by the Fund on Investors subscribing or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the Anti-Dilution Levy). The rate of the Anti-Dilution Levy will be set by the Board of Directors from time to time for each Sub-Fund so as to represent the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. Generally, the Anti-Dilution Levy will not exceed five percent (5%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Anti-Dilution Levy in view of market conditions.

The Board of Directors will determine if the Anti-Dilution Levy will apply to all Shareholders subscribing or redeeming Shares on a Valuation Day or if the Anti-Dilution Levy will apply only on a Valuation Day where net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Anti-Dilution Threshold). The Anti-Dilution Levy will have the following effect on subscriptions or redemptions:

- (A) on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e. subscriptions are greater in value than redemptions) (in excess of the Anti-Dilution Threshold, if applicable) the Anti-Dilution Levy will be added as a premium to the Subscription Price; and

- (B) on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e. redemptions are greater in value than subscriptions) (in excess of the Anti-Dilution Threshold, if applicable) the Anti-Dilution Levy will be deducted as a discount to the Redemption Price.

The Anti-Dilution Levy will be allocated to the assets of the Sub-Fund and will, therefore, benefit the existing or remaining Shareholders.

### **8.3 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Administrator during normal business hours.

### **8.4 Temporary suspension of the Net Asset Value calculation**

The Board of Directors may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- (A) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- (B) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- (C) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- (D) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- (E) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- (F) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- (G) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- (H) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a Master Fund in which a Sub-Fund invests as a Feeder Fund;
- (I) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of Shareholders;
- (J) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- (K) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- (L) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and

- (M) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of Shareholders in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of Shareholders or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to Shareholders as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the Shareholders have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

## **9. FEES AND EXPENSES**

### **9.1 Subscription Fee and Redemption Fee**

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Distributors, and sub-distributors if any, shall be entitled to retain for themselves the Subscription Fee, the Redemption Fee for the Shares sold by them or to waive such fees in full or in part. Distribution agreements with Distributors have no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice.

Should a Sub-Fund qualify as a Master Fund, no Subscription Fee, Redemption Fee or Conversion Fee will be charged in respect of subscription, redemption or conversion requests of any Feeder Fund of that Master Fund.

An extra charge referred to as the Anti-Dilution Levy may be levied by the Fund on Shareholders subscribing for or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions, as described in section 8.2 (Valuation procedure) above.

### **9.2 Management Fee**

The Management Company will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class. The Management Fee is calculated as a percentage of the average Net Asset Value of each Sub-Fund or Share Class of the relevant month and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Valuation procedure) above). The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the rate specified in the Supplement for each Sub-Fund or Share Class. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Management Fee covers investment management and marketing services provided by the Management Company or its delegates. The fees of the Investment Manager shall be paid by the Management Company out of its own fees.

### **9.3 Investment Manager Fee**

The Investment Manager will be entitled to an annual fee equal to a percentage of the average Net Asset Value (calculated twice a month) per Share Class of each Sub-Fund determined at the end of each month, which shall be paid out of the Management Fee. The Investment Manager fee will be payable monthly in arrears. The Investment Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Investment Manager shall not receive a separate fee with respect to its appointment as Global Distributor.

### **9.4 Performance Fee**

The Investment Manager may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes. The payment and size of the Performance Fee depends on the performance of the Sub-Fund or Share Class over a specified time period. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including the Management Fee and the Investment Manager Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant Sub-Funds and Share Classes as described in section 8.2 (Valuation procedure) above. Details regarding the calculation and payment of Performance Fees are contained in the Supplement.

### **9.5 Fees of the Depositary and the Administrator**

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a maximum rate amounting to 0.03 percent per annum based on the daily average net assets of each Sub-Fund. The Depositary fee will be payable monthly in arrears. In addition, the Depositary shall be entitled to a flat fee per Sub-Fund of EUR 10,000 per annum for

depository and monitoring services. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a maximum rate amounting to 0.03 percent per annum. The Administration Agent fee will accrue on each Valuation Day and will be payable monthly in arrears. The Administration Agent will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Depositary and the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary and the Administrator.

## **9.6 Directors' fees and expenses**

The members of the Board of Directors may be entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the promoter, the Investment Manager or its affiliates, may be requested to waive their fees as directors of the Fund. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

## **9.7 Operating and Administrative Expenses**

The Fund bears all ordinary operating costs and expenses incurred in the operation of the Fund or any Sub-Fund or Share Class ("**Operating and Administrative Expenses**") including but not limited to costs and expenses incurred in connection with:

- (A) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, key Investors information documents, financial reports and notices to Investors) or any other documents and materials made available to Investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- (B) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- (C) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- (D) investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);
- (E) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- (F) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- (G) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);

- (H) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (taxe d'abonnement) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- (I) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

## **9.8 Transaction costs**

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any repurchase, reverse repurchase and securities lending programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses.

## **9.9 Extraordinary expenses**

In order to safeguard the interests of the Fund and its Shareholders, the Fund or any Sub-Fund may bear any extraordinary expenses including, without limitation, expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

## **9.10 Formation expenses**

The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised formation expenses of the Fund.

## **10. GENERAL INFORMATION**

### **10.1 Reports and financial statements**

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year will end on 31 December 2016 and the first Annual Report will be issued as of 31 December 2016. The first Semi-Annual Report will be issued as of 30 June 2016.

The Annual Report shall be made available to Shareholders within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to Shareholders within two (2) months following the end of the reporting period. Shareholders may obtain, upon request, a copy of the latest financial reports from the registered office of the Fund free of charge.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

### **10.2 Meetings of shareholders**

The annual general meeting of shareholders will be held each year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice, at 10 am (Luxembourg time) on the fourth Thursday of April or, if such day is not a Business Day, on the next Business Day.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings will be published in the *Mémorial* and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail; alternatively, convening notices will be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting. Convening notices will also be published and/or communicated to Shareholders as required by applicable laws and regulations in other jurisdictions where the Shares are distributed. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

### **10.3 Shareholders' rights**

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the Shareholders' attention to the fact that any Shareholder will only be able to fully exercise his Shareholder rights directly against the Fund, notably the right to participate in general Shareholders' meetings, if the Shareholder is himself a shareholder of the Fund. In cases where a Shareholder invests in the Fund through an intermediary who invests into the Fund in his own name but on behalf of the Shareholder, it may not always be possible for the Shareholder to exercise certain shareholder rights directly against the Fund. Shareholders are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently into force in Luxembourg. The Subscription Form is expressed to be governed by, and construed in accordance with, the laws



currently into force in Luxembourg, and contains a choice of international competence of the courts of the Grand-Duchy of Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I Regulation (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Shareholders are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the Shareholders and the service providers mentioned in section 6 (Management and Administration) above, the Shareholders will generally have no direct rights against service providers and there are only limited circumstances in which an Shareholder can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

#### **10.4 Changes to this Prospectus**

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF prior to taking effect. In accordance with applicable laws and regulations, Shareholders in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

#### **10.5 Documents available**

Shareholders may, upon request, obtain a copy of the Articles of Association, this Prospectus, the applicable KIID as well as of the latest Annual Report or Semi-Annual Report from the Fund's registered office free of charge.

The Management Company and the Investment Manager have adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company upon request.

The Management Company has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the Management Company upon request.

#### **10.6 Complaints**

Any Shareholder having a complaint to make about the operations of the Fund may file a complaint by writing to the Administrator. Details on the complaints handling procedure may be obtained from the Administrator upon request.

#### **10.7 Data protection information in the context of CRS processing**

In accordance with the CRS-Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS-Law.

As Luxembourg Reporting FI, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS-Law.

In this context, the Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the

case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person that is a Reportable Person (the "CRS Personal Data").

CRS Personal Data regarding the Shareholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Company processes the CRS Personal Data regarding the Shareholders or the Controlling Persons only for the purpose of complying with the Company's legal obligations under the CRS Law.

In particular, Shareholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.

CRS Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of CRS processing, may include the Management Company of the Company and the Central Administration of the Company.

The Company's ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder or Controlling Person providing the Company with the CRS Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS-Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS-Law, the value of the Shares may suffer material losses.

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the CRS-Law imposed on the Company (inter alia: a fine of up to 250.000 EUR or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 EUR) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS-Law on their investment.

CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

Personal Data will not be retained for a period longer than 10 years.

## **10.8 Merger and reorganisation**

### **10.8.1 Merger of the Fund or a Sub-Fund with other UCITS**

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds with one or several other Sub-Funds within the Fund, or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. In accordance with the provisions of the 2010 Law, a merger does not require the prior consent of Shareholders except where the Fund is the absorbed entity, which thus ceases to exist as a result of the merger: in such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the Shareholders of the Fund or any Sub-Fund, as applicable, may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed merger.

In any case, the merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to Shareholders.

### **10.8.2 Absorption of another UCI by the Fund or a Sub-Fund**

The Board of Directors may decide to proceed with the absorption by the Fund or one or several Sub-Funds of one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of their form, or

any Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form. The exchange ratio between the Shares and the shares or units of the absorbed UCI or sub-funds thereof will be calculated on the basis of the net asset value per share or unit as of the effective date of the absorption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the Shareholders of the Fund or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

The Fund may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

### **10.8.3 Reorganisation of Share Classes**

The Board of Directors may decide to reorganise Share Classes, as further described below, in the event that, for any reason, the Board of Directors determines that:

- (A) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be managed and/or administered in an efficient manner;
- (B) changes in the legal, economic or political environment would justify such reorganisation; or
- (C) a product rationalisation would justify such reorganisation.

In such a case, the Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes (following a split or consolidation of Shares, if necessary, and the payment to Shareholders of the amount corresponding to any fractional entitlement).

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, Shareholders may also decide on such reorganisation by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganisation.

Shareholders will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to Shareholders as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the reorganisation.

## **10.9 Liquidation**

### **10.9.1 Termination and liquidation of Sub-Funds or Share Classes**

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

- (A) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be managed and/or administered in an efficient manner;
- (B) changes in the legal, economic or political environment would justify such liquidation; or
- (C) a product rationalisation would justify such liquidation.

Shareholders will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to Shareholders as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the Shareholders of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the

general meeting of shareholders of the Sub-Fund or Share Class and have the Fund redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Shareholders in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of Shareholders in that Sub-Fund or Share Class or could jeopardise the fair treatment of Shareholders.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by Shareholders upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund in accordance with the provisions of the Articles of Association.

#### **10.9.2 Dissolution and liquidation of the Fund**

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as the decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by Shareholders at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

## **11. TAXATION**

### **11.1 General**

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Shareholders should inform themselves of, and when appropriate, consult their professional advisors with regard to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each Shareholder subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to a temporary equalization tax (*impôt d'équilibrage budgétaire*). Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

### **11.2 The Fund**

Under current law and practice, the Fund is not liable for any Luxembourg income or net wealth tax nor are dividends paid by the Fund subject to any Luxembourg withholding tax. However, in relation to all Share Classes, the Fund is liable in Luxembourg for a subscription tax (*taxe d'abonnement*) of 0.05% *per annum* of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Share Class at the end of the relevant quarter. A reduced tax rate of 0.01% *per annum* of the net assets will be applicable to individual Sub-Funds and individual Share Classes provided that such Sub-Funds or Share Classes are only sold to and held by Institutional Investors. Such tax is payable quarterly.

The aforementioned tax is not applicable to the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund except a one-off tax of EUR 1,250 which is paid upon incorporation. Any amendments to the Articles of Association are as a rule subject to a fixed registration duty of EUR 75.

No tax is payable in Luxembourg on realized or unrealized capital appreciation of the assets of the Fund. Although the Fund's realized capital gains, whether short term or long term, are not expected to become taxable in another country, shareholders must be aware and recognize that such a possibility is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding tax and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### **11.3 Shareholders**

#### **11.3.1 Luxembourg tax residency**

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

#### **11.3.2 Income tax - Luxembourg residents**

Luxembourg resident shareholders are not liable for any Luxembourg income tax on reimbursement of the share capital contributed to the Fund.

#### a) Luxembourg Resident Individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered to be a substantial shareholding in limited cases, in particular if

- (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realization of the gain, more than 10% of the share capital of the Fund or
- (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

#### b) Luxembourg Resident Corporations

Luxembourg resident corporate shareholders (*sociétés de capitaux*) must include any profits derived as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual shareholders acting in the course of the management of a professional or business undertaking and who are considered Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### c) Luxembourg residents benefiting from a special tax regime

Luxembourg resident shareholders which benefit from a special tax regime, such as

- (i) UCI governed by Part II of the 2010 Law,
- (ii) (ii) specialized investment funds governed by the law of 13 February 2007, as amended, and
- (iii) (iii) family wealth management companies governed by the law of 11 May 2007, as amended, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

### 11.3.3 Income tax - Luxembourg non-residents

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not subject to any income, withholding, estate, inheritance, capital gains or other taxes in Luxembourg.

Corporate shareholders that are non-residents of Luxembourg but that have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received as well as any gain realized on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Shareholders should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

### 11.3.4 Automatic exchange of informations

Non-resident shareholder note that, under the law of 18 December 2015 (the "Law") implementing Council Directive 2014/107/EU amending Directive 2011/16/ EU as regards mandatory automatic exchange of information in the

field of taxation ("Council Directive") and the OECD Common Reporting Standard ("CRS"), Luxembourg reporting financial institutions, as defined in the Law, are required to provide, to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS, details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC2 and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Under the Council Directive, the automatic exchange of information is effective as of 1st January 2016. Under the CRS, the automatic exchange information with those countries that have signed the Multilateral Competent Authority Agreement (MCAA) will become effective when the conditions set out under article 7 of the MCAA are met.

Luxembourg being an early adopter of the MCAA, an automatic exchange under the CRS may already, for some jurisdictions, be effective as of 1st January 2016. Payments of dividends and other income derived from the shares held in the Company fall within the scope of the Council Directive and the CRS and are therefore subject to reporting obligations.

The Company will attempt to satisfy any obligations imposed on it under the CRS to avoid any penalties due to the noncompliance with the rules imposed on it under the CRS but no assurance can be given that the Company will be able to satisfy these obligations. This ability will depend on each Shareholder to provide the Company with the requested information. If the Company or one of its Sub-funds becomes subject to penalties as a result of the CRS, the value of Shares held by all Shareholders may be affected. Any penalties resulting from the non-compliance to the rules imposed under the CRS should not be recoverable. Investors and Shareholders should contact their own tax advisers regarding the application of the CRS to their particular circumstances.

The Company will attempt to satisfy any obligations imposed on it under the Council Directive, to avoid any penalties resulting from the rules adopted in Luxembourg to ensure effective implementation of and compliance with, the reporting and due diligence procedures, but no assurance can be given that the Company will be able to satisfy these obligations. This ability will depend on each Shareholder to provide the Company with the requested information. Any penalties resulting from the non-compliance to such rules may affect the value of the Shares held by all Shareholders. Any penalties paid in such circumstances should not be recoverable.

#### **11.3.5 Net Wealth Tax**

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is

- (A) a resident or non-resident individual taxpayer,
- (B) a UCI governed by the 2010 Law,
- (C) a securitization company governed by the law of 22 March 2004 on securitization, as amended,
- (D) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended,
- (E) a specialized investment fund governed by the law of 13 February 2007, as amended, or
- (F) a family wealth management company governed by the law of 11 May 2007, as amended.

#### **11.3.6 Other Taxes**

No estate or inheritance tax is levied on the transfer of Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### 11.4 VAT

The Fund is considered in Luxembourg as a taxable person for value added tax (“**VAT**”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased outside Luxembourg. No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.



## **12. SUPPLEMENT 1 – PATRIMONIAL SRI FUND**

### **1. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **2. Investment objective**

The objective of the Sub-Fund is to achieve capital appreciation over the medium to long term by investing in a diversified portfolio of primarily equity and fixed income securities.

The Sub-Fund is actively managed and does not intent to track a benchmark.

### **3. Investment policy and specific restrictions**

The Sub-Fund promotes environmental or social characteristics and qualifies under Article 8 of the SFDR. The Sub-Fund's investment process incorporates sustainability considerations into fundamental research and risk considerations and requires companies and securities to be selected also on environmental, social and governance (ESG) criteria which are compliant to the active mixed approach (negative screening, best in class, ESG integration and active engagement) as defined in the Investment Manager's responsible investment policy and as further described in section 14 (ESG Disclosure) below.

The Sub-Fund shall invest directly or indirectly via collective investment schemes, index trackers funds, or exchange-traded funds (the "**Target Funds**") and across the quality spectrum in fixed income asset classes, including Money Market Instruments, bonds, notes, and inflation linked bonds. These investments may be made in instruments issued by sovereign or corporate issuers domiciled in developed or emerging markets as well as in instruments rated investment grade or non-rated or rated below investment grade. The Sub-Fund will not actively invest in distressed and defaulted securities which are classified as distressed or defaulted at the time of investment. The emerging markets shall be understood as any country which is not classified as "high-income economy" by the World Bank. The investments of the Sub-Fund in debt and Money Market Instruments shall amount at any time to at least 40% of the Sub-Fund's net assets.

Additionally, the Sub-Fund may invest directly or indirectly via Target Funds, up to 60% of its assets in equity and equity-type securities, including securities granting voting rights, traded on Regulated Markets.

The equity and equity-type securities selection may include a significant portion in the emerging countries, as defined above.

The Sub-Fund may invest in OTC derivatives or in derivatives traded on Regulated Markets for investment and hedging purposes. Such derivatives shall include, but not be limited to futures, forwards and options on equities, interest rates, and currencies, as well as credit default swaps. OTC derivatives transactions may only be effected with first-class financial institutions specialising in this type of transactions. The use of the above mentioned derivatives may result in net exposure of up to 110% of the net assets of the Sub-Fund.

Furthermore, the Sub-Fund may invest in structured products on any asset classes, to the extent that these are issued by first-class financial institutions and are cash-settled (including securities with embedded derivatives such as convertible bonds (including contingent convertible bonds), warrants, credit linked notes, euro medium term notes, certificates indexed on the volatility of the equity markets as well as UCITS eligible Exchange traded Commodity products). The Sub-Fund will only invest in structured products which qualify as Transferable Securities within the meaning of article 41(1) of the 2010 Law and article 2 of the 2008 Regulation. With regards to structured products which embed a derivative, the assets underlying the derivative instruments shall qualify as eligible assets in accordance with article 41(1) of the 2010 Law and article 8 of the 2008 Regulation and may include financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective and policy. To the extent permitted, the structured products may also qualify as Transferable Securities within the meaning of article 41(2) of the 2010 Law.

Additionally, the Sub-Fund may invest directly or indirectly via Target Funds in convertible bonds (including contingent convertible bonds). The Sub-Fund will not invest more than 10% of its net assets in contingent convertible bonds.

Investments in structured products may not exceed 10% of the Sub-Fund's net assets.

The Sub-Fund will not invest more than 10% of its assets into other UCITS or other UCIs.

The investments may be made worldwide and in any currency.

The Sub-Fund may, exceptionally and temporarily, hold up to 100% of its assets in cash subject to the risk diversification rules.

When using financial derivative instruments, the Sub-Fund shall ensure, via appropriate diversification of the underlying assets, a similar level of risk spreading as described above. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the relevant counterparty.

The Sub-Fund may borrow on a temporary basis up to 10% of its net assets.

The Sub-Fund will not employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, for the purposes of efficient portfolio management.

#### **4. Investor profile**

The Sub-Fund is intended for retail and Institutional Investors and is suitable for Investors with a three to five year investment horizon.

#### **5. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund, with a particular attention to the risks “Investments in emerging markets” and “Investment in high yield or Sub-investment grade securities”. Investors should also consider the following additional risks which are specific to the Sub-Fund.

##### Contingent convertible bonds

###### Trigger level risk

A contingent convertible bond is a debt instrument which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

###### Unknown risk

Contingent convertible bonds are currently still untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is uncertain whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, activation of a trigger or suspension of coupon payments could cause a broader sell-off of contingent convertible instruments, thereby decreasing liquidity in the market. In an illiquid market, price formation may be increasingly stressed.

###### Coupon cancellation

Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

###### Capital structure inversion risk

Contrary to classic capital hierarchy, with contingent convertible bonds, Investors may suffer a loss of capital when equity holders would not. In certain scenarios, holders of contingent convertible bonds will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down contingent convertible bonds is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

#### Call extension risk

Most contingent convertible bonds are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible bonds may not be called on the pre-defined call date and Investors may not receive return of principal on the call date or at any date.

#### Valuation risk

There are no widely accepted standards for valuing contingent convertible bonds. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

#### Industry concentration risk

As the issuers of contingent convertible bonds may be unevenly distributed across sectors of industry, contingent convertible bonds may be prone to industry concentration risks.

#### Convertible bonds risk

Convertible and exchangeable bonds combine the opportunities and risks of equities and fixed-income securities. Accordingly, potential Shareholders are referred in particular to the notes on interest rate fluctuations and equities set out in Chapter 5, "General Risk Factors". Since prices of convertible and exchangeable bonds depend in large part on those of the underlying shares, combined with the optional component included, the price risk can be higher than that of bonds without conversion options. Furthermore, prices of convertible bonds are also influenced by the general interest rate environment. If a convertible bond is issued in a currency other than that of the underlying share, the corresponding exchange rate risk must also be taken into account.

Since this Sub-Fund may invest in convertible bonds in the lower investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk.

#### Sustainability risks

The Sub-Fund will be exposed to some Sustainability Risks, which will differ from company to company. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

The Sub-Fund may be exposed to regions which might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors.

### **6. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach.

### **7. Valuation**

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a business day is any day which is defined as a Business Day in the Prospectus.

### **8. Subscriptions**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 12 pm CET on each Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 2 Business Days following the Subscription Day.

### **9. Redemptions**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 12 pm CET on each Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is 2 Business Days following the Redemption Day.

## 10. Conversions

Each Valuation Day is a Conversion Day. The Cut-Off Time for conversion applications is 12 pm CET on each Conversion Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to Investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request.

Share Class Name	A	B	I	Z
Share Class Currency	EUR	EUR	EUR	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C
Currency Hedged Share Class	-	-	-	-
Minimum Subscription	1 Share	100,000 EUR	1,000,000 EUR	1 Share
Minimum Additional Subscription	1 Share	1 Share	1 Share	1 Share
Minimum Holding	None	None	None	None
Maximum Subscription Fee	0%	0%	0%	0 %
Maximum Redemption Fee	0%	0%	0%	0 %
Maximum Conversion Fee	0%	0%	0%	0 %
Management Fee (per annum)	1.28%	0.78%	0.53%	0.23%
Performance Fee	10%	10%	10%	-
<i>Taxe d'abonnement (per annum)</i>	0.05%	0.05%	0.01%	0.05%

## 12. Performance fee

The Investment Manager will be entitled to receive a Performance Fee calculated according to the following rules. Each term identified below will have the definition set out below, solely for purposes of the Performance Fee calculation.

The “**Performance Reference Period**” is the time horizon (5 years) over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset.

The “**Reference Period**” will start with the launch of the Sub-Fund or the relevant Share Class, as the case may be, and ends on 31 December of the following year for the first time. Following this date, the Reference Period shall coincide with the calendar year.

The “**Out-Performance**” for any Calculation Day is equal to the difference between the Sub-fund’s Net Asset Value (prior to deduction of any accrued Performance Fee) and the Sub-fund’s Net Asset Value per share as of the last Valuation Day of the previous Reference Period + the Hurdle Rate.

The “**Hurdle Rate**”, in respect of each Class of Shares, is +4%, applicable for the relevant Reference Period.

For each Calculation Day, if the Out-Performance is positive and if any underperformance previously incurred during the “**Performance Reference Period**” has been recovered before, a Performance Fee shall accrue and according provisions shall be made for the Share Class for which the Performance Fee is payable. In such a case, a Performance Fee amounting to 10% p.a. of the Out-Performance shall be deducted from the Net Asset Value of the relevant Share Class.

The first Reference Period used for the purpose of determining the Performance Reference Period corresponds to the calendar year 2022.

At the time of launch, the hurdle rate will be calculated on a prorata temporis basis until the end of the relevant reference period.

At the end of each Reference Period, the Performance Fee shall be crystallised.

If (i) Shares are redeemed or converted into other shares of any Class of this Sub-Fund or any Class of another existing Sub-Fund of the company, or (ii) the assets of a Sub-Fund or a Class are transferred or merged with those of another Sub-Fund or Class, (iii) a Sub-Fund or a Class are terminated during the Reference Period, the amount of the performance fee included in the Net Asset Value per Share will be due and owed (i.e. crystallized) for these redeemed or converted Shares at the time of redemption or conversion or at the effective date of the merger or at the effective date of termination.

However, no Performance Fee shall crystallise where this Sub-Fund or a Class of Shares of this Sub-Fund is merged with a newly established receiving UCITS or Sub-Fund with no performance history and with an investment policy not substantially different from that of this Sub-Fund. In that case, the performance reference period of this Sub-Fund shall continue applying in the receiving UCITS or Sub-Fund.

The calculation of the Performance Fees and the necessary provisioning take place on each Valuation Day and shall be based on the number of Shares of the respective Share Classes that are currently in circulation.

The Performance Fee shall be payable at the end of the relevant Reference Period in arrears during the first month of the next Reference Period (i.e. in January of each year) for all the Share Classes that levy a performance fee.

The Performance Fee is payable when the following condition applies:

Out-Performance of the Share Class  $t > 0$

If this condition is met, then:

Performance Fee =  $0.1 \times \text{Out-Performance } t \times \text{number of Shares } t$

where:

Out-Performance  $t$  = Out-Performance per Share prior to the provision for the Performance Fee calculated on the relevant Valuation Day.

### Examples of performance fee calculations

Calendar year	NAV/share end of calendar year before performance fees EUR	NAV/share end of calendar year after performance fees EUR	Performance end of calendar year EUR	Hurdle rate %	Over or underperformance %	Underperformance carried forward	Fee rate %	Performance fee due/share EUR
Inception	100.00							
Year 1 (*)	107.00	106.70	7.00%	4.00%	3.00%	0.00%	10.00%	0.3000
Year 2	102.00	102.00	-4.40%	4.00%	-8.40%	-8.40%	10.00%	None
Year 3	106.00	106.00	3.92%	4.00%	-0.08%	-8.48%	10.00%	None
Year 4	118.00	118.00	11.32%	4.00%	7.32%	-1.16%	10.00%	None
Year 5	123.00	123.00	4.24%	4.00%	0.24%	-0.92%	10.00%	None

### 13. Eligible Investors

Share Class I EUR is reserved for Institutional Investors.

Share Class Z EUR is reserved for employees of Midas Wealth Management S.A.

### 14. ESG Disclosure

The ESG incorporation process is mixed and is based on the following approaches: i) Negative Screening, ii) Best-in Class, iii) ESG Integration and iv) Active Engagement.

The Investment Manager promotes sustainability along all countries and businesses, regardless of their size and sector, by directly engaging with them. In addition, the goal is to apply the Principles for Responsible Investment set forth by the United Nations (UN) and to address the UN Sustainable Development Goals.

**i) Negative Screening:** Norms and value based exclusion criteria are applied to all investments of the Sub-Fund, first with reference to the UN's Global Compact. These ensure investments do not breach established fundamental responsibilities across the areas of human rights, labour, environment and anti-corruption. Exclusion criteria also extend to unconventional and controversial weapons (e.g. chemical, biological, nuclear). For all exclusion categories, the applicable criteria may evolve over time. Specific exclusion criteria and thresholds for non-compliant investments relevant at a certain point in time are available on the fund specific website disclosure (see link below).

**ii) Best-in Class:** The Sub-Fund uses the ESG ratings of industry-leading data providers, Thomson Reuters, ISS ESG Sovereign reports and others to assess the ESG performance of single securities. It invests in securities from issuers which perform best in class with regards to the mentioned ESG criteria. The Sub-Fund's best-in-class approach requires a minimum score for all its investments to be considered investable.

**iii) ESG Integration:** When analyzing ESG data, the Investment Manager believes materiality aspects ("sustainability topics that are reasonably likely to be material and to have material impacts on the financial condition or operating performance of companies in an industry") to be of crucial importance to define a company's true ESG value. For this reason, the Midas Materiality Scorecard has been developed. The latter is an internal tool that, taking in consideration the Investment Manager's stakeholders' vision and values, gives a materiality score to the selected corporation, and is largely based on the SASB Materiality Map criteria (see <https://materiality.sasb.org/>). The Investment Manager accepts all companies having a Midas Materiality score of at least 4. Exceptions can be made if additional information, other than the one provided by Thomson Reuters, is believed to increase the score. A Midas Materiality Score for each company will be reviewed annually or as soon as there is a serious controversy.

**iv) Active Engagement:** The ESG team of the Investment Manager (the "ESG Team"), in cooperation with the investment team, defines an 'engagement roadmap' (the "Engagement Roadmap"). The ESG Team engages directly with the company to express its potential concerns and motivate it to work towards improving its materiality aspects. The Engagement Roadmap is defined on a yearly basis by the investment team together with the ESG Team. The Engagement Roadmap is a list of companies to engage with and subsequent aspects to engage on. The list will give priority to companies and/or materiality aspects highlighted during internal sustainability analysis. A minimum of 5 companies per fund is required. Materiality aspects to discuss during the engagement phase derive from the sustainability analysis and/or those aspects having a relatively low score in the Midas Materiality Scorecard.

While the Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "environmentally sustainable investment" within the meaning of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). Accordingly, it should be noted that the Sub-Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with the Taxonomy Regulation is not calculated. Therefore, the "do not significant harm" principle does not apply to any of the investments of the Sub-Fund.

Please visit the following websites, for more product related information:

<https://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html>

<http://www.midas-wealth-management.com/>

Please visit the Investment Manager website for more information about the ESG investment policy and sustainability information:

<http://www.midas-wealth-management.com/>

## 13. SUPPLEMENT 2 – BOND OPPORTUNITIES

### 1. Reference Currency

The Reference Currency of the Sub-Fund is EUR.

### 2. Investment objective

The objective of the Sub-Fund is to achieve capital appreciation over the medium term by investing in a diversified portfolio of fixed income securities.

The Sub-Fund is actively managed and does not intent to track a benchmark.

The Sub-Fund does not follow a dedicated ESG investment strategy and sustainability is neither the objective, nor a mandatory part of the investment process of the Sub-Fund. In particular, the underlying investments of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### 3. Investment policy and specific restrictions

The Sub-Fund shall invest at any time directly or indirectly via collective investment schemes, index trackers funds, or exchange-traded funds (the “**Target Funds**”) at least 50% of its net assets in fixed income asset classes, including Money Market Instruments, bonds, notes and inflation linked bonds. These investments may be made in instruments issued by sovereign or corporate issuers domiciled in developed or emerging markets as well as in instruments rated investment grade or non-rated or rated below investment grade. The Sub-Fund will not actively invest in distressed and defaulted securities which are classified as distressed or defaulted at the time of investment. The emerging markets shall be understood as any country which is not classified as “high-income economy” by the World Bank.

The Sub-Fund may invest in OTC derivatives or in derivatives traded on Regulated Markets for investment and hedging purposes. Such derivatives shall include, but shall not be limited to futures, forwards and options on equities, interest rates, and currencies, as well as credit default swaps. OTC derivatives transactions may only be effected with first-class financial institutions specialising in this type of transactions.

Furthermore, the Sub-Fund may invest in structured products on any asset classes, to the extent that these are issued by first-class financial institutions and are cash-settled (including securities with embedded derivatives such as convertible bonds (including contingent convertible bonds), warrants, credit linked notes, euro medium term notes, certificates indexed on the volatility of the equity markets). The Sub-Fund will only invest in structured products which qualify as Transferable Securities within the meaning of article 41(1) of the 2010 Law and article 2 of the 2008 Regulation. With regards to structured products which embed a derivative, the assets underlying the derivative instruments shall qualify as eligible assets in accordance with article 41(1) of the 2010 Law and article 8 of the 2008 Regulation and may include financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective and policy. To the extent permitted, the structured products may also qualify as Transferable Securities within the meaning of article 41(2) of the 2010 Law.

Additionally, the Sub-Fund may invest directly or indirectly via Target Funds in convertible bonds (including contingent convertible bonds). The Sub-Fund will not invest more than 20% of its net assets in contingent convertible bonds.

Investments in structured products may not exceed 10% of the Sub-Fund's net assets.

The Sub-Fund will not invest more than 10% of its assets into other UCITS or other UCIs.

The Sub-Fund will invest mainly in Euro denominated securities but can invest upto 25% of its net assets in currencies of other OECD members.

The Sub-Fund may, exceptionally and temporarily, hold up to 100% of its assets in cash subject to the risk diversification rules.

When using financial derivative instruments, the Sub-Fund shall ensure, via appropriate diversification of the underlying assets, a similar level of risk spreading as described above. Similarly, the counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and qualification of the relevant counterparty.

The Sub-Fund may borrow on a temporary basis up to 10% of its net assets.

The Sub-Fund will not employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, for the purposes of efficient portfolio management.

#### **4. Investor profile**

The Sub-Fund is intended for retail and Institutional Investors and is suitable for Investors with a three to five-year investment horizon.

#### **5. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund, with a particular attention to the risks "Investments in emerging markets" and "Investment in high yield or Sub-investment grade securities". Investors should also consider the following additional risks which are specific to the Sub-Fund.

##### Contingent convertible bonds

###### Trigger level risk

A contingent convertible bond is a debt instrument which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

###### Unknown risk

Contingent convertible bonds are currently still untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is uncertain whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, activation of a trigger or suspension of coupon payments could cause a broader sell-off of contingent convertible instruments, thereby decreasing liquidity in the market. In an illiquid market, price formation may be increasingly stressed.

###### Coupon cancellation

Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

###### Capital structure inversion risk

Contrary to classic capital hierarchy, with contingent convertible bonds, Investors may suffer a loss of capital when equity holders would not. In certain scenarios, holders of contingent convertible bonds will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down contingent convertible bonds is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

###### Call extension risk

Most contingent convertible bonds are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible bonds may not be called on the pre-defined call date and Investors may not receive return of principal on the call date or at any date.



#### Valuation risk

There are no widely accepted standards for valuing contingent convertible bonds. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

#### Industry concentration risk

As the issuers of contingent convertible bonds may be unevenly distributed across sectors of industry, contingent convertible bonds may be prone to industry concentration risks.

#### Convertible bonds risk

Convertible and exchangeable bonds combine the opportunities and risks of equities and fixed-income securities. Accordingly, potential Shareholders are referred in particular to the notes on interest rate fluctuations and equities set out in Chapter 5, "General Risk Factors". Since prices of convertible and exchangeable bonds depend in large part on those of the underlying shares, combined with the optional component included, the price risk can be higher than that of bonds without conversion options. Furthermore, prices of convertible bonds are also influenced by the general interest rate environment. If a convertible bond is issued in a currency other than that of the underlying share, the corresponding exchange rate risk must also be taken into account.

Since this Sub-Fund may invest in convertible bonds in the lower investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk.

#### Sustainability risks

The Sub-Fund will be exposed to some Sustainability Risks, which will differ from company to company. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

The Sub-Fund may be exposed to regions which might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors.

### **6. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

### **7. Valuation**

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a business day is any day which is defined as a Business Day in the Prospectus.

### **8. Subscriptions**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 12 pm CET on each Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 2 Business Days following the Subscription Day.

### **9. Redemptions**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 12 pm CET on each Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is 2 Business Days following the Redemption Day.

### **10. Conversions**

Each Valuation Day is a Conversion Day. The Cut-Off Time for conversion applications is 12 pm CET on each Conversion Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to Investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request.

Share Class Name	A	B	I	Z
Share ClassCurrency	EUR	EUR	EUR	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C
Currency Hedged Share Class	-	-	-	-
Minimum Subscription	1 Share	100,000 EUR	1,000,000 EUR	1 Share
Minimum Additional Subscription	1 Share	1 Share	1 Share	1 Share
Minimum Holding	None	None	None	None
Maximum Subscription Fee	0%	0%	0%	0%
Maximum Redemption Fee	0%	0%	0%	0%
Maximum Conversion Fee	0%	0%	0%	0%
Management Fee (per annum)	1.03%	0.78%	0.53%	0.23%
Performance Fee	10%	10%	10%	
<i>Taxe d'abonnement (per annum)</i>	0.05%	0.05%	0.01%	0.05%

## 12. Performance fee

The Investment Manager will be entitled to receive a Performance Fee calculated according to the following rules. Each term identified below will have the definition set out below, solely for purposes of the Performance Fee calculation.

The “**Performance Reference Period**” is the time horizon (5 years) over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset.

The “**Reference Period**” will start with the launch of the Sub-Fund or the relevant Share Class, as the case may be, and ends on 31 December of the following year for the first time. Following this date, the Reference Period shall coincide with the calendar year.

The “**Out-Performance**” for any Calculation Day is equal to the difference between the Sub-fund’s Net Asset Value (prior to deduction of any accrued Performance Fee) and the Sub-fund’s Net Asset Value per share as of the last Valuation Day of the previous Reference Period + the Hurdle Rate.

The “**Hurdle Rate**”, in respect of each Class of Shares, is 2%, applicable for the relevant Reference Period.

For each Calculation Day, if the Out-Performance is positive and if any underperformance previously incurred during the “**Performance Reference Period**” has been recovered before, a Performance Fee shall accrue and according provisions shall be for the Share Class for which the Performance Fee is payable. In such a case, a Performance Fee amounting to 10% p.a. of the Out-Performance shall be deducted from the Net Asset Value of the relevant Share Class.

he first Reference Period used for the purpose of determining the Performance Reference Period corresponds to the calendar year 2022.

At the time of launch, the Hurdle Rate will be calculated prorata temporis untill the end of the relevant reference period.

At the end of each Reference Period, the Performance Fee shall be crystallised.

If (i) Shares are redeemed or converted into other shares of any Class of this Sub-Fund or any Class of another existing Sub-Fund of the company, or (ii) the assets of a Sub-Fund or a Class are transferred or merged with those of another Sub-Fund or Class, (iii) a Sub-Fund or a Class are terminated during the Reference Period, the amount of the performance fee included in the Net Asset Value per Share will be due and owed (i.e. crystallized) for these redeemed or converted Shares at the time of redemption.

However, no Performance Fee shall crystallise where this Sub-Fund or a Class of Shares of this Sub-Fund is merged with a newly established receiving UCITS or Sub-Fund with no performance history and with an investment policy not substantially different from that of this Sub-Fund. In that case, the performance reference period of this Sub-Fund shall continue applying in the receiving UCITS or Sub-Fund.

The calculation of the Performance Fees and the necessary provisioning take place on each Valuation Day and shall be based on the number of Shares of the respective Share Classes that are currently in circulation.

The Performance Fee shall be payable at the end of the relevant Reference Period in arrears during the first month of the next Reference Period (i.e. in January of each year) for all the Share Classes that levy a performance fee.

The Performance Fee is payable when the following condition applies:

Out-performance of the Share Class  $t > 0$

If this condition is met, then:

Performance Fee =  $0.1 \times (\text{Out-Performance } t) \times \text{number of Shares } t$

where:

Out-Performance  $t$  = Out-Performance per Share prior to the provision for the Performance Fee calculated on the relevant Valuation Day.

### Examples of performance fee calculations

Calendar year	NAV/share end of calendar year before performance fees EUR	NAV/share end of calendar year after performance fees EUR	Performance end of calendar year EUR	Hurdle rate %	Over or underperformance %	Underperformance carried forward	Fee rate %	Performance fee due/share EUR
Inception	100.00							
Year 1	104.00	103.80	4.00%	2.00%	2.00%	0.00%	10.00%	0.2000
Year 2	101.00	101.00	-2.70%	2.00%	-4.70%	-4.70%	10.00%	None
Year 3	103.50	103.50	2.48%	2.00%	0.48%	-4.22%	10.00%	None
Year 4	109.00	109.00	5.31%	2.00%	3.31%	-0.91%	10.00%	None
Year 5	111.00	111.00	1.83%	2.00%	-0.17%	-1.08%	10.00%	None

### 13. Eligible Investors

Share Class I EUR is reserved for Institutional Investors.

Share Class Z EUR is reserved for employees of Midas Wealth Management S.A.

## **14. SUPPLEMENT 3 – GLOBAL EQUITIES SRI**

### **1. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **2. Investment objective**

The objective of the Sub-Fund is to achieve long-term capital growth by investing primarily in responsible companies.

The Sub-Fund is actively managed and does not intent to track a benchmark.

### **3. Investment policy and specific restrictions**

The Sub-Fund promotes environmental or social characteristics and qualifies under Article 8 of the SFDR. The Sub-Fund's investment process incorporates sustainability considerations into fundamental research and risk considerations and requires companies to be selected also on environmental, social and governance (ESG) criteria which are compliant to the active mixed approach (negative screening, best in class, ESG integration and active engagement) as defined in the Investment Manager's responsible investment policy and as further described in section 16 (ESG Disclosure) below.

In order to achieve its objective, the Sub-Fund will invest directly or indirectly via other UCIs between 75% and 100% in equity and equity type securities, including securities granting voting rights, traded on Regulated Markets. Exposure (as a percentage of the net assets of the Sub-Fund) to small market capitalization stocks (below EUR 500 million) will be limited to 10%.

The equity and equity-type securities selection may include a significant portion in emerging markets. Emerging markets shall be understood as any country which is not classified as "high-income economy" by the World Bank.

The Sub-Fund may invest in derivatives traded on Regulated Markets for investment and/or hedging purposes. Such derivatives shall include, but not be limited to futures, and options on equities and equity indices. The use of the above-mentioned derivatives may result in exposure of up to 110% of the net assets of the Sub-Fund.

When using financial derivative instruments, the Sub-Fund shall ensure, via appropriate diversification of the underlying assets, a similar level of risk spreading as described above.

The Sub-Fund will not invest more than 10% of its net assets into other UCITS or other UCIs.

The Sub-Fund may invest between 0% and 10% in money market instruments, including commercial paper, money market UCITS and bank deposits.

The Sub-Fund will hold strictly less than 10% of receivables (cash, cash equivalent, money market instruments or any other form of receivables) at any time.

The Sub-Fund may invest up to 10% of its net assets in UCITS eligible Exchange Traded Commodities (ETC) on precious metals, in accordance with article 41(1) of the 2010 Law and article 2 of the 2008 Regulation.

The Sub-Fund may borrow on a temporary basis up to 10% of its net assets.

The Sub-Fund will not employ any techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, for the purposes of efficient portfolio management.

### **4. Investor profile**

The Sub-Fund is intended for retail and Institutional Investors and is suitable for Investors with a five year or longer investment horizon.

### **5. Risk information**

Investors should read, be aware of and consider Chapter 5, "General Risk Factors" of the Prospectus, with a particular attention to the risks below:

- "Market risk"
- "Interest rate risk";

- "Credit risk";
- "Foreign exchange risk";
- "Liquidity risk";
- "Financial derivative instruments";
- And the risk information described in the Specific Risks paragraph here after.

## 6. Specific risks

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

### Sustainability risks

The Sub-Fund will be exposed to some Sustainability Risks, which will differ from company to company. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

The Sub-Fund may be exposed to regions which might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors.

## 7. Equity risk

The risks associated to equities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

## 8. Global exposure

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach.

## 9. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a business day is any day which is defined as a Business Day in the Prospectus.

## 10. Subscriptions

The Sub-Fund will be launched upon decision of the Board of Directors.

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 12 pm CET on each Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 2 Business Days following the Subscription Day.

## 11. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 12 pm CET on each Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is 2 Business Days following the Redemption Day.

## 12. Conversions

Each Valuation Day is a Conversion Day. The Cut-Off Time for conversion applications is 12 pm CET on each Conversion Day.

## 13. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to Investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request.

Share Class Name	A	I	D	Z
Share Class Currency	EUR	EUR	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C
Currency Hedged Share Class	-	-	Unhedged Share Class	-

Minimum Subscription	1 Share	200,000 EUR	1 Share	1 Share
Minimum Additional Subscription	1 Share	1 Share	1 Share	1 Share
Minimum Holding	None	None	None	None
Initial Offering Price	-	-	100 CHF	-
Maximum Subscription Fee	0%	0%	0%	0%
Maximum Redemption Fee	0%	0%	0%	0%
Maximum Conversion Fee	0%	0%	0%	0%
Management Fee (per annum)	1.23%	0.83%	1.03%	0.23%
Performance Fee	10%	10%	-	
<i>Taxe d'abonnement (per annum)</i>	0.05%	0.01%	0.05%	0.05%

#### 14. Performance fee

The Investment Manager will be entitled to receive a Performance Fee calculated according to the following rules. Each term identified below will have the definition set out below, solely for purposes of the Performance Fee calculation.

The "**Performance Reference Period**" is the time horizon (5 years) over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset.

The "**Reference Period**" will start with the launch of the Sub-Fund or the relevant Share Class, as the case may be, and ends on 31 December of the following year for the first time. Following this date, the Reference Period shall coincide with the calendar year.

The "**Out-Performance**" for any Calculation Day is equal to the difference between the Sub-fund's Net Asset Value (prior to deduction of any accrued Performance Fee) and the Sub-fund's Net Asset Value per share as of the last Valuation Day of the previous Reference Period + the Hurdle Rate.

The "**Hurdle Rate**", in respect of each Class of Shares, is 6%, applicable for the relevant Reference Period.

For each Calculation Day, if the Out-Performance is positive and if any underperformance previously incurred during the "**Performance Reference Period**" has been recovered before, a Performance Fee shall accrue and according provisions shall be made for the Share Class for which the Performance Fee is payable. In such a case, a Performance Fee amounting to 10% p.a. of the Out-Performance shall be deducted from the Net Asset Value of the relevant Share Class.

The first Reference Period used for the purpose of determining the Performance Reference Period corresponds to the calendar year 2022.

At the time of launch, the Hurdle Rate will be calculated on a prorata temporis basis until the end of the relevant reference period.

At the end of each Reference Period, the Performance Fee shall be crystallized.

If (i) Shares are redeemed or converted into other shares of any Class of this Sub-Fund or any Class of another existing Sub-Fund of the company, or (ii) the assets of a Sub-Fund or a Class are transferred or merged with those of another Sub-Fund or Class, (iii) a Sub-Fund or a Class are terminated during the Reference Period, the amount of the performance fee included in the Net Asset Value per Share will be due and owed (i.e. crystallized) for these redeemed Shares at the time of redemption.

However, no Performance Fee shall crystallise where this Sub-Fund or a Class of Shares of this Sub-Fund is merged with a newly established receiving UCITS or Sub-Fund with no performance history and with an investment policy not substantially different from that of this Sub-Fund. In that case, the performance reference period of this Sub-Fund shall continue applying in the receiving UCITS or Sub-Fund.

The reference period (the “**Reference Period**”) will start with the launch of the Sub-Fund or the relevant Share Class, as the case may be, and ends on 31 December of the relevant year for the first time. Following this date, the Reference Period shall coincide with the calendar year.

The calculation of the Performance Fees and the necessary provisioning take place on each Valuation Day and shall be based on the number of Shares of the respective Share Classes that are currently in circulation.

The Performance Fee shall be payable at the end of the relevant Reference Period in arrears during the first month of the next Reference Period (i.e. in January of each year) for all the Share Classes that levy a performance fee.

The Performance Fee is payable when the following condition applies:

Out-Performance of the Share Class  $t > 0$

If this condition is met, then:

Performance Fee =  $0.1 \times (\text{Out-Performance } t) \times \text{number of Shares } t$

where:

Out-Performance  $t$  = Out-Performance per Share prior to the provision for the Performance Fee calculated on the relevant Valuation Day.

### Examples of performance fee calculations

Calendar year	NAV/share end of calendar year before performance fees EUR	NAV/share end of calendar year after performance fees EUR	Performance end of calendar year EUR	Hurdle rate %	Over or underperformance %	Underperformance carried forward	Fee rate %	Performance fee due/share EUR
Inception	100.00							
Year 1	114.00	113.20	14.00%	6.00%	8.00%	0.00%	10.00%	0.8000
Year 2	105.00	105.00	-7.24%	6.00%	-13.24%	-13.24%	10.00%	None
Year 3	113.00	113.00	7.62%	6.00%	1.62%	-11.62%	10.00%	None
Year 4	130.00	130.00	15.04%	6.00%	9.04%	-2.58%	10.00%	None
Year 5	138.00	138.00	6.15%	6.00%	0.15%	-2.43%	10.00%	None

(\*) First Reference Period

## 15. Eligible Investors

Share Class I EUR is reserved for Institutional Investors.

Share Class Z EUR is reserved for employees of Midas Wealth Management S.A.

## 16. ESG Disclosure

The ESG incorporation process is mixed and is based on the following approaches: i) Negative Screening, ii) Best-in Class, iii) ESG Integration and iv) Active Engagement.

The Investment Manager promotes sustainability along all countries and businesses, regardless of their size and sector, by directly engaging with them. In addition, the goal is to apply the Principles for Responsible Investment set forth by the United Nations (UN) and to address the UN Sustainable Development Goals.

**i) Negative Screening:** Norms and value based exclusion criteria are applied to all investments of the Sub-Fund, first with reference to the UN's Global Compact. These ensure investments do not breach established fundamental responsibilities across the areas of human rights, labour, environment and anti-corruption. Exclusion criteria also extend to unconventional and controversial weapons (e.g. chemical, biological, nuclear). For all exclusion categories, the applicable criteria may evolve over time. Specific exclusion criteria and thresholds for non-compliant investments relevant at a certain point in time are available on the fund specific website disclosure (see link below).

**ii) Best-in Class:** The Sub-Fund uses the ESG ratings of industry-leading data providers, Thomson Reuters, ISS ESG Sovereign reports and others to assess the ESG performance of single securities. It invests in securities from issuers which perform best in class with regards to the mentioned ESG criteria. The Sub-Fund's best-in-class approach requires a minimum score for all its investments to be considered investable.

**iii) ESG Integration:** When analyzing ESG data, the Investment Manager believes materiality aspects (“sustainability topics that are reasonably likely to be material and to have material impacts on the financial condition or operating performance of companies in an industry”) to be of crucial importance to define a company's true ESG

value. For this reason, the Midas Materiality Scorecard has been developed. The latter is an internal tool that, taking in consideration the Investment Manager's stakeholders' vision and values, gives a materiality score to the selected corporation, and is largely based on the SASB Materiality Map criteria (see <https://materiality.sasb.org/>). The Investment Manager accepts all companies having a Midas Materiality score of at least 4. Exceptions can be made if additional information, other than the one provided by Thomson Reuters, is believed to increase the score. A Midas Materiality Score for each company will be reviewed annually or as soon as there is a serious controversy.

**iv) Active Engagement:** The ESG team of the Investment Manager (the "ESG Team"), in cooperation with the investment team, defines an 'engagement roadmap' (the "Engagement Roadmap"). The ESG Team engages directly with the company to express its potential concerns and motivate it to work towards improving its materiality aspects. The Engagement Roadmap is defined on a yearly basis by the investment team together with the ESG Team. The Engagement Roadmap is a list of companies to engage with and subsequent aspects to engage on. The list will give priority to companies and/or materiality aspects highlighted during internal sustainability analysis. A minimum of 5 companies per fund is required. Materiality aspects to discuss during the engagement phase derive from the sustainability analysis and/or those aspects having a relatively low score in the Midas Materiality Scorecard.

While the Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "environmentally sustainable investment" within the meaning of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). Accordingly, it should be noted that the Sub-Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with the Taxonomy Regulation is not calculated. Therefore, the "do not significant harm" principle does not apply to any of the investments of the Sub-Fund.

Please visit the following websites, for more product related information:

<https://www.credit-suisse.com/microsites/multiconcept/en/our-funds.html>

<http://www.midas-wealth-management.com/>

Please visit the Investment Manager website for more information about the ESG investment policy and sustainability information:

<http://www.midas-wealth-management.com/>